

Town of Westminster Housing Production Plan 2017 Update

Submitted to MA Department of Housing and Community Development (DHCD) in accordance with DHCD's Housing Production Plan Regulations 760 CMR 56.03(4)



Prepared By:
Montachusett Regional Planning
Commission
December 2017



Table of Contents

EXECUTIVE SUMMARY	1
BACKGROUND AND STATEMENT OF PURPOSE	1
NEEDS ASSESSMENT SUMMARY	3
AFFORDABLE HOUSING GOALS	3
AFFORDABLE HOUSING STRATEGY	4
INTRODUCTION	5
SECTION I: COMPREHENSIVE HOUSING NEEDS ASSESSMENT.....	5
A. DEMOGRAPHIC PROFILE	5
B. GROWTH PROJECTIONS	8
C. HOUSING STOCK.....	9
D. DEVELOPMENT CONSTRAINTS AND LIMITATIONS	17
E. CAPACITY OF INFRASTRUCTURE	21
SECTION II: GOALS AND OBJECTIVES.....	24
HOUSING GOAL	24
HOUSING OBJECTIVES	24
SECTION III: IMPLEMENTATION STRATEGIES	24
A. LOCATIONS.....	24
B. STRATEGIES	25
SECTION IV: DESCRIPTION OF USE RESTRICTIONS.....	28
APPENDICES	29

Executive Summary

Background and Statement of Purpose

This Housing Production Plan (HPP) update was prepared in compliance with the Massachusetts Department of Housing and Community Development's (DHCD) Housing Production Plans Regulation, MGL 760 CMR 56.03(4). It provides a management tool to enable the town of Westminster to make timely progress toward meeting its affordable housing goals. The HPP is the business plan to implement the town's Master Plan (the town's strategic plan for affordable housing - see Appendix A). The HPP:

- Presents a comprehensive needs assessment for affordable housing in Westminster, including an analysis of existing conditions, demographic trends and local and regional market forces.
- Identifies the constraints that have limited affordable housing production in Westminster, and the town's efforts to mitigate them.
- Identifies opportunities and approaches the Town will pursue in order to meet its goal of providing housing for families across a broad range of income, age and needs.
- Describes the mix of housing units required to address the identified needs and a time frame for their anticipated production.
- Recommends a number of regulatory reforms and tactics to expand local development capacity.
- Describes strategies to preserve Westminster's unique ecological assets while undertaking new production initiatives.

- Describes strategies to preserve existing housing stock while increasing affordability.
- Anticipates a significant role for both private and town-initiated development.

Market Conditions

According to the 2015 American Community Survey, Westminster's population has increased to 7,414, up 7.3% from the 7,277 residents stated in the 2010 U.S. Census. These residents live in approximately 3,051 units of housing, of which 86.0% are single family homes. From the year 2000 to present, 264 homes have been built, but since 2005 only 13 building permits for multifamily structures were issued versus 309 building permits for single-family homes in the same period. Most of the remaining parcels of undeveloped land will be difficult to develop because they must have individual wells and on-site septic systems in a geologic area of high water tables.

Economic growth along the Route 2 corridor can be a major driver of change. Home prices increased 7.5% from 2012-2016. From 2006 to 2011 however, single family home prices have decreased 23.15% from an average of \$285,000 in 2006 to an average sales price of \$219,000 in 2011.

Existing Affordable¹ Housing in Westminster

In the 2011 update of the HPP, 3.04% (86 units) of Westminster's existing housing stock were on the town's Subsidized Housing Inventory (SHI). As of December 5, 2014, 1 affordable unit has been added to Westminster's SHI, bringing the percentage up to 3.1%. This is more than a third to the ten percent goal the state has established for its cities and towns.

Socio-Economic Needs

35.7% of Westminster residents are low to moderate income (LMI); 3.4% of residents and 1.5% of families live below the federal poverty level according to the American Community Survey Results from 2011 - 2015.

In 2011, nearly 38.2% of Westminster homeowners and nearly 13.2% of renters spent more than 30% of their income on housing costs; 31.5% paid more than 35%. In 2016, that number decreased to 31.9% of homeowners and 22.1% of renters.

Westminster's demand for units of affordable housing comes from five main sources:

- Low and moderate income (LMI) households
- Young families with established ties (parents, siblings) to Westminster
- Elderly residents seeking to downsize
- Full-time employees of the Town of Westminster and the Ashburnham Westminster Regional School District, many of whom cannot afford to live in the town where they grew up and now work
- Employees of businesses located in Westminster

¹ The Webster's Dictionary definition of affordable: "*to be able to bear the cost of*" does not match the State's definition of affordable. Units rated by the State as affordable in Westminster may or may not cost more than comparable units in town that are at market rate.

Environmental Protection Needs

Westminster is located at the Southern New England Coastal Plains and Hills and the Worcester Plateau Ecoregions. The area's unique geologic history has resulted in a wide variety of soil types and conditions.

The state of Massachusetts recognizes the environmental value of Westminster's open spaces. The state owns a total of 6,987 acres of open space in Westminster - more than 29% of the land in town. Much of this acreage is either state park or wildlife management areas.

According to the 2012 State Biomap2 Core Habitat includes 1,448 acres in Westminster (of which 843 acres or 58.2% are protected). The designated BioMap2 also lists 4,334 acres designated as Supporting Natural Landscape. (of which 2,225 acres or 51.3% are protected) There are 9 state-listed rare species known to occur within the boundaries of the Core Habitat.

The natural resources of Westminster belong not only to her residents; they belong to all residents of the state. They provide venues for hunting and fishing, hiking, swimming, cross-country skiing, and a variety of other outdoor activities. It is the responsibility of the Conservation Commission, Westminster Housing Authority, Selectmen, Planning Board and interested citizens to protect these resources for everyone.

The need to provide affordable housing for Westminster's neediest citizens must be balanced against the need to preserve and protect the town's natural resources. Because these resources belong to all Massachusetts residents, they must not be used to fulfill Westminster's affordable housing needs.

Needs Assessment Summary

Westminster is a community with unmet needs for affordable housing:

- According to the 2015 American Community Survey, 591 households (31.9%) pay more than 30% of their income in mortgages. This is down from 38.2% in 2010. 68 household renters (22.1%) pay more than 30% of their income in rent.
- 19.3% of the housing stock was built before 1940.
- There's a 2-3 years waiting list for housing in the only affordable senior housing in town.
- There are insufficient subsidized units appropriate for young families or for the employees of the town and the school district.

The need for additional units of affordable housing is clear and well understood by both the citizens and town officials. This need must be balanced against the town's unique ecological assets that belong to all residents of the state.

Affordable Housing Goals

Currently, 162 units of affordable housing are needed to bring the town up to, or near, the state's 10 percent target at the current number of housing units. Although the state has set a target of 10 years, realistically, given our local constraints and historical rate of development, this is a fifteen or twenty-year goal. On an ongoing basis, the town should ensure that a minimum of 10 percent of its new residential development is affordable. An additional three units per year would maintain that level given historic growth trends. In terms of timing, the goal is to add at least 25-35 qualified, affordable units the first three years of the plan, then a minimum of 8 units each succeeding year so that the Town can continue to guide its growth consistent with its Master Plan. (See Appendix A)

The Housing Authority proposes an equitable division between family and elderly (and/or special needs) units and between rental and homeownership. In addition to adding units that are affordable by, and restricted to, households earning not more than 80 percent of the area median income (i.e., those that qualify for inclusion on the SHI), the Town will strive for a mix of the units in publicly-supported developments which includes moderate and middle-income households (those earning between 80-150 percent of the town's median income) and the lowest income households (those earning less than 50% of the town's median income).

To the extent that appropriate sites are available, new small-scale affordable developments should be distributed throughout the town. Town-owned land should be utilized, if feasible. Where existing single-family properties are suitable for conversion to multiple units, or where new units can be added to existing developed sites, these options should be considered. Higher density development may be supported where the Master Plan has indicated it is appropriate and sustainable. As important as building new affordable housing is, preserving, maintaining and upgrading the existing inventory, and improving its affordability and accessibility for current residents and those who would like to "buy in" is critical.

Affordable Housing Strategy

Achieving these goals will require appropriate tools and regulations (or regulatory relief), financial resources, development capacity, and political will. The strategies the town will pursue include production initiatives; preservation strategies; planning and regulatory reform; and building local development and management capacity (including funding). We anticipate continued collaboration with private developers proposing development under the comprehensive permit provisions of M.G.L. Chapter 40B. According to the Interagency Agreement dated January 2014 between DHCD and several State Housing Agencies, most 40B developments need to designate 10% of the housing to be 3-bedroom units. The Housing Authority will work with developers to realize this criterion. This plan calls for rehabilitation and qualification of existing units owned by low income homeowners under the Ashby Ashburnham Westminster Rehabilitation Project, funded by Community Development Block Grants (CDBG). In addition, two proposed zoning bylaw changes would facilitate the creation of accessory dwelling units and the conversion of some current business properties to mixed use rentals. Lastly, the plan describes the long-term affordability restrictions the town will employ to ensure ongoing affordability by the targeted income groups.

Introduction

This Housing Production Plan is intended to serve as an update to the Town of Westminster's 2011 Planned Production Affordable Housing Plan. It is written in compliance with the guidelines and requirements for Housing Production Plans adopted by the Massachusetts Department of Housing and Community Development according to 760 CMR 56.03. Approval of this plan is valid for a period of five years.

The first section of the plan is a **Comprehensive Housing Needs Assessment**, which provides an analysis of current and future projected housing-related statistics. First, local and regional population and income statistics related to housing are presented. Next, growth projections on both a local and regional level are discussed. Then, the housing stock currently available in Westminster is summarized by type, age, size and affordability. Finally, developmental constraints and the capability of the existing infrastructure to support additional growth are analyzed.

The second section presents **Affordable Housing Goals**. It begins with a review of the current Housing Goals and Objectives, the Town's actions since adopting the 2011 Plan and provides the numerical goal for annual housing production.

The third section, **Implementation Strategies** discusses a variety of options available for accomplishing the goals and objectives of the Affordable Housing Goals section. Such strategies include investigating techniques to utilize existing housing units for both affordable homeownership and rental units, partnering with regional non-profit housing organizations, fostering the development of needed senior housing units and exploring various zoning initiatives.

The final section, **Description of Use Restrictions**, provides a model deed restriction for affordable housing units that include the time period covered by the deed restriction and how the future sale price will be calculated, along with a set of requirements that are to be included in the deed restriction in accordance with MGL Chapter 40B.

Section I: Comprehensive Housing Needs Assessment

A. *DEMOGRAPHIC PROFILE*

Population

The Town of Westminster's population as of the 2015 American Community Survey was 7,414. This figure represents an increase of 7.3% (507 persons) over the 2000 population level. Table 1 provides this information for the Town of Westminster along with the population of surrounding communities in 2000, 2010 and 2015.

As indicated in Table 1, the Town of Westminster grew at a faster rate than both the Montachusett Region and the Commonwealth of Massachusetts, as the latter two geographic areas grew in the 5% range.

Table 1: Population of Westminster, Surrounding Communities, the Region and Massachusetts

	2000	2010	2015	00-'15 % Change
Westminster	6,907	7,277	7,414	7.3%
Ashburnham	5,546	6,081	6,160	11.1%
Fitchburg	39,102	40,318	40,462	3.5%
Gardner	20,770	20,228	20,306	-2.2%
Hubbardston	3,909	4,382	4,474	14.5%
Leominster	41,303	40,759	41,176	-0.3%
Princeton	3,353	3,413	3,456	3.1%
Montachusett Region	228,005	236,475	240,594	5.5%
Massachusetts	6,349,097	6,547,629	6,705,586	5.6%

Source: U.S. Census 2000, 2010 and 2015 American Community Survey

Over the course of the past decade the Town of Westminster's senior population has been increasing at a much greater rate than the general population. The Westminster Council of Aging (COA) has provided projections from the Executive Office of Elder Affairs and The Donahue Institute for the near future of senior population levels (COA defines a senior resident who is 60 years old or older) within the Town for the year 2020 (see Table 2). Between 2010 and 2020, the growth of senior population will be 48.5%.

Table 2: Town of Westminster Senior Population Trends

Year	2020	2025	2030	2035	'10-'20 %Change
60+ population	2,046	2,341	2,445	2,389	48.5%

Source: Westminster Council of Aging

A more detailed breakdown of the Town of Westminster's 2015 population by age is provided in Table 3. A review of the 2015 American Community Survey (ACS) data of population by age compared to the 2010 Census reveals some findings consistent with the Westminster Council of Aging figures. Population of residents 65 years and over rose 10.89% over the past ten years. But for the population between 60-64 years of age there was an increase of 159.71% (In 2000 this age bracket had only 206 persons which has more than doubled to 535).

Table 3: Population Characteristic by Age

Subject	Number	Percent
SEX AND AGE		
Total population	7,414	100.0%
Under 5 years	311	4.2%
5 to 19 years	979	13.2%
20 to 34 years	830	11.2%
35 to 44 years	1060	14.3%
45 to 54 years	1223	16.5%
55 to 64 years	1372	18.5%
65 to 79 years	690	9.3%
80 years and over	200	2.7%
Median age (years)	42.9	(X)
16 years and over	5,924	79.9%
18 years and over	5,813	78.4%
62 years and over	1,283	17.3%
65 years and over	890	12.0%

Source: American Community Survey 2015

The number of children under 18 years of age decreased by 133 between 2010 (1,850) and 2015 (1,717). All age groups under 45 years of age decreased between 2010 and 2015, except between ages 15-19 (increase of 9.58%) and 20-24 (increase of 35.57%), a likely reflection of the baby boom echo. Overall the Town's Median Age increased from 38.6 to 42.9 over the past 10 years. The Town of Westminster's population is a bit older comparing the Town's median age to the State's median age (39.1 years) and Worcester County's median age (40.1 years). These demographic trends play an important role in determining the housing needs for the community.

Table 4 shows the Town of Westminster's 2015 demographic profile by ethnicity, along with the surrounding communities. The population ethnic makeup of Westminster is more similar to the smaller towns of Ashburnham, Hubbardston and Princeton than the three (3) cities of Fitchburg, Gardner and Leominster. A review of Westminster's ethnic make-up from the 2010 Census compared to the 2015 data shows some growth in the Hispanic and Black populations, but no significant differences in the overall make-up of the community.

Table 4: 2015 Population Characteristics by Ethnicity

2015	Population	White	Black	Asian	Native American	Hispanic/Latino	% White	% Black	% Asian	% Native American	% Hispanic
Westminster	7,414	7,337	123	0	0	252	99%	1.70%	0%	0%	3.40%
Ashburnham	6,160	6,056	68	0	86	37	98.3%	1.1%	0%	1.4%	0.6%
Fitchburg	40,462	33,418	2,538	2,140	345	9,682	82.6%	6.3%	5.3%	0.9%	23.9%
Gardner	20,306	18,781	804	425	190	1,622	92.5%	4.0%	0.9%	0%	8.0%
Hubbardston	4,474	4,325	132	39	0	28	96.7%	3.0%	0.9%	0%	0.6%
Leominster	41,176	35,469	2,681	1,200	454	6,304	86.1%	6.5%	2.9%	1.1%	15.3%
Princeton	3,456	3,258	39	107	6	190	94.3%	1.1%	3.1%	0%	5.5%

Source: American Community Survey 2015

Income

The Town of Westminster's 2015 Median Household Income is compared with the surrounding communities in Table 5 below.

Table 5: 2015 Median Household Income – Westminster and Surrounding Communities

Community	2015 Median Household Income
Westminster	\$88,902
Ashburnham	\$87,615
Fitchburg	\$48,724
Gardner	\$43,905
Hubbardston	\$81,757
Leominster	\$58,955
Princeton	\$114,167

Source: American Community Survey 2015

Income characteristics in the Town of Westminster are presented in Table 6 below, based on 2015 estimates provided by ACS (American Community Survey). The median household income for Westminster was estimated at \$88,902. A majority of households (25.9%) earned between \$100,000 and \$150,000 annually. 5.2% of households earned under \$15,000 per year and 3.4% earned over \$200,000 per year.

Table 6: Household Income in 2015

Households	Number	Percent
Less than \$10,000	44	1.6%
\$10,000 to \$14,999	100	3.6%
\$15,000 to \$24,999	169	6.1%
\$25,000 to \$34,999	107	3.9%
\$35,000 to \$49,999	158	5.7%
\$50,000 to \$74,999	412	14.8%
\$75,000 to \$99,999	599	21.6%
\$100,000 to \$149,999	719	25.9%
\$150,000 to \$199,999	377	13.6%
\$200,000 or more	94	3.4%
Total Households	2779	100%
Median Household Income	\$88,902	

Source: American Community Survey 2015

B. GROWTH PROJECTIONS

Population Growth Projections

Table 7 presents projected population for the Town of Westminster and the Region according to the UMass Donahue Institute Vintage 2015 Population Projections.

The long-term trend shows that the state has entered a period of slow population growth and beginning to decline. Westminster's population is projected to increase to 7,504 in 2025, which is the closest projection available during the 5-year period that this Housing Production Plan will cover. The figure of 7,504 represents an increase of 227 persons to the recorded 2010 population (representing a further increase of 3.1%).

Table 7: Population Forecast to 2035 (Westminster and Region)

Population/Year	2020	2025	2030	2035
Westminster	7,504	7,605	7,628	7,565
Montachusett Region	245,136	247,912	249,248	248,702

Source: UMass Donahue Institute Vintage 2015 Population Projections. March 2015.

Household Forecast

Household average size forecast to Westminster in 2022 are based on forecasts provided by ESRI (Environmental Systems Research Institute, Inc.).

Westminster's projections show a projected growth in number of households to 2,987 in 2022 (based on projected average household size of 2.72. As indicated in Table 12 on page 7, there were 2,716 households as of the 2015 American Community Survey. Thus the projected growth in the number of households by 2022 is projected at 271 new households, representing a 9% increase over the 2015 level.

C. HOUSING STOCK

Housing Units Inventory

Table 8 provides status of housing units within the Town of Westminster as of 2015. In 2015, there were a total of 3,051 housing units within the Town of Westminster. Occupied housing units make up almost 91.1% (2,779) of the total housing stock. Of the occupied housing units, 87.7% are owner-occupied housing units (2,437) with 12.3% renter-occupied (342). The average household size of owner-occupied units is larger at 2.72 persons per unit (ppu) than the average household size of renter-occupied units (2.27 ppu).

Table 8: 2015 Housing Occupancy

	Number	Percent
Total housing units	3,051	100.0%
Occupied housing units	2,779	91.1%
Vacant housing units	272	8.9%
Homeowner vacancy rate (percent)	1.6%	
Rental vacancy rate (percent)	3.9%	
HOUSING TENURE	Number	Percent
Occupied housing units	2,779	100.0%
Owner-occupied housing units	2,437	87.7%
Renter-occupied housing units	342	12.3%

Source: American Community Survey 2015

The growth of housing units in the Town of Westminster and surrounding communities during the first half of the 2010s decade is reflected in Table 9 below. Westminster's housing stock grew by 8% from 2010-2015. However, only Princeton (-6.2%) and Leominster (-6.3%) had their total housing unit stock grow lesser than Westminster of all the surrounding communities.

Table 9: Westminster and Surrounding Communities 2010 and 2015 Housing Unit Summary

Community	2010 Housing Units				2015 Housing Units				
	Occupied	Vacant	Total	'10 Vacancy %	Occupied	Vacant	Total	'15 Vacancy %	%10-15 change
Westminster	2,716	244	2,960	8.24%	2,779	272	3,051	8.9%	8.0%
Ashburnham	2,148	451	2,599	17.35%	2,216	532	2,748	19.4%	11.8%
Fitchburg	15,165	1,952	17,117	11.40%	14,842	2,189	17,031	12.9%	13.2%
Gardner	8,224	902	9,126	9.88%	8,142	1,027	9,169	11.2%	13.4%
Leominster	16,767	1,106	17,873	6.19%	16,772	1,025	17,797	5.8%	-6.3%
Hubbardston	1,566	96	1,662	5.78%	1,592	159	1,751	9.1%	57.4%
Princeton	1,279	60	1,339	4.48%	1,252	55	1,307	4.2%	-6.2%

Source: U.S. Census 2010 and American Community Survey 2015

A comparison of the 2010 vacancy rate versus the rate in 2015 indicates that the vacancy rate has slightly decreased or stabilized across the Region in recent years a product of the recovery from the 2007-2008 recession and housing bust. The Town of Westminster's vacancy rate varied from 8.9% to 8.24% over this five-year time frame with about 25 more vacant units.

Types of Housing Units

For details on the types of housing units the most current information available beyond the 2010 Census is the American Community Survey (ACS) 5-year estimates for the period between 2011 and 2015. Note that the ACS estimates had a total of 2,779 housing units for the Town of Westminster which is 181 less than the 2,960 total housing units recorded by the 2010 census, as indicated in Table 10 below. One reason for this lower number may be found in the subsequent table (Table 11 on Page 8), which ACS data indicates zero housing units were constructed from 2010 onward, whereas building permit data over the period from 2005-2010 indicates 111 new housing units constructed. A vast majority of Westminster's housing units (86.0%) are detached single-family units (2,390). The second highest category of unit types is duplex units of which there are 147 such units, which makes up 5.3% of the Town's housing stock.

Table 10: Types of Housing Units in Westminster

Selected Housing Characteristics	Estimate	Percent
UNITS IN STRUCTURE		
Total housing units	2,779	100%
1-unit, detached	2,390	86.0%
1-unit, attached	106	3.8%
2 units	33	1.2%
3 or 4 units	64	2.3%
5 to 9 units	39	1.4%
10 to 19 units	147	5.3%
Mobile home	0	0.0%

Source: American Community Survey 2015

The age of Westminster's Housing Stock, based on the ACS 5-year estimates from 2015 is presented in Table 11. The impact of the housing boom of the 2000s is shown in that 9.5% of the Town's housing stock is based on construction from 2000 and later (see above for why this number is actually higher). Although the Town actually had a greater boom in the 1990s. Of the total housing stock, over a quarter of the Town's housing units consists of housing built prior to 1950 (27.4% or 723 units) and note that 42% of the Town's housing stock is 50 years old or older.

The average household size in Westminster is 2.49 persons per unit as of 2015. It is interesting to note, however, that the average household size of owner-occupied units in Westminster is 2.72 compared to 2.27 for renter-occupied units. Owner-occupied units tend to have larger number of bedrooms and, subsequently, more occupants, than renter-occupied units.

Table 11: Age of Housing Units in Westminster

Selected Housing Characteristics	Estimate	Percent
YEAR STRUCTURE BUILT		
Total housing units	2,779	100%
Built 2010 or later	0	0.0%
Built 2000 to 2009	264	9.5%
Built 1980 to 1999	753	27.1%
Built 1960 to 1979	592	21.3%
Built 1940 to 1959	634	22.8%
Built 1939 or earlier	536	19.3%

Source: American Community Survey 2015

Table 12 provides the 2015 ACS data for the Town of Westminster with households by type. Westminster's 2,716 households are clearly a majority of households with families (75.4%) with about a quarter of nonfamily households. Of these family households, 1,740 (64.1%) had children under 18, and 1,693 (62.3%) were married couples.

Of the non-family households, 511 (18.8%) were living alone. Of these residents who were living alone 180 were 65 years and over (both male and female) as of the 2010 Census. Overall there were 600 households (22.1%) with households with individuals 65 years of older.

Table: 12 Households By Type

	Number	Percent
Total households	2,716	100.0%
Family households (families)	2,047	75.4%
With own children under 18 years	879	32.4%
Husband-wife family	1,693	62.3%
With own children under 18 years	697	25.7%
Male householder, no wife present	123	4.5%
With own children under 18 years	59	2.2%
Female householder, no husband present	231	8.5%
With own children under 18 years	123	4.5%
Nonfamily households	669	24.6%
Householder living alone	511	18.8%
Male	242	8.9%
65 years and over	59	2.2%
Female	269	9.9%
65 years and over	121	4.5%
Households with individuals under 18 years	941	34.6%
Households with individuals 65 years and over	600	22.1%
Average household size	2.68	(X)
Average family size	3.08	(X)

Source: American Community Survey 2015

Current Development Trends

The Westminster Building Department has provided figures of building permits issued for new single-family and two-family housing units covered by the period from 2011 to present. The numbers show a solid recovery from the housing crisis of past decade. Overall 211 new residential housing units have been built over this six-year period. This is a significant difference from the 111 housing units

constructed from a five-year period 2005-2010 according to numbers provided by the Westminster Building Department figures.

Table 13: # of Building Permits 2005-2017-to-date

Year	Single-Family	Two-Family	Total
2005	39	1	40
2006	21	2	23
2007	20	0	20
2008	10	0	10
2009	8	1	9
2010	9	0	9
2011	10	2	12
2012	22	1	23
2013	17	1	18
2014	40	1	41
2015	31	4	35
2016	43	0	43
2017	39	0	39

Source: Westminster Building Department

MRPC has obtained data from the Warren Group which has data available from 2011-to 2016 regarding foreclosures. As indicated in Table 14 below, over a 6-year period, Westminster's annual foreclosures rose from three in 2011 to 16 in 2016. Meanwhile across the Worcester County, in 2011 annual foreclosures were about 461, but spiked to 1475 in 2016.

Table 14: Foreclosure Statistics 2011 – 2016: Westminster and the Region

	2011	2012	2013	2014	2015	2016
Westminster	3	5	1	3	8	16
Worcester County	461	738	267	284	551	1475

Source: The Warren Group

Affordable Housing Stock – Affordable Housing and Chapter 40B Subsidized Housing Unit Inventory

What is affordable housing and why should the issue of housing affordability be so important to local officials and residents of a community? The generally accepted definition of affordable housing is that housing is considered affordable when “a household pays no more than 30% of its annual income for rent or mortgage”. Multiple sources and organizations agree upon this definition. Some of these include the American Planning Association, Massachusetts Department of Housing and Community Development (DHCD), The Greater Boston Housing Report Card, 2003 (Bonnie Heudorfer, Housing Specialist, Northeastern University, April 2004), and the Citizens' Housing and Planning Association (CHAPA).

MGL Chapter 40B Definition of Households Meeting Affordable Housing Requirements

The State statute concerning affordable housing development (MGL Ch. 40B, Sections 20-23) cites that affordably-produced and priced homes must be available to households where the incomes do not exceed 80% of the median household income for the region in which the community is located. In

Westminster's case, the community is located within the Fitchburg-Leominster PMSA (Primary Metropolitan Statistical Area). As of June 2017, median household incomes for family sizes ranging from 1 to 8 persons are as follows in Table 15:

Table 15: Moderate-Income Limits by Household Size (June 2017)

HOUSEHOLD SIZE	80% OF MEDIAN INCOME
1	\$44,800
2	\$51,200
3	\$57,600
4	\$64,000
5	\$69,150
6	\$74,250
7	\$79,400
8	\$84,500

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

For the purposes of Chapter 40B, affordable housing is generally defined as housing units that are:

1. Subsidized by an eligible state or federal program.
2. Subject to a long-term deed restriction limiting occupancy to income eligible households for a specified period of time (at least 30 years or longer for newly created affordable units, and at least 15 years for rehabilitated units).
3. Subject to an Affirmative Fair Marketing Plan.²

The Chapter 40B threshold for affordable housing is that every community must have 10% of their housing to meet the 80% median household income figure discussed above. If a Town or City does not have 10% of their year-round housing units on the State's affordable housing inventory, then a developer can file a plan under the provision of MGL Chapter 40B that can have greater density allowed under the Town's zoning bylaw and if the application is denied by the Zoning Board of Appeals, the developer can appeal to the Massachusetts Housing Appeals Committee.

Thirty-eight (38) communities in Massachusetts have met the 10% threshold, based on the updated Subsidized Housing Inventory (SHI) released by DHCD in June 2011, which has now been updated to include 2010 year-round housing units. This amounts to 10.8% of all municipalities across the Commonwealth having achieved this requirement.

Given that only approximately 11% of all Massachusetts communities have achieved the 10% 40B threshold, in 2003 DHCD developed the Housing Production Plan (HPP) Program, through changes to the Chapter 40B Regulations. According to DHCD, by taking a proactive approach in the adoption of a HPP, cities and towns are much more likely to achieve both their affordable housing and community planning goals. HPPs give communities that are under the 10% threshold of Chapter 40B, but are making steady progress in producing affordable housing on an annual basis, more control over comprehensive permit applications for a specified period of time.

² The Commonwealth of Massachusetts' Affirmative Fair Housing Marketing Plan Guidelines have been provided as Appendix A to this Housing Production Plan. The Guidelines also contain the current State requirements for local preference.

If a community has a DHCD approved HPP and is granted certification of compliance³ with the plan by DHCD, a decision by the Zoning Board of Appeals (ZBA) relative to a comprehensive permit application will be deemed "consistent with local needs" under MGL Chapter 40B. "Consistent with local needs" means the ZBA's decision will be upheld by the Housing Appeals Committee.

The Town of Westminster currently has 87 units of affordable housing according to the Massachusetts Department of Housing and Community Development (DHCD) in July 2017. This Subsidized Housing Unit Inventory (SHI) is presented in Table 16 on the following page.

The Chapter 40B inventory maintained by DHCD (which was recently revised to include data based on the 2010 Census) classifies 87 housing units in Westminster as subsidized out of a total of 2,826 year-round housing units. Currently, the Town of Westminster would need a total of 283 subsidized housing units (meaning the construction of an additional 197 units) to reach 10% and this assumes no increase in the number of market rate housing units.

One of the 40B projects on the SHI provided by DHCD is Mountain View Estates, which is listed as having zero units because the project was never constructed. According to the Westminster Planning Board, this 40B project off East Road will not be moving forward as originally permitted and the Westminster Open Space Committee is trying to get the back acreage to become under permanent land protection status.

Table 16: Town of Westminster Chapter 40B Subsidized Housing Unit Inventory

Westminster Totals			87
Census 2010 Year Round Housing Units			2,826
Percent Subsidized			3.1%

Source: MA Department of Housing and Community Development

Given that the Town is well below the 10% threshold specified in 40B, the Town has been participating in DHCD's Housing Production Plan (HPP) Program as a proactive attempt to remedy its affordable housing deficiency. This document represents the third iteration of the Town's Housing Production strategy (The initial version 2005, the 2006 updated version approved by DHCD and this 2017 update.).

A review of the Town's SHI indicated that the subsidy for the Wellington Elderly Housing project through the USDA Rural Housing Service (RHS) expires in 2020. An Action Item has been included in the Implementation Strategies Chapter for the Town to annually review the expiration dates of units on the Town's SHI. For the Wellington project, the Town will need to communicate with the property owner what their intention may be in terms of renewing the RHS subsidy near the end of the five-year period covered by this HPP (2017-2022).

Home Values

Table 17 shows the number of single family homes and condominiums sold from the period between 2006 and 2016 as well as the median sales price of each housing unit type. From 2006 to 2016 the average sales price rose 86.31%.

³ More on the certification process and the housing units required to be produced annually by the Town of Westminster is found in Section II, Affordable Housing Goals under Subsection C, Numerical Goals.

Table 17: Single Family and Condominium Units Sold and Median Sales Price

Year	Single Family Homes		Condominiums	
	Number	Price	Number	Price
2016	103	\$236,500	9	b
2015	105	\$248,000	9	\$129,900
2014	93	\$243,000	7	\$165,000
2013	96	\$232,000	3	\$320,000
2012	72	\$220,000	5	\$119,000
2011	67	\$219,000	4	\$53,000
2010	69	\$210,000	4	\$159,500
2009	63	\$218,000	4	\$154,950
2008	56	\$224,500	6	\$180,000
2007	69	\$285,000	9	\$163,000
2006	73	\$285,000	8	\$170,000

Source: The Warren Group, 2017

Housing Costs and Affordability Information

Detailed housing costs information is not available from the 2010 Census data, but is available from the ACS-2015. Table 18 shows selected monthly owner costs for those Westminster housing units with a mortgage.

Table 18: Selected Monthly Owner Costs (SMOC): Housing Units with a Mortgage

	Estimate	Percent
Housing units with a mortgage	1,854	N / A
Less than \$500	0	0.0%
\$500 to \$999	102	5.5%
\$100 to \$1,499	516	27.8%
\$1,500 to \$1,999	383	20.7%
\$2,000 to \$2,499	550	29.7%
\$2,500 to \$2,999	144	7.8%
\$3,000 or more	159	
Median (dollars)	1,885	N / A

Source: American Community Survey 2015

Table 19 indicates that nearly one third of Westminster's residents (31.9%) who own a home and have a mortgage are paying more than 30% of their income towards monthly mortgage payments and other selected housing costs. Housing is generally considered affordable when it requires 30% or less of its occupants' income. Table 20 shows the range of rent prices paid by Westminster's resident. The median rent value is \$1,108.

Table 19: Selected Monthly Owner Costs as a Percentage Of Household Income (SMOCAPI)

	Estimate	Percent
Housing units with a mortgage (excluding units where SMOCAPI cannot be computed)	1,854	N/A
Less than 20.0 percent	756	40.8%
20.0 to 24.9 percent	348	18.8%
25.0 to 29.9 percent	159	8.6%
30.0 to 34.9 percent	243	13.1%
35.0 percent or more	348	18.8%

Source: American Community Survey 2015

Table 20: Gross Rent

	Estimate	Percent
Occupied units paying rent	307	N/A
Less than \$500	16	5.2%
\$500 to \$999	106	34.5%
\$1,000 to \$1,499	108	35.2%
\$1,500 to \$1,999	31	10.1%
\$2,000 to \$2,499	0	0.0%
\$2,500 to \$2,999	0	0.0%
\$3,000 or more	46	15.0%
Median (dollars)	1,108	(X)

Source: American Community Survey 2015

Table 21 shows similar information for renters, which indicates that only 22.1% of such residents are paying more than 30%.

Table 21: Gross Rent as a Percentage of Household Income (GRAPI)

	Estimate	Percent
Occupied units paying rent (excluding units where GRAPI cannot be computed)	307	N/A
Less than 15.0 percent	44	14.3%
15.0 to 19.9 percent	86	28.0%
20.0 to 24.9 percent	18	5.9%
25.0 to 29.9 percent	91	29.6%
30.0 to 34.9 percent	0	0.0%
35.0 percent or more	68	22.1%

Source: American Community Survey 2015

The Supply-Demand Housing Gap

According to numbers from The Warren Group in the year 2016 a total of 103 single-family homes were sold in the Town of Westminster. A Westminster family with the estimated 2015 median family income provided by ACS of \$88,902 can afford a single-family home of \$373,371. Assuming 12.85% down (\$11,430) and a mortgage loan amount of \$90,000 at 3.73% interest over 30 years results in a monthly payment of \$2,408⁴. This equals an annual cost of \$31,008, just within 36% of the median family

⁴ Calculated through Zillow Mortgage Marketplace (www.zillow.com)

income (\$28,896). As indicated in Table 18, the median monthly housing costs for Westminster residents who own their home and have a mortgage was estimated to be at \$1,885

According to numbers provided by the Towns Assessor, in the year 2016 of the 223 homes sold in 2016, 181 such homes were sold at a price in accordance to the aforementioned affordability level that a household at the Median Income could afford.

Meanwhile, the income level for any housing unit to qualify for MGL Chapter 40B Subsidized Housing Inventory would be at a minimum of 80% of the Median Income. That value, based on the HUD's 2017 income data for a family of 4, would be \$64,000. Using the same mortgage terms as noted above, a family making 80% median income would be able to qualify for a single-family home that costs no more than \$257,374. The Town Assessor's list for 2016 sales contains 122 homes that were sold with a selling price of less than \$257,374. However, it does not differentiate between single-family and multi-family homes. The monthly income payment for the 80% income household would be \$1,660.

For rental units, the Median Monthly Rental Unit price of \$1,108 equals a yearly housing cost of \$13,020. Such housing would be affordable to a household earning \$ 40,000 which is below the 50% median income value as noted above. A review of the AMERICAN COMMUNITY SURVEY data indicated that 22.1% of renters are paying more than 30% of their income towards housing.

Fair Market Rents (FMR) are calculated annually for the Town of Westminster (which is part of the Fitchburg-Leominster HMFA). A two-bedroom apartment FMR apartment for FY 2018 is calculated to be at \$1,085 (which is pretty close to the Median Monthly Rental Unit of \$1,108).

As previously indicated in Table 10, 89.8% of Westminster's housing stock consists of single-family housing units. However, with Westminster's rising senior population, more senior housing units will be needed. There currently is a waiting list of the 30-unit Wellington Elderly Housing Development of 2-3 years. Demographic trends coupled with the Wellington waiting list indicate a demand for smaller units available for seniors who would like to remain living within the Town of Westminster, but find it more difficult both to maintain their single-family home and afford such a home on a more limited income than working age persons. The Implementation Strategies section discusses how the Town will move towards making more units available to this segment of the population.

D. DEVELOPMENT CONSTRAINTS AND LIMITATIONS

MRPC's Geographic Information System (GIS) Department has mapped out partial and absolute development constraints and limitations within the Town of Westminster (see Map 1 on Page 16). The Map also includes DEP Tier Classified Chapter 21E Sites. A summary of each partial and development constraint follows below.

Absolute Development Constraints are such constraints where no building is allowed due to regulatory or ownership (e.g. protected open space land. The data layers that make up the set of absolute development constraints are indicated below. The total land area covered by the Absolute Development Constraints consists of 8,957.4 acres, or 14 square miles. This amounts to 37.5% of the Town's total land area.

Absolute Development Constraints:

- CR/APR (Conservation Restriction)/Agricultural Protection Restriction) and Permanently Protected Open Space areas. Lands held either by ownership or by a conservation restriction are prohibited from future development.
- Wetlands, as mapped by MassGIS for DEP for wetlands under the Wetlands Protection Act. The Watershed Protection Act of the 1990s added further protection to areas along rivers. Thus a 100-foot buffer around Westminster's rivers and streams has been included as an Absolute Development Constraint along with the mapped wetlands.
- FEMA 100-year Flood Zone: Areas identified by FEMA that are subject to be inundated by 100-year flood levels.
- DEP Zone A and Zone I relate to Drinking Water Protection. Zone A is for the Surface Water Supply, of which located in the Town of Westminster is Meetinghouse Pond, Mare Meadow Pond and Noyes Pond. Zone I is for groundwater drinking water wells.
- The Watershed Protection Act (WsPA) regulates land use and activities within critical areas of the Quabbin Reservoir, Ware River and Wachusett Reservoir watersheds for the purpose of protecting the quality of drinking water. The WsPA extends into southwest Westminster in the Mare Meadow Reservoir & Noyes Pond area for the Ware River watershed. A small portion of Wachusett Reservoir Watershed is located in the southeastern portion of the Town of Westminster. The 200 foot buffer areas of the WsPA are considered absolute development constraints related to drinking water protection.

Partial Development Constraints are such constraints where building would be allowed, but may be subject to additional regulatory review (e.g. Rivers Protection Act buffer), or where such development would be occurring within identified environmental resources (e.g. *BioMap 2* Core Habitat and Supporting Natural Landscapes). The data layers that make up the set of partial development constraints are indicated below. The total land area covered by the Partial Development Constraints consists of 13,554.8 acres, or 21.2 square miles. This amounts to 56.8% of the Town's total land area.

Partial constraints includes lands that have slopes greater than 15%, *BioMap 2* Core Habitat and Supporting Natural Landscapes, FEMA 500-Year Flood Zone Areas, Wetland Protection Act buffer areas (50 feet), Rivers Protection Act buffer (200 feet), WsPA buffer (400 feet), DEP Zone B, DEP Zone C, DEP Zone II and DEP IWPA (Interim Wellhead Protection Area). A summary of each of these partial constraints follows below.

Partial Development Constraints:

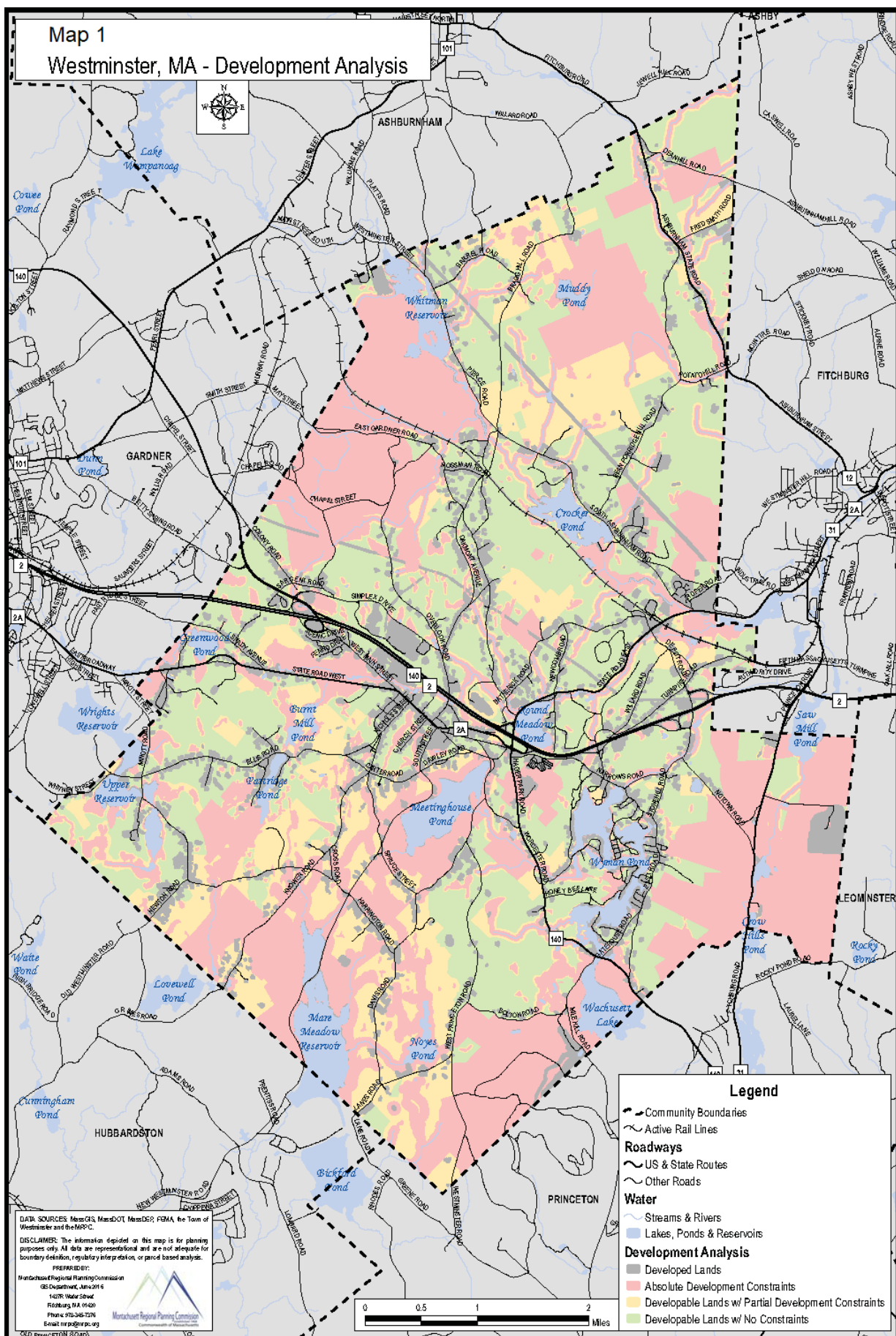
- Steep Slopes: Given the hilly topography in parts of Westminster, there are locations of land area that have a steep slope (greater than 15%), which can be cost prohibitive for developers. Although the presence of steep slopes alone will not determine the development potential of a site, the combination of steep slopes and shallow soils on top of bedrock could influence the type of development suitable for the site.

- **BioMap2 Core Habitat** identifies specific areas necessary to promote the long-term persistence of Species of Conservation Concern (those listed under the Massachusetts Endangered Species Act as well as additional species identified in the State Wildlife Action Plan), exemplary natural communities, and intact ecosystems.
- **BioMap2 Critical Natural Landscape** was created to identify and prioritize intact landscapes in Massachusetts that are better able to support ecological processes and disturbance regimes, and a wide array of species and habitats over long time frames.
- **FEMA 500-year Flood Zone:** Areas identified by FEMA that are subject to be inundated by 500-year flood levels.
- **Buffers for wetlands (50 feet), Rivers Protection (200 feet) and the WsPA at a 400-buffer** for regulatory areas noted in the Absolute Development Constraints section, have been mapped as partial development constraints.
- **DEP Zone B, Zone C, Zone II and IWPA** relate to Drinking Water Protection. Zones B and C are for the Surface Water Supply. Zone II and the IWPA are for groundwater drinking water wells.

Table 22: Development Characteristics in Residential Districts

		RESIDENTIAL
TOTAL ACRES		22,162.35
DEVELOPED LAND	ACRES	3,466.86
	%	15.64%
UNDEVELOPED LAND (A+B+C)	ACRES	18,695.49
	%	84.36%
DEVELOPABLE LAND W/ PARTIAL CONSTRAINTS (A)	ACRES	3,568.24
	%	33.67%
DEVELOPABLE LAND WITHOUT CONSTRAINTS (B)	ACRES	7,028.80
	%	66.33%
ABSOLUTE CONSTRAINTS W/IN UNDEVELOPED LAND (C)	ACRES	8,098.44
	%	43.32%
REMAINING DEVELOPABLE LAND (A+B)	ACRES	10,597.05
	%	56.68%

Source: Devens Impact Report 2016.



DEP Tier Classified Chapter 21 E Sites

Not classified under either absolute or partial constraints, but still posing a challenge to development, are DEP's Tier Classified Chapter 21 E Sites. Chapter 21E sites are contaminated by oil or other hazardous material and are subject to special restrictions for redevelopment. Such sites are classified by tiers based on their level of contamination and their owner's compliance with regulation. According to a search of Mass DEP's website (public.dep.state.ma.us/SearchableSites2/Search.aspx) Westminster has one active Tier Classified Chapter 21Es sites which are indicated on Map 1 and detailed in Table 23 below.

Table 23: DEP Tier Classified Chapter 21E Sites – Town of Westminster

Site Name	Address	Zoning	Tier
Cresticon Sub. NGGEC (former Litton)	180 State Road East (Route 2A)	Industrial-I	Tier 2

Tier 2 site classification means that permits from Mass DEP are not required and response action may be performed under the supervision of a Licensed Site Professional, without prior DEP approval. Tier 1B sites/releases do require a permit, but response actions may be performed under the supervision of a Licensed Site Professional (LSP) without prior DEP approval. Tier 1D sites are those where the responsible party fails to provide a required submittal to Mass DEP by a specified deadline.

Chapter 21E Sites are also known as “Brownfields” sites. The U.S. EPA Brownfields program has potential funding from the site assessments phase through clean-up.

Besides any mitigation as noted above, and allowed under relevant Massachusetts (and any Federal or Local) laws and regulations, it is the intention to direct new housing production under this updated Housing Production Plan to land areas that do not have absolute development constraints, minimize such housing production in areas with partial development constraints (and mitigate such housing development as economically feasible to do so to allow such construction to remain affordable) and prioritize housing production in areas that have no development constraints.

E. CAPACITY OF INFRASTRUCTURE

Solid Waste

In 2006, a Solid Waste Drop-Off Center was opened at 165 Fitchburg Road/Route 31 for the use by Town residents only. The Drop-Off Center is owned and operated by Resource Control Inc. (RCI) a.k.a. Waste Management. RCI is responsible for enforcing all waste bans on disposal and transfer of municipal solid waste that are adopted by the Massachusetts Department of Environmental Protection. Throughout the duration of RCI's operations at the Fitchburg-Westminster Landfill, RCI will transfer from the Drop-Off Center all collected Town acceptable solid waste for disposal at no cost. The Highway Department transports to the Fitchburg-Westminster Landfill all street sweepings and catch basin collections at no cost. In November 2017 a special Town Meeting approved a new solid waste management district that will cover the existing around 2034.

Water

The Town currently obtains water supply from the City of Fitchburg through an inter-municipal agreement (IMA). The current IMA will expire upon the Regional Water Filtration Facility reaching the end of its useful life (sometime in 2031 - the facility has a design life of 30 years). In 2012, the Water Division conducted a leak detection survey and found no leaks, but the threat remains because of the materials used to make the pipes and their tendency to corrode over time.

Wastewater

The current IMA allows the Town to discharge up to 320,000 gallons per day (gpd) to Fitchburg. There are two sewer discharge points to Fitchburg, one on Route 2A/State Road East and the other on Route 31/Fitchburg Road. In 2015 the town was awarded a \$2.5 million grant from the USDA Rural Department for an in-line sewer storage system increase. The sewer collection system consists of approximately 17 miles of sewer pipes and includes seven pumping stations, gravity lines, and force mains. The system serves 730 customers. Once the various extensions and upgrades are completed, the sewered areas will represent the Town’s definitive municipal sewer service area.

Schools

Westminster is part of a Regional School System along with the Town of Ashburnham. The focus of this analysis is on Westminster’s share of the regional school population. Table 24 below indicates a clear pattern of stabilizing slight decrease over the years. However, there has also been an uptick in development activities, which can reverse such trend.

Table 24: Westminster Student Enrollments, 2006-2017

School Year	Enrollment
2006-07	2,472
2007-08	2,457
2008-09	2,426
2009-10	2,388
2010-11	2,337
2011-12	2,277
2012-13	2,293
2013-14	2,297
2014-15	2,349
2015-16	2,350
2016-17	2,340

Source: Massachusetts Department of Elementary and Secondary Education

Transportation

Based on information compiled for the 2014 Westminster Master Plan and the 2016 Montachusett Regional Transportation Plan, it is possible to list the sites where recommendations for roadway safety improvements can be made a priority (some with estimated total costs). Those sites are listed on the following page:

- Various improvements along Rte. 140 recommended in Corridor Profile (\$13,500,000).
- Rte. 2 (Exit 27)/Depot Rd./Narrows Rd. - Safety Improvements.
- State Rd. East (Rte. 2A)/ Depot Rd./ Bartherick Rd. - Intersection Improvements.
- Route 2, Exit 26 / Ramp-Rt 2 EB To Village Inn Rd (\$1,250,000).
- Route 2, Exit 25 / Ramp-Rt 2 WB & EB To Rts 2A/140 (\$2,500,000).
- Route 2, Exit 24 / Ramp-Rt 2 Eb to W Main St/Rt 140 (\$1,250,000).

Other recommendations from the 2014 Westminster Master Plan that are more directly related to housing are:

1. Promote Traffic Calming Efforts. Traffic calming measures include a range of strategies to slow down traffic and deter the use of local residential roads for through traffic. Strategies might include one-way streets, neck-downs or narrow travel lanes, on-street parking, or speed humps. These strategies include ones that may be more effective than those currently employed by the town such as the development of cul-de-sacs and dead-end streets. Traffic calming must be conducted in a comprehensive manner—not piecemeal—otherwise traffic will simply shift from one local street to another. Currently the town is using signs in the school zone on South Street to draw attention to the pedestrian crossing areas as well as using temporary radar trailers to help with speeding. Enforcement measures should be identified and put in place before the local streets become inundated by through traffic. The Town can also require developers to implement traffic calming measures in new subdivisions.

2. Sidewalks. Make the neighborhoods, especially the downtown, more pedestrian - friendly through the construction and rehabilitation of sidewalks. Current design standards for ADA compliance should be incorporated. This effort could, at least in part, be incorporated into a Comprehensive Circulation Study/Plan. Financing for needed roadway and sidewalk repair for Westminster's existing local roads include Enhancement funds, public/private partnership projects, and Community Development Block Grant funds (in moderate-income neighborhoods) for potentially eligible areas.

3 Strengthen Public Transportation. At various public meetings, residents expressed interest in strengthening the Town's public transportation system. This would especially benefit the non-driving population—including the elderly, children, and the disabled. There needs to be more flexibility and options available to seniors, the low and moderate income, and all residents. A way to initiate some progress would be for the Westminster Board of Selectmen to open a dialogue with the Montachusett Area Regional Transit (MART). Discussion between Westminster and MART could include relevant/current MART programs, and the possibility of a having a commuter shuttle in Westminster through existing service between Fitchburg and Gardner. In the future, discussions could even include the possibility of a shuttle to Wachusett Station in West Fitchburg after its development.

Section II: Goals and Objectives

HOUSING GOAL

Westminster desires to ensure that housing opportunities are available that meet the needs of a diverse population having a broad range of income levels, with new housing provided in a measured, deliberate and planned manner that is proportional to the Town's ability to provide municipal services while maintaining the Town's rural character.

HOUSING OBJECTIVES

- Create more opportunities for senior housing in Town.
- Continue to promote cluster housing as a means to providing new housing opportunities while preserving meaningful and usable open space.
- Strive to achieve having 10% of the Town's housing stock qualify as affordable in order to meet the requirements of MGL Chapter 40B.
- Provide affordable housing opportunities so that young people who grew up in Westminster can continue to live in Town (starter home opportunities).
- Provide affordable housing options to Westminster residents who no longer have a need for a large home and wish to downsize to a smaller home and stay in Town.
- Revise the Zoning Bylaw to ensure that all new large-scale housing developments set aside a portion of housing units that will qualify as affordable under MGL Chapter 40B.

Section III: Implementation Strategies

This section presents a set of implementation strategies for addressing the housing needs of the Town of Westminster and its residents.

A. LOCATIONS

1. Expansion areas for affordable housing

The preferred locations for new housing are generally those with existing infrastructure (including transportation, town water and sewer services) capable of handling new development. Also, such expansion areas should be encouraging compact development rather than sprawl, which suggests new housing should be located near existing centers or villages. Therefore, the following locations are identified as the primary locations for increased housing:

- Senior Housing at 69 West Main Street – for around fifty senior apartments
- Utilize existing housing units, for both affordable rental and homeowners’ opportunities, within existing neighborhoods
- Infill lots, as available within existing neighborhoods

2. Municipal land for affordable housing

The following municipal land has been identified for affordable housing:

- 69 West Main Street, Senior Housing (Map 87 Parcel 85; 12.3 acres)
- Meetinghouse Road, Senior Housing, located next to the existing Wellington elderly housing rental complex. (Map 109 Parcel 10; 16 acres)

In addition to these two specific parcels identified above, the Town will be evaluating a list of parcels from two different sources: a) parcels in tax delinquency and b) other Town-owned parcels that have no current identified management entity. From this list of parcels there is the potential opportunity to identify one or more parcels as land for a Habitat for Humanity project or for a similar non-profit affordable housing developer.

3. Preferred development characteristics

For a discussion on the preferred development characteristics see Section 1 “Expansion Areas for Affordable Housing” above.

B. STRATEGIES

1. Senior Housing: The Town should increase its options for senior housing within its Zoning Bylaw. To do this, the Town would need to give serious consideration as to which types of senior housing alternatives would best suit its elderly population, whether they are congregate care facilities, independent living facilities, restorative care/skilled nursing facilities, senior housing communities, or a mixture of these options. Responsible Municipal Entities: The Planning Board in conjunction with the Board of Selectmen. Exploring additional senior housing opportunities could also be another project for the local Affordable Housing Committee.

2. Cluster Housing Bylaw: The Town’s Zoning Bylaw already contains a section that allows for cluster developments by Special Permit from the Planning Board (Section 205.38). However, the Town should consider allowing cluster housing By Right in the very rural areas outside of the Town Center, particularly the Residential-II and Residential-III zoning districts. Responsible Municipal Entity: The Planning Board.

3. Chapter 40-B Housing Proposals: The Zoning Board of Appeals should continue to receive training on how to deal with Comprehensive Permits as they relate to low and moderate income housing projects as defined by MGL Chapter 40B. The Department of Housing and Community Development (DHCD) periodically modifies the 40B regulations, and the Zoning Board should keep abreast of these changes. The UMass Extension’s Citizen Planner Training Collaborative (CPTC) offers classes on this subject on an annual basis and will even provide customized training sessions to individual communities. In addition, DHCD has prepared a procedural “how to” booklet for local communities. Responsible Municipal Entity: The Zoning Board of Appeals.

4. Promote Homebuyer Counseling, Education. Homebuyer counseling and education are valuable marketing and outreach tools that can help Westminster residents bridge the information gap and prepare them for a successful homeownership experience. The Town could either plan a first-time homeownership initiative by partnering with an agency or institution that provides homebuyer counseling or simply make it known to Westminster residents that such educational organizations exist. There are many nonprofit agencies that offer this service and most have informational brochures that could be displayed at the Town Hall. These agencies are well trained, monitored and certified by the Massachusetts Homeownership Collaborative, which is coordinated by the Citizens Housing and Planning Association (CHAPA). This organization provides “soup to nuts” information about the home-buying process, from how to budget or repair damaged credit to the many types of mortgage products and down payment assistance programs. Many also sponsor, or participate in, homebuyer fairs. The CHAPA website (www.chapa.org) maintains a list of counseling agencies and their current and planned activities. Many conventional lenders offer similar programs. At the regional level, several non-profit community development organizations have joined together to sponsor the Homeownership Center of North-Central Massachusetts. The Center is a collaborative effort between RCAP Solutions, Twin Cities CDC, Greater Gardner CDC, and MRPC. For more information on the Homeownership Center, visit www.twincitiescdc.org. Responsible Municipal Entities: Town Planner and Affordable Housing Committee.

5. Soft Second Loan Program. For first-time homebuyers having low and moderate-incomes, the Town can refer them to those lending institutions that offer soft second mortgage loans. A soft second mortgage combines a subsidized second mortgage with a traditional first mortgage to make housing more affordable for low and middle-income homebuyers. There are income specifications limiting who is eligible for this program. For a list of participating lenders in the north-central region of Massachusetts, please go to the website of the Massachusetts Housing Partnership (www.mhp.net) and click on the “homeownership” link. Responsible Municipal Entities: Town Planner and Affordable Housing Committee.

6. Substandard Housing: The Town should proactively examine its housing stock and work with property owners to identify needed improvements. Once this is done, the Town should further investigate the various State grant opportunities to see if they make sense for Westminster and its distressed property owners. Responsible Municipal Entities: The Board of Selectmen in conjunction with the Building Commissioner and Health Department.

7. Continue Working with Habitat for Humanity: The Town of Westminster has tried for two years (2010 and 2011) to find a suitable piece of Town-owned property it could donate to Habitat for Humanity for the purpose of building affordable housing. Unfortunately, none of the Town-owned properties were deemed suitable for this purpose, mainly due to environmental constraints and title problems. However, as the Town continues to take properties through tax title for the non-payment of taxes, it should evaluate the taken properties to see if they might be suitable for affordable housing construction, and donate them to Habitat for Humanity if they are. Many communities have donated building lots to Habitat for Humanity to construct affordable single housing units. Under the Habitat for Humanity program, homebuyers contribute between 300 and 500 hours of sweat equity while working with volunteers from the community to construct the home. The homeowner finances the home with a 20-year loan at 0% interest. As funds are paid back to Habitat for Humanity, they are used to fund future projects. Responsible Municipal Entities: Town Planner in conjunction with the Board of Selectmen and the Assessor’s office.

8. Continue working with the MA Housing Partnership: The Town should stay connected with MHP to prepare a Request for Proposals (RFP) to find an entity to build and manage as many as 50 senior apartments in the rear of the new senior center at 69 West Main Street. RFP will be issued in early 2018.

9. Consult with MA Housing Partnership to explore other options in affordable housing: Work with MHP to host an affordable housing summit to learn about our options for increasing the town's affordable housing stock. Summit will take place in spring 2018.

Numerical Targets and Schedule

Based on a review of planned 40B Projects and the implementation strategies outlined in this chapter, presented in Table 25 below is the Town of Westminster's housing production numerical targets and schedule for the next five (5) years:

Table 25: Westminster Housing Production Schedule

Year	Number of Units to Add	Comments
2018	0	Westminster will spend 2018 working on two housing initiatives, both with the assistance of the MA Housing Partnership: 1) issue RFP to find an entity to build and manage as many as 50 senior housing units on senior center property; 2) host an affordable housing summit to review the Town's options for adding more affordable housing.
2019	16	Assuming a successful RFP process, the Town is hopeful that the first phase of the senior housing development can be built behind the senior center.
2020	16	Build second phase of senior housing behind senior center.
2021	16	Build third and final phase of senior housing behind senior center.
2022	10	Find a suitable property for Habitat for Humanity, plus 9 additional housing units to come from new housing initiatives identified by the 2018 affordable housing summit.

The schedule for the next five years calls for adding 58 new affordable housing units to the Town's Subsidized Housing Inventory, for a grand total of 145 affordable housing units by the end of 2023. As a percentage of its total housing stock, Westminster will have 5.1% of its housing stock deemed "affordable" under the provisions of MGL Chapter 40B by the end of 2023. While still a fair distance away from the goal of having 10% of its housing stock deemed affordable as set forth in MGL Chapter 40B, the Town will have made significant progress in adding to its affordable housing stock if it can keep to the above schedule.

Section IV: Description of Use Restrictions

On Town-owned projects, the Town of Westminster will use a model deed restriction that has been developed by Alan Seewald, Town Counsel (This Model Affordable Housing Deed Restriction has been provided in Appendix G). This restriction will include the time period covered by the deed restriction and how the future sale price will be calculated. In additional, the restriction will incorporate the following provisions:

- Affordable units must serve households with incomes no greater than 80% of the area median income for the Leominster/Fitchburg SMSA;
- Units must be subject to use restrictions or re-sale controls to preserve their affordability as follows:
 - a) For new construction, a minimum of thirty (30) years or longer from the date of subsidy approval or commencement of construction.
 - b) For rehabilitation, for a minimum of fifteen (15) years or longer from the date of subsidy approval or completion of the rehabilitation. However, a term of perpetuity is encouraged for both new construction and rehabilitation.
- Units are or will be subject to an executed Regulatory Agreement between the developer and the subsidizing agency unless the subsidy does not require such an agreement.
- The units have been, or will be, marketed in a fair and open process consistent with state and federal fair housing laws.

Appendices

APPENDIX A

The Commonwealth of Massachusetts' Affirmative Fair Housing Marketing Plan Guidelines

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.¹ Marketing informational materials must therefore provide notice of free language assistance to applicants, translated into the languages of LEP populations anticipated to apply.

¹ 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.

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 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:

(1) The application form.

(2) A statement regarding the housing provider's² 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.

² Note: housing providers include owners of accessory apartments and their agents.

³ 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.

(3) 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.³

(4) 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 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 AFHMP 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-civil-rights-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. Accessible⁴ units must be listed with MassAccess (see <http://www.chapa.org> or <http://www.massaccesshousingregistry.org>) whenever they become available (including upon turnover).

⁴ 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.

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,⁵ 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.

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

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 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 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:

(1) 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.

(2) 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.

(3) 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

(1) Current residents: A household in which one or more members is living in the city or town at the time of application. Documentation of residency should be provided, such as rent receipts, utility bills, street listing or voter registration listing.

(2) Municipal Employees: Employees of the municipality, such as teachers, janitors, firefighters, police officers, librarians, or town hall employees.

(3) Employees of Local Businesses: Employees of businesses located in the municipality.

(4) Households with children attending the locality's schools, such as METCO students.

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 bona fide 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.⁶ 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.

⁶ 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.

b. Lottery Process

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

(2) 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:

(a) 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.

(b) 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.

(c) 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.

(d) 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:

(1) There is at least one occupant per bedroom.⁷

⁷ 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.

(2) 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.

(3) 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.

(4) A household may count an unborn child as a household member. The household must submit proof of pregnancy with the application.

(5) 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).⁸

⁸ 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).

⁹ 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.

¹⁰ Only applicants who are eligible for a local preference, where applicable, shall be entered into a local preference lottery pool.

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.⁹ 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.

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

(1) 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

(2) 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

(1) 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.¹⁰ 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.**

(2) 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.

(3) The lottery should ordinarily be held at a public, wheelchair accessible location.

b. Deposits/Fees

(1) 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.

(2) 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

(1) 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).¹¹ In projects that do not have such units but that have units with adaptive features¹² 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.

¹¹ e.g., Massachusetts Architectural Access Board (MAAB) (“Group 2 units”), Uniform Federal Accessibility Standards (UFAS), and 2010 ADA Standards.

¹² e.g., in accordance with the Fair Housing Act Guidelines and MAAB (“Group 1 units”) standards.

(2) 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.

(3) The owner also has obligations to make reasonable accommodations such as granting the request for an appropriately sized first floor unit.

d. Wait Lists

(1) 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.

(2) 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.

(3) 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.

(4) 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-Cambridge-Quincy 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.

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 do not have LOCAL preference are entered into	Total Applicants in Local Preference Pool 60	Total Minority Applicants in Local Preference Pool 10	% Minority Applicants in Local Preference Pool 16.7%	who have
	Total Applicants in	Total Minority Applicants	% Minority Applicants in	

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%.

e. Draw househo the size
rankings to each
still apply and all efforts should be made to match
rooms of each household.

f. Once a OPEN pool should
proceed ballots in both
pools, an pool should remain
in the O

4. Rental Marketing

Although applicati opened the wait not close marketin undertak generate enough applicants as was needed to fill the previous year's vacancies.

Waiting lists or re-marketing to generate sufficient
ng are generally applicable: the waiting list is re-
ticipated to be placed in the next 12 months, or, if
nts % Minority Applicants in Local Preference Pool
16.7%
list has additional needed to least

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.¹³ This does not require any changes to the wait list as it exists prior to adding the new applicants.

¹³ Note: the random selection procedure requirement does not preclude the application of the larger household size and accessible/adaptable preferences described herein.

c. Continuous Marketing/Persons with Disabilities

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.

(1) 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.

(2) The Developer should invite the lottery winners to a loan application workshop.

(3) 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.**

(4) Applicants should be made aware that they should confirm that their lender accepts the "Universal Deed Rider" employed by the Subsidizing Agencies.

(5) 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.

Appendix B – Summary of Affordable Housing Funding Resources

Those programs that may be most appropriate to affordable housing development activity in the Town of Westminster are described below.

Introduction

While comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units in fact subsidize the affordable ones, communities are finding that they also require public subsidies to cover the costs of affordable or mixed-income residential development and need to access a range of programs through the state and federal government and other financial institutions to accomplish their objectives and meet affordable housing goals. Because the costs of development are typically significantly higher than the rents or purchase prices that low- and moderate-income tenants can afford, multiple layers of subsidies are often required to fill the gaps. Sometimes even Chapter 40B developments are finding it useful to apply for external subsidies to increase the numbers of affordable units, to target units to lower income or special needs populations, or to fill gaps that market rates cannot fully cover.

It is likely that a number of financial and technical resources will be required to produce affordable units in Westminster. Unlike more than 100 other communities in Massachusetts, Westminster has not approved the Community Preservation Act and does not have this funding available to support affordable housing at this time. If CPA funds do not become available in the future, the Town will have to rely on other existing resources to make affordable housing development feasible. Information to assist the Town of Westminster on how it could utilize CPA funds toward affordable housing has been included within the list of affordable housing funding sources below, with links for additional details and resources.

The state requires applicants to submit a One Stop Application for most of its housing subsidy programs in an effort to standardize the application process across agencies and programs. A Notice of Funding Availability (NOFA) is issued by the state usually twice annually for its rental programs and homeownership initiatives. Using the One Stop Application, applicants can apply to several programs simultaneously to support the funding needs of a particular project.

1. HOME Program

HUD created the HOME Program in 1990 to provide grants to states, larger cities and consortia of smaller cities and towns to do the following:

- Produce rental housing;
- Provide rehabilitation loans and grants, including lead paint removal and accessibility modifications, for rental and owner-occupied properties;
- Offer tenant-based rental assistance (two-year subsidies); and/or
- Assist first-time homebuyers.

The HOME Program funding is targeted to homebuyers or homeowners earning no more than 80% of median income, and to rental units where at least 90% of the units must be affordable and occupied by households earning no more than 60% of median income, the balance to those earning within 80% of median. Moreover, for those rental projects with five or more units, at least 20% of the units must be reserved for households earning less than 50% of median income.

In addition to income guidelines, the HOME Program specifies the need for deed restrictions, resale requirements, and maximum sales prices or rentals.

Because Westminster is not an entitlement community, meaning that it is not automatically entitled to receive HOME funding based on HUD's funding formula, the Town would need to join a consortium of other smaller towns and cities to receive funding or submit funding applications to DHCD on a project by project basis through its One Stop Application. The benefit of joining a consortium is that funding is provided by formula on an annual basis, assuring Westminster of a steady flow of this flexible funding source, however, at this time there are no consortiums operating in North Central Massachusetts and needs to apply directly to DHCD for this funding.

The HOME Rental Program is targeted to the acquisition and rehabilitation of multifamily distressed properties or new construction of multi-family rental housing from five to fifty units. Once again, the maximum subsidy per project is \$750,000 and the maximum subsidy per unit in localities that receive HOME or CDBG funds directly from HUD is \$50,000 (these communities should also include a commitment of local funds in the project). Those communities that do not receive HOME or CDBG funds directly from HUD, like Westminster, can apply for up to \$65,000 per unit. Subsidies are in the form of deferred loans at 0% interest for 30 years. State HOME funding cannot be combined with another state subsidy program with several exceptions including the Low Income Housing Tax Credits, HIF and the Soft Second Program.

2. Community Development Block Grant Program (CDBG)

In addition to potential CDBG funding for housing rehab units mentioned in the Implementation Strategies section, there are other housing resources supported by federal CDBG funds that are distributed by formula to Massachusetts.

The **Massachusetts Small Cities Program** that has a set-aside of Community Development Block Grant (CDBG) funds to support a range of eligible activities including housing development. However, at least 70% of the money must provide benefits to households earning within 80% of median income. This money is for those non-entitlement localities that do not receive CDBG funds directly from HUD. Funds are awarded on a competitive basis through Notices of Funding Availability with specific due dates or through applications reviewed on a rolling basis throughout the year, depending on the specific program. This funding supports a variety of specific programs.

A program to explore for the Town of Westminster is the **Housing Development Support Program (HDSP)** that provides gap financing for small affordable housing projects with fewer than eight units, including both new construction and rehabilitation. Eligible activities include development, rehabilitation, homeownership, acquisition, site preparation and infrastructure work. There are no per unit maximums or recommended maximum total development costs. Funding is distributed through Notices of Funding Availability that occur once or twice a year. HDSP Program funding is extremely competitive, and projects that receive funding through the state HOME or Housing Stabilization Fund Programs are excluded from applying to HDSP.

There are other programs funded through the Community Development Block Grant Small Cities Program for both homeownership and rental projects. A number of the special initiatives are directed to communities with high-statistical community-wide needs, however, the **Community Development Fund II** is targeted to communities with lower needs scores that have not received CDBG funds in recent years. This may be the source of CDBG funding for Westminster to explore besides HDSP

described above. Funding is also awarded competitively through an annual Notice of Funding Availability. DHCD also has a **Reserve Fund** for CDBG-eligible projects that did not receive funding from other CDBG funded programs or for innovative projects.

3. Housing Stabilization Fund (HSF)

The State's Housing Stabilization Fund (HSF) was established in 1993 through a Housing Bond bill to support housing rehabilitation through a variety of housing activities including homeownership (most of this funding has been allocated for the MHP Soft Second Program) and rental project development. The state subsequently issued additional bond bills to provide more funding. The HSF Rehabilitation Initiative is targeted to households with incomes within 80% of median income, with resale or subsequent tenancy for households within 100% of median income. The funds can be used for grants or loans through state and local agencies, housing authorities and community development corporations with the ability to subcontract to other entities.

The funds have been used to match local HOME program funding, to fund demolition, and to support the acquisition and rehabilitation of affordable housing. In addition to a program directed to the rehabilitation of abandoned, distressed or foreclosed properties, the HSF provides funds to municipalities for local revitalization programs directed to the creation or preservation of rental projects. As with HOME, the maximum amount available per project is \$750,000 and the maximum per unit is \$65,000 for communities that do not receive HOME or CDBG funds directly from HUD, and \$50,000 for those that do. Communities can apply for HSF funding biannually through the One Stop Application.

4. Low Income Housing Tax Credit Program

The Low Income Housing Tax Credit Program was created in 1986 by the Federal Government to offer tax credits to investors in housing development projects that include some low-income units. The tax credit program is often the centerpiece program in any affordable rental project because it brings in valuable equity funds. Tax credits are either for 4% or 9% of the development or rehab costs for each affordable unit for a ten-year period. The 4% credits have a present value of 30% of the development costs, except for the costs of land, and the 9% credit have a present value equal to 70% of the costs of developing the affordable units, with the exception of land. Both the 4% and 9% credits can be sold to investors for close to their present values.

The Federal Government limits the 9% credits and consequently there is some competition for them, nevertheless, most tax credit projects in Massachusetts are financed through the 9% credit. Private investors, such as banks or corporations, purchase the tax credits for about 80 cents on the dollar, and their money serves as equity in a project, reducing the amount of the debt service and consequently the rents. The program mandates that at least 20% of the units must be made affordable to households earning within 50% of median income or 40% of the units must be affordable to households earning up to 60% of median income. Those projects that receive the 9% tax credits must produce much higher percentages of affordable units.

The Massachusetts Legislature has enacted a comparable state tax credit program, modeled after the federal tax credit program. The One Stop Application is also used to apply for this source of funding.

5. Affordable Housing Trust Fund

The Affordable Housing Trust Fund (AHTF) was established by an act of the State Legislature and is codified under Chapter 121-D of the Massachusetts General Laws. The AHTF operates out of DHCD and is administered by MassHousing with guidance provided by an Advisory Committee of housing advocates. The purpose of the fund is to support the creation/preservation of housing that is affordable to people with incomes that do not exceed 110% of the area median income. The AHTF can be used to support the acquisition, development and/or preservation of affordable housing units.

AHTF assistance can include:

- Deferred payment loans, low/no-interest amortizing loans.
- Down payment and closing cost assistance for first-time homebuyers.
- Credit enhancements and mortgage insurance guarantees.
- Matching funds for municipalities that sponsor affordable housing projects.
- Matching funds for employer-based housing and capital grants for public housing.

Funds can be used to build or renovate new affordable housing, preserve the affordability of subsidized expiring use housing, and renovate public housing. While the fund has the flexibility of serving households with incomes up to 110%, preferences for funding will be directed to projects involving the production of new affordable units for families earning below 80% of median income. The program also includes a set-aside for projects that serve homeless households or those earning below 30% of median income. Once again, the One Stop Application is used to apply for funding, typically through the availability of two funding rounds per year.

6. Housing Innovations Fund (HIF)

The State also administers the Housing Innovations Fund (HIF) that was created by a 1987 bond bill and expanded under two subsequent bond bills to provide a 5% deferred loan to non-profit organizations for no more than \$500,000 per project or up to 30% of the costs associated with developing alternative forms of housing including limited equity coops, mutual housing, single-room occupancy housing, special needs housing, transitional housing, domestic violence shelters and congregate housing. At least 25% of the units must be reserved for households earning less than 80% of median income and another 25% for those earning within 50% of area median income. HIF can also be used with other state subsidy programs including HOME, HSF and Low Income Housing Tax Credits. The Community Economic Development Assistance Corporation (CEDAC) administers this program. Applicants are required to complete the One-Stop Application.

7. Federal Home Loan Bank Board's Affordable Housing Program (AHP)

Another potential source of funding for both homeownership and rental projects is the Federal Home Loan Bank Board's Affordable Housing Program (AHP) that provides subsidies to projects targeted to households earning between 50% and 80% of median income, with up to \$300,000 available per project. This funding is directed to filling existing financial gaps in low- and moderate-income affordable housing projects. There are typically two competitive funding rounds per year for this program.

8. MHP Permanent Rental Financing Program

The State also provides several financing programs for rental projects through the Massachusetts Housing Partnership Fund. The Permanent Rental Financing Program provides long-term, fixed-rate permanent financing for rental projects of five or more units from \$100,000 loans to amounts of \$2

million. At least 20% of the units must be affordable to households earning less than 50% of median income or at least 40% of the units must be affordable to households earning less than 60% of median income or at least 50% of the units must be affordable to households earning less than 80% of median income. MHP also administers the Permanent Plus Program targeted to multi-family housing or SRO properties with five or more units where at least 20% of the units are affordable to households earning less than 50% of median income. The program combines MHP's permanent financing with a 0% deferred loan of up to \$40,000 per affordable unit up to a maximum of \$500,000 per project. No other subsidy funds are allowed in this program. The Bridge Financing Program offers bridge loans of up to eight years ranging from \$250,000 to \$5 million to projects involving Low Income Housing Tax Credits. Applicants should contact MHP directly to obtain additional information on the program and how to apply.

9. OneSource Program

The Massachusetts Housing Investment Corporation (MHIC) is a private, non-profit corporation that since 1991 has provided financing for affordable housing developments and equity for projects that involve the federal Low Income Housing Tax Credit Program. MHIC raises money from area banks to fund its loan pool and invest in the tax credits. In order to qualify for MHIC's OneSource financing, the project must include a significant number of affordable units, such that 20% to 25% of the units are affordable to households earning within 80% of median income. Interest rates are typically one point over prime and there is a 1% commitment fee. MHIC loans range from \$250,000 to several million, with a minimum project size of six units. Financing can be used for both rental and homeownership projects, for rehab and new construction, also covering acquisition costs with quick turn-around times for applications of less than a month (an appraisal is required). The MHIC and MHP work closely together to coordinate MHIC's construction financing with MHP's permanent take-out through the OneSource Program, making their forms compatible and utilizing the same attorneys to expedite and reduce costs associated with obtaining financing.

10. Section 8 Rental Assistance

An important low-income housing resource is the Section 8 Program that provides rental assistance to help low- and moderate-income households pay their rent. In addition to the federal Section 8 Program, the state also provides rental subsidies through the Massachusetts Rental Voucher Program as well as three smaller programs directed to those with special needs. These rental subsidy programs are administered by the state or through local housing authorities and regional non-profit housing organizations. Rent subsidies take two basic forms: either granted directly to tenants or committed to specific projects through special Project-based rental assistance. Most programs require households to pay a minimum percentage of their adjusted income (typically 30%) for housing (rent and utilities) with the government paying the difference between the household's contribution and the actual rent.

11. District Improvement Financing Program (DIF)

The District Improvement Financing Program (DIF) is administered by the state's Office of Business Development to enable municipalities to finance public works and infrastructure by pledging future incremental taxes resulting from growth within a designated area to service financing obligations. This Program, in combination with others, can be helpful in developing or redeveloping target areas of a community, including the promotion of mixed-uses and smart growth. Municipalities submit a standard application and follow a prescribed application process directed by the Office of Business Development in coordination with the Economic Assistance Coordinating Council.

12. Urban Center Housing Tax Increment Financing Zone (UCH-TIF)

The Urban Center Housing Tax Increment Financing Zone Program (UCH-TIF) is a relatively new state initiative designed to give cities and towns the ability to promote residential and commercial development in commercial centers through tax increment financing that provides a real estate tax exemption on all or part of the increased value (the “increment”) of the improved real estate. The development must be primarily residential and this program can be combined with grants and loans from other local, state and federal development programs. An important purpose of the program is to increase the amount of affordable housing for households earning at or below 80% of area median income and requires that 25% of new housing to be built in the zone be affordable, although the Department of Housing and Community Development may approve a lesser percentage where necessary to insure financial feasibility. In order to take advantage of the program, a municipality needs to adopt a detailed UCH-TIF Plan and submit it to DHCD for approval.

13. Elder Mixed-Income

Managed through MassHousing, Developments financed through the Elder Mixed-Income program serve elders who wish to live in independent rental apartments with on-site access to supportive services.

Who it’s for: Developers of rental housing that fills a niche between conventional elderly housing without services and full-service personal care programs.

At least 20% of the units must be reserved for households earning less than 50% of the area median income. The remaining units may be rented at market rates.

For more information on the Elder Mixed-Income program, visit MassHousing’s Elder Mixed-Income program website at

https://www.masshousing.com/portal/server.pt?open=514&objID=232&qid=13344326&rank=2&parentname=SearchResult&parentid=2&mode=2&in_hi_userid=2&cached=true or contact Charles Gladstone in MassHousing’s Rental Lending Division at 617.854.1362.

14. Community Preservation Act (CPA)

A minimum of 10% of funds collected by communities that adopt the Community Preservation Act (CPA) must be expended for affordable housing purposes. The housing is to be for low and moderate income individuals and families, including low and moderate income seniors. Under CPA’s definition of affordable housing moderate income is less than 100%, and low income is less than 80% of U.S. HUD Area Wide Median Income. Under the 2011 CPA Affordable Housing Low Income Limits a family of four in Westminister the low-income limit is \$57,600.

The CPA law allows for funds to be used for the “*acquisition, creation, preservation and support of community housing; and for the rehabilitation and restoration of...community housing that is acquired or created*” under CPA funding. It is important to highlight that CPA funds can be used for housing rehabilitation and restoration, but **only if the housing unit(s) were acquired or created with CPA funds** (emphasis added).

The Massachusetts Housing Partnership (MHP) and the Citizens’ Housing and Planning Association (CHAPA) have prepared “A Guidebook for CPA and Affordable Housing” that has detailed information

on how the Town of Westminster could use CPA funds to support local housing efforts. The Guidebook can be downloaded from MHP's website for CPA resources at:

http://www.mhp.net/community_initiatives/resources.php?page_function=list&resource_category_id=51. The Guidebook is the last document posted on this webpage. Other CPA housing-related resources are also available from MHP under the resources webpage.

The Community Preservation Coalition (CPC) is another excellent resource for the Town of Westminster. CPC's website provides general information about the CPA at <http://www.communitypreservation.org/>. In addition, CPC has provided examples of how other communities have utilized CPA towards the development of affordable housing at their "Community Housing Success Stories" website at: <http://www.communitypreservation.org/success-stories-type/7/Community%20Housing>.

15. U.S. HUD Section 202 Supportive Housing for the Elderly Program

Summary: HUD provides capital advances to finance the construction, rehabilitation or acquisition with or without rehabilitation of structures that will serve as supportive housing for very low-income elderly persons, including the frail elderly, and provides rent subsidies for the projects to help make them affordable.

Purpose: The Section 202 program helps expand the supply of affordable housing with supportive services for the elderly. It provides very low-income elderly with options that allow them to live independently but in an environment that provides support activities such as cleaning, cooking, transportation, etc. The program is similar to Supportive Housing for Persons with Disabilities (Section 811).

Eligible Grantees: Private nonprofit organizations can apply to develop a Section 202 project if they can, among other requirements, submit a resolution that they will provide a minimum capital investment equal to 0.5 percent of the HUD-approved capital advance, up to a maximum of \$25,000 for national sponsors or \$10,000 for other sponsors. Public entities are not eligible for funding under this program. As the Town would not be eligible it can partner with a private nonprofit organization. One example is the Gardner-based RCAP Solutions. RCAP Solutions has developed elderly housing under the HUD 202 Program for the towns of Bolton and Townsend. For Townsend, RCAP Solutions recently completed a 36-unit HUD 202 Affordable Elderly Housing Development called "Townsend Woods".

Eligible Customers: Occupancy in Section 202 housing is open to any very low-income household comprised of at least one person who is at least 62 years old at the time of initial occupancy.

Additional Information: Development of elderly housing under the Section 202 program can take multiple years from project conception to construction to occupancy. In addition to the program being very competitive, recent Federal budget cuts have led to a decrease in available funding.

For more information on the Section 202 Supportive Housing for the Elderly Program, visit HUD's Section 202 Program website at:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/progdesc/eld202.

APPENDIX C

Local Initiative Program (LIP) Information

LOCAL INITIATIVE PROGRAM APPLICATION FOR Accessory Apartments

Introduction

The Local Initiative Program (LIP) is a state housing initiative administered by the Department of Housing and Community Development (DHCD) to encourage communities to produce low- and moderate-income housing. The program provides technical and other non-financial assistance to cities or towns seeking to increase the supply of housing for households at or below 80% of the area median income. LIP-approved units are entered into the subsidized housing inventory pursuant to Chapter 40B.

The Department shall certify units submitted as LIP Accessory Apartments if they meet the requirements of 760 CMR 56.00 and the Local Initiative Program Guidelines, which are part of the Comprehensive Permit Guidelines and can be found on the DHCD website at www.mass.gov/dhcd.

To apply, a community must submit a complete copy of this application to:

**Department of Housing and Community Development
100 Cambridge Street, Suite 300
Boston, MA 02114**

**Attention: Toni Coyne Hall, Director, LIP
(617) 573-1351
(toni.coyne.hall@state.ma.us)**

Community Support Narrative, Project Description, and Documentation

Please provide a description of the project, including a summary of the project's history and the ways in which the community fulfilled the Local Action requirement.

Signatures of Support for the Local Action Units Application

Chief Executive Officer:

defined as the mayor in a city and the board of selectmen in a town, unless some other municipal office is designated to be the chief executive officer under the provisions of a local charter

Signature: _____

Print Name: _____

Date: _____

Chair, Local Housing Partnership:
(as applicable)

Signature _____

Print Name: _____

Date: _____

Municipal Contact Information

Chief Elected Official:

Name _____

Address _____

Phone _____

Email _____

Town Administrator/Manager:

Name _____

Address _____

Phone _____

Email _____

City/Town Planner (if any):

Name _____

Address _____

Phone _____

Email _____

Town Counsel:

Name _____

Address _____

Phone _____

Email _____

Chairman, Local Housing
Partnership (if any):

Name _____

Address _____

Phone _____

Email _____

Local Project Administrator:

Name _____

Address _____

Phone _____

Email _____

The Project – Please submit one copy of this page for each Accessory Apartment

Project Site: _____

Address: _____

Owner: _____

Owner's address: _____

The Accessory Apartment is (check one):

Detached _____

Attached _____

Unit Description

# of BR	# of BA	Square Footage	Proposed Rent	Are utilities Separately Metered? (Y/N)	If utilities are separately metered, what is utility allowance (from Local Housing Authority?)

Attachments:

1. Long-Term Use Restriction

Please attach the LIP model Regulatory Agreement for Accessory Apartments *redlined to reflect any proposed changes*.

2. Affirmative Fair Marketing and Lottery Plan.

This should consist of (1) *an affirmative fair marketing plan*, (2) *a sample advertisement/flyer*, (3) *the application form* that prospective tenants will complete to determine eligibility, and (4) *two separate information packets*, one for the owners of the accessory apartments explaining their responsibilities as owners of LIP-approved accessory apartments and one for prospective tenants explaining the annual recertification process, how and when a lease can be terminated, etc.

The marketing materials should identify the qualifications of the individual who will serve as Local Project Administrator and the process to be used to establish and maintain a Ready Renters list.

3. Documentation of Town Action. (e.g. copy of special permit)

APPENDIX D

Municipal Affordable Housing Trust Information

Appendix D - Municipal Affordable Housing Trusts

Current Status: Discussion with other communities regarding the success of their affordable housing initiatives indicate that it is often critical to have accessible funds to respond immediately and effectively to housing opportunities as they arise. Also, many of the state subsidy sources require local contributions either through local funds, donation of Town-owned property, or private donations. In order to receive donations and avoid paying taxes, it is useful for each locality to have a dedicated housing fund that offers communities greater ability to support the development of affordable housing.

On June 7, 2005, then Governor Mitt Romney signed new legislation called the Municipal Affordable Housing Trust Fund Act (codified as MGL Chapter 44, Section 55C – A copy of the Municipal Affordable Housing Trust Statute has been included within this Appendix), which simplifies the process of establishing such Affordable Housing Trust funds. Previously, cities could create trusts through their own resolution, but Towns had to get approval from the State Legislature through a home rule petition. The law provides guidelines on what trusts can do and allows communities to collect funds for housing, segregate them out of the general budget into an affordable housing trust fund, and use these funds without going back to Town Meeting for approval. It also enables trusts to own and manage real estate, not just receive and disburse funds. The law further requires that local housing trusts be governed by a five-member board of trustees, most typically appointed and confirmed by the Board of Selectmen, in the case of towns. While the new trusts must be in compliance with Chapter 30B, the law which governs public procurement as well as public bidding and construction laws, it is likely that most trust will opt to dispose of property through a sale or long-term lease to a developer so as to clearly differentiate any affordable housing development project from a public construction project.

Next Steps: An Action Plan item has been included within this 2011 Town of Westminster Housing Production Plan Update for the Town to explore the creation of an Affordable Housing Trust Fund by educating Town officials and residents about benefits of having a local Affordable Housing Trust to facilitate implementation of development of local affordable housing units. An information session about Municipal Affordable Housing Trusts should be made part of the planned Housing Forum during the Fall of 2012. DHCD Staff have indicated that Priority Development Fund (PDF) funding could be sought for communities who are interested in adopting the provisions of MGL Ch. 44 §55C. The funding could be utilized for educational and outreach activities.

It will also be important to explore a wide range of possible fundraising options to capitalize the Trust Fund. This task could be a challenge for the Town of Westminster, as it is not a community that has adopted the Community Preservation Act (CPA). To date 148 Massachusetts communities have adopted the CPA, which requires that a minimum of 10% of the funds allocated for the community must be utilized affordable housing purposes. Given the lack of CPA funding available for the Town of Westminster, which provides a dedicated funding source for affordable housing, other public sector resources would need to be explored and also the Town could also consider private sector donations. This process of securing private support not only provides financial benefits to support local housing efforts, but it is also a vehicle for raising

awareness of the affordable housing issue and generating interest and political support for affordable housing initiatives.

Many communities are reaching out to residents for private donations of land or funds to promote housing affordability. Such contributions and the “bargain sale” of real estate could become a part of the Westminster land ethic, but donations need to be promoted, nurtured, and facilitated. Inclusionary zoning, if adopted by the Town of Westminster, may be crafted such to provide cash resources for a wider range of possible developments that can help capitalize the Affordable Housing Trust Fund if the developer decides to pay cash in lieu of constructing actual affordable units. Developers may also contribute to the Housing Fund through negotiations on comprehensive permit projects or other local developments. Developers make additional contributions to these funds if the purchase prices for the market units are higher than the prices were projected in their comprehensive permit applications and if profits are more than the 20% allowed under Chapter 40B.

Faith-based affordable housing initiatives are also widely viewed as effective, as reported by the organization World Vision.⁵ The Westminster Affordable Housing Committee can work with local churches on some additional activities that focus on affordable housing, including, for example, donations to the Housing Fund, perhaps during Fair Housing Month.

More information about Municipal Affordable Housing Trusts are available through the Massachusetts Housing Partnership, which has produced a *Municipal Affordable Housing Trust Guidebook* in November 2015.

⁵ Shabecoff, Alice. Rebuilding Our Communities: How Churches Can Provide, Support and Finance Quality Housing for Low-Income Families, World Vision: Monrovia, California.

APPENDIX E

Sample Local Chapter 40B Affordable Housing Guidelines

APPENDIX E

SAMPLE AFFORDABLE HOUSING DEVELOPMENT GUIDELINES

For Consideration and Possible Adaptation to the Town of Westminster

These Affordable Housing Guidelines include a number of factors that might be considered and possibly adapted to Westminster in an effort to articulate project characteristics that are likely to be welcomed by the Town for further discussion and negotiation on affordable housing developments.

Affordability

The Housing Needs Assessment that is part of this Affordable Housing Plan indicates the Community's housing needs especially for seniors. Even households earning at the median income level are increasingly finding it difficult to purchase a house in Westminster. While the actions in the Housing Plan focus housing production on households with incomes at or below 80% of area median income, the Plan also takes into consideration mixed-income developments for a number of reasons. First they minimize the stigma that can be identified with a housing development that is exclusively limited to low- and moderate-income units. Second, they allow for the creation of internal subsidies that cover at least some of the costs associated with producing the affordable units such that the market units cross subsidize the affordable ones. Third, they promote the creation of units that are targeted to those households earning above 80% of area median income but within the state's definition of middle-income, up to 150% of area median income. Consequently, Housing Guidelines incorporate different income tiers to better serve the diverse needs of the community.

Town-Owned Property

Homeownership Developments

At least 50% of the units should be affordable to those earning at or below 80% of area median income with sales prices calculated for those earning no more than 70% of median to offer a sufficient "marketing window" for first-time homebuyers. At least 10% of the units should be directed towards households earning between 80% and 150% of median income to cover the needs of moderate- and middle-income households who are priced out of the current housing market.

Rental Developments

At least 50% of the units should be affordable to those earning at or below 80% of area median income with many of these units targeted to those earning less than 60% of median incomes, with even affordability reaching down to those with incomes of 50% or 30% of the area median income to reach very low-

income households when feasible. Another 10% of the units should be directed to those earning 80% and 150% of the area median income to address housing needs of those moderate- and middle-income households who are priced out of the current housing market.

¹ Internal subsidies are possible when the prices of the market units are sufficient to cover the costs associated with constructing the affordable units where purchase prices are lower than unit costs.

Privately Owned Property

Homeownership Developments

Promote the inclusion of at least 30% of the units reserved for those earning at or below 80% of area median income and at least another 10% to those earning above 80% of median income but at or below 150% of area median income to address a range of housing needs.

Rental Developments

Promote mixed-income communities for rental projects and whenever feasible, with the inclusion of subsidy funds, increase the level of affordable rental units to at least 30% of total housing units targeted to those earning at or below 80% of area median income. Projects that set-aside units for low-income households earning less than 60% of area median income or more moderate- and middle-income households earning up to 150% of area median income will receive priority consideration.

Unit Mix

Based on a distribution of needs by seniors, starter households, families, and special needs populations, developments shall strive for an overall equal distribution of one, two and three bedroom units with the inclusion of some four-bedroom units in family developments. Westminster needs both new affordable homeownership and rental opportunities for its seniors and families.

Elderly Housing: Mix of one and two-bedroom units, of which 10% shall be barrier free and accessible for the wheelchair bound.

Family Housing: Mix of two and three-bedroom units with at least 5% of units including 4-bedroom apartments.

Special Needs Housing: Mix of efficiencies and one-bedroom units with allowance of shared living facilities such as congregate units and group homes.

Design Criteria

Affordable units should be designed to be harmonious in appearance, construction, and quality of materials with the other units in the development and with the surrounding neighborhood. It is important that new development contribute to the historic, small-town character of Westminster. Affordable units should be integrated and dispersed throughout any development and subsidized and market rate units should not be distinguishable from the exterior. Appropriate recreational facilities should be provided, pedestrian access and bike paths required, and vegetation buffers required for projects of more than 30 units.

Location

Location of affordable housing shall be designed in accordance with the Section III(A) of the Town's 2011 Housing Production Plan.

Size and Density

The density of a particular development should relate to its location in the community whether it is in a residential zoning district, a business district or in an area that is relatively removed from an existing neighborhood. In all residential districts the total number of proposed dwelling units within the development should not exceed four units per acre to comply with these guidelines and in all other districts the number of proposed dwelling units within the development should not exceed eight units per acre unless there are compelling reasons to increase densities for project feasibility. Additionally, structures may be built up to three stories in all zoning districts. These guidelines encourage the use of triplexes and quadruplexes and discourage structures with more than six units per building.

Open Space and Landscaping

The project should incorporate open space of at least 15% of the parcel, and to the greatest extent possible based on the size of the parcel, this open space should be set aside as common land and maintained by a homeowners association or the owner of the property. All projects must also include proper landscaping such as grass, trees and shrubs, insuring the same number and quality of items for all units in the development, including the affordable units. Cluster development is encouraged for larger projects of more than five units.

Parking

Each dwelling unit in a development targeted to seniors must include one parking space and in developments targeted to families, two parking spaces must be provided.

Environmental Concerns

Avoid targeting development projects to areas that are ecologically sensitive and will degrade nearby conservation land. Developers should also be prepared to support plans for addressing water and septic services and address the impact of the traffic created by the development.

Marketing

A nearby community development corporation might assume the responsibility of marketing affordable units in any proposed development including managing the lotteries.

Affordability Restrictions

Deed riders or affordable rental restrictions should assure continued affordability in perpetuity to the greatest extent possible. The resale prices included in homeownership projects should be indexed to HUD's area median income or other reasonable index as opposed to market value to better assure this affordability over the long-term. In regard to monitoring and enforcing the affordability restrictions on homeownership projects, DHCD is now serving as monitoring agent on all Local Initiative Program project and Citizens Housing and Planning Association (CHAPA) could assume responsibility for all other. Potentially a nearby non-profit organization could serve as monitoring agent for rental developments.

Management

The professional management of new rental housing is critical to the future viability of the development, and the management entity must have a proven track record and be approved by the Town of Westminster through its Affordable Housing Committee or proposed Housing Trust.

APPENDIX F

Model Deed Restriction

Rider shall be attached to and made part of the deed from the Owner to the initial buyer. Each such Deed Rider shall require the initial buyer at the time he/she desires to sell the Affordable Unit to offer it for sale at a discounted price established in accordance with the methodology described in this Restriction, and under terms and conditions more particularly described in the Deed Rider. The Deed Rider shall require that each subsequent buyer and seller execute at the time of sale a similar Deed Rider which will be attached and made a part of the deed, so that the affordability will be preserved each time that subsequent resales of the Affordable Unit to an Eligible Buyer occur.

- c. Sale of Units. Owner and Developer hereby agree to offer units for sale to households qualified by the Town or its assignee for a period of forty years. The Planning Board shall review and approve an Affirmative Marketing Plan for the project prior to the sale of affordable units regulated by this Agreement. If, having made a good faith effort, Developer has not succeeded in locating an income-eligible buyer qualified to purchase an affordable unit after 180 days, the unit may be sold to any buyer at no less than 15% below the unit's appraised value, and the difference between the affordable sales price will be paid to an account designated by the Westminster Planning Board for affordable housing funds resulting from this Restriction. Prior to any such sale, the Planning Board shall review the execution of the Affirmative Marketing Plan for the project. If the Planning Board determines that a good faith effort has been made, it shall authorize such a sale. Upon request of the Owner and certification by the Westminster Town Treasurer that the aforementioned amount has been received by the Town, the Planning Board shall certify that the Restriction has been satisfied in terms of the unit and shall not apply thereafter, and the Town shall endorse said approval upon the deed.

- d. Resale Restriction. Resale by the initial purchaser or any subsequent owner of any Affordable Unit subject to this Agreement must be to an Eligible Buyer as designated or approved in writing by the Town, at a price not to exceed the Maximum Resale Price established in accordance with the methodology described below; unless otherwise permitted by this Restriction. Prior to conveyance of any Affordable Unit, the current owner shall give notice to the Town of his/her intention to sell the Affordable Unit. For a period of one hundred twenty (120) days from the date of such notice, the current owner may sell the affordable unit only to an Eligible Buyer.

If within thirty (30) days of receiving notice from the current owner of the affordable Unit the Town notifies the current owner of its intention to refer Eligible Buyers to the current owner, then the Town shall be given a ninety (90) day Buyer Selection Period, dating from the date of the notice from the current owner to the Town of intention to sell, to identify and refer to the current owner an Eligible Buyer. During the Buyer Selection Period the current owner may refer potential buyers to the Town, which shall determine whether such potential buyers qualify as Eligible Buyers and if so shall add such Eligible Buyers to its list for referral for purchase of an Affordable Unit. Eligible Buyers qualified by the Town and referred to the current owner during the Buyer Selection Period shall have the exclusive right to contract for the purchase of the Affordable Unit for a period of sixty (60) days from the end of the Buyer Selection Period.

- e. Maximum Resale Price. After initial sale by the Owner, the Affordable Unit shall not be sold, conveyed assigned or otherwise disposed of for consideration in excess of the Maximum Resale Price as defined below, except as provided in paragraph 12, below. The Maximum Resale Price shall be established as follows:

1. Discount Rate. A discount rate shall be established for the Affordable Unit at the time of initial sale by the Owner. The discount rate shall be established by calculating the actual sale price of the Affordable Unit upon initial sale as a percentage of the unrestricted fair market value of the Affordable Unit according to the appraisal conducted under paragraph 3 above. EXAMPLE: The initial buyer purchases the Affordable Unit for \$75,000.00. The appraisal determines that the fair market value of the Affordable Unit is \$100,000.00. The discount rate for the Affordable Unit is seventy-five (75%) percent.
2. Capital Improvements Allowance. The Capital Improvements Allowance shall be the actual cost of capital improvements made to the Affordable Unit by the Seller, provided that such amount shall not exceed one (1%) percent of the appraised value multiplied by

the number of years the Seller has owned the Affordable Unit. An improvement shall only be considered a capital improvement under this paragraph if, (1) the improvement meets the definition of "capital improvement" under the Internal Revenue Code, and (2) the improvement was carried out in compliance with all pertinent statutes, ordinances and regulations at the time it was made, and with any building permit; certificate of occupancy or other similar document of approval issued in connection with the improvement, and (3) the cost of the improvement is documented at the time of sale.

3. Calculation of Maximum Resale Price. Prior to any resale of an Affordable Unit, the current owner shall arrange for an appraisal report by an appraiser whose credentials are satisfactory to the Town, prepared in accordance with industry standards for market appraisals of residential properties, which shall establish the market value of the unit. The costs of the appraisal shall be borne by the seller. The Maximum Resale Price shall then be calculated, and shall be the sum of:

- (i) The fair market value of the Affordable Unit at the time of resale multiplied by the discount rate, plus
- (ii) The Capital Improvements Allowance.

- f. Unrestricted Sale, when Allowable Upon Resale. If upon resale of an Affordable Unit the Town is unable to find an eligible buyer, or if for any other reason not attributable to the fault of the current owner no contract for sale of the Affordable Unit has been entered into at the end of sixty (60) days following the end of the Buyer Selection Period, the current owner shall have the right to sell the Affordable Unit to any person, regardless of his/her income and at any price, free of any future restrictions on resale, provided that twenty-five percent (25%) of the difference between the actual resale price and the discounted price for which an eligible buyer could have purchased the Affordable Unit shall be paid by the current owner to an account designated by the Town for affordable housing funds resulting from this Agreement. In the event of such unrestricted sale and after certification by the Town Treasurer that such payment has been received, the Town shall certify in recordable form that no further resale restrictions apply to the unit in question, and that such unit shall no longer be designated an Affordable Unit as defined in this Agreement.

- g. Option. The initial buyer and any subsequent buyer of an Affordable Unit shall enter into an Option Agreement with the Town in the form set forth in Exhibit B attached hereto and made part hereof. In the event that the provisions of this Agreement, as made binding on subsequent purchasers of Affordable Units by Deed Rider, are violated, including but not limited to contracting for sale of an Affordable Unit for a price in excess of the Maximum Resale Price or if the unit ceases to be the principle residence of the owner, the Town shall have a right to exercise its Option in the manner provided therein.

7. Each and every contract, deed, plan or other instrument hereafter executed conveying the Premises or portion thereof or interest therein shall expressly provide that such conveyance is subject to this Affordable Housing Restriction, provided, however, that the covenants contained herein shall survive and be effective regardless of whether such contract, deed or other instrument hereafter executed conveying the Premises or portion thereof provides that such conveyance is subject to this Affordable Housing Restriction.
8. The Owner shall not discriminate on the basis of race, creed, color, sex, age, handicap, marital status, sexual preference, national origin or any other basis prohibited by law in the lease, sale, use and occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project.
9. The Owner shall not demolish any part of the Project or substantially subtract from any real or personal property of the Project except in conjunction with renovation or rehabilitation of the Project or construction of a new project on the Premises, in either case subject to the prior written consent of the Town, which consent may be granted or withheld in the Town's sole judgment.
10. The Owner represents, warrants and agrees that if the Project, or any part thereof, shall be damaged or destroyed, the Owner (subject to the approval of the Town) will use its best efforts to repair and restore the

Project to substantially the same condition as existed prior to the event causing such damage or destruction, and the Owner represents, warrants and agrees that the Project shall thereafter continue to operate in accordance with the terms of this Affordable Housing Restriction.

11. Any use of the Premises or activity thereon which is inconsistent with the purpose of this Affordable Housing Restriction is expressly prohibited.
12. The rights hereby granted shall include the right of Town to enforce this Affordable Housing Restriction by appropriate legal proceedings and to obtain injunctive and other equitable relief against any violations, including without limitation relief requiring restoration of the Premises to its condition prior to any such violation (it being agreed that the Town will have no adequate remedy at law), and shall be in addition to, and not in limitation of, any other rights and remedies available to the Town. Owner covenants and agrees to reimburse Town all reasonable costs and expenses (including without limitation reasonable counsel fees) incurred in enforcing this Affordable Housing Restriction or in taking reasonable measures to cure any violation hereof. By its acceptance of this Affordable Housing Restriction, Town does not undertake any liability or obligation relating to the condition of the Premises. If any provision of this Affordable Housing Restriction shall to any extent be held invalid, the remainder shall not be affected.
13. The Town is authorized to record or file any notices or instruments appropriate to assuring the enforceability of this Affordable Housing Restriction; and the Owner on behalf of itself and its successors and assigns appoints the Town its attorney-in-fact to execute, acknowledge and deliver any such instruments on its behalf. Without limiting the foregoing, the Owner and its successors and assigns agrees to execute any such instruments upon request. The benefits of this Affordable Housing Restriction shall be in gross and shall be assignable by the Town. The Owner and the Town intend that the restrictions arising hereunder take effect upon the date hereof, and to the extent enforceability by any person ever depends upon the approval of governmental officials, such approval when given shall relate back to the date hereof regardless of the date of actual approval or the date of filing or recording of any instrument evidencing such approval.
14. Notwithstanding anything herein to the contrary, but subject to the next succeeding paragraph hereof, if the holder of record of a first mortgage granted to a public or quasi-public agency, state or national bank, state or federal savings and loan association, cooperative bank, mortgage company, trust company, insurance company or other institutional lender shall acquire the Property by reason of foreclosure or similar remedial action under the provisions of such mortgage or upon conveyance of the Property in lieu of foreclosure, and provided that the holder of such mortgage has given Town not less than sixty (60) days' prior written notice of its intention to foreclose upon its mortgage or to accept a conveyance of the Property in lieu of foreclosure, then the rights and restrictions herein contained shall not apply to such holder upon such acquisition of the Property or to any purchaser of the Property from such holder, and such Property shall, subject to the next two succeeding sentences, thereafter be free from all such rights and restrictions. The rights and restrictions contained herein shall not lapse if the Property is acquired through foreclosure or deed in lieu of foreclosure by (i) Owner, (ii) any person with a direct or indirect financial interest in Owner, (iii) any person related to a person described in clause (ii) by blood, adoption or marriage, (iv) any person who is or at any time was a business associate of a person described in clause (ii), and (v) any entity in which any of the foregoing have a direct or indirect financial interest (each a "Related Party"). Furthermore, if the Premises are subsequently acquired by a Related Party during the period in which this Affordable Housing Restriction would have remained in effect but for the provisions of this Section, this Affordable Housing Restriction shall be revived and shall apply to the Property as though it had never lapsed.
15. Any notice, request or other communication which either party hereto may be required or may desire to give hereunder shall be made in writing, and shall be deemed to have been properly given if hand delivered, if sent by recognized overnight courier, receipt confirmed, or if mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Owner:

If to Town:

Town Coordinator
Town of Westminster
3 Bacon Street
Westminster, MA 01473

or such other address as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice. A notice sent by certified or registered mail shall be deemed given three days after mailing; a notice sent by overnight courier shall be deemed given one day after deposit with such courier; and a notice delivered by hand shall be deemed given upon receipt.

16. This Affordable Housing Restriction may not be amended, nor may any obligation hereunder be waived or released, without first obtaining the written consent of the Town, which consent shall not be unreasonably withheld or delayed.

No documentary stamps are required as this Affordable Housing Restriction is not being purchased by the Town.

Executed under seal this ____ day of ____, 200__.

THE TOWN OF WESTMINSTER
BY ITS BOARD OF SELECTMEN

COMMONWEALTH OF MASSACHUSETTS

Worcester, ss.

_____, 200__

Then personally appeared the above-named _____ and acknowledged the foregoing instrument to be his free act and deed, before me.

My Commission Expires:

COMMONWEALTH OF MASSACHUSETTS

Worcester, ss.

_____, 200__

Then personally appeared the above-named _____, being all the partners of _____, and acknowledged the foregoing instrument to be their free act and deed, before me.

Notary Public

My Commission Expires:

COMMONWEALTH OF MASSACHUSETTS

Worcester, ss.

_____, 200_

Then personally appeared the above-named _____, being all a majority of the members of the Westminster Select Board, and acknowledged the foregoing instrument to be their free act and deed and the free act and deed of the Town of Westminster, before me.

My Commission Expires:

