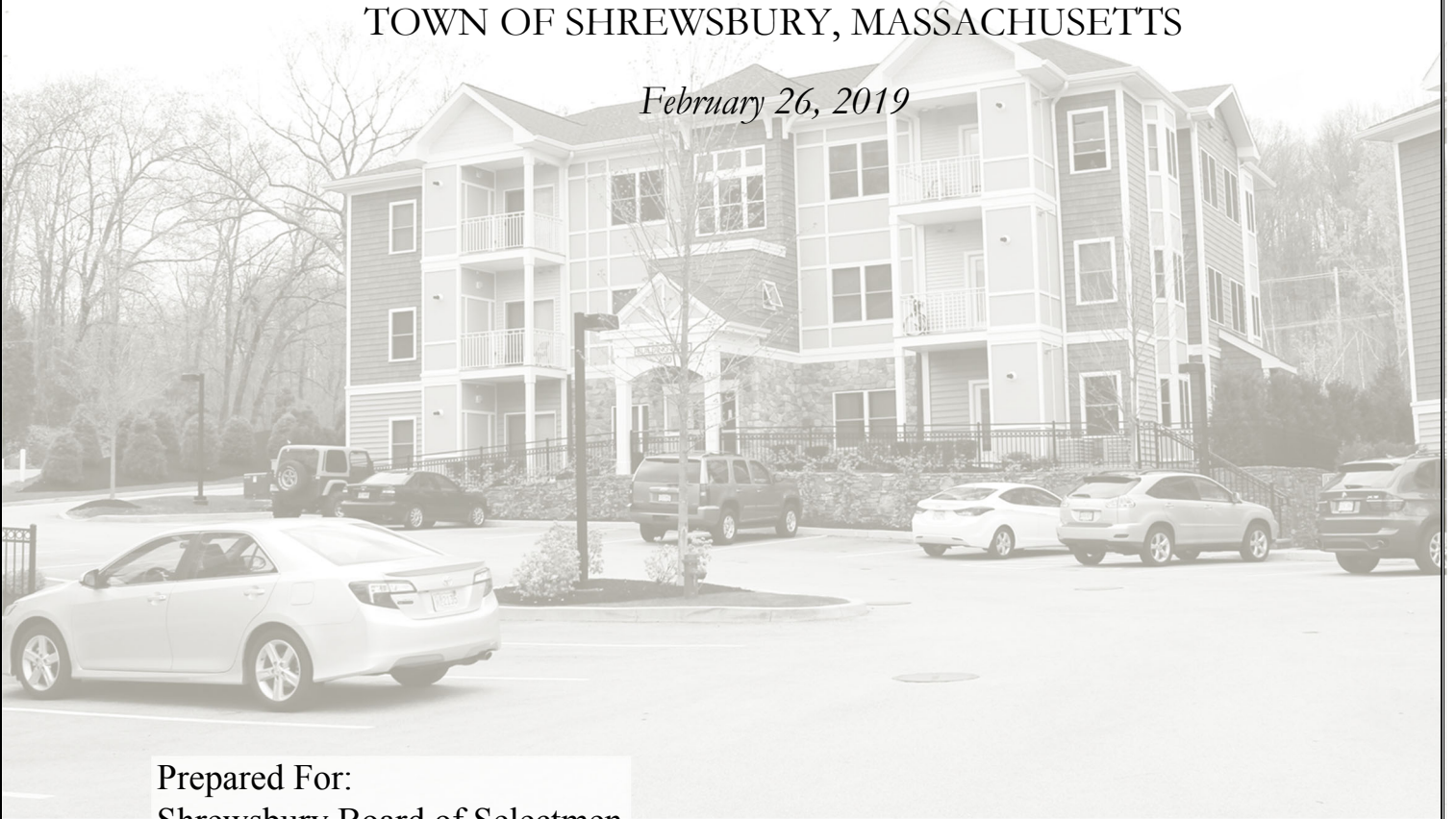


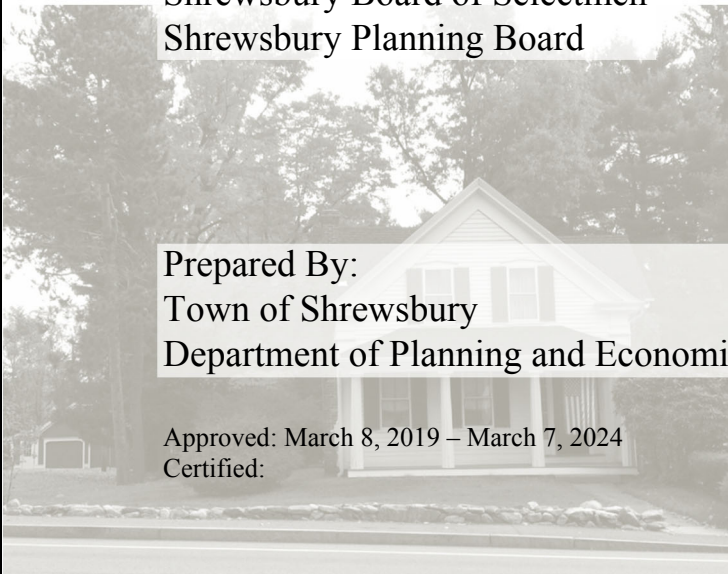
HOUSING PRODUCTION PLAN

TOWN OF SHREWSBURY, MASSACHUSETTS

February 26, 2019



Prepared For:
Shrewsbury Board of Selectmen
Shrewsbury Planning Board



Prepared By:
Town of Shrewsbury
Department of Planning and Economic Development



Approved: March 8, 2019 – March 7, 2024
Certified:



RICHARD D. CARNEY MUNICIPAL OFFICE BUILDING
100 MAPLE AVENUE
SHREWSBURY, MASSACHUSETTS 01545-5398

THIS PAGE
INTENTIONALLY
LEFT BLANK

ACKNOWLEDGEMENTS

The Town of Shrewsbury would like to thank the following for their efforts and contributions to the development of this Housing Production Plan:

Central Massachusetts Regional Planning Commission (CMRPC)

Community Opportunities Group, Inc.

Horsley Witten Group, Inc.

RKG Associates, Inc.

McMahon Associates, Inc.

Town of Shrewsbury, Board of Selectmen

Town of Shrewsbury, Planning Board

Town of Shrewsbury, Planning and Economic Development Department

ACRONYMS

Acronym	Component Phrase
DHCD	Department of Housing and Community Development (Massachusetts)
HUD	U.S. Department of Housing and Urban Development
ZBA	Zoning Board of Appeals
CPA	Community Preservation Act
CMRPC	Central Massachusetts Regional Planning Commission
HPP	Housing Production Plan
FAR	Floor Area Ratio

TABLE OF CONTENTS

Acknowledgements	ii
Acronyms	iii
Index of Figures	vii
Index of Tables.....	vii
Executive Summary	ix
Introduction & Purpose	ix
Community Overview	ix
Summary of Housing Needs Assessment.....	ix
Demographic and Housing Characteristic Summary	ix
Housing Market Summary	x
M.G.L. Chapter 40B.....	x
Housing Development Framework	x
Summary of Development Challenges	xi
Summary of Housing Production Goals.....	xi
Summary of Housing Strategies	xi
Capacity Building Strategies.....	xi
Zoning Strategies.....	xi
Housing Development Strategies	xii
Housing Preservation Strategies.....	xii
Introduction & Purpose	13
Housing Production Plans and M.G.L. Chapter 40B	14
Housing Production Plan Requirements	15
Housing Needs Assessment	17
Community Overview	17
Demographic Characteristics.....	17
Population and Household Trends	17
Population Age.....	20
Race and Ethnicity	22
Disability	24
Income.....	25
Households & Families	25
Housing Supply Characteristics.....	27
Housing by Structural Type	27

Housing by Number of Bedrooms	28
Age of Housing	29
Income Restricted Housing (Subsidized Housing)	29
Housing Market	31
Single Family Home Market	33
Rental Market	34
Foreclosure Activity	35
Development and Building Activity	36
Housing Challenges	37
Regulatory Constraints	37
Limited Community Infrastructure	37
Acquisition Costs	38
Environmental Constraints	38
Housing Production Goals	38
Plan Approval and Certification Requirements	39
Housing to Meet Local and Regional Needs	40
Housing Development Framework	42
Overlay Districts	42
Inclusionary Housing	43
Implementation Strategies	43
Capacity Building Strategies	43
2016 Master Plan Policy H.2.1	44
Promote Adoption of the Community Preservation Act (CPA)	44
Establish an Affordable Housing Trust	45
Continue to Conduct Ongoing Community Outreach and Education	48
Managing Comprehensive Permits	48
Local Initiative Program	49
Zoning Strategies	51
Modify the Zoning Bylaws Provisions for Accessory Apartments	52
2016 Master Plan Policy H1.1	52
Housing Development Strategies	53
Make Suitable Public Property Available for Affordable Housing	53
Pursue Partnership Opportunities for Multi-family and Mixed Use Development	54
Housing Preservation Strategies	55

Infill and Intensification of Existing Development.....	55
Housing Preservation	55
Senior Housing.....	55
Appendix	56
A. Master Plan Implementation.....	56
B. Glossary	57
C. DHCD Affirmative Marketing Plan Requirements	62

INDEX OF FIGURES

Figure 1 – 2012 to 2017 Population Growth Estimates (Shrewsbury)	19
Figure 2 – 2016 Population by Age & Sex Estimates (Shrewsbury)	20
Figure 3 - Screenshot of MassGIS Environmental Justice Viewer	23
Figure 4 - Disability by Type	24
Figure 5 - SMOCAP: Housing units with a Mortgage	32
Figure 6 - SMOCAP: Housing units without a Mortgage	33
Figure 7 - GRAP: Occupied units paying rent.....	33
Figure 8 - New Residential Construction	36

INDEX OF TABLES

Table 1 - Population Trend Estimates by Geography	18
Table 2 - Current Population by Age	21
Table 3 - Population by Ethnicity	23
Table 4 - Disability By Age	24
Table 5 - Median Household and Family Income 2016.....	25
Table 6 - Households & Families 2011-2016	26
Table 7 - Median Income by Household Type (Estimated, 2013)	26
Table 8 - Female Householders 2011 - 2016	27
Table 9 - Structural Characteristics of Housing Units 2016	28
Table 10 - Median Age of Housing Units and Median Number of Rooms by Occupancy	29
Table 11 - Chapter 40B-Eligible Units in Shrewsbury	30
Table 12 - Affordability Mismatch in Shrewsbury	31
Table 13 - Owner Occupied Home Values	34
Table 14 - Rental Housing Costs.....	35
Table 15 - Foreclosure Activity	35
Table 16 - Annual Goals for Affordable Housing Production	39

EXECUTIVE SUMMARY

Introduction & Purpose

This plan builds upon and updates the Affordable Housing Plan that the Town of Shrewsbury completed in July 2004, the Shrewsbury Housing Production Plan completed on November 30, 2012, by Community Opportunities Group, Inc, and the Housing Section of the Shrewsbury Master Plan completed on March 3, 2016, by Horsley-Witten Group, Inc.

This Plan's purpose is to assist the Town in making progress towards the ten percent (10%) statutory minimum under Chapter 40B through increasing its affordable housing inventory and providing its regional fair share of housing for low and moderate income residents, as well as document Shrewsbury's efforts to implement the 2012 Housing Production Plan and outlines a policy framework to guide a continuation of those efforts over the next five years.

Specific accomplishments include:

- Quinn 35 (a.k.a. Lakeway Commons) Permitting, Construction and Occupancy
- Townhouses at Lakeway Commons Permitting, Construction and Occupancy
- The Pointe at Hills Farms Permitting (Comprehensive Permit)
- Payment of \$472,020.76 into the Affordable Housing Trust Fund for payment in lieu of units with an additional \$461,881 pending
- Rezoning language in the Route 20 Overlay District to allow for mixed use housing with an affordable component
- Master Plan Implementation (Housing)
- Expanding Planning Department Capacity

Community Overview

The Town of Shrewsbury remains a desirable suburb, directly east of Worcester, which has continued to absorb a large portion of regional residential growth, while providing a diversity of housing stock and access to the regional metropolitan areas of Providence and Boston. Access to employment and healthcare, coupled with low housing costs and exceptional education opportunities have made Shrewsbury an affordable alternative to surrounding suburban employment centers such as Westborough, Marlborough, and Framingham.

Summary of Housing Needs Assessment

Demographic and Housing Characteristic Summary

Shrewsbury's population features a demographic of predominantly White and Asian aging families with a widening age gap affecting the late twenties to mid-thirties age groups. A growing senior population indicates potential shifts in housing needs and service

demands for the local population. Shrewsbury's residents remain relatively well situated financially, though rising costs and consistent population growth present some challenges, primarily with elderly access to affordable rental units and continued loss of older, modest workforce and starter home stock to large luxury home redevelopments.

Housing Market Summary

Although Shrewsbury has traditionally been an affordable alternative to wealthier communities in the area, the 2012 Housing Production Plan identified home prices in Shrewsbury rising out of reach for many families, due to prices outpacing median income growth. Since 2010, median household income for owner occupied units has grown by twenty percent (20%) while median value of owner occupied units has grown only four percent. Median values dipped between 2010 and 2013 but then quickly recovered in recent years while median incomes grew consistently since 2010.

"Estimates from the 2009-2013 American Community Survey place Shrewsbury's state rank for median household income at 83 out of 351 cities and towns: up from 100 in 2000 and 116 in 1990. In general, the economic position of Shrewsbury households is quite high. Still, the income growth that has occurred in Shrewsbury tends to be concentrated in the Town's younger married-couple households, and there are many people in Shrewsbury with much lower incomes." (Shrewsbury Master Plan, 2016, Horsley Witten Group, Inc.) There is also continued concern that young adults who grew up in Shrewsbury cannot make the choice to remain in Shrewsbury due to the town's high housing costs, despite the Town's historically low tax rates and single-family tax bills.

M.G.L. Chapter 40B

As of January 30, 2019, Shrewsbury has a total of eight hundred and eighty seven (887) units listed on the Subsidized Housing Inventory, making up approximately 6.37% of the thirteen thousand nine hundred and nineteen (13,919) year round housing stock, as reported in the 2010 Census. The majority of owner-occupied units feature three or more bedrooms while the majority of renter-occupied units are studio to two bedroom units. Much of the affordable housing stock was built pre-1970. The owner-occupied units feature a significantly larger portion of pre-1970 built units than renter-occupied, indicating a newer rental stock and older owner-occupied stock for subsidized housing units

Housing Development Framework

Shrewsbury is divided into a number of base zoning districts with additional overlay districts in some areas which may add additional restrictions and considerations or provide alternative development standards. With the exception of the Rural AA District, which applies to one site, Shrewsbury's largest minimum lot area for residential use is twenty thousand square feet (20,000sf), while the smallest minimum lot area is twelve thousand five hundred square feet (12,500sf). In general, Shrewsbury's zoning is fairly permissive, with provisions for multi-family dwellings and two-family homes, and some incentive overlay districts that encourage multifamily and mixed-use developments.

Summary of Development Challenges

The housing needs identified, bring with them a number of challenges that the Town will need to address in order to achieve successful results. These challenges range from regulatory and environmental considerations to challenges of infrastructure and economics. Although progress in many of these areas has been made through comprehensive efforts, additional programming and support will be needed in order to effectively manage their impact.

Summary of Housing Production Goals

In order to qualify for the flexibility that a DHCD-approved Housing Production Plan offers, Shrewsbury needs to reach an affordable housing production goal - a minimum numerical target - and obtain DHCD's certification that the standard has been met. The minimum goal is 0.5 percent of the Town's year-round housing inventory as reported in the most recent decennial census, and the goal has to be achieved within a single calendar year. If DHCD finds that Shrewsbury has met the annual standard, the one-year certification will take effect as of the date that Shrewsbury actually achieved the numerical target for that calendar year. If the Town's new affordable housing production is equal to or greater than the 1 percent of its year-round housing inventory, the certification will remain in effect for two years. With these basics in mind, Table 16 - Annual Goals for Affordable Housing Production provides an estimated target affordable housing production schedule for the five-year period in which this plan will remain in effect.

Summary of Housing Strategies

Capacity Building Strategies

Shrewsbury's Department of Planning and Economic Development expanded its staff capacity throughout 2016 and 2017, and now consists of two (2) full time planning staff under the direction of the Assistant Town Manager. In addition to expanding its staff capacity, the Town must continue to develop and assist the various citizen committees and boards able to address the strategies and tasks identified in the Housing Production Plan and Master Plan. Currently, the Department of Planning and Economic Development is working to establish the Affordable Housing Trust as well as engage the Shrewsbury Housing Authority, whose assistance will be a critical resource as the Town continues to address its affordable housing needs.

Zoning Strategies

Shrewsbury has already taken major steps to zone for higher-density housing and affordable housing. The Town should continue to capitalize on these existing efforts to promote housing diversity and affordability through its own zoning. In addition to the 2012 Housing Production Plan, the 2016 Master Plan also recommends "considering opportunities for zoning to encourage accessory dwellings (apartments or free standing cottage structures) that could address some senior housing needs and also provide housing options for young householders."

Since the publication of the Shrewsbury Master Plan, the Department of Planning and Economic Development as well as the Planning Board and Zoning Board of Appeals

have maintained additional awareness of the protection of onsite vegetation for projects requiring approval. The Planning Board has regularly required that developments triggering Site Plan Review (two-family or multifamily) reduce tree clearing to the maximum extent possible as a condition of approval.

The Department of Planning and Economic Development is currently in the process of proposing amendments to the Shrewsbury Zoning Bylaw to include FAR regulation for the 2019 Annual Town Meeting. If adopted, the town will continue to evaluate the effectiveness of such regulation while considering if adjustments or the addition of the large-lot review process is necessary.

The Department of Planning and Economic Development has reviewed preliminary stages of a potential demolition bylaw, developed by local residents. To date, the Town has lacked the capacity to bring such regulation beyond preliminary stages and has seen limited public support. The Town remains open to discussions regarding this opportunity as it increases its capacity to review and implement such measures effectively.

Housing Development Strategies

The Town continues to evaluate opportunities and strategies for the development of new affordable housing units. Municipal staff consistently engages developers, agencies and other communities both directly and indirectly through public forums, workshops and development of professional resources. As part of this Housing Production Plan, the Department of Planning and Economic Development has reviewed the availability of municipally owned land and the Town's participation in partnership opportunities to generate multi-family and mixed-use developments. The Town remains active in seeking out additional opportunities in this area.

Housing Preservation Strategies

The Department of Planning and Economic Development is currently in the process of developing a permitting guide and evaluating the potential for design guidelines in order to promote characteristics of proposed residential or mixed-use developments that would be preferred by the municipality. The strategies identified in the 2012 Housing Production Plan regarding infill and intensification of existing development, preservation of existing units, and focus on affordable senior housing, remain relevant, if not increasingly necessary, in the current market and context.

INTRODUCTION & PURPOSE

This plan builds upon and updates the Affordable Housing Plan that the Town of Shrewsbury completed in July 2004, the Shrewsbury Housing Production Plan completed on November 30, 2012, and revised January 2013, by Community Opportunities Group, Inc and the Housing Section of the Shrewsbury Master Plan, completed on March 3, 2016, by Horsley Witten Group, Inc. This Plan's purpose is to assist the Town in making progress towards the ten percent (10%) statutory minimum under Chapter 40B through increasing its affordable housing inventory and providing its regional fair share of housing for low and moderate income residents.

In addition, this plan documents Shrewsbury's efforts to implement the 2012 Housing Production Plan and 2016 Master Plan while outlining a policy framework to guide a continuation of those efforts over the next five years. Toward that end, the Town has considered the state's housing plan regulation at 760 CMR 56.03(4), local and regional housing needs, and the regional market's capacity to absorb housing growth.

What has Shrewsbury done since 2012?

The Shrewsbury Housing Production Plan was endorsed by the Board of Selectmen and Planning Board on November 13, 2012. The plan was approved by the Department of Housing and Community Development (DHCD) on February 26, 2013 with an effective date of January 23, 2012.

Since then, Shrewsbury has created twenty seven (27) additional low and moderate income housing units. Shrewsbury has continued its policy of providing a mix of ownership and rental housing while building its internal capacity to manage the affordable housing production process. Specific accomplishments include:

Quinn 35 (a.k.a. Lakeway Commons)

Quinn 35 (a.k.a Lakeway Commons) is a two hundred and fifty (250) unit, mixed use development, which includes ten percent (10%) affordable units. The twenty five (25) affordable units were added to the Subsidized Housing Inventory (SHI) in July 2018.

Townhouses At Lakeway Commons

The Townhomes at Lakeway Commons are a fourteen (14) unit, owner occupied, town-house style development, as part of the overall Lakeway Commons project. The development consists of a number of single, duplex and triplex structures and includes two (2) affordable units.

The Pointe at Hills Farms

The Town has also approved The Pointe at Hills Farms, a two hundred and forty eight (248) rental unit development, through the comprehensive permit process (M.G.L. 40B), and is currently being prepped for construction. We note that at the time of this writing, building permits have not yet been applied for at this site.

Payment in Lieu of Units

Since the adoption of the Inclusionary Zoning Bylaw on October 11, 2005, the Town has generated four hundred and seventy two thousand twenty dollars and

seventy six cents (\$472,020.76), for the dedicated Affordable Housing Trust Fund. This funding will be specifically utilized to assist in completion of tasks related to the generation of affordable housing in Shrewsbury. The Town anticipates an additional one hundred and thirty-one thousand nine hundred and sixty-six dollars (\$131,966) to be added to the fund in connection with a recent development located at 935 Main Street and another three hundred and twenty-nine nine-hundred and fifteen dollars (\$329,915) to be collected in connection with the development located at 579 & 585 Lake Street.

Rezoning language in the Route 20 Overlay District

On May 18, 2017 the Town voted to adopt amended language to the Route 20 Overlay District to allow for mixed use housing with an affordable component. The language is substantially similar to that included in the Lakeway Overlay district which has successfully generated twenty seven (27) affordable units with the completion of the Lakeway Commons mixed-use project. A similar mixed use project is anticipated on the former Edgemere Drive-In property.

Master Plan Implementation

The Department of Planning and Economic Development is in the process of implementing a number of policies outlined by the 2016 Master Plan. Most notably, the Town is reviewing Floor Area Ratio (FAR) regulations in connection with Policy H1.1(b), pursuing Complete Streets funding in connection with Policy H1.2, establishing the Affordable Housing Trust in connection Goal H2, evaluating Accessory Dwelling Units (ADUs) in connection with Policy H3.1, and engaging in regional affordable housing discussions in connection with Policy H4.1.

Expanding Planning Department Capacity

Since 2012, the Planning Department has grown from one full time Town Planner to two (2) full time staff (Town Planner and Assistant Town Planner), overseen by the Assistant Town Manager. Staff has regularly supported the permitting process for affordable housing developments, engaged in affordable housing audits, and continues to attend conferences and regional discussions geared towards affordable housing issues.

Housing Production Plans and M.G.L. Chapter 40B

Massachusetts General Law Chapter 40B encourages cities and towns to work to ensure a minimum of ten percent (10%) of total, year round housing stock, qualifies as affordable to households earning at or below eighty percent (80%) of the area median income¹. Communities which do not meet the ten percent (10%) statutory minimum are eligible for comprehensive permit applications to the local Zoning Board of Appeals, from developers whose projects involve the creation of affordable housing. Under a

¹ The Town of Shrewsbury's area median income is based on The U.S. Department of Housing and Economic Development's county statistics for "Worcester, MA HUD Metro FMR Area". The 2018 area median income for this area is \$85,800.

comprehensive permit application, certain local regulations including zoning may be overridden.

Provisions within the Code of Massachusetts Regulations Title 760 (760 CMR 56.03) allow potential for a local Zoning Board of Appeals' decision to deny a comprehensive permit application to be upheld if certain criteria are met. One such criteria includes the development of a Housing Production Plan, approved by DHCD, with a certain number of affordable housing units being created.

Additional details on the HPP program, including information on compliance, can be found on DHCD's website: <http://www.mass.gov/hed/community/40b-plan/housing-production-plan.html>.

Housing Production Plan Requirements

The requirements for production of an applicable Housing Production Plan are regulated in accordance with Title 760 CMR 56.03(4). The Housing Production Plan must contain at a minimum the following elements, covering a time period of five years:

1. Comprehensive Housing Needs Assessment examining:
 - a. The most recent available census data of the municipality's demographics and housing stock, together with a projection of future population and housing needs, taking into account regional growth factors, that covers the entire time period of the plan.
 - b. Development constraints and limitations on its current and future needs, and the municipality's plans to mitigate those constraints.
 - c. The capacity of the municipality's infrastructure to accommodate the current population and anticipated future growth, including plans for enlargement or expansion of existing infrastructure systems to ensure that both current and future needs are met.
2. Affordable Housing Goals addressing:
 - a. A mix of types of housing, consistent with local and regional needs and feasible within the housing market in which they will be situated, including rental, homeownership, and other occupancy arrangements, if any, for families, individuals, persons with special needs, and the elderly.
 - b. A numerical goal for annual housing production, pursuant to which there is an increase in the municipality's number of SHI Eligible Housing units by at least 0.50% of its total units².
3. Implementation Strategies and Schedule including to the extent applicable:
 - a. Identification of zoning districts or geographic areas in which the municipality proposes to modify current regulations for the purposes of creating SHI Eligible Housing developments to meet its housing production goal.
 - b. Identification of specific sites for which the municipality will encourage the filing of Comprehensive Permit applications.

² As determined in accordance with 760 CMR 56.03(3)(a) during every calendar year included in the HPP, until the overall percentage exceeds the Statutory Minimum set forth in 760 CMR 56.03(3)(a).

- c. Characteristics of proposed residential or mixed-use developments that would be preferred by the municipality (i.e. cluster developments, adaptive re-use, transit-oriented housing, mixed-use development, inclusionary housing, etc.)
- d. Municipally owned parcels for which the municipality commits to issue requests for proposals to develop SHI Eligible Housing.
- e. Participation in regional collaborations addressing housing development.

The Housing Production Plan must also be adopted by the Town's Planning Board and Board of Selectmen, following which the Chief Executive Officer may submit the Housing Production Plan to DHCD for its approval.

HOUSING NEEDS ASSESSMENT

Community Overview

The town of Shrewsbury is a desirable suburb, located directly east of Worcester and approximately an hour's drive from Boston and Providence. The closest connection to the Boston-Worcester commuter rail is in Grafton and Westborough. Shrewsbury is the most populous town in the Greater Worcester area, bordered by the towns of Boylston, Grafton, Northborough, West Boylston, and Westborough. Residents have easy access to jobs, educational and cultural facilities, and health care in Boston, Worcester, as well as the suburban employment centers nearby such as Westborough, Marlborough, and Framingham.

Positive regional conditions have had a marked effect on the local housing market including consistent growth in population, new construction and redevelopment. Shrewsbury allows multi-family housing by right in many parts of town, which makes it regionally unique and contributes to a diversity of housing stock. Its historically low housing costs and exceptional school system make it an attractive community for families with children. However, rising home prices in Shrewsbury and the surrounding communities have become unattainable for many, including younger families and elderly populations while creating challenges for maintaining a diverse housing stock.

Despite the diverse housing stock featured in Shrewsbury with neighborhoods ranging from older, moderately dense residential areas near the Town Center to new, upscale subdivisions scattered throughout the north and south sides of Town, Shrewsbury's housing inventory is dominated by detached single-family homes on relatively small lots³. As developable open land supply has continued to dwindle, demand has not. This, in addition to Shrewsbury's relatively permissive zoning, have continued to present both opportunities and challenges with new housing development in town.

Demographic Characteristics

Shrewsbury's population features a demographic of predominantly White and Asian aging families with a widening age gap affecting the late twenties to mid-thirties age groups. A growing senior population indicates potential shifts in housing needs and service demands for the local population. Shrewsbury's residents remain relatively well situated financially, though rising costs and consistent population growth present some challenges, primarily with elderly access to affordable rental units and continued loss of older, modest workforce and starter home stock to large luxury home redevelopments.

Population and Household Trends

Since the post-war construction boom between 1940 and 1960, Shrewsbury has seen consistent and steady population growth at a markedly increasing rate in recent years. Shrewsbury has experienced the highest 20-year growth rate, and the second highest

³ *Shrewsbury Master Plan*, 2016, Horsley Witten Group, Inc.

decennial growth rate, in the immediate region⁴. Shrewsbury grew by twelve and a half percent (12.5%) between 2000 and 2010, a rate twice as fast as Worcester County and four times faster than Massachusetts as a whole⁵.

From 2012 to 2017, Shrewsbury experienced a four percent (4%) growth in population, on pace with Westborough and Grafton, and only behind Boylston's six percent (6%) growth. Compared to Massachusetts' three percent (3%) growth and Worcester County's two percent (2%) growth, this figure remains high (See Table 1 - Population Trend Estimates by Geography).

Table 1 - Population Trend Estimates by Geography

<i>Geography</i>	<i>Population Estimate (as of July 1)</i>						<i>% Growth</i>
	2012	2013	2014	2015	2016	2017	
Massachusetts	6,659,627	6,711,138	6,757,925	6,794,002	6,823,721	6,859,819	3%
Worcester County	806,765	810,849	815,262	818,339	820,681	826,116	2%
Boylston	4,392	4,433	4,474	4,527	4,572	4,634	6%
Grafton	18,051	18,172	18,375	18,525	18,640	18,761	4%
Millbury	13,316	13,411	13,453	13,504	13,575	13,733	3%
Northborough	14,643	14,748	14,898	14,946	14,963	15,033	3%
SHREWSBURY	36,074	36,317	36,536	36,694	36,701	37,387	4%
Westborough	18,384	18,608	18,772	18,877	18,958	19,109	4%
West Boylston	7,860	7,835	7,852	7,827	7,865	8,056	2%
Worcester	182,627	183,421	184,592	184,873	185,119	185,677	2%

Source: U.S. Census Bureau, Population Division - Annual Estimates of the Resident Population (April 1, 2010 to July 1, 2017)

Shrewsbury's population trend remains positive, forecasting additional growth and demand. However, the recent flux of stagnation from 2015 to 2016 followed by significant increase in population in 2017 may indicate that only larger scale projects are sustaining such patterns while smaller scale projects are becoming limited [See Figure 1 – 2012 to 2017 Population Growth Estimates (Shrewsbury)]. Further analysis with subsequent editions of this Housing Production Plan may lend additional insight.

⁴ Communities Opportunities Group, Inc., (January 2013) 2012 Shrewsbury Housing Production Plan

⁵ State Data Center, "Population of Massachusetts Cities, Towns & Counties: Census Counts, 1930-2010," U-Mass

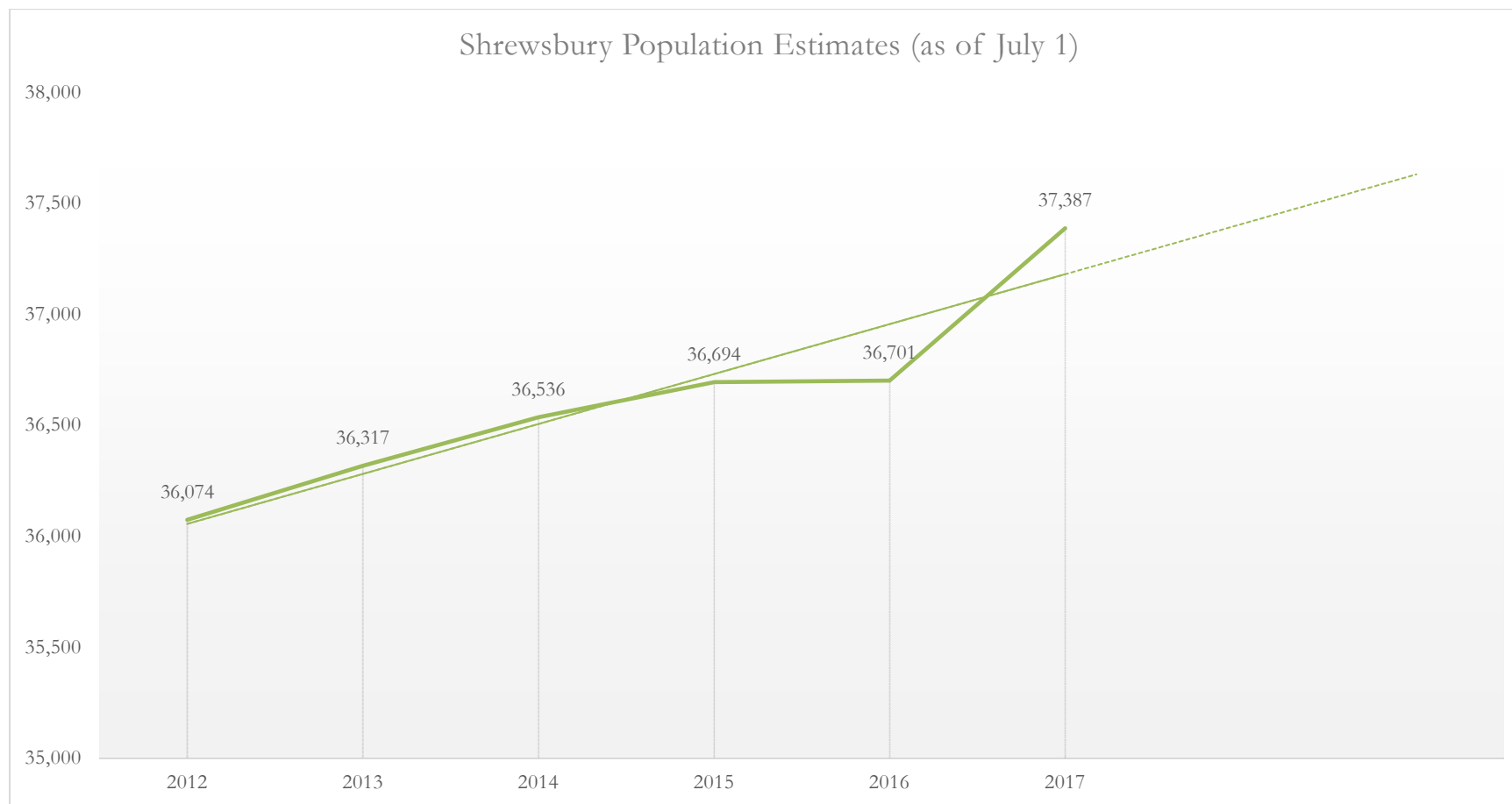


Figure 1 – 2012 to 2017 Population Growth Estimates (Shrewsbury)

Population Age

Shrewsbury's age groups are predominantly ages forty to fifty-four (40-54) and ages five to twenty-four (5-24), which is consistent with a demographic of families with school aged children. The median age is forty-one (41)⁶. A significant age gap exists for residents aged twenty-five to thirty-four (25-34). Although a number of complex factors are likely contributing, rising housing costs and a lack of available starter homes is a potential factor, relevant to this assessment. Further analysis comparing average incomes by age with local mortgage and rental rates could help further evaluate this notion and is recommended with the 2020 census update.

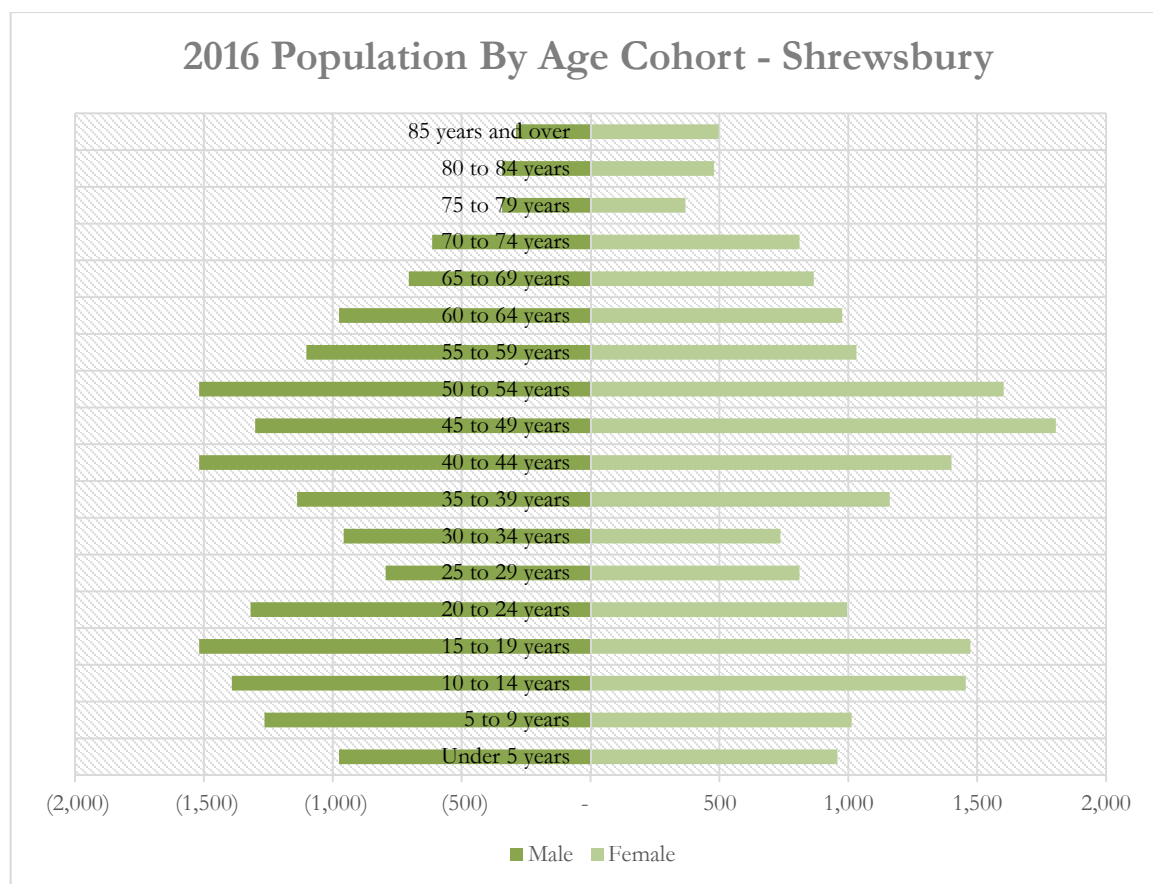


Figure 2 – 2016 Population by Age & Sex Estimates (Shrewsbury)⁷

Since 2010, Shrewsbury's population has changed significantly. The age groups of under nine years (<9) and seventy-five to seventy-nine (75-79) saw the largest decreases, while the ages of fifteen to twenty-four (15-24) and seventy to seventy-four (70-74) saw the largest increases. This change would seem consistent with a previous population of families and retirees aging in place, but also indicates notable population swings of the older

⁶ Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates

⁷ Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates

demographics. In regards to housing, this may be due to an elderly population looking to downsize combined with growing trends of families living with grandparents in nearby housing or accessory apartments. Additional research into housing tenure by age may assist in further evaluating this trend and is recommended with the 2020 census update.

National trends continue to include an increasingly ageing population looking for downsized housing and retirement communities coupled with a highly mobile “millennial” generation of young professionals seeking out starter home opportunities. Provisions in the Shrewsbury Bylaw encourage development of Over 55 age restricted housing which should help to provide a sufficient stock for the ageing population, but may limit opportunities for younger demographics.

Table 2 - Current Population by Age

AGE COHORT	2010	2013	2016	PERCENT CHANGE
UNDER 5 YEARS	2,513	2,026	1,934	-23%
5 TO 9 YEARS	2,764	2,528	2,278	-18%
10 TO 14 YEARS	2,640	2,757	2,847	8%
15 TO 19 YEARS	2,184	2,809	2,992	37%
20 TO 24 YEARS	1,781	2,021	2,314	30%
25 TO 29 YEARS	2,001	1,851	1,606	-20%
30 TO 34 YEARS	2,169	2,042	1,695	-22%
35 TO 39 YEARS	2,451	2,403	2,299	-6%
40 TO 44 YEARS	3,165	3,030	2,918	-8%
45 TO 49 YEARS	3,162	3,081	3,107	-2%
50 TO 54 YEARS	2,239	2,796	3,121	39%
55 TO 59 YEARS	1,984	2,063	2,134	8%
60 TO 64 YEARS	1,402	1,666	1,952	39%
65 TO 69 YEARS	1,363	1,521	1,571	15%
70 TO 74 YEARS	758	1,026	1,425	88%
75 TO 79 YEARS	948	701	712	-25%
80 TO 84 YEARS	701	774	822	17%
85 YEARS AND OVER	740	773	787	6%

Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates

Compared to the most recent Housing Production Plan statistics and analysis, Shrewsbury’s population categories are shifting in a pattern consistent with families aging in place and a growing over seventy (70+) population. As noted in the 2012 Shrewsbury Housing Production Plan, the middle-aged population will continue to age in place, becoming seniors while the elderly live longer, leading to a need for a variety of senior housing options. Both affordable and market-rate options for traditional independent living units for rent, units with some associated social and health services and assisted living residences will remain in demand with attendant needs for adult day care facilities as well. Shrewsbury may also wish to encourage development of additional housing options for

young professionals and families to close the existing age gap and retain the student age population.

Race and Ethnicity

Shrewsbury continues to have more racial and ethnic diversity than Worcester County or the state as a whole, but overall, has remained fairly homogeneous. The Asian population constitutes the largest racial minority group in Shrewsbury, accounting for approximately seventeen percent (16.6%) of the total population. Compared to the county and state populations, the Asian demographic continues to be overrepresented in Shrewsbury, while the Black or African American, and Hispanic or Latino communities are significantly underrepresented. The limited presence of black, African American, Hispanic, and Latino residents contributes to a perception that Shrewsbury is “unwelcoming” to minorities⁸.

“According to the Census Bureau, the foreign-born population from India is generally the most well educated of all immigrant groups in the U.S., with about 74 percent of its 25-and-over population holding at least a four-year degree. The Asian Indian community’s labor force participation rate and median earnings exceed those of other immigrant groups, and the overwhelming majority of its workers have science, engineering, technology, or management jobs. A spokesperson for the India Society of Worcester says the Worcester metro area’s colleges and science oriented employment base play a significant role in attracting Asian Indians to the region. The excellent reputation of Shrewsbury’s public schools makes the Town very attractive to Indian families – many of whom are younger, on average, than their American neighbors. Due to the importance of education for their children, Asian Indian families took pride in promoting Shrewsbury’s recent override of Proposition 2 ½ (much of which concerned funding for the schools) and debt exclusion for a new \$23 million public library. There are other indicators in Shrewsbury of the high value that international newcomers place on education. For example, Shrewsbury is also home to the first accredited Islamic school in the state, Al-Hamra Academy.” (*Shrewsbury Master Plan*, 2016, Horsley Witten Group, Inc.)

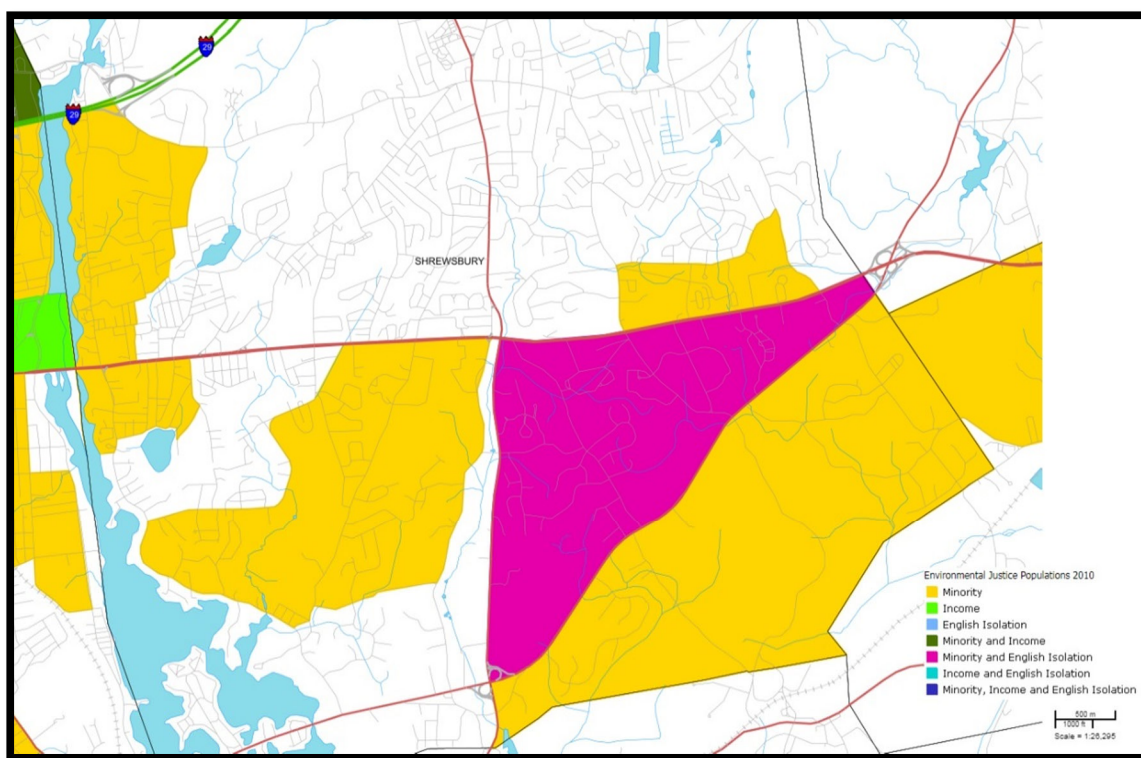
MassGIS Environmental Justice Viewer, as accessed January 3, 2018 (2010 data) shows Shrewsbury’s minority population to be predominantly located to the south east, with the English isolated population located in neighborhoods between Route 9 and Route 20. Additional outreach in these areas as identified will assist in engaging and including these populations in municipal efforts. It is recommended that the Environmental Justice populations be reassessed with the 2020 census update to evaluate if these communities have shifted geographically. Such information is critical to ensure continued equitable outreach and engagement of minority populations.

⁸ Sharon Yager (Director, Shrewsbury Council on Aging) and Walter Rice (Social Worker/Outreach Coordinator, Shrewsbury Council on Aging), interview by Community Opportunities Group, Inc., February 15, 2012.

Table 3 - Population by Ethnicity

	Massachusetts		Worcester County		SHREWSBURY	
	Number	Percent	Number	Percent	Number	Percent
Total Population	6,742,143	100.0%	813,589	100.0%	36,494	100.0%
White	5,343,665	79.3%	689,496	84.7%	27,767	76.1%
Black or African American	489,233	7.3%	39,053	4.8%	1,403	3.8%
American Indian and Alaska Native	13,931	0.2%	1,511	0.2%	23	0.1%
Asian	411,736	6.1%	37,036	4.6%	6,059	16.6%
Native Hawaiian and Other Pacific Islander	2,002	0.0%	161	0.0%	-	0.0%
Other Race (Unspecified)	278,562	4.1%	24,435	3.0%	308	0.8%
Two or More Races	203,014	3.0%	21,897	2.7%	934	2.6%
Hispanic or Latino (All Races)	731,739	10.9%	85,228	10.5%	1,340	3.7%

Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates

**Figure 3 - Screenshot of MassGIS Environmental Justice Viewer⁹**⁹ http://maps.massgis.state.ma.us/map_ol/ej.php (Accessed January 3, 2019)

Disability

According to American Community Survey (ACS), there are approximately three thousand four hundred and thirty-six (3,436) people in Shrewsbury with at least one disability. Seniors have the highest incidence of disability, and the most common disabilities reported among elderly residents include, ambulatory difficulty, cognitive difficulty, and/or difficulty with living independently. The number of seniors dealing with a disability has significant implications for local government service delivery and community housing needs. As the number of elderly residents continue to increase, the number of people needing affordable and accessible housing, transportation, medical care, and a variety of social, recreational, and leisure services will also continue to rise.

Table 4 - Disability By Age

AGE	TOTAL	WITH DISABILITY	PERCENT
UNDER 5 YEARS	1,756	0	0.0%
5 TO 17 YEARS	7,013	369	5.3%
18 TO 34 YEARS	6,575	319	4.9%
35 TO 64 YEARS	15,668	991	6.3%
65 TO 74 YEARS	3,318	696	21.0%
75 YEARS AND OVER	2,297	1061	46.2%

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

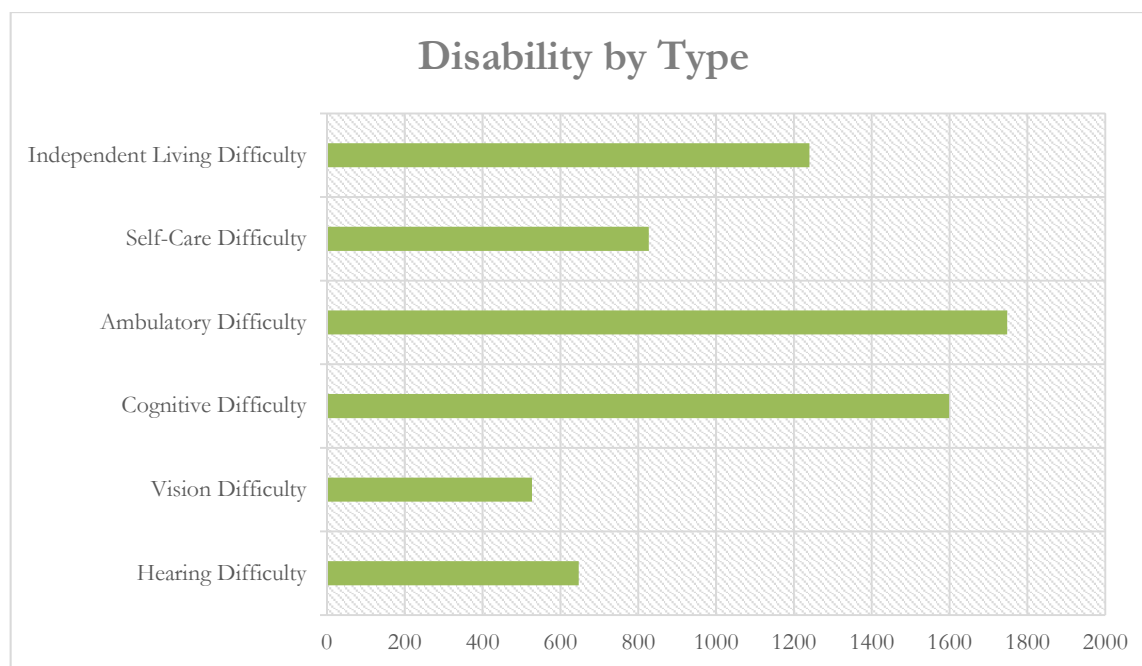


Figure 4 - Disability by Type¹⁰

¹⁰ Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

Income

Shrewsbury residents tend to be financially well-situated with both the median household income and median family income higher than in Massachusetts or Worcester County. However, the Town's median family income ranks just fourth among neighboring communities. Even though Shrewsbury's households continue to have relatively high incomes, the percent of households having an annual income below \$35,000 has risen to seventeen percent (16.8%)¹¹. Recent developments in town, such as Lakeway Commons, which include affordable housing components may be contributing to this trend, as Shrewsbury moves towards its affordability goals.

Table 5 - Median Household and Family Income 2016

	<i>Median Household Income</i>	<i>Median Family Income</i>
Massachusetts	70,954	90,180
Worcester County	67,005	85,560
<i>Boylston</i>	93,197	111,622
<i>Grafton</i>	96,277	125,071
<i>Millbury</i>	72,566	88,622
<i>Northborough</i>	110,147	123,876
SHREWSBURY	98,790	116,978
<i>West Boylston</i>	74,005	92,083
<i>Westborough</i>	106,915	130,919
<i>Worcester</i>	45,599	58,604

Source: 2012-2016 American Community Survey 5-Year Estimates S1903

Households & Families

In the 2012 Housing Production plan and housing section of the 2016 Master Plan, it was noted that the growth in population was outpacing the growth in households, despite the town absorbing considerable household growth compared with surrounding communities. The most recent data now shows a decrease in households with only a slight increase in families. This may be due to Shrewsbury's allowance for in-law apartments, which would allow larger family units to reside in the same household, coupled with 2016's low population growth. The 2017 population estimates, however, show increased growth which may be an indication of newly available households being infilled.

The 2012 Housing Production Plan identified that the number of female-headed households with no husband present has continued to increase in Shrewsbury with the growing number of single women, especially with children, as a continued concern for service providers, noting that many women live in homes they can no longer afford and

¹¹ Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

struggle to keep their families stable during and after divorces¹². The 2016 Master plan identified single women with children and elderly women living alone as a continued financially vulnerable population. Though generally above Massachusetts and Worcester County, these populations remain low compared to surrounding communities. In fact, the median income of elderly women living alone is below the state median, further illustrating a critical need for affordable senior housing.

Table 6 - Households & Families 2011-2016

	2011 ACS		2016 ACS		PERCENT CHANGE	
	Households	Families	Households	Families	Households	Families
Massachusetts	2,522,409	1,603,940	2,558,889	1,627,194	1.45%	1.45%
Worcester County	299,089	202,179	302,794	200,270	1.24%	-0.94%
<i>Boylston</i>	1,676	1,169	1,723	1,203	2.80%	2.91%
<i>Grafton</i>	6,376	4,359	6,807	4,747	6.76%	8.90%
<i>Millbury</i>	5,166	3,669	5,267	3,639	1.96%	-0.82%
<i>Northborough</i>	5,114	3,891	5,117	4,052	0.06%	4.14%
SHREWSBURY	13,095	9,622	12,909	9,627	-1.42%	0.05%
<i>West Boylston</i>	2,308	1,538	2,056	1,415	-10.92%	-8.00%
<i>Westborough</i>	6,720	4,651	6,757	4,808	0.55%	3.38%
<i>Worcester</i>	70,248	40,622	69,204	38,218	-1.49%	-5.92%

Source: 2007-2011 & 2012-2016 American Community Survey 5-Year Estimates S1101

Table 7 - Median Income by Household Type (Estimated, 2013)

Geography	Families (Total)	Married Couples with Children	Female Head of Household	Male Head of Household	Nonfamily Households (Total)	Elderly Women Living Alone
Worcester County	\$81,519	\$106,117	\$28,311	\$46,042	\$34,334	\$18,749
Massachusetts	\$84,900	\$113,187	\$28,116	\$44,880	\$38,862	\$20,305
<i>Boylston</i>	\$124,653	\$178,125	\$57,885	\$ -	\$53,158	\$22,852
<i>Grafton</i>	\$109,515	\$135,739	\$41,118	\$40,893	\$44,175	\$16,683
<i>Northborough</i>	\$124,128	\$133,345	\$57,386	\$91,458	\$38,953	\$22,813
SHREWSBURY	\$107,955	\$135,183	\$34,847	\$77,621	\$40,376	\$19,703
<i>West Boylston</i>	\$126,902	\$141,250	\$51,382	\$ -	\$61,682	\$30,136
<i>Westborough</i>	\$87,569	\$113,156	\$70,592	\$67,917	\$46,607	\$35,172
<i>Worcester</i>	\$57,704	\$76,798	\$21,329	\$30,758	\$30,922	\$16,250

Source: American Community Survey Five-Year Estimates 2009-2013, and RKG Associates

¹² Elaine LeBlanc (Director of Human Services, St. Anne's Church), interview by Community Opportunities Group, Inc., February 14, 2012 and Maureen O'Hagan (MCO Housing Services), interview by Community Opportunities Group, Inc., February 7, 2012.

Table 8 - Female Householders 2011 - 2016

	2011 ACS		2016 ACS		PERCENT CHANGE	
	Total	With Children	Total	With Children	Total	With Children
Massachusetts	309,899	175,539	319,661	170,580	3.15%	-2.83%
Worcester County	36,023	21,191	36,967	20,675	2.62%	-2.43%
Boylston	109	43	140	80	28.44%	86.05%
Grafton	630	384	591	282	-6.19%	-26.56%
Millbury	671	301	556	258	-17.14%	-14.29%
Northborough	421	227	322	169	-23.52%	-25.55%
SHREWSBURY	1,030	573	1,322	629	28.35%	9.77%
West Boylston	232	121	163	97	-29.74%	-19.83%
Westborough	380	119	468	283	23.16%	137.82%
Worcester	11,938	7,657	10,912	6,276	-8.59%	-18.04%

Source: 2007-2011 & 2012-2016 American Community Survey 5-Year Estimates DP02

Housing Supply Characteristics

Shrewsbury continues to have consistent levels of new development primarily through infill of existing neighborhoods, subdivision of larger “estate lots”, and conversions of existing housing stock to higher density units. New construction is diverse including single family, two family and multifamily units. There has also been increased interest and development of age restricted housing (over 55) in recent years.

The consistent development has allowed Shrewsbury’s housing stock to remain relatively young. Though fairly consistent with regional trends, the size of owner occupied units has shown considerable growth in bedroom count while the size of renter-occupied units have decreased. These trends together have contributed to a shift in the character of some neighborhoods and increased concerns from residents in regards to the massing of new structures in established neighborhoods.

Housing by Structural Type

Shrewsbury’s housing stock has continued to be fairly diverse. With the exception of Westborough and Worcester, Shrewsbury continues to have more multi-family units than any of its neighbors. Town still falls shy of the percentage of multi-family housing available in either Massachusetts or Worcester County. Attached single-family homes and two-family homes account for approximately twelve percent (12%) of the Town’s housing, which is a slightly higher portion of the total housing stock than in 2010. This indicates continued densification of existing neighborhoods.

Table 9 - Structural Characteristics of Housing Units 2016

	TOTAL UNITS	SINGLE DETACHED	SINGLE ATTACHED	TWO- FAMILY	MULTI- FAMILY	OTHER
Massachusetts	2,836,658	52.20%	5.30%	10.20%	31.50%	0.80%
Worcester County	329,285	56.30%	6.20%	8.50%	28.20%	0.80%
<i>Boylston</i>	1,831	81.60%	4.90%	6.10%	7.40%	0.00%
<i>Grafton</i>	7,179	59.30%	15.30%	4.40%	20.50%	0.70%
<i>Millbury</i>	5,621	63.10%	9.30%	9.30%	17.90%	0.40%
<i>Northborough</i>	5,327	76.70%	6.00%	5.90%	11.40%	0.00%
SHREWSBURY	13,847	63.60%	6.90%	5.20%	23.80%	0.50%
<i>West Boylston</i>	2,176	71.30%	10.90%	5.80%	11.30%	0.70%
<i>Westborough</i>	7,238	49.80%	8.00%	4.50%	37.60%	0.10%
<i>Worcester</i>	76,173	31.30%	6.50%	9.50%	52.20%	0.40%

Source: 2012-2016 American Community Survey 5-Year Estimates DP04

Housing by Number of Bedrooms

Owner-occupied units in Shrewsbury are average in bedroom count among surrounding towns but greater than state and county averages. Renter-occupied units are among the lowest in bedroom count of surrounding communities, matching Westborough and falling below state and county averages. The median bedroom count for owner occupied units has risen slightly since 2010, while the median bedroom count for renter-occupied units has dropped slightly. This widening bedroom gap should be further evaluated in the 2020 census update to determine if this trend is continuing and assess potential local impacts. A continued increase of owner-occupied bedroom count and decreased renter-occupied bedroom count may indicate a reduction in the availability of starter home and downsize units which are projected to increase in demand according to the aging demographic profile of Shrewsbury, identified in the Housing Needs Assessment.

Table 10 - Median Age of Housing Units and Median Number of Rooms by Occupancy

	MEDIAN YEAR STRUCTURE BUILT	MEDIAN NUMBER OF ROOMS		
		All Units	Owner- Occupied	Renter- Occupied
Massachusetts	1959	5.6	6.5	4.1
Worcester County	1962	5.8	6.5	4.2
<i>Boylston</i>	1969	7	7.4	4.5
<i>Grafton</i>	1980	6.4	7.3	4.2
<i>Millbury</i>	1966	5.7	6.2	4.3
<i>Northborough</i>	1974	7	7.4	4.6
SHREWSBURY	1974	6.4	7.3	3.8
<i>West Boylston</i>	1960	6.3	6.5	4.3
<i>Westborough</i>	1976	6.2	7.8	3.8
<i>Worcester</i>	1943	5.1	6	4.4

Source: 2012-2016 American Community Survey 5-Year Estimates B25035 B25021

Age of Housing

On average, Shrewsbury's housing stock, primarily constructed in the mid to late 90's, remains younger than most of the surrounding towns with the exception of Grafton and Westborough. Shrewsbury's housing stock also remains younger than the county and state median age. The median age of Shrewsbury's housing stock has decreased by one year since 2010, which may indicate a slowing of new development or a shifting focus to renovation of existing properties.

Income Restricted Housing (Subsidized Housing)

As of January 30, 2019, Shrewsbury has a total of eight hundred and eighty seven (887) units listed on the Subsidized Housing Inventory, making up approximately 6.37% of the thirteen thousand nine hundred and nineteen (13,919) year round housing stock, as reported in the 2010 Census. The majority of owner-occupied units feature three or more bedrooms while the majority of renter-occupied units are studio to two bedroom units. Much of the affordable housing stock was built pre-1970. The owner-occupied units feature a significantly larger portion of pre-1970 built units than renter-occupied, indicating a newer rental stock and older owner-occupied stock for subsidized housing units.

Table 11 - Chapter 40B-Eligible Units in Shrewsbury

Name	Location	Type	SHI Units	Affordability Expires
Shrewsbury Towers	36 North Quinsigamond Ave	Rental	99	Perpetuity
N/A	Francis Ave	Rental	100	Perpetuity
N/A	Elizabeth Street	Rental	36	Perpetuity
N/A	South St	Rental	4	Perpetuity
N/A	Scattered site	Rental	13	Perpetuity
Town Arbor	100 Arbor Drive	Rental	302	Perpetuity
DDS Group Homes	Confidential	Rental	24	N/A
DMH Group Homes	Confidential	Rental	8	N/A
Audubon Shrewsbury fka Avalon Shrewsbury	870 Hartford Turnpike	Rental	251	Perpetuity
Madison Place	100-900 Madison Place	Rental	15	Perpetuity
Grove Meadow Farms	Lake Street	Ownership	2	Perpetuity
Lakeshore Development	North Quinsigamond Ave	Ownership	1	Perpetuity
Ridgeland Road	Ridgeland Road	Rental	5	Perpetuity
Quinn 35	35 Harrington Ave	Rental	25	Perpetuity
Lakeway Commons Townhouses	Olympia Avenue, Baker Avenue and Muzzy Avenue	Ownership	2	Perpetuity
Total SHI Units:			887	

Source: DHCD, as of January 30, 2019.

Most towns have some modest, older single-family homes that are relatively affordable and apartments with low monthly rents. However, housing that is affordable due to its age, condition, limited amenities, or location is not necessarily occupied by low- or moderate-income people. The U.S. Department of Housing and Urban Development reports data for an affordable housing barrier known as affordability mismatch, or housing units that are affordable but unavailable to lower-income households because higher-income households already live in the units. Affordability mismatch measures: The number of housing units in a community with rents or home values affordable to people with very low incomes (at or below 30 percent AMI), low incomes (between 31 and 50 percent AMI), and moderate incomes (between 51 and 80 percent AMI); The number of households in each income tier; How many of those households live in units they can afford, and how many of the affordable units have a high probability of housing problems in addition to housing costs, e.g., substandard or otherwise inadequate housing.

According to HUD estimates for Shrewsbury, higher income renters occupy approximately forty six percent (46%) of the units that are affordable to Very Low Income renters, fifty percent (50%) of the units that are affordable to Low Income renters and sixty percent (60%) of the units that are affordable to Moderate Income renters. In addition, higher income homeowners occupy approximately seventy percent (70%) of units that are affordable to Low Income homeowners and sixty one percent (61%) of the units that are affordable to Moderate Income homeowners. What this illustrates is, although Shrewsbury

has housing that is affordable to Very Low, Low, and Moderate Income households, most of the "affordable" units are lower end, market rate units without any type of income eligibility restrictions. Further, more than half of the renter occupied units and sixty two percent (62%) of the owner occupied units which are technically "affordable" are not accessible to Low or Moderate Income families.

Table 12 - Affordability Mismatch in Shrewsbury

Units Affordable to...	Renter-Occupied				Owner-Occupied			
	0-1BR	2BR	3+BR	Total	0-1BR	2BR	3+BR	Total
Very Low Income (VLI)	179	60	58	297	—	—	—	—
Occupied by VLI Households	67%	50%	17%	54%	—	—	—	—
Built Pre-1970	31%	42%	84%	43%	—	—	—	—
Housing Problems Reported	20%	7%	0%	13%	—	—	—	—
Low Income (LI)	290	135	89	514	55	152	49	256
Occupied by LI Households	64%	37%	27%	50%	45%	18%	49%	30%
Built Pre-1970	41%	59%	67%	51%	55%	42%	59%	48%
Housing Problems Reported	43%	33%	17%	36%	7%	7%	0%	5%
Moderate Income (MI)	795	745	204	1,744	144	380	1,170	1,694
Occupied by MI Households	47%	34%	34%	40%	65%	50%	32%	39%
Built Pre-1970	44%	49%	71%	49%	48%	75%	88%	81%
Housing Problems Reported	41%	28%	27%	33%	10%	12%	6%	8%
Total VLI/LI/MI Affordable	1,264	940	351	2,555	199	532	1,219	1,950
Total Not VLI/LI/MI Occupied	589	605	248	1,442	80	314	819	1,214
% Not VLI/LI/MI Occupied	46.6%	64.4%	70.7%	56.4%	40.2%	59.0%	67.2%	62.3%

Source: HUD, Comprehensive Housing Affordability Strategy (2000).

Note: As of 2018, the most current affordability mismatch profiles are still based on data from Census 2000.

Housing Market

While Shrewsbury has traditionally been an affordable alternative to wealthier communities in the area, the 2012 Housing Production Plan identified home prices in Shrewsbury rising out of reach for many families, due to prices outpacing median income growth. Since 2010, median household income for owner occupied units has grown by twenty percent (20%) while median value of owner occupied units has grown only four percent. median values dipped between 2010 and 2013 but then quickly recovered in recent years while median incomes grew consistently since 2010. There is continued concern that young adults who grew up in Shrewsbury cannot make the choice to remain in Shrewsbury due to the town's high housing costs, despite the Town's historically low tax rates and single-family tax bills. As noted above, the lack of availability of affordable housing options is likely a major contributing factor.

"Although Shrewsbury is a maturely developed suburb, it continues to absorb housing growth. The Town regulates housing development in nine residential zoning districts, most of which favor single-family or two-family home development. In addition, Shrewsbury also has three zoning districts for multifamily development and two overlay

districts for mixed residential and commercial uses. While the land supply is diminishing, Shrewsbury has a remarkably small minimum lot area requirement; the largest single family house lot requirement is only 20,000 square feet. As a result, residential development continues, but often on constrained sites because for the most part, the best upland is already developed.” (*Shrewsbury Master Plan*, 2016, Horsley Witten Group, Inc.)

Despite Shrewsbury’s recent progress with affordable housing, rising housing costs and a continued lack of available “affordable” units in comparison to demand, has maintained a level of housing burden whose effects are felt throughout the community. “Housing burden”, defined as spending greater than thirty percent (30%) of household income on housing, is especially prevalent in Shrewsbury’s rental population with forty percent (40%) of Shrewsbury renters filling this category and the majority paying thirty five percent or more (35%+). Although not as prevalent with Shrewsbury homeowners, where eighteen percent (18%) are categorized as cost burdened, high levels of cost burden reduce the availability of disposable income, a key driver for local businesses, and inhibits renter’s ability to save and transition into longer term housing.

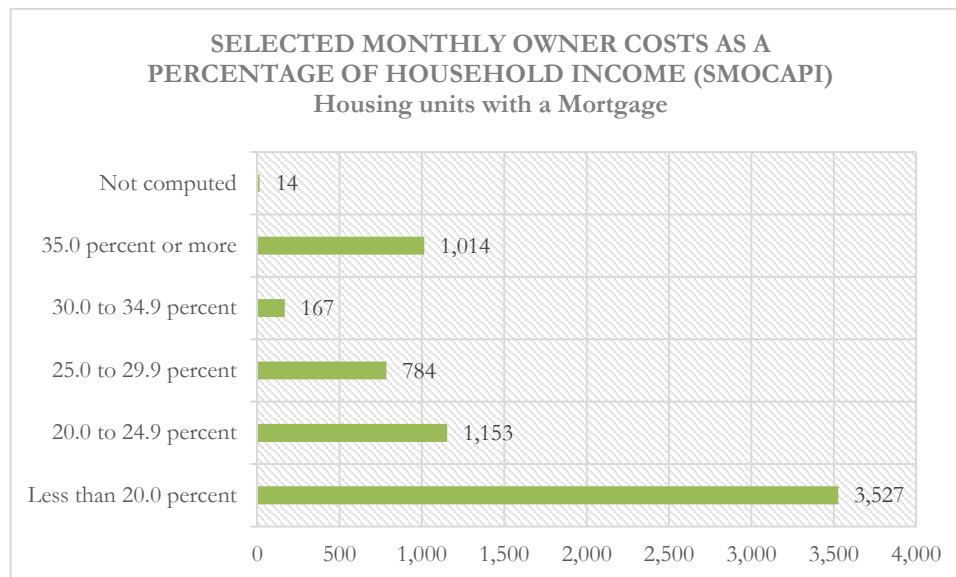


Figure 5 - SMOCAP: Housing units with a Mortgage

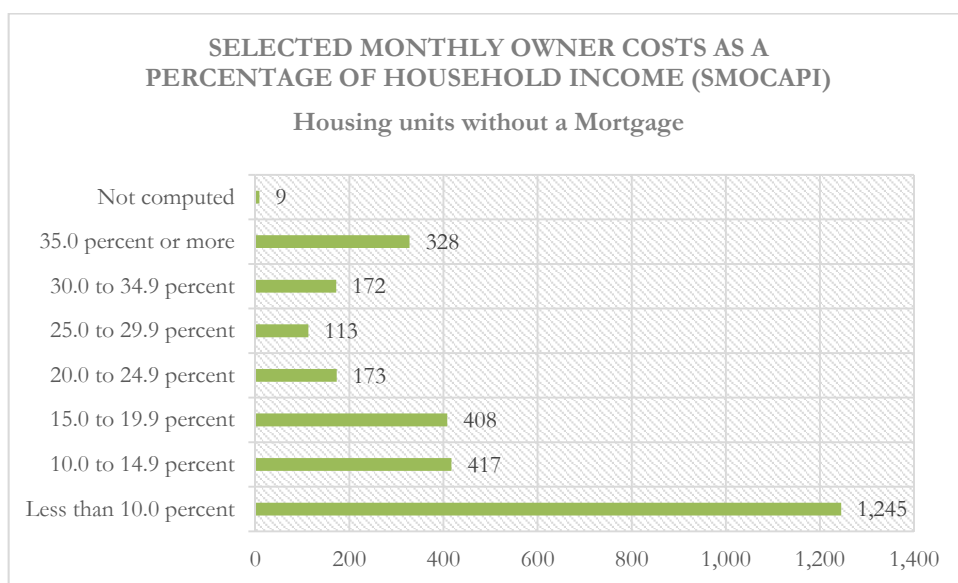


Figure 6 - SMOCAPI: Housing units without a Mortgage

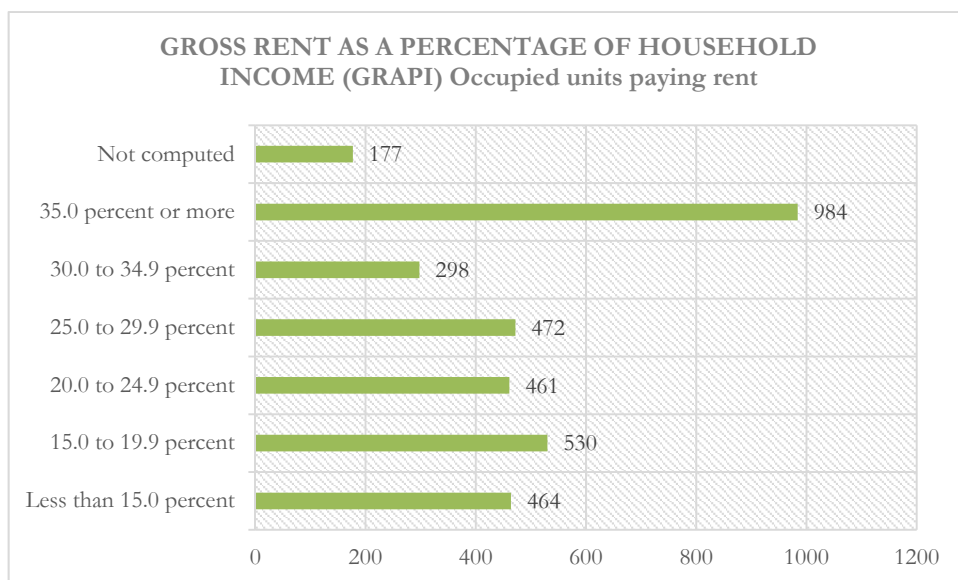


Figure 7 - GRAPI: Occupied units paying rent

Single Family Home Market

According to the U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates, a majority of owner occupied homes have a value between three hundred thousand dollars (\$300,000) to just shy of one million (\$999,999) with a median value of three hundred and eighty five thousand one hundred dollars (\$385,100). This is higher than the both the Worcester County median value of two hundred and sixty thousand eight hundred dollars (\$260,800)¹³ and Massachusetts median value of three hundred and fifty two thousand six hundred dollars (\$352,600)¹⁴.

¹³ U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

¹⁴ U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

The trend towards higher home values is largely tied to the production of larger houses. Though not quite as large as the homes in communities such as Westborough, new housing units in Shrewsbury are often much larger in square foot and bedrooms than the existing neighborhood stock. Market demand for large homes has also triggered many additions and alterations of existing housing with demolition of older units to make way for new stock sometimes disrupting the character of the neighborhood¹⁵.

“New construction of single-family residences still dominates the housing pipeline in Shrewsbury, but the Town has begun to witness market interest in other opportunities, including mixed-use development. After years of trying to work with the owner of the former “Spags” property on Route 9, Shrewsbury learned that a developer planned to acquire the site (about 21 acres) and create a mixed use project substantially as envisioned when Town Meeting established the Lakeway Overlay District in 2004.” (*Shrewsbury Master Plan*, 2016, Horsley Witten Group, Inc.) This project, Lakeway Commons on Route 9 has since been completed, adding two hundred and fifty (250) new apartments and fourteen (14) townhouses in Shrewsbury. Twenty-seven of the units have been deed restricted as affordable units for lower income households, and included on the Subsidized Housing Inventory (SHI). A nearby project known as The Grove would transform the former Spags warehouse into a large mixed-use project with approximately one hundred and thirty six (136) apartments, and two (2) single family homes¹⁶. Town Officials have continued to meet with the project proponent to discuss potential project details.

Table 13 - Owner Occupied Home Values

	<i>Estimate</i>	<i>Percent</i>
<i>Owner-occupied units</i>	9,556	100%
<i>Less than \$50,000</i>	260	2.7%
<i>\$50,000 to \$99,999</i>	61	0.6%
<i>\$100,000 to \$149,999</i>	240	2.5%
<i>\$150,000 to \$199,999</i>	371	3.9%
<i>\$200,000 to \$299,999</i>	1,901	19.9%
<i>\$300,000 to \$499,999</i>	4,276	44.7%
<i>\$500,000 to \$999,999</i>	2,349	24.6%
<i>\$1,000,000 or more</i>	98	1.0%
<i>Median (dollars)</i>	385,100	(X)

Source: 2012-2016 American Community Survey 5-Year Estimates

Rental Market

“Unlike most towns in the region, Shrewsbury has provided for multi-family housing development along and near Route 9 for a long time. Shrewsbury also has several mixed-income rental developments, so the Town offers housing choices that do not exist or are in short supply in other parts of the region. Rents vary quite a bit based on the age of the units and the amenities offered to residents, so even in the inventory of market rate

¹⁵ *Shrewsbury Master Plan*, 2016, Horsley Witten Group, Inc.

¹⁶ *Shrewsbury Master Plan*, 2016, Horsley Witten Group, Inc.

apartments there is a range of price points. For example, at the Town's newest rental development, Madison Place, the one- and two-bedroom asking rents range from \$1,475 to \$1,850 per month, but the inventory-wide range of rents spans from a low of \$999 to a high of \$2,505. In general, Worcester area market rents fall well below rents closer to Boston, but renter household incomes are lower, too." (*Shrewsbury Master Plan*, 2016, Horsley Witten Group, Inc.)

The most recent, systematically conducted survey of rental housing costs is the American Community Survey, which shows that monthly rents in Shrewsbury are fairly expensive and continuing to rise. The median contract rent - that is, excluding utilities - averaged one thousand one hundred and sixteen dollars (\$1,116) while the median gross rent, which includes basic utilities, was one thousand two hundred and twenty five dollars (\$1,225). Shrewsbury's median rents, both gross and contract, are higher than Massachusetts and Worcester County. A commonly used indicator of rental affordability in a given market area is the ratio of median gross rent to household income. In Shrewsbury, median gross rent as a percentage of household income, is lower than Massachusetts and Worcester County.

Table 14 - Rental Housing Costs

	Median Contract Rent	Median Gross Rent	Median Gross Rent % Household Income
<i>Massachusetts</i>	\$988	\$1,129	30.1
<i>Worcester County</i>	\$820	\$955	29.6
Shrewsbury	\$1,116	\$1,225	26.8

Source: 2012-2016 ACS 5-Year Estimates

Foreclosure Activity

The number of petitions to foreclose and foreclosure deeds have decreased from 2012 for both single family and condominium dwelling units, while the ratio of petitions to sales has been less consistent. "Shrewsbury was not immune to the effects of the "Great Recession" and associated foreclosure crisis. Its housing market is strong, and single-family home sale prices have largely recovered. At the peak of the recession, Shrewsbury witnessed a significant uptick in foreclosure petitions and auctions, with almost one single-family foreclosure for every four single-family homes sold in conventional arm's length transactions in 2010. Today, housing sale prices are up again, having almost recaptured prerecession conditions. In Shrewsbury and most Eastern Massachusetts suburbs, the condominium market remains "soft," but it has begun to improve." (*Shrewsbury Master Plan*, 2016, Horsley Witten Group, Inc.)

Table 15 - Foreclosure Activity

Petitions to Foreclose	Ratio of Petitions to Sales	Foreclosure Deeds
-------------------------------	------------------------------------	--------------------------

Year	1-Fam	Condo	All	1-Fam	Condo	All	1-Fam	Condo	All
2012	64	12	79	1.2075	0.7500	1.1449	22	11	35
2013	15	8	24	0.6250	1.6000	0.8000	10	2	12
2014	22	5	27	2.0000	0.7143	1.4211	14	7	21
2015	34	5	45	1.5454	0.7143	1.4516	18	5	25
2016	24	3	27	0.7059	1.0000	0.6000	22	4	30

Source: Warren Group, 2016

Development and Building Activity

The 2012 Housing Production Plan noted a slight decline in new home construction between 2000 and 2010 with one thousand four hundred and thirty-five (1,435) building permits issued for new units. Between 2010 and 2018, seven hundred and fifty seven (757) building permits were issued for new home construction¹⁷ indicating a likely decline in production from the previous decade. It is important to note the number of units constructed has consistently outpaced the number of buildings constructed, indicating new construction following denser development styles such as duplexes and multifamily housing.



Figure 8 - New Residential Construction¹⁸

¹⁷ The 2010 Decennial Census place Shrewsbury's year round housing stock at 13,919, therefore we can more accurately estimate Shrewsbury's 2018 year round housing stock at 14,676 (13,919+757), and with an average annual unit production rate of 95 (757/8) we can project the 2020 Decennial Census to be approximately 14,866 (14,676+190).

¹⁸ Source: Shrewsbury Annual Town Report (2012-2016)

Housing Challenges

The housing needs identified, bring with them a number of challenges that the Town will need to address in order to achieve successful results. These challenges range from regulatory and environmental considerations to challenges of infrastructure and economics. Although progress in many of these areas has been made through comprehensive efforts, additional programming and support will be needed in order to effectively manage their impact.

Regulatory Constraints

Shrewsbury's residential zoning tends to favor more rural and suburban style development primarily through the use of setbacks, maximum lot coverage and minimum lot size. The Department of Planning and Economic Development is seeking to evaluate additional regulatory controls on building scale such as Floor Area Ratio (FAR) and Irregular Lot Factor, but has lacked the capacity for sufficient review as of yet. Changes such as this in the zoning bylaw require abundant research and vetting through various channels, and therefore have not yet gone to the Planning Board or Town Meeting for a vote.

Massachusetts building code requires a building with three or more (3+) dwelling units to have a functional sprinkler system. Although necessary for fire safety and prevention, the cost of sprinkler systems can be cost prohibitive to many smaller scale developers, especially when coupled with rising overall building costs. This many times forces developers to choose between large scale development, often including more than one hundred (100) units or maximizing the buildable space with large duplexes which may come into conflict with the existing scale and character of the neighborhood.

The Town of Shrewsbury currently maintains an Affordable Housing Trust Fund to collect fees in lieu of affordable units in accordance with the Inclusionary Housing Bylaw, but lacks the authority to evaluate and dispense the deposited funds. The Department of Planning and Economic Development is currently reviewing potential options for expanding the Towns capacity to utilize such funds through establishment of the Affordable Housing Trust in May 2019 at Town Meeting.

Limited Community Infrastructure

As Shrewsbury currently relies upon the Town of Westborough for wastewater treatment, the Town has been restricted by the EPA on sewer connections for certain new residential development (i.e., development that fronts on a roadway that does not contain sewer mains), in order to reserve sewer capacity for new or expanded commercial and industrial uses in the needs area as identified in the Comprehensive Wastewater Management Plan. This often limits capacity of new residential development in areas where use of septic systems is required due to the inability to extend sewer service.

It is important to note, the Town has continued to work with a number of private and public parties to evaluate the feasibility of introducing additional capacity by rerouting a portion of sewage connections through Worcester along Route 20. This process is on-going and will require additional time and effort to be fully realized. Due to the scale of the

project and number of interests involved a comprehensive and regional effort will need to be coordinated.

Acquisition Costs

Rising housing costs in addition to the lack of undeveloped land on the market has increased acquisition costs which developers often attempt to mitigate by maximizing the development on the lot. These costs are perpetuated through redevelopment or improvement of the existing small lot housing stock throughout Town and continued “mansionization” of affordable inter-war housing stock.

Environmental Constraints

Much of the remaining undeveloped land in Shrewsbury contains significant environmental barriers to development such as wetlands, ledge and challenging topography. A consistently strong housing market has opened many of these parcels to financial feasibility, however, many of these parcels require regulatory relief to effectively develop, which in turn, adds even more cost.

Housing Production Goals

In order to qualify for the flexibility that a DHCD-approved Housing Production Plan offers, Shrewsbury needs to reach an affordable housing production goal - a minimum numerical target - and obtain DHCD’s certification that the standard has been met. The minimum goal is 0.5 percent of the Town's year-round housing inventory as reported in the most recent decennial census, and the goal has to be achieved within a single calendar year. If DHCD finds that Shrewsbury has met the annual standard, the one-year certification will take effect as of the date that Shrewsbury actually achieved the numerical target for that calendar year. If the Town's new affordable housing production is equal to or greater than the 1 percent of its year-round housing inventory, the certification will remain in effect for two years.¹⁹ With these basics in mind, Table 16 - Annual Goals for Affordable Housing Production provides an estimated target affordable housing production schedule for the five-year period in which this plan will remain in effect²⁰.

“Due to the number of unknowns - housing market conditions, how quickly the Town will be able to implement this plan, and the availability and interest of qualified development partners - the production goals of this plan have been tailored to meet DHCD's minimum certification requirements. If Shrewsbury has an opportunity to create more affordable units than the required minimum, obviously it should do so because an accumulation of new units permitted in one calendar year may qualify the Town for a two-year certification. In fact, Shrewsbury earned a two-year certification period after the Avalon Shrewsbury neighborhood appeal was settled in 2006. Ultimately, a town’s long-term ability to control Chapter 40B hinges on reaching the 10 percent statutory minimum. A DHCD-approved housing plan is a tool for managing the comprehensive permit process,

¹⁹ See 760 CMR 56.03(2) for the procedures for counting units on the Subsidized Housing Inventory.

²⁰ *Shrewsbury Housing Production Plan*, 2012, Community Opportunities Group

but it will only be as effective as the Town's efforts to implement it.” (*Shrewsbury Housing Production Plan*, 2012, Community Opportunities Group)

Table 16 - Annual Goals for Affordable Housing Production

<i>Calendar Year</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
<i>Total Year-Round Homes*</i>	13919	13919	14866	14866	14866
<i>Existing Chapter 40B Inventory</i>	887	887	957	1026	1101
<i>New Chapter 40B Units</i>	0	70	70	74	74
<i>Revised Chapter 40B Units</i>	887	957	1026	1101	1175
<i>Revised Chapter 40B %</i>	6.4%	6.9%	6.9%	7.4%	7.9%
<i>10% Requirement</i>	1392	1392	1487	1487	1487
<i>Gap</i>	505	435	460	386	312
<i>Required # for .50 of 1.0%</i>	70	70	74	74	74
<i>Required # for 1.0%</i>	139	139	149	149	149

**The 2010 Census count will be used until the 2020 census numbers are published. 2020 Census estimate is 2010 Census plus 757 actual new units (2018) adjusted for average 95 annual new residential units (757/8): 13919+757+(95*2)*

Plan Approval and Certification Requirements

“Certification is available to communities that receive DHCD approval of their affordable housing plan and meet their annual production targets. When DHCD receives this plan, it has thirty days to conduct a completeness review and notify the Town if the plan has any deficiencies. Once DHCD determines that the plan (as submitted or subsequently revised) meets the regulatory specifications for a Housing Production Plan (760 CMR 56.03(4)), it has ninety days to issue an approval letter.

Low- or moderate-income housing production that occurs during the effective period of this plan will position Shrewsbury to seek certification if the minimum numerical target is reached within a given calendar year. The units may be entirely within one development or in separate developments, and while all must be approved in the same calendar year, they do not have to be approved on the same date. As soon as the minimum target is reached, the Town should provide DHCD with supporting documentation and request housing plan certification.

While the certification is in effect, the Board of Appeals could choose to continue approving comprehensive permits, with or without conditions, or deny them. If the Board wanted to deny a comprehensive permit or approve one with conditions, it would have to follow certain procedures specified in DHCD's Chapter 40B regulations:

- Within fifteen days of opening the public hearing on a comprehensive permit application, the Board would have to notify the applicant in writing, with a copy to DHCD, that denying the permit or imposing conditions or requirements is consistent with local needs because the Town has been certified by DHCD. The Board has the burden of proving consistency with local needs.

- The Applicant may challenge the Board's position by submitting a written objection to DHCD, with a copy to the Board, within fifteen days of receiving the Board's notice.
- Thereafter, DHCD has thirty days to review the materials from the Board and the applicant and make a decision. This review process tolls the requirement for the Board to complete the public hearing within 180 days. If DHCD does not issue a timely decision, the Board's position automatically prevails.

Assuming DHCD agrees with the Board, a comprehensive permit approved with conditions or denied by the Board of Appeals would not be subject to reversal by the Housing Appeals Committee. Instead, the Board's decision would be deemed consistent with local needs under 760 CMR 56.03(1)(b).” (*Shrewsbury Housing Production Plan*, 2012, Community Opportunities Group)

Housing to Meet Local and Regional Needs

As noted in the previous Housing Production Plan, Shrewsbury’s housing needs will require a comprehensive strategy, pursuing both quantitative and qualitative results. Many of the identified needs remain relevant today, and may require strategies that pursue progress without qualifying for Subsidized Housing Inventory standards. Regardless, a two-fold strategy of increasing SHI eligible units where possible in addition to continuing to support other housing needs is recommended. The following reviews the relevance of the previously identified housing needs, while providing additional considerations realized through the updated data:

Low-Income Rental Housing for Families

As noted by the 2012 Housing Production Plan, multi-family rental units for very low-income and low income families remain in short supply, despite recent progress. The renters with the most severe housing cost burdens in Shrewsbury and all of the surrounding towns are small families with very low incomes and larger families with low incomes. Shrewsbury’s Subsidized Housing Inventory does not have many apartments for families, which helps to explain the town’s large percentages of cost-burdened families living in rental housing. Additional, subsidized multi-family garden-style units, in low-rise buildings and townhouse units, would help to address the needs of family households, especially those with young children²¹.

Rental Housing for Single People

“Local and regional needs exist for studio units and single-room occupancy (SRO) units for single people with low incomes. Shrewsbury has homes with rooms for adults with severe disabilities, and the Shrewsbury Housing Authority also leases some of its elderly housing units to people with disabilities who can live independently. However, there does not appear to be any rental housing appropriate for single people without disabilities. Populations served by very small, affordable units range from young citizens entering the

²¹ *Shrewsbury Housing Production Plan*, 2012, Community Opportunities Group

workforce to divorced or separated individuals with limited means, very-low-income women who formerly qualified as displaced homemakers and are now living alone, and very-low-income seniors. Low-income one-person households have the second highest incidence of housing cost burdens in Shrewsbury. DHCD made a similar finding about single, low-income renter households throughout the state in the Massachusetts 2010-2014 Consolidated Plan.” (*Shrewsbury Housing Production Plan*, 2012, Community Opportunities Group)

With the widening age gap and a need for transitional housing options to help facilitate downsizing and starter home trends, this need is of increasing priority. Ensuring young citizens entering the workforce to divorced or separated individuals with limited means, very-low-income women who formerly qualified as displaced homemakers and are now living alone, and very-low-income seniors have access to healthy and affordable housing solutions is a regional issue which can have lasting impacts such as overcrowding of rental units and inability to properly maintain owner-occupied housing stock.

Subsidized Rental Housing for the Elderly

“As the Town's population continues to age, growth in demand for affordably priced apartments will place further stress on Shrewsbury’s inventory of rental housing for seniors. In fact, Shrewsbury already needs more deeply subsidized apartments for seniors because the incidence of housing cost burdens among low-income elderly homeowners is exceptionally high. By contrast, a comparatively small percentage of Shrewsbury’s seniors who rent have high housing cost burdens. This may be due to the presence of many subsidized elderly apartments owned and managed by the Shrewsbury Housing Authority.” (*Shrewsbury Housing Production Plan*, 2012, Community Opportunities Group)

National trends identify that this issue is only going to increase as the “Baby Boomer” generation phases into retirement. Although Shrewsbury continues to make progress, affordable studio to two bedroom (0-2BR) rental units remain in high demand with Shrewsbury’s existing stock having a high incidence of reported problems.

Acquisition and Rehabilitation of Substandard Housing

The previous Housing Production Plan identified smaller, devalued, interwar-era housing becoming an increasing target for tear-down mansionization as a regional need seen throughout Eastern Massachusetts. Such homes often provide young couples and smaller families an affordable path to homeownership. Acquiring and rehabilitating some of these dwellings and reselling them as shared equity homeownership units would give the Town a relatively green strategy for creating Chapter 40B-eligible units and expanding its Subsidized Housing Inventory²². Establishment of the Affordable Housing Trust may open the possibility for the Inclusionary Fee in Lieu of funds to be leveraged to this end, in coordination with the Shrewsbury Housing Authority, Habitat for Humanity, private developers and others.

²² *Shrewsbury Housing Production Plan*, 2012, Community Opportunities Group

Housing Rehabilitation for Existing Homeowners

In addition to acquisition and rehabilitation programs, a housing rehabilitation program directed at seniors and families with economic hardship could assist with addressing deterioration and extraordinary maintenance they cannot afford²³. This program as well may be able to utilize Inclusionary Fee in Lieu of funds to provide economic assistance, such as in the form of low or no-interest loans. While a traditional housing rehabilitation program for homeowners will not create Chapter 40B-eligible units, it would meet a documentable housing need of existing residents²⁴.

Housing Development Framework

Shrewsbury is divided into a number of base zoning districts with additional overlay districts in some areas which may add additional restrictions and considerations or provide alternative development standards. With the exception of the Rural AA District, which applies to one site, Shrewsbury's largest minimum lot area for residential use is twenty thousand square feet (20,000sf), while the smallest minimum lot area is twelve thousand five hundred square feet (12,500sf). In general, Shrewsbury's zoning is fairly permissive, with provisions for multi-family dwellings and two-family homes, and some incentive overlay districts that encourage multifamily and mixed-use developments²⁵. The use districts include:

- Rural AA District
- Rural A District
- Rural B District
- Residence A District
- Residence B-1 District
- Residence B-2 District
- MF-1 District
- MF-2 District
- Apartment District
- Limited Business District
- Commercial-Business District
- Limited Commercial Business District
- Neighborhood Business District
- Office, Industrial Districts
- Limited Industrial District
- Office-Research District
- Limited Office-Research District

Overlay Districts

Of Shrewsbury's overlay districts, two impose additional restrictions or requirements on land use in the underlying districts, and three provide alternative standards of development in the underlying districts. The overlay districts include:

- Aquifer Protection Overlay District
- Flood Plain Overlay District
- Lakeway Overlay District
- Edgemere Overlay District
- Route 20 Overlay District
- Flexible Development Overlay District

²³ Shrewsbury Housing Production Plan, 2012, Community Opportunities Group

²⁴ Shrewsbury Housing Production Plan, 2012, Community Opportunities Group

²⁵ Shrewsbury Housing Production Plan, 2012, Community Opportunities Group

Inclusionary Housing

Shrewsbury adopted inclusionary zoning in 2005. To encourage developers to create affordable units, the Town provides more density as of right for units built within a new development²⁶. To date, the inclusionary bylaw has created affordable units (on-site or off-site) in four (4) developments:

Madison Place:	15 rental units
Grove Meadow Farm:	2 for sale units
143-145 N. Quinsigamond Avenue:	1 for sale unit
Lakeway Commons:	25 rental units, 2 for sale units

An approved Chapter 40B development called The Pointe at Hills Farm is expected to generate approximately two hundred and forty-eight (248) units with twenty five percent (25%) affordable rental units, and all two hundred and forty-eight (248) units counting towards the Subsidized Housing Inventory (SHI), while another proposed development at the former Edgemere Drive-In is expected to generate approximately two hundred and fifty (250) total units with ten percent (10%) new affordable mixed rental/ownership units. Though somewhat productive in terms of affordable housing benefits, the zoning bylaw has been challenging for developers to work with, especially small developers unfamiliar with eligibility requirements for the Subsidized Housing Inventory²⁷. The Town continues to explore options for simplifying the bylaw, both for applicants and the Planning Board.

IMPLEMENTATION STRATEGIES

In order to successfully implement this Housing Production Plan, the Town has reviewed strategies to build the capacity of municipal staff, boards and committees, identify and revise existing challenges and opportunities in the Shrewsbury Zoning Bylaw, encourage additional development of affordable housing stock and preserve the existing housing stock which serves Shrewsbury's housing needs. Progress on the 2012 Housing Production Plan and 2016 Master Plan has been met with both success and new challenges. Zoning remains a powerful tool in the planner's toolkit for addressing housing needs while access to regional assistance and expanding partnerships continue to provide support to local and municipal efforts. With each milestone achieved, the Town will continue to sharpen its skills needed to address the housing needs of the future.

Capacity Building Strategies

Shrewsbury's Department of Planning and Economic Development expanded its staff capacity throughout 2016 and 2017, and now consists of two (2) full time planning staff under the direction of the Assistant Town Manager. In addition to expanding its staff capacity, the Town must continue to develop and assist the various citizen committees and boards able to address the strategies and tasks identified in the Housing Production Plan and

²⁶ *Shrewsbury Housing Production Plan*, 2012, Community Opportunities Group

²⁷ *Shrewsbury Housing Production Plan*, 2012, Community Opportunities Group

Master Plan. Currently, the Department of Planning and Economic Development is working to establish the Affordable Housing Trust as well as engage the Shrewsbury Housing Authority, whose assistance will be a critical resource as the Town continues to address its affordable housing needs.

2016 Master Plan Policy H.2.1

The Shrewsbury Master Plan recommends “Establish a Housing Partnership of citizen volunteers to oversee the Housing Production Plan and advise the Town on affordable housing policies”, and identifies the following strategies:

- a) Develop guidelines for review of Chapter 40B comprehensive permits, including incentives (such as true streamlined permitting) for projects that address the Town’s policy preferences
- b) Develop expertise to administer affordable housing funds received from developers who are subject to the inclusionary zoning bylaw
- c) Increase advocacy for housing diversity and affordability
- d) Strengthen capacity to identify, analyze, and respond to housing needs in the community
- e) Build knowledge and credibility to review and comment on proposed Chapter 40B regulatory and policy changes and to lobby on Shrewsbury’s behalf
- f) Create a housing resource guide that describes local, regional, and state-level housing assistance programs, including fuel assistance, housing improvement assistance, resources for public/ subsidized housing and tenant assistance

Since the publication of the Shrewsbury Master Plan, the Department of Planning and Economic development has begun efforts to produce a permitting guide to assist developers with local permitting, the scope of this preliminary effort does not currently include Chapter 40B guidelines but could easily be expanded in the future to include such. A housing resource guide could also be included with the efforts to expand such advisory documents.

The Town is also in the process of establishing an Affordable Housing Trust which would have the authority and expertise to administer the affordable housing funds received from developers who are subject to the inclusionary zoning bylaw. Such an entity would also assist in increasing advocacy for housing diversity and affordability, strengthening capacity to identify, analyze, and respond to housing needs in the community, and build knowledge and credibility to review and comment on proposed Chapter 40B regulatory and policy changes and to lobby on Shrewsbury’s behalf. The full list of the Shrewsbury Master Plan’s Housing section Goals and Policies is included in Appendix A.

Promote Adoption of the Community Preservation Act (CPA)

“The Community Preservation Act (CPA), G.L. c. 44B, has become an increasingly valuable tool for creating and preserving affordable housing in Massachusetts. Available to cities and towns on an optional basis, the CPA allows communities to impose a 0.5 percent to 3 percent surcharge on real estate tax bills and apply the funds to three core community needs: historic preservation, open space and recreation, and affordable housing. In exchange, communities that adopt the CPA become eligible for a share of the state’s

community preservation revenues, or surcharges on real estate transactions at the Registry of Deeds. Although several towns in Shrewsbury's area have adopted the CPA – Northborough, Grafton, West Boylston, Southborough, Hopkinton, and Upton – Shrewsbury is not currently a CPA community.

Since Shrewsbury has an effective inclusionary housing bylaw, the Town may not need CPA funds to support additional affordable housing development. Still, CPA offers some important benefits that Shrewsbury may want to consider in the future:

- CPA is one of the few available housing subsidies that can be used to help middle-income households become homebuyers. All existing sources available in Shrewsbury – including the Town's own housing fund – have eligibility limitations that preclude participation by people whose incomes fall even slightly above 80 percent of area median income.
- CPA funds can be used to acquire existing condominiums, duplexes, or single-family homes for the Shrewsbury Housing Authority to own and manage as rental housing.
- CPA funds can be used to "buy down" and renovate existing housing, thereby creating new affordability in a sustainable way." (*Shrewsbury Housing Production Plan*, 2012, Community Opportunities Group)

Establish an Affordable Housing Trust

Shrewsbury could increase the effectiveness of this plan by establishing an Affordable Housing Trust. In 2004, the General Court enacted G.L. c. 44, § 53C, the Municipal Affordable Housing Trust Law, in order to increase the capacity of cities and towns to create affordable housing²⁸. At the May 15, 2006 Annual Town Meeting, Shrewsbury accepted the provisions of G.L. c. 44, § 53C to establish a Municipal Affordable Housing Trust Fund for in-lieu-of fees to be paid into by developers under the inclusionary bylaw. However, the Town has not established a Trust with a Board of Trustees to oversee the investment of funds into the production of new affordable housing.

"Shrewsbury has needs for affordable units at the very low- and moderate-income ranges – and for assistance that may not qualify for the Subsidized Housing Inventory. An Affordable Housing Trust could conduct or financially assist many of the ideas promoted in this plan.

Shrewsbury has an active, well-run housing authority that takes great pride in the properties it owns and manages. The Shrewsbury Housing Authority (SHA) maintains an excellent relationship with the Town. By law, however, it is limited to public housing assistance. The Town supports the SHA and would like to see it remain a locally operated organization. Shrewsbury could have an even more productive partnership with the SHA if it also had a municipal affordable housing trust.

An Affordable Housing Trust is essentially an accounting mechanism for segregating revenues from the General Fund and dedicating them for the purpose of creating affordable housing. A board of trustees appointed by the Board of Selectmen

²⁸ *Shrewsbury Housing Production Plan*, 2012, Community Opportunities Group

oversees the fund and has authority to invest monies in the trust for any of sixteen purposes listed in the statute. They include:

1. To accept and receive real property, personal property or money, by gift, grant, contribution, devise or transfer from any person, firm, corporation or other public or private entity, including but not limited to money, grants of funds or other property tendered to the trust in connection with any ordinance or by-law or any general or special law or any other source, including money from chapter 44B [Community Preservation Act];
2. To purchase and retain real or personal property, including without restriction investments that yield a high rate of income or no income;
3. To sell, lease, exchange, transfer or convey any personal, mixed, or real property at public auction or by private contract for such consideration and on such terms as to credit or otherwise, and to make such contracts and enter into such undertaking relative to trust property as the board deems advisable notwithstanding the length of any such lease or contract;
4. To execute, acknowledge and deliver deeds, assignments, transfers, pledges, leases, covenants, contracts, promissory notes, releases and other instruments sealed or unsealed, necessary, proper or incident to any transaction in which the board engages for the accomplishment of the purposes of the trust;
5. To employ advisors and agents, such as accountants, appraisers and lawyers as the board deems necessary;
6. To pay reasonable compensation and expenses to all advisors and agents and to apportion such compensation between income and principal as the board deems advisable;
7. To apportion receipts and charges between incomes and principal as the board deems advisable, to amortize premiums and establish sinking funds for such purpose, and to create reserves for depreciation depletion or otherwise;
8. To participate in any reorganization, recapitalization, merger or similar transactions; and to give proxies or powers of attorney with or without power of substitution to vote any securities or certificates of interest; and to consent to any contract, lease, mortgage, purchase or sale of property, by or between any corporation and any other corporation or person;
9. To deposit any security with any protective reorganization committee, and to delegate to such committee such powers and authority with relation thereto as the board may deem proper and to pay, out of trust property, such portion of expenses and compensation of such committee as the board may deem necessary and appropriate;
10. To carry property for accounting purposes other than acquisition date values;
11. To borrow money on such terms and conditions and from such sources as the board deems advisable, to mortgage and pledge trust assets as collateral;
12. To make distributions or divisions of principal in kind;
13. To comprise, attribute, defend, enforce, release, settle or otherwise adjust claims in favor or against the trust, including claims for taxes, and to accept any property, either in total or partial satisfaction of any indebtedness or other obligation, and subject to the provisions of this act, to continue to hold the same for such period of time as the board may deem appropriate;

14. To manage or improve real property; and to abandon any property which the board determined not to be worth retaining;
15. To hold all or part of the trust property uninvested for such purposes and for such time as the board may deem appropriate; and
16. To extend the time for payment of any obligation to the trust.

In effect, the trustees may function as a developer, investor, lender, property manager, or housing services provider. They can acquire, improve, and sell or lease real property as long as they use the trust for the purposes for which it is intended: the creation and preservation of affordable housing. An important advantage of an affordable housing trust is that the trustees can receive and expend monies without a specific authorization vote from Town Meeting, which means they will be able to act quickly as opportunities arise. The statute does not set a cap on the number of trustees, so the Town may decide how large the board should be (the law requires at least five members), the town boards and commissions that should be represented on it, and the particular skills and interests that would create a balanced board of trustees. The Board of Selectmen must have representation on the board of trustees, but other town boards are optional at the community's discretion.

Establishing an Affordable Housing Trust is fairly straightforward; activating it is more challenging. The Board of Selectmen will need to place an article on a future Town Meeting warrant to adopt G.L. c. 44, § 53C and a basic bylaw establishing the trust and the board of trustees. A simple majority vote is required. Once the board of trustees has been appointed and executes a Declaration of Trust for recording with the Registry of Deeds, it will be able to operate as a legally recognized entity. Its first steps should include the following:

- Obtain technical assistance;
- Network with active Affordable Housing Trusts elsewhere in the Worcester County area (there are several already in existence);
- Consult with non-profit developers located or working in the Greater Worcester region to explore ways the trust fund can be used to support housing development for very-low and low-income people;
- Consult with competent for-profit developers whose backgrounds include working with cities and towns on local affordable housing initiatives;
- Consult with housing finance programs about possibilities for leveraging non-local dollars with CPA and other resources;
- Establish funding priorities;
- Develop a business plan for the trust fund;
- Set one-year and five-year goals and an action plan; and
- Begin with a relatively low-risk, simple project. Many housing trusts in Massachusetts are purchasing existing housing units and reselling them as deed-restricted affordable homes, which is a relatively uncomplicated venture.

The Town will need to determine how it wants to provide funding for the trust. Practices vary from town to town, but many CPA communities have decided to transfer their annual appropriations for community housing directly to the trust. This helps to ensure

that housing appropriations actually produce some results. An Affordable Housing Trust may also be used to account for and report other revenues and expenditures, such as housing development grants received from state or federal sources.” (*Shrewsbury Housing Production Plan*, 2012, Community Opportunities Group)

Continue to Conduct Ongoing Community Outreach and Education

“Shrewsbury has reached out to nearby towns such as Westborough, Northborough, and Grafton²⁹ about a regional approach to monitoring affordability restrictions, similar to the multi-town project spearheaded by the Sudbury Housing Office. As some communities west of Boston have discovered, intermittent or periodic tasks such as monitoring affordability restrictions and overseeing housing resales may be handled efficiently if several towns pool their resources and delegate these responsibilities to a single entity. To date, however, there does not seem to be enough interest in the Worcester area to launch this type of venture.” (*Shrewsbury Housing Production Plan*, 2012, Community Opportunities Group)

Managing Comprehensive Permits

“In 2007, Shrewsbury embarked on a unique strategy to manage the process of reaching the 10 percent statutory minimum. The town issued a “Request for Expressions of Interest,” or RFI, in April 2007 in order to recruit a qualified developer to propose a new comprehensive permit rental development. At the time, Shrewsbury’s two-year housing plan certification was set to expire, and the Town hoped to obtain a second two-year certification by approving another rental development comparable in size to Avalon Shrewsbury. Through the RFI, the Town identified the following “preferred” areas for new multi-family housing:

- A development designed to comply with the regulations of the Lakeway Overlay District or the Edgemere Overlay District;
- Development in an area currently zoned for multi-family development;
- A comprehensive permit under Chapter 40B; or
- Development on a site that is eligible for an overlay district designation under M.G.L. c.40R, as set forth in 760 CMR 59.00.

Shrewsbury could increase its capacity to manage the comprehensive permit process and maximize the affordable housing benefits that a Chapter 40B comprehensive permit can provide. These steps include updating the Chapter 40B administrative regulations of the Board of Appeals and preparing comprehensive permit guidelines to encourage the types of housing the Town would like to see.

Most developers yearn to know the answer to one question: "what do I have to do to get my permit?" Unfortunately, communities sometimes forget that if they want certain outcomes from the development process - any type of development, including but not limited to affordable housing – they need to be clear about what they hope to accomplish and their expectations have to be anchored in economic reality. One way to communicate

²⁹ Berlin has also recently joined these discussions in coordination with CMRPC

effectively about Shrewsbury's comprehensive permit priorities would involve developing guidelines, with text, photographs and maps that developers can consider in the early stages of planning their projects.

The Board of Appeals is responsible for adopting Chapter 40B administrative regulations and managing the comprehensive permit process in accordance with DHCD regulations and guidelines. However, local project review guidelines serve different purposes:

- To inform developers about the Town's affordable housing concerns and priorities, and
- To provide criteria for boards and staff to use when they review comprehensive permit applications and provide comments to the Board of Appeals.
- To implement this housing plan.

Ideally, comprehensive permit guidelines should be developed by a working group of board members and staff, in consultation with many other town boards. Guidelines usually cover matters such as priority housing needs, the scale and density of developments, design review, areas of town that may be suitable for moderate- to higher-density development, and areas that would not be suitable because they have high natural resources value or significant physical constraints. Ultimately, the guidelines should be approved by the Board of Selectmen and Planning Board, and perhaps other boards as well, depending on how the Town decided to conduct the adoption process. The goal is a set of guidelines that help to unify the Town's approach to comprehensive permit reviews and provide clear direction to prospective developers.” (*Shrewsbury Housing Production Plan*, 2012, Community Opportunities Group)

Local Initiative Program

“Shrewsbury needs to continue its efforts to ensure that low- or moderate-income units created pursuant to this plan are eligible for the Subsidized Housing Inventory. Although affordable units in comprehensive permit developments automatically qualify, units produced under inclusionary zoning or with housing trust fund revenues need to be submitted to DHCD for approval. The mechanism for doing so is the Local Initiative Program (LIP) "Local Action Units" process. An eligible "local action" may include any of the following:

- Zoning approval, such as units created under an inclusionary housing bylaw or in a Chapter 40R overlay district;
- Financial assistance from funds raised, appropriated, or administered by the town, such as a "buydown" unit made affordable with Community Preservation Act (CPA) assistance from the Affordable Housing Trust; or
- Town-owned land or buildings conveyed at a substantial discount from fair market value, i.e., a "public benefit" disposition under M.G.L. c. 30B.

In order to be added to the Subsidized Housing Inventory, Local Action Units must comply with the following requirements:

- They must be produced as a direct result of an action or approval by the town;

- They must be sold or rented based in accordance with a DHCD-approved affirmative fair marketing plan and lottery;³⁷
- The sale price of affordable homes must be affordable to households with incomes at or below 80 percent of the area median income (AMI). However, DHCD encourages a pricing strategy that makes units affordable to those at 70 percent of median income. The difference is known as a "window of affordability." Rents must be affordable to households at or below 80 percent of AMI;
- An affordable housing restriction approved by DHCD must be recorded with the Worcester County Registry of Deeds in order to guarantee long-term affordability; and
- A Subsidized Housing Inventory "Request for New Units Form" or "LIP Local Action Units" application must be submitted to and approved by DHCD.

Managing the process for making Local Action Units eligible for the Subsidized Housing Inventory involves more effort than many people realize. Fortunately, Shrewsbury has a competent Town Planner so the town has adequate internal capacity. The process typically includes the following steps:

- Meet with the developer and explain the requirements for Local Action Units to qualify for the Subsidized Housing Inventory.
- Verify currently acceptable purchase prices and rents with DHCD staff.
- Designate a qualified marketing agent to prepare the Affirmative Marketing Plan, conduct outreach, and coordinate the lottery process.
- Execute and record a Regulatory Agreement so the town has the power to enforce long-term affordability requirements.
- Submit a LIP/Local Action Units application and the Affirmative Marketing Plan to DHCD, and obtain DHCD's approval before the marketing process begins.
- Establish and publicize the lottery application period and hold information sessions to explain the application requirements to prospective homebuyers or renters.
- Review lottery applications for income eligibility and other requirements that may apply to the specific project, e g., preferences for larger households to qualify for family-size units.
- Notify lottery applicants of their status.
- Conduct the lottery.

For homeownership developments:

- Refer lottery winners to local or regional lenders (but homebuyers may choose any lender they want to work with as long as the terms and conditions of the mortgage meet LIP requirements);
- Obtain the deed rider and a resale price certificate from DHCD;
- Work with lenders as needed through the closing process.

For apartments, provide technical assistance to lottery winners about the procedures for leasing and occupying their units.

Submit documentation to DHCD so the units will be added to the Subsidized Housing Inventory.

For apartments, institute annual procedures for recertifying the income eligibility renters living in the affordable units.

Prepare a "Ready Buyers" or "Ready Renters" list for resales or upon tenant turnover.”
(*Shrewsbury Housing Production Plan*, 2012, Community Opportunities Group)

Zoning Strategies

“Shrewsbury has already taken major steps to zone for higher-density housing and affordable housing. The Town should continue to capitalize on these existing efforts to promote housing diversity and affordability through its own zoning. After the Town zoned additional land for multi-family development on Route 9, a local developer successfully permitted Madison Place, a 96-unit apartment development providing fifteen “Local Action” affordable units. These fifteen units are now listed on the Subsidized Housing Inventory.

Anticipating the Commonwealth’s sale of The Glavin Center, an educational and residential facility for adults with disabilities, Shrewsbury Town Meeting created a special zoning district, Rural AA, with a new Planned Residential Development provision. Under PRD, developers qualify for a density incentive of 1.5 times the number of units otherwise permitted in the district, and they can propose multi-family dwellings as well, provided their projects preserve at least 60 percent of the land as protected open space.” (*Shrewsbury Housing Production Plan*, 2012, Community Opportunities Group) Although the Glavin Center site is now expected to be reused to house the new Beal Elementary School, the Town may wish to continue efforts to promote use of the PRD and Rural AA zoning provisions while evaluating potential adjustments to increase awareness and economic feasibility.

“In an effort to provide affordable housing at a pace the Town could absorb, Shrewsbury adopted an inclusionary zoning bylaw several years ago. The bylaw requires projects over a certain size to create affordable housing, and developers who include affordable units within their projects qualify for an automatic density bonus. In addition, Shrewsbury prepared a Housing Production Plan under the state’s Chapter 40B regulations in 2004 and again in 2012. By having a state-approved Housing Production Plan, Shrewsbury can earn credit for creating new affordable housing units and potentially qualify for relief from issuing more comprehensive permits for one or two years, depending on actual production. The key is production, however. Having an affordable housing plan does not affect a community’s status under Chapter 40B unless there is an actual increase in the supply of low- or moderate income housing units.” (*Shrewsbury Master Plan*, 2016, Horsley Witten Group, Inc.)

The existing inclusionary zoning bylaw has largely accomplished what the Town expected when Town Meeting adopted it in 2005. Through approvals granted by the Planning Board, Shrewsbury has created both actual units and generated significant funds with in-lieu-of fees paid by developers. The bylaw could be more comprehensible to local

developers if the Town had an inclusionary housing permitting guide, which is currently in production³⁰.

“The Town could consider other steps as well:

- Open Space Residential Development. Replace the existing special permit cluster bylaw with a “by right” Open Space-Residential Development bylaw. Eliminate the minimum parcel area requirement and provide an extra density incentive to increase the number of affordable units that would have to be created under the inclusionary bylaw. At the same time, simplify the formula for calculating the minimum required open space.
- Congregate Housing. Define and provide for “congregate housing,” i.e., a building with single-room occupancy units, and allow by right or by special permit in the town center, the Lakeway Overlay District, and the Edgemere Overlay District.
- Multifamily Housing. Increase the minimum percentage of affordable units from 15 percent to 25 percent. All of the units at Madison Place would have qualified for the Subsidized Housing Inventory if Shrewsbury required more³¹ of the units to be restricted as affordable units.
- Accessory Apartments. Change the existing “In-Law Apartment” provision to “Accessory Apartment,” and remove the limitation that relatives of the homeowner must occupy unit.” (*Shrewsbury Housing Production Plan*, 2012, Community Opportunities Group)

Modify the Zoning Bylaws Provisions for Accessory Apartments

In addition to the 2012 Housing Production Plan, the 2016 Master Plan also recommends “considering opportunities for zoning to encourage accessory dwellings (apartments or free standing cottage structures) that could address some senior housing needs and also provide housing options for young householders.” The Town may wish to consider controls on such units such as limiting the size to a percentage of the principal structure, targeting older housing stock, and requiring the accessory units to be deed restricted in order to qualify for the Subsidized Housing Inventory.

We note that qualification for the Subsidized Housing Inventory may be a difficult undertaking for a regular homeowner, as it involves a considerable amount of documentation, process and annual verification. If this route is chosen, the Town may wish to consider providing access to qualified professional support through establishing the Affordable Housing Trust.

2016 Master Plan Policy H1.1

The Shrewsbury Master Plan recommends “Exploring new regulatory and advisory tools to maintain neighborhood character, such as zoning changes and advisory guidelines”, and identifies the following strategies:

³⁰ *Shrewsbury Housing Production Plan*, 2012, Community Opportunities Group

³¹ Twenty five percent (25%)

- g) Ensure that new development projects protect existing trees to the degree feasible and restore some trees removed during the construction process
- h) Consider the benefits and drawbacks of instituting a large-house review process for single family residences over a certain size (measured in floor area)
- i) Consider the benefits and drawbacks of a demolition delay bylaw as a mechanism for managing the impact of teardowns on older, established neighborhoods.

Since the publication of the Shrewsbury Master Plan, the Department of Planning and Economic Development as well as the Planning Board and Zoning Board of Appeals have maintained additional awareness of the protection of onsite vegetation for projects requiring approval. The Planning Board has regularly required that developments triggering Site Plan Review (two-family or multifamily) reduce tree clearing to the maximum extent possible as a condition of approval.

The Department of Planning and Economic Development is currently in the process of proposing amendments to the Shrewsbury Zoning Bylaw to include FAR regulation for the 2019 Annual Town Meeting. If adopted, the town will continue to evaluate the effectiveness of such regulation while considering if adjustments or the addition of the large-lot review process is necessary.

The Department of Planning and Economic Development has reviewed preliminary stages of a potential demolition bylaw, developed by local residents. To date, the Town has lacked the capacity to bring such regulation beyond preliminary stages and has seen limited public support. The Town remains open to discussions regarding this opportunity as it increases its capacity to review and implement such measures effectively. The full list of the Shrewsbury Master Plan's Housing section Goals and Policies is included in Appendix A.

Housing Development Strategies

The Town continues to evaluate opportunities and strategies for the development of new affordable housing units. Municipal staff consistently engages developers, agencies and other communities both directly and indirectly through public forums, workshops and development of professional resources. As part of this Housing Production Plan, the Department of Planning and Economic Development has reviewed the availability of municipally owned land and the Town's participation in partnership opportunities to generate multi-family and mixed-use developments. The Town remains active in seeking out additional opportunities in this area.

Make Suitable Public Property Available for Affordable Housing

"Shrewsbury does not have municipal land that would be appropriate for housing development. Virtually all town-owned land in Shrewsbury is used for general government or school purposes, e.g., town facilities, public utilities, recreation facilities, or schools. The Town owns very little conservation and recreation land." (Shrewsbury Housing Production Plan, 2012, Community Opportunities Group). There is potential the former Beal School site, located at 1 Maple Avenue, may be available for residential development after the school

relocates to its new site at the Glavin Center. This location is currently being studied for potential reuses.

Pursue Partnership Opportunities for Multi-family and Mixed Use Development

“In 2007 and again in 2014, Shrewsbury conducted outreach to identify developers the Town could work with in order to make significant progress toward the 10 percent statutory minimum. The Massachusetts Department of Housing and Community Development (DHCD) offers cities and towns the option of pursuing “local initiative” developments that can potentially give local boards more control and produce housing the community really wants. In fact, Shrewsbury was the first Town in Massachusetts to “partner” with a for-profit developer for a large apartment development (Avalon Shrewsbury). Since Shrewsbury had a DHCD approved Housing Production Plan at the time, the Avalon Shrewsbury project gave the Board of Appeals a two-year grace period during which they could deny comprehensive permits without fear of having their decision overturned by the HAC.

More recently, Shrewsbury’s attempt to find a new developer for a “local initiative” project led to proposals that triggered considerable opposition from abutters. The Town hoped to work with a developer whose proposal addressed local priorities, but the project did not go forward. Another developer whose proposal was not chosen decided to pursue a comprehensive permit on his own even though the Town had rejected the project and had concerns about the site. MassHousing, the state agency that processes most “project eligibility” requests, ultimately issued a favorable project eligibility determination despite the Town’s objections. The project was subsequently approved through comprehensive permit on November 28, 2016, and is currently under construction.

Shrewsbury has clearly tried to create more Chapter 40B housing, but in general its efforts are not recognized by state government. A missing piece in Shrewsbury’s approach to housing is the lack of a body within town government to work with housing developers, conduct public education, coordinate with local banks to provide and promote first-time homebuyer assistance, oversee lotteries for affordable housing units, and advocate for the Town’s interests. These are the kinds of functions typically handled by a local housing partnership: a town committee that focuses on affordable housing, networks with regional and state housing leaders, advises the Board of Appeals during the comprehensive permit process, advises the Board of Selectmen and others about changes in state policy, and essentially builds rapport between the Town and state housing officials. It is ironic that the state does not recognize the efforts of a community where so much multifamily housing has been built without comprehensive permits, but that is the situation Shrewsbury finds itself in today. The Town needs better ways to represent its interests, but it also needs a well-informed, effective group of housing advocates inside town government.” (*Shrewsbury Master Plan*, 2016, Horsley Witten Group, Inc.)

The 2016 Shrewsbury Master Plan Policy H4.1(a) recommends “Forming a coalition with other Central Massachusetts suburbs to work with the Governor’s office and DHCD to make the Chapter 40B project eligibility process more responsive to local planning concerns.” Although no formal coalition has been created, Shrewsbury continues to participate in discussions regarding regional affordable housing in central Massachusetts,

coordinated by CMRPC and surrounding communities, as well as participating in related conferences and workshops when possible.

Housing Preservation Strategies

The Department of Planning and Economic Development is currently in the process of developing a permitting guide and evaluating the potential for design guidelines in order to promote characteristics of proposed residential or mixed-use developments that would be preferred by the municipality. The strategies identified in the 2012 Housing Production Plan regarding infill and intensification of existing development, preservation of existing units, and focus on affordable senior housing, remain relevant, if not increasingly necessary, in the current market and context.

Infill and Intensification of Existing Development

Redevelopment in the Lakeway area remains a very important priority for Shrewsbury. Multi-family housing at a fairly high density (e.g., in the range required under Chapter 40R) would be appropriate in this part of town if developed in conjunction with commercial uses. Upper-story and “horizontal” mixes are encouraged both in the Lakeway and Edgemere neighborhoods.

Housing Preservation

One of Shrewsbury’s great strengths has been the affordability it offers to young families. Homebuyers that could not afford to purchase housing in other Worcester-area suburbs found relatively affordable homes and stepped up to homeownership in Shrewsbury. As the supply of usable land dwindles, pressure has, and will continue to, increase to improve (and increase the value of) the town’s older housing units. Strategies to preserve some of Shrewsbury’s mid-century housing inventory could help to keep the town affordable to young families without always relying on new residential construction.

Senior Housing

Shrewsbury needs to increase its supply of affordable housing for seniors. The market for “over-55” housing is saturated in many parts of the Greater Boston area, so Shrewsbury should consider other ways to address the housing needs of its aging population. Comprehensive permits for deeply subsidized senior housing, such as a HUD 202 development, will probably be more effective than zoning. It should be noted that the majority of recently permitted over 55 developments have favored paying the fee in lieu of units. Although this generates funding to provide affordable housing options, it does not efficiently serve one of the more fiscally vulnerable populations identified by this and previous studies.

APPENDIX

A. Master Plan Implementation

Goals, Policies and Actions

Goal H1: Preserve and enhance the physical character of Shrewsbury's established neighborhoods.

Policy H1.1: Explore new regulatory and advisory tools to maintain neighborhood character, such as zoning changes and advisory design guidelines.

- a. Ensure that new development projects protect existing trees to the degree feasible and restore some trees removed during the construction process.
- b. Consider the benefits and drawbacks of instituting a large-house review process for single family residences over a certain size (measured in floor area).
- c. Consider the benefits and drawbacks of a demolition delay bylaw as a mechanism for managing the impact of teardowns on older, established neighborhoods.

Policy H1.2: Preserve and enhance the walkable character of Shrewsbury neighborhoods.

- a. Maintain sidewalks and pedestrian paths serving existing neighborhoods.
- b. Investigate opportunities to establish a Safe Routes to School program and leverage funding for pedestrian improvements.
- c. Provide adequate lighting and continuous sidewalks for pedestrians.

Goal H2: Implement the Town's Five-Year Housing Production Plan.

Policy H2.1: Establish a Housing Partnership of citizen volunteers to oversee the Housing Production Plan and advise the Town on affordable housing policies.

- a. Develop guidelines for review of Chapter 40B comprehensive permits, including incentives (such as true streamlined permitting) for projects that address the Town's policy preferences.
- b. Develop expertise to administer affordable housing funds received from developers who are subject to the inclusionary zoning bylaw.
- c. Increase advocacy for housing diversity and affordability.
- d. Strengthen capacity to identify, analyze, and respond to housing needs in the community.
- e. Build knowledge and credibility to review and comment on proposed Chapter 40B regulatory and policy changes and to lobby on Shrewsbury's behalf.
- f. Create a housing resource guide that describes local, regional, and state-level housing assistance programs, including fuel assistance, housing improvement assistance, resources for public/subsidized housing and tenant assistance.

Policy H2.2: Maintain timely updates of the Five-Year Housing Production Plan and expand the Town's toolkit for implementation.

- a. Enlist participation from the Housing Partnership (see below) and support from the Planning Department, to survey the Town's housing needs, including, but not limited, to affordable housing needs.
- b. Continue to pursue partnerships with developers to create new affordable housing.
- c. Study and consider options for simplifying the inclusionary zoning bylaw.
- d. Explore opportunities to use Chapter 40R (alone or in conjunction with District Improvement Financing (DIF) or Urban Center Housing Tax Increment Financing) to create mixed-income developments that provide a financial benefit to the Town.

Goal H3: Address the varied housing needs of Shrewsbury's seniors and young adults entering the workforce.

Policy H3.1: Prepare for success as a multigenerational community.

- a. Conduct an independent livability policies and practices review.
- b. Identify and reduce or eliminate barriers (if any) to being an "age-friendly" community.
- c. Consider opportunities for zoning to encourage accessory dwellings (apartments or free-standing cottage structures) that could address some senior housing needs and also provide housing options for young householders.
- d. Work with the Shrewsbury Housing Authority to increase the inventory of accessible senior housing units.

Goal H4: Promote mixed-use developments in the Lakeway area and other areas identified in the master plan or through area or district plans.

Policy H4.1: Work with the state to coordinate the project eligibility review process for affordable housing with Town's mixed-use development policies.

- a. Form a coalition with other Central Massachusetts suburbs to work with the Governor's office and DHCD to make the Chapter 40B project eligibility process more responsive to local planning concerns.

B. Glossary

Affordable Housing. As used in this plan, "affordable housing" is synonymous with low- or moderate income housing, i.e., housing available to households earning no more than 80 percent of area median income at a cost that does not exceed 30 percent of their monthly gross income.

Area Median Income (AMI). The median family income, adjusted for household size, within a given metropolitan or non-metropolitan area, updated annually by HUD and used to determine eligibility for most housing assistance programs.

Chapter 40A. G.L. c. 40A, the state Zoning Act. The current version of the Zoning Act was adopted in 1975 (1975 Mass. Acts 808).

Chapter 40B. G.L. c. 40B, § 20-23 (1969 Mass. Acts 774), the state law administered locally by the Board of Appeals in order to create affordable housing. It provides eligible developers with a unified permitting process that subsumes all permits normally issued by

multiple town boards. Chapter 40B establishes a basic presumption at least 10 percent of the housing in each city and town should be affordable to low- or moderate-income households. In communities below the 10 percent statutory minimum, affordable housing developers aggrieved by a decision of the Board of Appeals can appeal to the state Housing Appeals Committee, which in turn has authority to uphold or reverse the Board's decision.

Chapter 40R. G.L. c. 40R (2004 Mass. Acts 149, s. 92), a state law that provides for overlay districts with variable densities for residential development and multi-family housing by right (subject to site plan review). At least 25 percent of the units in a Chapter 40R district have to be affordable to low- or moderate-income people. In Worcester County, Fitchburg, Grafton, and Lunenburg have approved Chapter 40R districts with a combined housing production potential of over one thousand new units.

Chapter 44B. G.L. c. 44B (2000 Mass. Acts 267), the Community Preservation Act, allows communities to establish a Community Preservation Fund for open space, historic preservation, and community housing by imposing a surcharge of up to 3 percent on local property tax bills. The state provides matching funds (or a partial match) from the Community Preservation Trust Fund, generated from Registry of Deeds fees.

Community Development Block Grant (CDBG). Under the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5300 et seq.), the U.S. Department of Housing and Urban Development (HUD) makes funds available each year for cities with populations of 50,000 or more ("entitlement communities") and each of the fifty states (the Small Cities or "non-entitlement" program). CDBG can be used to support a variety of housing and community development activities provided they meet one of three "national objectives" established by Congress. Housing activities are almost always designed to meet the national objective of providing benefits to low- or moderate-income people. Funds may be used for housing rehabilitation, redevelopment of existing properties for residential purposes (in some cases), making site improvements to publicly owned land in order to support the construction of new housing, interest rate and mortgage principal subsidies, and downpayment and closing cost assistance.

As a "non-entitlement community," Shrewsbury can access CDBG funds only by applying to DHCD. The state program is guided by a five-year Consolidated Plan and One-Year Action Plans required by HUD.

Comprehensive Permit. The unified permit authorized by Chapter 40B for affordable housing development.

Consolidated Plan. A five-year plan prepared by CDBG entitlement recipients and Participating Jurisdictions under the HOME Program. The purpose of the plan is to document and analyze housing market conditions, affordable housing needs, homelessness and disability housing needs, and non-housing community development needs in the city or state that receives federal housing and community development funds and design a strategy to address those needs using federal, state, local, and private resources. Grant recipients also have to prepare one-year action plans showing how each year's funding will be used in a manner consistent with the five-year Consolidated Plan.

Department of Housing and Community Development (DHCD). The state's lead housing agency, originally known as the Department of Community Affairs (DCA). DHCD

oversees state-funded public housing and administers rental assistance programs, the state allocation of CDBG and HOME funds, various state-funded affordable housing development programs, and the Community Services Block Grant (CSBG) Program. DHCD also oversees the administration of Chapter 40B.

Extremely Low Income. See Very Low Income.

Fair Housing Act, Federal. Established under Title VII of the 1968 Civil Rights Act, the federal Fair Housing Act prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and disability.

Fair Housing Law, Massachusetts. G.L. c. 151B (1946), the state Fair Housing Act prohibits housing discrimination on the basis of race, color religious creed, national origin, sex, sexual orientation, age, children, ancestry, marital status, veteran history, public assistance reciprocity, or physical or mental disability.

Fair Market Rent (FMR). A mechanism used by HUD to control costs in the Section 8 rental assistance program. HUD sets FMRs annually for metropolitan and non-metropolitan housing market areas (a total of 2,736 FMR areas nationally). The FMR is the 40th percentile of gross rents for typical, non-standard rental units occupied by recent movers in a local housing market. (See 24 CFR 888.)

Family. A household of two or more people related by blood, marriage, or adoption.

Gross Rent. Gross rent is the sum of the rent paid to the owner plus any utility costs incurred by the tenant. Utilities include electricity, gas, water and sewer, and trash removal services but not telephone service. If the owner pays for all utilities, then gross rent equals the rent paid to the owner.

Group Home. A type of congregate housing for people with disabilities; usually a single-family home.

Inclusionary Zoning. A zoning ordinance or bylaw that encourages or requires developers to build affordable housing in their developments or provide a comparable public benefit, such as providing affordable units in other locations ("off-site units") or paying fees in lieu of units to an affordable housing trust fund.

Infill Development. Construction on vacant lots or underutilized land in established neighborhoods and commercial centers.

HOME Investment Partnership Program (HOME). A HUD-administered formula grant program that supports the creation and preservation of housing for low- or moderate-income people. Authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended, HOME provides funding to states, larger cities, and groups of contiguous communities that form a consortium for the purpose of qualifying as a "Participating Jurisdiction," or "PJ," which is similar to a CDBG entitlement recipient. HOME funds can be used for home purchase or rehabilitation financing assistance to eligible homeowners and new homebuyers, construction or rehabilitation of housing for

rent or ownership, or site acquisition or improvement, demolition of dilapidated housing to make way for HOME-assisted development, and relocation expenses. PJs may also use HOME funds for tenant based rental assistance contracts of up to two years if doing so is consistent with their Consolidated Plan and justified under local market conditions. Up to 10 percent of the PJ's annual allocation may be used for program planning and administration.

Household. One or more people forming a single housekeeping unit and occupying the same housing unit.

Housing Appeals Committee (HAC). A five-member body that adjudicates disputes under Chapter 40B. Three members are appointed by the Director of DHCD, one of whom must be a DHCD employee. The governor appoints the other two members, one of whom must be a city councilor and the other, a selectman.

Housing Authority. Authorized under G.L. 121B, a public agency that develops and operates rental housing for very-low and low-income households.

Housing Cost, Monthly. For homeowners, monthly housing cost is the sum of principal and interest payments, property taxes, and insurance, and where applicable, homeowners association or condominium fees. For renters, monthly housing cost includes rent and basic utilities (oil/gas, electricity).

HUD. See U.S. Department of Housing and Urban Development.

Jobs-to-Housing Ratio. An indicator of the adequacy of employment and housing in a given community or area.

Local Initiative Program (LIP). A program administered by DHCD that encourages communities to create Chapter 40B-eligible housing without a comprehensive permit, e.g., through inclusionary zoning, purchase price buydowns, a Chapter 40R overlay district, and so forth. LIP grew out of recommendations from the Special Commission Relative to the Implementation of Low or Moderate Income Housing Provisions in 1989. The Commission prepared a comprehensive assessment of Chapter 40B and recommended new, more flexible ways to create affordable housing without dependence on financial subsidies.

Low Income. As used in this plan, low income means a household income at or below 50 percent of AMI. It includes the household income subset known as very low income.

MassHousing. The quasi-public state agency that provides financing for affordable housing.

Mixed-Income Development. A residential development that includes market-rate and affordable housing.

Mixed-Use Development. A development with more than one use on a single lot. The uses may be contained within a single building ("vertical mixed use") or divided among two or more buildings ("horizontal mixed use").

Moderate Income. As used in this plan, moderate income means a household income between 51 and 80 percent of AMI.

Open Space-Residential Development. An approach to residential development that seeks to preserve as much land as possible for open space and resource protection by allowing housing to be concentrated on less sensitive areas of a site.

Overlay District. A zoning district that covers all or portions of basic use districts and imposes additional (more restrictive) requirements or offers additional (less restrictive) opportunities for the use of land.

Regulatory Agreement. An affordable housing restriction, recorded with the Registry of Deeds or the Land Court, outlining the developer's responsibilities and rights

Section 8. A HUD-administered rental assistance program that subsidizes "mobile" certificates and vouchers to help very-low and low-income households pay for private housing. Tenants pay 30 percent (sometimes as high as 40 percent) of their income for rent and basic utilities, and the Section 8 subsidy pays the balance of the rent. Holders of Section 8 certificates have to choose rental units with a monthly gross rent that does not exceed the Fair Market Rent (FMR), and the subsidy they receive makes up the difference between 30 percent of their monthly gross income and the actual gross rent for the unit. By contrast, the subsidy for a Section 8 voucher holder is the difference between the FMR and 30 percent of their monthly gross income. Thus, while Section 8 voucher holders may choose units with gross rents that exceed the FMR, they have to make up the difference between the FMR and the monthly gross rent. Section 8 also can be used as a subsidy for eligible rental developments, known as Section 8 Project-Based Vouchers (PBV), which are not "mobile" because they are attached to specific units.

Shared Equity Homeownership. Owner-occupied affordable housing units that remain affordable over time due to a deed restriction that controls resale prices, thereby retaining the benefits of the initial subsidy for future moderate-income homebuyers.

Single Room Occupancy (SRO). A building that includes single rooms for occupancy by individuals and usually includes common cooking and bathroom facilities shared by the occupants.

Subsidized Housing Inventory (SHI). A list of housing units that "count" toward a community's 10 percent statutory minimum under Chapter 40B.

Subsidy. Financial or other assistance to make housing affordable to low- or moderate-income people.

Transit-Adjacent Development (TAD). Development that is in close proximity to transit, but with a design that has not been significantly influenced by it. It is distinguished from TOD, where transit is the central design feature.

Transit-Oriented Development (TOD). Residential and commercial developments designed to maximize access by transit and non-motorized transportation. A TOD typically has a rail or bus station at its center, surrounded by relatively high-density development, with progressively lower-density within one-quarter to one-half mile of the center.

Typical, Non-substandard Rental Units. A term that defines the types of rental units that HUD includes and excludes in establishing the FMR for each housing market area. The

term excludes: public housing units, rental units built in the last two years, rental units with housing quality problems, seasonal rentals, and rental units on ten or more acres.

U.S. Department of Housing and Urban Development (HUD). The lead federal agency for financing affordable housing development and administering the Fair Housing Act.

Very Low Income. As used in this plan, very low income is a household income at or below 30 percent of AMI. In some housing programs, a household with income at or below 30 percent of AMI is called extremely low income.

C. DHCD Affirmative Marketing Plan Requirements

Affirmative Fair Housing Marketing and Resident Selection Plan

A. Introduction

The Commonwealth of Massachusetts has a compelling interest in creating fair and open access to affordable housing and promoting compliance with state and federal civil rights obligations. Therefore, all privately assisted housing or housing for inclusion on the Subsidized Housing Inventory (SHI) shall have an Affirmative Fair Housing Marketing and Resident Selection Plan (AFHMP). With respect to rental housing and Assisted Living Facilities, *the affordable Use Restriction documents of said housing must require that the AFHMP, subject to the approval of the subsidizing or funding agency, shall be implemented for the term of the affordability restriction.*

Affirmative Fair Housing requirements apply to the full spectrum of activities that culminate with occupancy, including but not limited to means and methods of outreach and marketing through to the qualification and selection of residents. All AFHMP plans must, at a minimum, meet the standards set forth by the Department of Housing and Community Development (DHCD), as may be amended from time to time. In the case of M.G.L. c.40B projects and other projects subsidized by a Subsidizing Agency, the AFHMP must be approved by the Subsidizing Agency.

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

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

B. Developer Staff and Contractor Qualifications

The entity as well as the individual with primary responsibility for resident selection, whether in-house staff or a third-party contractor, must have substantial, successful prior

experience in each component of the AFHMP for which the party will be responsible, e.g. drafting the plan, marketing and outreach activities, administering the lottery process and/or determining eligibility under applicable subsidy programs and/or qualifying buyers with mortgage lenders.

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

1. The entity has successfully carried out similar AFHMP responsibilities for a minimum of three (3) projects in Massachusetts or the individual with primary responsibility for the resident selection process has successfully carried out similar AFHMP responsibilities for a minimum of five (5) projects in Massachusetts.
2. The entity has the capacity to address matters relating to limited English language proficiency. This shall include language access planning and providing reasonable language assistance, at no cost to the applicant, so that applicants with Limited English Proficiency (“LEP”) may meaningfully apply and access the housing opportunity.³² Marketing informational materials must therefore provide notice of free language assistance to applicants, translated into the languages of LEP populations anticipated to apply.
3. “Successfully” for the purposes of these Guidelines means that, with respect to both the entity and the relevant staff, (a) the prior experience has not required intervention by a Subsidizing Agency to address fair housing complaints or concerns; and (b) that within the past five (5) years, there has not been a finding or final determination against the entity or staff for violation of any state or federal fair housing law.

C. Affirmative Fair Housing Marketing Plan

1. Duration

The Developer and contractor, if any, or other delegated entity, shall review and update the AFHMP at least every five years, or more frequently if relevant demographics change, or as otherwise needed in order to ensure compliance with applicable law and DHCD’s AFHMP guidelines, as may be amended from time to time (or any successor guidelines or directives).

(May 2013 Update: Addition of language on duration; no change in policy.)

2. Contents

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

- a. Informational materials for applicants including a general description of the overall project that provides key information such as the number of market/affordable units, amenities, number of parking/garage spaces per

³² See DHCD’s Language Access Plan at <http://www.mass.gov/hed/docs/dhcd/hd/fair/languageaccessplan.pdf> for information about language access planning obligations and requirements.

- unit, distribution of bedrooms by market and affordable units, accessibility, etc.
- b. A description of the eligibility requirements.
- c. A description of the rules for applying and the order in which applications will be processed.
- d. Lottery and resident selection procedures.
- e. A clear description of the preference system being used (if applicable).
- f. A description of the measures that will be used to ensure affirmative fair marketing will be achieved including a description of the affirmative fair marketing and outreach methods that will be used, sample advertisements to be used, and a list of publications where ads will be placed.
- g. Application materials including:
 - i. The application form.
 - ii. A statement regarding the housing provider's³³ obligation not to discriminate in the selection of applicants on the basis of race, color, national origin, disability, age, ancestry, children, familial status, genetic information, marital status, public assistance reciprocity, religion, sex, sexual orientation, gender identity, veteran/military status, or any other basis prohibited by law, and such a statement must also be included in the application materials.
 - iii. Information indicating that persons with disabilities are entitled to request a reasonable accommodation in rules, policies, practices, or services, or to request a reasonable modification in the housing, when such accommodations or modifications may be necessary to afford persons with disabilities an equal opportunity to use and enjoy the housing.³⁴
 - iv. An authorization for consent to release information.
- h. For homeownership transactions, a description of the use restriction and/or deed rider.
- i. The Developer and contractor, if any, shall sign the AFHMP document as follows:

“As authorized representatives of [Developer] and [contractor], respectively, each of us has reviewed this plan and agrees to implement this AFHMP, which shall be made effective as of the approval date. Further, by signing this form, [Developer] agrees to review and update its AFHMP as necessary in order to comply with all applicable statutes, regulations, executive orders and other binding DHCD requirements pertaining to affirmative fair housing

³³ Note: housing providers include owners of accessory apartments and their agents.

³⁴ It is important to remember that legal obligations with respect to accessibility and modifications in housing extend beyond the Massachusetts Architectural Access Board requirements, including federal requirements imposed by the Fair Housing Act, the Americans with Disabilities Act, and the Rehabilitation Act. Under state law, in the case of publicly assisted housing, multiple dwelling housing consisting of ten or more units, or contiguously located housing consisting of ten or more units (see M.G.L. c. 151B, § 1 for definitions), reasonable modification of existing premises shall be at the expense of the owner or other person having the right of ownership if necessary for the person with a disability to fully enjoy the premises. M.G.L. c. 151B, § 4(7A). See also 24 C.F.R. part 8 for Rehabilitation Act requirements of housing providers that receive federal financial assistance.

marketing and resident selection plans reasonably related to such statutes, regulations, executive orders, as same may be amended from time to time. We hereby certify that all the information stated herein, as well as any information provided herewith, is true and accurate.

Note: The Developer shall *not* utilize the HUD AFHMP form unless required to submit an AFHMP to HUD for review and approval.

3. Approval

The Subsidizing Agency must approve the AFHMP before the marketing and application process commences.

4. Applicability

Aside from the advertising component of the AFHMP, which applies to all units, the AFHMP shall be applied to affordable units upon availability for the term of affordability and must consist of actions that provide information, maximum opportunity, and otherwise attract eligible persons protected under state and federal civil rights laws that are *less likely to apply*.

5. Criminal Background Checks


Criminal background checks are not required under these AFMHP guidelines. However, if criminal background inquiries and checks will be utilized during the application process, the use of such inquiries and checks are subject to the approval of the Subsidizing Agency. Criminal background screening shall not be conducted as a precondition for applicant participation in the lottery. For further guidance on criminal background screening, see the Model Policy Regarding Applicant Screening on the Basis of Criminal Records, available at <http://www.mass.gov/hed/economic/eohed/dhcd/legal/fair-housing-and-civilrights-information.html>

(May 2013 Update: New requirement for signature/certification of AFHMP submissions; advice on use of HUD form; and new language on CORIs but no change in policy.)

6. Outreach and Marketing

Marketing should attract residents outside the community by extending to the regional statistical area as well as the state and must meet the following requirements:

- a. Advertisements should be placed in local and regional newspapers, and newspapers that serve minority groups and other groups protected under fair housing laws. Notices should also be sent to local fair housing commissions, area churches, local and regional housing agencies, local housing authorities, civic groups, lending institutions, social service agencies, and other non-profit organizations.
- b. Affordable units in the Boston Metropolitan Statistical Area (MSA) must be reported to the Boston Fair Housing Commission's Metrolist (Metropolitan Housing Opportunity Clearing House). Such units shall be reported whenever they become available (including upon turnover).

- c. Accessible³⁵ units must be listed with MassAccess (see <http://www.chapa.org> or <http://www.massaccesshousingregistry.org>) whenever they become available (including upon turnover).
- d. Affordable rental and affordable ownership units, whether or not they are accessible, must also be listed with MassAccess whenever they become available (including upon turnover). Where applicable, all MassAccess data input fields relating to accessible and adaptable status and accessibility features must be completed. Available affordable ownership units must also be listed with the Massachusetts Affordable Housing Alliance website (see <http://www.mahahome.org> or <http://www.massaffordablehomes.org>).
- e. Marketing should also be included in non-English publications based on the prevalence of particular language groups in the regional area. To determine the prevalence of a particular language by geographical area, see for example http://www.lep.gov/demog_data/demog_data.html.
- f. All marketing should be comparable in terms of the description of the opportunity available, regardless of the marketing type (e.g., local newspaper vs. minority newspaper). The size of the advertisements, including the content of the advertisement, as well as the dates of the advertising unless affirmative advertising occurs first, should be comparable across regional, local, and minority newspapers.
- g. All advertising and marketing materials should indicate resident selection by lottery or other random selection procedure, where applicable.
- h. All advertising should offer reasonable accommodations in the application process.
- i. Advertisements should run a minimum of two times over a sixty day period and be designed to attract attention. Marketing of ownership units should begin approximately six months before the expected date of project occupancy.
- j. Pursuant to fair housing laws,³⁶ advertising/marketing must not indicate any preference or limitation, or otherwise discriminate based on race, color, disability, religion, sex, familial status, sexual orientation, gender identity, national origin, genetic information, ancestry, children, marital status, or public assistance reciprocity. This prohibition includes phrases such as “active adult community” and “empty nesters”. Exceptions may apply if the preference or limitation is pursuant to a lawful eligibility requirement.
- k. All advertising and marketing materials portraying persons should depict members of classes of persons protected under fair housing laws, including majority and minority groups as well as persons with disabilities.
- l. The Fair Housing logo () and slogan (“Equal Housing Opportunity”) should be included in all marketing materials. The logo may be obtained at

³⁵ Note: The owner or other person having the right of ownership shall, in accordance with M.G.L. c. 151B, §4(7A), give at least fifteen days’ notice of the vacancy of a wheelchair accessible unit to the Massachusetts Rehabilitation Commission. Said statute also requires the owner or other person having the right of ownership to give timely notice that a wheelchair accessible unit is vacant or will become vacant to a person who has, within the past 12 months, notified the owner or person or person having the right of ownership that such person is in need of a wheelchair accessible unit.

³⁶ 42 U.S.C. § 3604(c); M.G.L. c. 151B, § 4(7B).

HUD's website at:

<http://www.hud.gov/library/bookshelf11/hudgraphics/fheologo.cfm> .

(May 2013 Update: Clarification on MassAccess requirements; the specific references to examples of prohibited phrases in #8; no change in policy.)

7. Availability of Applications

Advertising and outreach efforts shall identify locations where the application can be obtained. Applications shall be available at public, wheelchair accessible locations, including one that has some night hours; usually, a public library will meet this need. The advertisements and other marketing materials shall include a telephone number, as well as the TTY/TTD telephone number, that persons can call to request an application by mail. Advertisements and other marketing materials cannot indicate that applicants must appear in person in order to receive or submit applications or that they will be have an advantage over applicants who do not appear in person.

8. Informational Meeting

At the time of initial marketing, the lottery administrator must offer one or more informational meetings for potential applicants to educate them about the lottery process and the housing development. These meetings may include local officials, developers, and local bankers. The date, time, and location of these meetings shall be published in ads and flyers that publicize the availability of lottery applications. The workshops shall be held in a municipal building, school, library, public meeting room or other accessible space. Meetings shall be held in the evening or on weekend days in order to reach as many potential applicants as possible. However, attendance at a meeting shall not be mandatory for participation in a lottery. The purpose of the meeting is to answer questions that are commonly asked by lottery applicants. Usually a municipal official will welcome the participants and describe the municipality's role in the affordable housing development. The lottery administrator will then explain the information requested on the application and answer questions about the lottery drawing process. The Developer should be present to describe the development and to answer specific questions about the affordable units. It is helpful to have representatives of local banks present to answer questions about qualifications for the financing of affordable units. At the meeting, the lottery administrator should provide complete application materials to potential applicants.

9. Homeownership – Establishing Sales Prices

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

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

D. Local Preferences

1. Threshold Requirements

a. Required Supporting Documentation

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

- i. Demonstrate in the AFHMP the need for the local preference. For instance, a community that has a subsidized rental housing or public housing waiting list with local applicants likely to apply for the project (whether or not the project provides rental assistance will be considered) may support a local preference for a rental development.
- ii. Justify the extent of the local preference (the percentage of units proposed to be set aside for local preference). That is, how does the documented local need, in the context of the size of the community, the size of the project and the regional need, justify the proposed size of the local preference for a given project? Note, however, that in no event may a local preference exceed 70% of the (affordable) units in a Project.
- iii. Demonstrate that the proposed local preference will not have a disparate impact on protected classes (see e.g., the “Avoiding Potential Discriminatory Effects” section below).

b. Failure to Provide Supporting Documentation

A municipality must provide to the Developer the documentation required to support a local preference within 3 months of final issuance of the Comprehensive Permit. Failure to comply with this requirement shall be deemed to demonstrate that there is not a need for a local preference and a local preference shall not be approved as part of any AFHMP or use restriction.

2. Approval

The Subsidizing Agency, and in the case of LAUs, DHCD as well as the municipality, must approve a local preference scheme as part of the AFHMP. Therefore, the nature and extent of local preferences should be approved by the Subsidizing Agency (or DHCD in the case of LAUs) prior to including such language in any zoning mechanism. Furthermore, a comprehensive permit shall only contain requirements or conditions relating to local preferences to the extent permitted by applicable law and this AFHMP policy.

(May 2013 Update: Clarification on what is required to establish the local preference set-aside.)

3. Local Preferences

a. Allowable Preference Categories

- i. Current residents: A household in which one or more members is living in the city or town at the time of application. Documentation of residency should be provided, such as rent receipts, utility bills, street listing or voter registration listing.
- ii. Municipal Employees: Employees of the municipality, such as teachers, janitors, firefighters, police officers, librarians, or town hall employees.

- iii. Employees of Local Businesses: Employees of businesses located in the municipality.
 - iv. Households with children attending the locality's schools, such as METCO students.
 - b. When determining the preference categories, the geographic boundaries of the local resident preference area may not be smaller than municipal boundaries.
 - c. **Durational requirements related to local preferences, that is, how long an applicant has lived in or worked in the residency preference area, are not permitted in any case.**
 - d. Preferences extended to local residents should also be made available not only to applicants who work in the preference area, but also to applicants who have been hired to work in the preference area, applicants who demonstrate that they expect to live in the preference area because of a bonafide offer of employment, and applicant households with children attending the locality's schools, such as METCO students.
 - e. A preference for households that work in the community must not discriminate (including have a disproportionate effect of exclusion) against persons with disabilities and elderly households in violation of fair housing laws.
 - f. **Advertising should not have a discouraging effect on eligible applicants. As such, local residency preferences must not be advertised as they may discourage non-local potential applicants.**
4. Avoiding Potential Discriminatory Effects
- a. General.

The local selection preferences must not disproportionately delay or otherwise deny admission of non-local residents that are protected under state and federal civil rights laws. The AFHMP should demonstrate what efforts will be taken to prevent a disparate impact or discriminatory effect. For example, the community may move minority applicants into the local selection pool to ensure it reflects the racial/ethnic balance of the HUD defined Metropolitan Statistical Area ("MSA") as described below.³⁷ However, such a protective measure may not be sufficient as it is race/ethnicity specific; the AFHMP must address other classes of persons protected under fair housing laws who may be negatively affected by the local preference. For instance, a preference solely based on employment in the municipality may have a disparate impact on the elderly or some persons with disabilities. In such instance, an applicant residing in the community who is age 62 or older or is a person with a disability must be given the benefit of the employment preference.

- b. Lottery Process
 - i. To avoid discriminatory effects in violation of applicable fair housing laws, the following procedure should be followed unless an alternative method for avoiding disparate impact (such as lowering

³⁷ Note: This protective measure may not be dispositive with respect to discriminatory effects. For example, the non-local applicant pool may contain a disproportionately large percentage of minorities, and therefore adjusting the local preference pool to reflect demographics of the regional area may not sufficiently address the discriminatory effect that the local preference has on minority applicants. Therefore, characteristics of the non-local applicant pool should continually be evaluated.

the original percentage for local preference as needed to reflect demographic statistics of the MSA) is approved by the Subsidizing Agency. If the project receives HUD financing, HUD standards must be followed.

- ii. A lottery for projects including a local preference should have two applicant pools: a local preference pool and an open pool. After the application deadline has passed, the Developer should determine the number of local resident minority households there are in the municipality and the percentage of minorities in the local preference pool. If the percentage of minority local resident households in the local preference pool is less than the percentage of minorities in the surrounding HUD-defined area, the Developer should make the following adjustments to the local preference pool:
 1. The Developer should hold a preliminary lottery comprised of all minority applicants who did not qualify for the local preference pool, and rank the applicants in order of drawing.
 2. Minority applicants should then be added to the local preference pool in order of their rankings until the percentage of minority applicants in the local preference pool is equal to the percentage of minorities in the surrounding HUD-defined area.
 3. Applicants should be entered into all pools for which they qualify. For example, a local resident should be included in the local preference pool and the open pool.
 4. Minorities should be identified in accordance with the classifications established by HUD and the U.S. Census Bureau, which are the racial classifications: Black or African American; Asian; Native American or Alaska Native; Native Hawaiian or Pacific Islander; or other (not White); and the ethnic classification Hispanic or Latino.

E. Household Size Requirements

In order to make the best use of limited affordable housing resources, household size should be appropriate for the number of bedrooms in the home. Minimum household standards shall be established and shall conform with the following requirements. A “household” shall mean two or more persons who will live regularly in the unit as their principal residence and who are related by blood, marriage, law or who have otherwise evidenced a stable inter-dependent relationship, or an individual.

1. Preferences.

Lottery drawings shall result in each applicant being given a ranking among other applicants with households receiving preference for units based on the above criteria below.

a. First Preference

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

- i. There is at least one occupant per bedroom.³⁸
- ii. A husband and wife, or those in a similar living arrangement, shall be required to share a bedroom. Other household members may share but shall not be required to share a bedroom.
- iii. A person described in the first sentence of (b) shall not be required to share a bedroom if a consequence of sharing would be a severe adverse impact on his or her mental or physical health and the lottery agent receives reliable medical documentation as to such impact of sharing.
- iv. A household may count an unborn child as a household member. The household must submit proof of pregnancy with the application.
- v. If the applicant is in the process of a divorce or separation, the applicant must provide proof that the divorce or separation has begun or has been finalized, as set forth in the application.

b. Second Preference

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

c. Third Preference

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

2. Maximum Household Size

Household size shall not exceed, nor may maximum allowable household size be more restrictive than, State Sanitary Code requirements for occupancy of a unit (See 105 CMR 400).³⁹

A. Lotteries and Application Process

1. Lottery Application

a. “First Come, First Served”

Resident selection for affordable units must generally be based on a lottery, although in some cases it may be based on another fair and equitable procedure approved by the Subsidizing Agency.⁴⁰ A “first-come, first-serve procedure,” generally is not permissible as it is likely to disadvantage non-local applicants or may otherwise present an impediment to equal housing opportunity for some applicants, including some applicants with disabilities. However, first-come, first-serve may be permissible in circumstances for which a lottery or other random selection procedure would be unduly burdensome or impracticable, including for individual homeownership units after the initial lottery.

³⁸ Households with disabilities must not be excluded from a preference for a larger unit based on household size if such larger unit is needed as a reasonable accommodation.

³⁹ Note, however, that fair housing exceptions may apply: see HUD Fair Housing Enforcement—Occupancy Standards Notice of Statement of Policy, Docket No. FR-4405-N-01 (1998).

⁴⁰ In the case of project based Section 8 properties where resident selection is to be performed by the housing authority pursuant to a Section 8 waiting list, a lottery procedure is not required.

b. Application Period.

The application period should be at least 60 days. To ensure the fairness of the application process, applicants must not be required to deliver application materials and instead must be permitted to mail them or submit by alternative means such as fax or e-mail.

c. Application Contents and Verification

- i. The lottery application must address a household's income, assets, size and composition, minority status (optional disclosure by the household), eligibility as a first-time buyer (for ownership units), and eligibility for local preference
- ii. The lottery administrator shall request verification to verify eligibility; e.g., for homeownership units, three prior year tax returns with the W2 form and for rental housing, one year prior tax return with the W2 form; 5 most recent pay stubs for all members of the household who are working, three most recent bank statements and other materials necessary to verify income or assets. **Only applicants who meet the applicable eligibility requirements shall be entered into a lottery.**

(May 2013 update: clarification that "first come, first serve" generally is not permitted as a selection process.)

2. Lottery Procedure

a. General

- i. Once all required information has been received, qualified applicants should be assigned a registration number. **Only applicants who meet the applicable eligibility requirements shall be entered into a lottery.**⁴¹ **The lottery shall be conducted after any appeals related to the project have been completed and all permits or approvals related to the project have received final action.**
- ii. Ballots with the registration number for applicant households are placed in all lottery pools for which they qualify. The ballots are randomly drawn and listed in the order drawn, by pool. If a project has units with different numbers of bedrooms, units are then awarded (largest units first) by proceeding down the list to the first household on the list that is of appropriate size for the largest unit available according to the appropriate-unit-size criteria established for the lottery. Once all larger units have been assigned to appropriately sized households in this manner, the lottery administrator returns to the top of the list and selects appropriately sized households for smaller units. This process continues until all available units have been assigned to appropriately sized applicant households.
- iii. The lottery should ordinarily be held at a public, wheelchair accessible location.

b. Deposits/Fees

⁴¹ Only applicants who are eligible for a local preference, where applicable, shall be entered into a local preference lottery pool.

- i. Prohibited - Successful lottery participants cannot be required to pay any fee or deposit to hold a unit pending construction completion nor can applicants be required to pay any form of fee or deposit to be placed on a wait list.
 - ii. Permitted – The foregoing language shall not prevent an Owner from requiring a deposit from a home buyer upon signing an offer and/or purchase and sales agreement, nor at the time that the Owner is offering to lease a specific rental unit to the applicant household. In the latter instance, the deposit shall not exceed the amount that the Owner would otherwise be permitted to require as a security deposit.
- c. Accessible Units/Units with Adaptive Features; Reasonable Accommodations
 - i. If the project includes units that are fully accessible, or units that have adaptive features (also commonly referred to as “adaptable” units), for occupancy by persons with mobility impairments or hearing, vision or other sensory impairments, first preference (regardless of applicant pool) for those units shall be given to persons with disabilities who need such units, including single person households, in conformity with state and federal civil rights laws. This preference applies to fully accessible units (e.g., in projects in which 5% of the total units are to be wheelchair accessible and 2% are to be communications accessible in accordance with applicable accessibility standards).⁴² In projects that do not have such units but that have units with adaptive features⁴³ for persons with mobility impairments and/or hearing, vision or other sensory impairments, this preference also applies to the units with adaptive features; however, such a preference is not required to exceed 5% (mobility) or 2% (sensory) of the total units under these guidelines.
 - ii. Fulfilling the obligation for a providing a first preference, as described above, does not limit an owner’s fair housing obligations with respect to persons with disabilities. When a person with a disability is the next eligible applicant and the development contains available units with adaptive features, the applicant must be made aware of such availability and of the owner’s obligation to adapt the unit as needed.
 - iii. The owner also has obligations to make reasonable accommodations such as granting the request for an appropriately sized first floor unit.
- d. Wait Lists
 - i. General - The lottery administrator should retain a list of households who are not awarded a unit, in the order that they were drawn from the general (non-local) pool. If any of the initial renters/buyers do not rent/purchase a unit, the unit shall be offered to the highest ranked household on that retained list.

⁴² e.g., Massachusetts Architectural Access Board (MAAB) (“Group 2 units”), Uniform Federal Accessibility Standards (UFAS), and 2010 ADA Standards.

⁴³ e.g., in accordance with the Fair Housing Act Guidelines and MAAB (“Group 1 units”) standards.

- ii. Units with Adaptive Features - Where a person with a disability is awaiting an accessible unit and a unit with adaptive features becomes available, the owner/management agent must offer to adapt the unit.
- iii. Term of Wait List - The wait list generally may be retained and used to fill units for up to one year. However, other factors such as the number of households remaining on the list, the likelihood of the continuing eligibility of such households, and the demographic diversity of such households may inform the retention time of the list, subject to the approval of the Subsidizing Agency.
- iv. Updating - After the initial lottery, waiting lists should be analyzed, maintained, and updated (through additional marketing) so that they remain consistent with the objectives of the housing program and are adequately representative of the racial, ethnic, and other characteristics of potential applicants in the housing market region.

(May 2013 Update: Clarification on deposit policy and fair housing requirements with respect to accessible and/or adaptive units; no change in policy.)

3. Lottery Example

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

- Total applicants in lottery: 100
- Total minority applicants: 20
- The community in which the lottery takes place falls within the HUD Boston-CambridgeQuincy Metropolitan Statistical Area which has a minority population of 27.0%.
 - a. Determine the number of applicants who claim a LOCAL preference according to approved criteria.
 - b. Determine the number of minority applicants in the LOCAL preference pool.
 - c. Determine the percentage of minority applicants in the LOCAL preference pool.

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

Since the percentage of minority applicants in the LOCAL preference pool is below the percentage of minority residents in the HUD defined metropolitan statistical area (16.7% as opposed to 27.0%), a preliminary lottery is required.

- d. The 10 minority applicants who do not have LOCAL preference are entered into a preliminary drawing and assigned a rank based on the order of their draw. Minority applicants are added to the LOCAL preference pool in order of their rank until the LOCAL preference pool has at least as great a

percentage of minority applicants as the larger statistical area. In this example, 9 applicants will be added to the LOCAL preference pool to bring the percentage of minority applicants up to 21.827.5%.

Total Applicants in Supplemented Local Preference Pool	Total Minority Applicants in Supplemented Local Preference Pool	% Minority Applicants in Supplemented Local Preference Pool
69	19	27.5%

- e. Draw all ballots from the adjusted LOCAL pool and assign rankings to each household. Preference for appropriately sized households will still apply and all efforts should be made to match the size of the affordable units to the legitimate need for bedrooms of each household.
 - f. Once all units for LOCAL residents have been allocated, the OPEN pool should proceed in a similar manner. All LOCAL residents should have ballots in both pools, and all minority applicants that were put in the LOCAL pool should remain in the OPEN pool as well.
4. Rental: Opening Waiting Lists, Re-Marketing or Continuous Marketing

Although owner/management agent standards for opening waiting lists or re-marketing to generate sufficient applications after the initial rent-up stage may vary, the following are generally applicable: the waiting list is re-opened when it contains less than the number of applicants anticipated to be placed in the next 12 months, or, if the waiting list has not closed, additional marketing is needed undertaken to generate at least enough applicants as was needed to fill the previous year's vacancies.

a. Minimum Application Period

At such or similar points in time, consistent with a Developer or management agent's policies and practices with respect to marketing and wait lists, when a wait list (whether for a project or a particular unit type) is re-opened or units are remarketed, a minimum application period during which applicants may receive and submit applications is required. The appropriate length of the application period may vary depending on the number of units that are or will become available. In some instances 20 or more business days will be appropriate, but in no event shall the application period be less than 10 business days.

b. "First Come, First Served"

A "first-come, first-serve" method of generating the waiting list order of new applicants that apply during said application period shall not be permitted as it may present an impediment to equal housing opportunity for some applicants, including some applicants with disabilities. Therefore, a random selection or other fair and equitable procedure for purposes of adding persons to a wait list upon opening the wait list or remarketing the units must be utilized, subject to the approval of the Subsidizing Agency.⁴⁴ This does not require any changes to the wait list as it exists prior to adding the new applicants.

c. Continuous Marketing/Persons with Disabilities

⁴⁴ Note: the random selection procedure requirement does not preclude the application of the larger household size and accessible/adaptable preferences described herein.

If the wait list is not closed and marketing is ongoing continuously in order to generate sufficient applicants, then, so as to avoid a disparate impact on persons with disabilities who require a reasonable accommodation with the application process, including additional time to receive, complete and/or submit an application, and who therefore may be disadvantaged by wait list placement based upon the date/time of receipt of the application, the application will be date/time stamped prior to being mailed or otherwise provided to such applicants and upon submission of a complete application the household shall be placed on the wait list based upon such date/time stamp, provided that the application is returned or postmarked not more than 30 days of such date/time stamp. The ongoing affirmative and general marketing/outreach materials will contain language that explicitly gives notice of the availability of reasonable accommodations with respect to the application process and a telephone number for applicants who may want to request a reasonable accommodation and/or assistance with the application process.

For marketing requirements, see “Outreach and Marketing” and “Availability of Applications” under Sections B.6 and B.7, above.

(May 2013 Update: Explicit standards for re-opening rental housing waiting lists or re-marketing rental units.)

B. Homeownership

1. Household Eligibility

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

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

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

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

2. Final Qualification and Closing

a. Securing Financing.

- i. Once the lottery has been completed, applicants selected to purchase units must be given a reasonable pre-specified time period in which they must secure financing.
- ii. The Developer should invite the lottery winners to a loan application workshop.
- iii. The Developer should make prior arrangements with local financial institutions with respect to financing qualified purchasers. Often such institutions will give preliminary approvals of loans, which make the remainder of the process more efficient for all parties. However, **applicants cannot be required to use a specific lender for their pre-approval letter or their mortgage.**
- iv. Applicants should be made aware that they should confirm that their lender accepts the “Universal Deed Rider” employed by the Subsidizing Agencies.
- v. Non-household members should not be permitted as co-signers of the mortgage.

b. Approval by Subsidizing Agency

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

3. Resales

a. Ongoing AFHMP Requirements

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

b. “Ready-Buyer” List

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