

TOWN OF ASHBURNHAM

ASHBURNHAM AFFORDABLE HOUSING PLAN

Ashburnham Affordable Housing Committee

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I. EXECUTIVE SUMMARY

A. Introduction

The Town of Ashburnham, located in Northern Worcester County and bordering New Hampshire, developed at a slower pace than other areas to the east and south due to its relative remoteness and lack of easy access to major highways. Long considered a vacation paradise, the town has traditionally drawn vacationers and part-time residents from all parts of the Northeast who enjoy its more than 20 lakes, and some claim doubling the size of its population during summer months.

During more recent years, particularly from 1970 to 1990, Ashburnham, like its neighbors, experienced significant growth in its year-round population, attracting new residents who were increasingly more willing to travel longer distances to work in order to live in an environmentally attractive town with more affordable housing costs, more moderate taxes and well-regarded schools. Growth has put significant pressures on local services and the housing market. Between 1960 and 2000 the population doubled in size and from 1970 to 1990 alone, it increased more than 50% or by approximately 2,000 residents. Between 1990 and 2000 there was actually only a small population increase, however, projections indicate that the population will increase to almost 6,000 by 2010 and to 6,658 by 2020.

As Ashburnham grows, it will face the challenge of increasing housing needs, including affordable housing, which is a major regional concern as housing costs have nearly doubled since 2000, spurred by the migration from more populated and expensive regions. The limited development of subsidized housing in the recent past has exacerbated the problem. Thus the combined effect of housing demand outstripping supply, a very low vacancy rate, and increasing tax and energy bills create pressing housing needs.

Town officials realize that they have a responsibility to take a leadership role to address affordable housing and prepared a Community Development Housing Plan as a part of Executive Order 418 in 2004, with the assistance of the Montachusett Regional Planning Commission (MRPC). Town officials are now taking further action to better understand and address the range of local housing needs through this Affordable Housing Plan.

This Plan builds on the work that was prepared as part of the Community Development Plan, updating important housing information and augmenting the housing element. It will also meet the requirements under Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i), Planned Production, that enable cities and towns to prepare and adopt an affordable housing plan that demonstrates production of an increase of .75% over one year, or 1.5% over two-years, of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.¹ If Ashburnham produces at least 15 affordable units

¹ Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

annually to meet these production goals through 2010², and DHCD certifies that the locality has complied with its annual production goals, the Town may, through its Zoning Board of Appeals, deny comprehensive permit applications without opportunity for appeal by developers.³ Production goals will also help guide actual new housing development and support the Town's progress towards meeting the state's 10% housing affordability goal.

B. Housing Goals and Challenges

The Town of Ashburnham through its Affordable Housing Committee has identified the following goals that serve as the basis for the strategies that are proposed in this Affordable Housing Plan:

- Increase affordable housing opportunities in a sustainable and fiscally responsible manner for a broad range of income levels and needs.
- Preserve Ashburnham's rural and historic character as the town continues to grow.
- Preserve natural resources in the context of managed growth.
- Increase the supply of affordable rental units and subsidized units.
- Improve the condition of Ashburnham's present housing stock.
- Promote homeownership.
- Promote development that meets smart growth principles.

While housing goals articulate a commitment to producing affordable housing in Ashburnham, it will be a great challenge for the Town to create enough housing to meet the state's 10% affordable housing standard, production goals and local needs, particularly in light of current constraints to new development including:

- *Zoning*
As is the case in most American communities, a zoning bylaw or ordinance is enacted to control the use of land including the patterns of housing development. Like most localities in the Commonwealth, Ashburnham's Zoning By-law largely embraces large-lot zoning of 45,000 or 60,000 square feet. While this zoning was put in place to slow development, preserve the town's rural character and accommodate septic systems in compliance with Title V requirements, the zoning maintains low housing densities, severely constrains the construction of affordable housing, and promotes sprawl that unless checked may ultimately degrade the community's rural charm, scenic resources,

² When the 2010 census figures become available in 2011, this number will be higher, most likely closer to 20 units.

³ Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

wildlife habitat, and air quality. *This Affordable Housing Plan includes a number of zoning and regulatory changes that will promote affordable housing in line with smart growth principles.*

- *Environmental Concerns*

Ashburnham is home to regionally significant natural resources including more than 25 conservation and recreational sites. Most residents are aware of the town's natural treasures and are rightly concerned about conserving them. Additionally, most areas of town do not have sewer services and are reliant on septic systems. Also, some areas lack Town water services and rely on wells, providing greater challenges to development. Moreover, many parts of town are not well suited to septic systems because of poor soil conditions or high groundwater. Failed septic systems are a problem for waterways and bodies of water, and this is a particular challenge for the town, especially in the unsewered areas surrounding Ashburnham's many lakes. While regulations to protect the environment (e.g., wetlands, aquifers, septic systems) are important and essential, they present challenges to development by reducing the amount of buildable land and increasing the time and costs of developing new housing. Also, thus far the Board of Health has not supported the use of shared septic systems that are needed for larger housing developments, particularly for affordable housing that relies on some economies of scale to be feasible. *This Plan incorporates housing goals and specific strategies that are directed to preserving natural resources in the context of managed development and smart growth principles.*

- *Transportation*

To accommodate new development, MRPC build-out projections anticipate that another 214 miles of roadway will be added to the existing 97 miles of roads for a total of 314 miles. In view of present traffic and projected increases, it is essential that the Town evaluates and selects appropriate measures to relieve the impact of growth on traffic yet still grow incrementally, a formidable challenge. It is also worth noting that public transportation is limited and residents must rely on the automobile, which presents an additional cost burden for those with limited incomes, particularly those on fixed incomes. *This Affordable Housing Plan suggests that the Town pay particular attention to the projected traffic implications of any new development, working with the developer to resolve problems, as well as exploring opportunities for mixed-use development or higher density housing through 40R that has the potential for reducing the reliance on the automobile somewhat.*

- *School Enrollment*

Historically, school enrollments have fluctuated somewhat over the past decade from a high of 1,180 in 1995 to a low of 1,070 in 2004, up to 1,084 in 2005 as summarized below. Projections by the New England School Development Council, dated December 2005, suggest that enrollment will increase to 1,225 in 2010 and up to 1,398 in 2015, representing almost a 30% increase over the next decade. The projections suggest that

housing turnover and increased housing development through Chapter 40B projects might expand school enrollments, suggesting that by 2010 enrollments might be up to 1,302 students and up to 1,547 students in 2015, representing a 43% increase over and above 2005 enrollments. This added population would likely place a significant burden on a school system that is already experiencing some capacity issues. *This Plan indicates that the Town has established a special task force to review school capacity issues.*

- Availability of Subsidy Funds**
 Financial resources to subsidize affordable housing preservation and production as well as rental assistance have suffered budget cuts over the years making funding more limited and extremely competitive. Communities are finding it increasingly difficult to secure necessary funding and must be creative in determining how to finance projects and tenacious in securing these resources. Ashburnham also has not yet approved the Community Preservation Act that provides an important local resource for affordable housing in over 100 other communities across the state. *This Plan suggests that the Town adopt the Community Preservation Act and pursue additional state and regional resources.*
- Community Perceptions**
 Affordable housing, subsidized housing, low-income housing, projects, Section 8, etc. ? these terms can conjure images of potential neglect, plunging property values, increased crime, and even tensions concerning class and race. On the other hand, with soaring real estate prices, community perceptions are beginning to tilt towards the realization that affordable housing is needed in the community. More people are recognizing that the new kindergarten teacher, their grown children, or the elderly neighbor may not be able to afford to live or remain in the community. It is this growing awareness, as well as impending 40B developments, which is spurring communities such as Ashburnham to take a more proactive stance and greater interest in supporting affordable housing initiatives. Also, once residents understand that the Town will be able to reserve at least 70% of the affordable units in any new development for those who have a connection to Ashburnham, referred to as ? community preference? , greater local support is typically forthcoming. *This Affordable Housing Plan proposes launching an ongoing educational campaign on the issue of affordable housing needs and new initiatives.*

C. Summary of Housing Needs Assessment

The following table summarizes demographic and housing characteristics in Ashburnham and compares this information to that for Worcester County and the state.

Summary of Demographic and Housing Characteristics for Ashburnham, Worcester County and the State 2000

Characteristics	Ashburnham	Worcester County	Massachusetts
Household Characteristics			
Total Population	5,546	750,963	6,349,097
Changes in Housing Growth 1980-1990	23.3% to ? 3.3%	16.5% to 6.7%	12.0% to 6.0%

and 1990-2000			
% less than 18 years	29.0%	25.6%	23.6%
% 20 to 34 years	14.7%	19.4%	21.0%
% 45 to 54 years	16.7%	13.7%	13.8%
% 65 years or more	8.9%	13.0%	13.5%
Median age	37.3 years	36.5 years	36.5 years
% non-family households	20.1%	32.2%	36%
Average household size	2.87 persons	2.56 persons	2.51 persons
Median income	\$55,568	\$47,874	\$50,502
Individuals in poverty	6.3%	9.2%	9%
% earning less than \$25,000	16.1%	25.7%	24.6%
% earning more than \$100,000	12.5%	14.8%	17.7%
Housing Characteristics			
% occupied housing	87.5%	95.2%	93.2%
% owner-occupied	88.9%	64.1%	61.7%
% renter-occupied	11.1%	35.9%	38.3%
% seasonal or occasional use	9.4%	1.0%	3.6%
% in single-family, detached structures	95.0%	56.2%	52.4%
Median sales price	\$127,000/\$245,00*	\$146,000	\$185,700

Source: U.S. Census Bureau, 2000

* The Warren Group, as of July 2006

This data confirms that Ashburnham has been a place where families have tended to come to purchase their own home and raise their children. Income levels have been a bit higher and poverty has been lower. Most of the housing stock is in single-family, owner-occupied dwellings that have been more affordable than in other communities, however, there is also higher level of seasonal housing units reflecting the draw of the town as a vacation spot in addition to an affordable place to live.

This information also shows some sizable differences and similarities from other communities in the region and the state, such as:

- Population and Housing Growth*
 From 1990 to 2000, Ashburnham's population increased from 5,433 residents to 5,546, an increase of 113 individuals. However, during this same period, the number of housing units decreased from 2,279 to 2,204 or 75 fewer units, primarily rental units. These conflicting trends are likely related to the demolition of substandard housing and the likely conversion of investor-owned properties to owner-occupancy and multi-family properties to single-family homes. While housing growth declined between 1980 and 2000 in Ashburnham, Worcester

County and throughout Massachusetts, it declined at a faster rate in Ashburnham, from a percentage change of 23.3% between 1980 and 1990 to a ? 3.3% from 1990 to 2000 as opposed to a 16.5% to 6.7% change for the county and 12% to 6% change for the state. This slower rate of growth has fueled price escalation in the context of increasing housing demand.

- *Age of Population*

In comparison to Worcester County and state in general, Ashburnham's population tends to on average be a bit older, with a median age of 37.3 years as opposed to 36.5 years for the county and state, respectively. Nevertheless, the town has a greater proportion of school-age children with 29.0% of the population less than 18 years of age versus 25.6% and 23.6% for the county and state. However, the town has a dwindling number of those aged 20 to 34 who are forming new families and entering the labor market, 14.7% of all households in Ashburnham but 19.4% for the county and 21% for the state. Increasing homeownership costs as well as limited employment opportunities are likely creating barriers for this age group and making it increasingly more likely that those who were raised in Ashburnham will not be able to raise their own families locally. On the other hand, Ashburnham had a higher percentage of those 45 to 54 years of age who are entering the prime of their earning potential better able to afford the higher cost of housing, 16.7% as opposed to 13.7% for the county and similarly 13.8% for the state. The county and state have a comparable percentage of residents 65 years of age or older, 13.0% and 13.5% respectively, while Ashburnham has fewer seniors who comprise only 8.9% of the town's residents.

- *Types of Households*

Ashburnham also has a significantly lower proportion of non-family households, 20.1% versus 32.2% for the county and 36% for the state. This correlates to the relatively higher number of children in Ashburnham and the higher median household size of 2.87 persons as opposed to 2.56 persons in Worcester County and 2.51 persons in the state.

- *Higher Incomes*

Median income levels per the 2000 census were higher in Ashburnham than the county or state, \$55,568 as opposed to \$47,874 and \$50,500 for the county and state, respectively. Additionally, the percentage of those earning less than \$25,000 annually was substantially lower in Ashburnham, 16.1%, while it was 25.7% for the county and 24.6% for the state. Also, Ashburnham had a lower proportion of residents living in poverty, 6.3%, while the percentage for the county and state were at least 9.0%. On the other hand, there were fewer year-round residents in Ashburnham earning more than \$100,000, 12.5% as opposed to 14.8% for the county and 17.7% for the state.

- *Housing Market Conditions*

The 2000 median housing prices provides a comparison of Ashburnham housing market to that of Worcester County and the state, with lower market values -- \$127,000 for Ashburnham, \$146,000 for the county and \$185,700 for the state. Since that time housing prices have nearly doubled as the median single-family house value in 2005 was \$245,000, a higher level of increase than any of Ashburnham's neighbors. To afford

this price a household would have to earn more than \$70,000, comparable to adjusted median income levels. Escalating housing prices are also reflected in increased property taxes, which in combination with rising energy bills and insurance costs, cause a serious financial strain on long-term residents, particularly those with fixed incomes.

- *Supply of Workforce Housing*

The supply of housing for working families is dwindling somewhat as there were only 25 homes on the market priced at less than \$200,000 since January 2005. Homes that were priced affordably in the past have more than doubled in value given market pressures brought on by a buoyant regional economy and a limited supply. While prices have softened during the last few months, there is little evidence as of yet for any significant declines in market prices in Ashburnham. Based on the Massachusetts Department of Housing and Community Development's most recent data on the Chapter 40B Subsidized Housing Inventory, Ashburnham had 1,997 year-round housing units, of which 24 can be counted as affordable, representing 1.2% of the year-round housing stock. To meet the state's 10% affordable housing goal under Chapter 40B of the Massachusetts General Laws, at least 200 of the existing units would have to be affordable.⁴ This means that right now Ashburnham is short of the 10% standard by 176 affordable housing units. Assuming future housing growth, this 10% figure is a moving target and ultimately the required minimum number of year-round units will increase over time.

- *Seasonal Housing*

Almost 10% of the town's housing stock is occupied by seasonal or occasional residents as compared to 1.0% in Worcester County and a state average of 3.6%. Consequently, in the summer months, Ashburnham's resident population increases significantly, putting additional pressure on Town services and the long-term, permanent population.

Based on this Housing Needs Assessment, there are a number of key indicators that suggest there are significant local needs for affordable housing that go beyond what is required to meet the 10% state goal including:

1. ***Households with Limited Incomes***

Need: Given the high costs of housing, more subsidized rental housing is necessary to make living in Ashburnham affordable, particularly to those described above who have very limited financial means.

2. ***Disabilities and Special Needs***

⁴ Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

Need: Some amount of new housing should be built adaptable or accessible to the disabled, including seniors.

3. Gaps in Affordability and Access to Affordable Housing

Need: Wider range of affordable housing options including first-time homeownership opportunities, particularly for younger households entering the job market and forming their own families, as well as senior housing.

4. Housing Conditions

Need: Programs to support necessary home improvements, including deleading and septic repairs for units occupied by low- and moderate-income households, particularly the elderly living on fixed incomes, and including investor-owned properties tenanted by qualifying households.

There is a sizable population of those who are seniors, have special needs and/or have very low incomes who have significantly reduced capacity to secure decent, safe and affordable housing in Ashburnham. A broader range of housing options is required to meet these varied needs.

D. Summary of Planned Production

The State administers the Planned Production Program that enables cities and towns to adopt an affordable housing plan that demonstrates production of .75% over one year or 1.5% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory. Ashburnham would have to produce approximately 15 affordable units annually to meet these production goals through 2010. When the 2010 census figures become available in 2011, this number will be higher, most likely closer to 20 units. If the State certifies that the locality has complied with its annual production goals, the Town may, through its Zoning Board of Appeals, deny comprehensive permit applications without opportunity for appeal by developers.

Using the strategies summarized under the Housing Action Plan described in Section VII, the Town of Ashburnham has developed a Planned Production Program to chart affordable housing production activity over the next decade. The projected goals are best guesses at this time, and there is likely to be a great deal of fluidity in these estimates from year to year. The goals are based largely on the following criteria:

- To the greatest extent possible, at least 50% of the units that are developed on Town-owned parcels should be affordable to households earning at or below 80% of area median income. The rental projects will also target some households earning at or below 60% of area median income depending upon subsidy program requirements.
- The projections include middle-income units for those who earn between 80% and 150% of area median income. During the first six years, all units that are not affordable to those earning within 80% of median income are projected to be directed to those within this price range as market prices should still be accessible to those earning within 150% of median income. After 2012, goals estimate that the number of middle-income units will be at least equivalent to the number of affordable ones as market prices may increase somewhat at that point.

- Projections are based on a minimum of four units per acre. However, given specific site conditions and financial feasibility it may be appropriate to increase or decrease density as long as projects are in compliance with state Title V and wetlands regulations.
- Because housing strategies include some development on privately owned parcels, production will involve projects sponsored by private developers through the standard regulatory process or "friendly" comprehensive permit process. The Town plans to promote increased affordability in these projects, working with developers to incorporate at least 30% of the units as affordable.
- The projections involve a mix of rental and ownership opportunities. The Town will work with private developers to promote a diversity of housing types directed to different populations with housing needs including families, seniors and other individuals with special needs to offer a wider range of housing options for residents.

Planned production goals over the next ten years include the creation of 189 affordable units and 237 middle-income units, with a total projected number of housing units created of 524 units.

E. Summary of Housing Action Plan

The strategies outlined below are based on previous plans, reports, studies, the Housing Needs Assessment, and the experience of other comparable localities in the region and throughout the Commonwealth. The strategies are grouped according to the type of action proposed "Planning and Regulatory Reforms, Building Local Capacity, Housing Production, and Housing Preservation" and categorized by Two-Year and Five-Year Action Plans.

1. *Recommend Planning and Regulatory Reforms*

The Town of Ashburnham should consider the following planning and zoning-related strategies to promote the creation of additional affordable units.

- Adopt inclusionary zoning
- Amend Open Space Residential Development bylaw
- Amend Development Rate Limitation bylaw
- Amend accessory apartment bylaw
- Explore adoption of 40R/40S
- Consider backlot zoning
- Consider the waiver of permit fees
- Adopt Housing Guidelines
- Allow affordable housing on noncomplying lots
- Explore Transfer of Development Rights
- Allow a wider range of housing types
- Explore streamlining the permit approval process
- Waive property taxes in exchange for deed restrictions

2. *Build Local Capacity*

In order to be able to carry out the strategies included in this Affordable Housing Plan and meet the Planned Production goals, it will be important for the Town of Ashburnham to build its capacity to promote affordable housing activities. This capacity includes gaining access to greater resources ? financial and technical ? as well as building local political support, developing partnerships with public and private developers and lenders, and creating and augmenting local organizations and systems that will support new housing production.

- Conduct educational campaign
- Create Affordable Housing Trust Fund and capitalize (could also serve as development review committee and entity charged with overseeing implementation of Housing Plan)
- Promote the Community Preservation Act (CPA)
- Access new housing resources
- Continue to apply for Commonwealth Capital scoring
- Secure additional professional support
- Establish Annual Housing Summits
- Inventory Town-owned property
- Provide training for local officials

3. *Housing Production*

To accomplish the actions included in this Affordable Housing Plan and meet production goals, it will be essential for the Town of Ashburnham to reach out to the development community and sources of public and private financing to secure the necessary technical and financial resources to create actual affordable units. While some of the units produced will rely on the participation of existing homeowners, most of the production will require joint ventures with developers ? for profit and non-profit ? to create affordable housing. In addition to the active participation of the development community, it will be important for Ashburnham to actively seek support from state and federal agencies.

- Make suitable Town-owned land available for affordable housing
- Support scattered-site housing
- Convert existing housing units to affordability
- Support adaptive reuse
- Consider incorporating accessory apartments in the Subsidized Housing Inventory/Amnesty Program

4. *Housing Preservation*

Housing production is critical, but the Town also needs to be concerned that it does not lose units already counted as part of its Subsidized Housing Inventory and provides resources to support the deferred home maintenance needs of lower income residents, including seniors.

- Monitor affordability of Subsidized Housing Inventory

- Help qualifying homeowners access housing assistance

F. Summary of Use Restrictions

Ashburnham is committed to maintaining its Subsidized Housing Inventory for as long a period as possible. Affordable units must serve households with incomes no greater than 80% of the area median income for which the unit is located. Units must be subject to use restrictions or re-sale controls to preserve their affordability as follows:

- For minimum of thirty years or longer from the date of subsidy approval or construction for new construction.
- For a minimum of fifteen years or longer from the date of subsidy approval or completion for rehabilitation.
- Alternatively, a term of perpetuity is encouraged for both new construction and completion of rehabilitation, and the state currently has a new ? universal? deed rider that will be adapted to Ashburnham affordable housing development.

Units are or will be subject to an executed Regulatory Agreement between the developer and the subsidizing agency unless the subsidy program 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.

II. INTRODUCTION

1. A. Statement of Purpose

The Town of Ashburnham, located in Northern Worcester County and bordering New Hampshire, developed at a slower pace than other areas to the east and south due to its relative remoteness and lack of easy access to major highways. Long considered a vacation paradise, the town has traditionally drawn vacationers and part-time residents from all parts of the Northeast who enjoy its more than 20 lakes, and some claim doubling the size of its population during summer months.

During more recent years, particularly from 1970 to 1990, Ashburnham, like its neighbors, experienced significant growth in its year-round population, attracting new residents who were increasingly more willing to travel longer distances to work in order to live in an environmentally attractive town with more affordable housing costs, more moderate taxes and well-regarded schools. A real estate ad provided the following summary of Ashburnham's appeal:

? About one hour northwest of Boston on a scenic road outside the center of town, Ashburnham has access to all the rich cultural and recreational amenities of the Boston and Worcester Metropolitan areas in Eastern Massachusetts. The north central Massachusetts location provides easy access to the Berkshires, New Hampshire, Vermont, New York and Connecticut. Cushing Academy, a fine private school, is in Ashburnham Center.? ? And the Milky Way is still visible at night.?

Growth has put significant pressures on local services and the housing market. Between 1960 and 2000 the population doubled in size and from 1970 to 1990 alone, it increased more than 50% or by approximately 2,000 residents. Between 1990 and 2000 there was actually only a small population increase, however, projections indicate that the population will increase to almost 6,000 by 2010 and to 6,658 by 2020. Town records indicate that the population at the end of 2005 was 5,731, an increase of 185 residents or 3.3% of the population since 2000. More recent figures, as of August 2006, demonstrate a modest downward trend with a population total of 5,694 residents and a loss of 37 residents.

**Population Change
1960-2000**

Year	Population	Increase in # Residents	Percentage Change
1960	2,758	--	--
1970	3,484	726	26.3
1980	4,075	591	17.0
1990	5,433	1,358	33.3
2000	5,546	113	2.1
2005	5,731	185	3.3

Source: U.S. Census Bureau and Ashburnham Town records.

As Ashburnham grows, it will face the challenge of increasing housing needs, including affordable housing, which is a major regional concern as housing costs have nearly doubled since 2000, spurred by the migration from more populated and expensive regions. The limited development of subsidized housing in the recent past has exacerbated the problem. Thus the combined effect of housing demand outstripping supply, a very low vacancy rate, and increasing tax and energy bills create pressing housing needs.

Town officials realize that they have a responsibility to take a leadership role to address affordable housing and prepared a Community Development Housing Plan as a part of Executive Order 418 in 2004, with the assistance of the Regional Planning Commission (MRPC). Town officials are now taking further action to better understand and address the range of local housing needs through this Affordable Housing Plan.

This Plan builds on the work that was prepared as part of the Community Development Plan, updating important housing information and augmenting the housing element. It will also meet the requirements under Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i), Planned Production, that enable cities and towns to prepare and adopt an affordable housing plan that demonstrates production of an increase of .75% over one year, or 1.5% over two-years, of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.⁵ If Ashburnham produces at least 15 affordable units annually to meet these production goals through 2010⁶, and DHCD certifies that the

⁵ Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

⁶ When the 2010 census figures become available in 2011, this number will be higher, most likely closer to 20 units.

locality has complied with its annual production goals, the Town may, through its Zoning Board of Appeals, deny comprehensive permit applications without opportunity for appeal by developers.⁷ Production goals will also help guide actual new housing development and support the Town's progress towards meeting the state's 10% housing affordability goal.

2. B. Definition of Affordable Housing

Affordable housing is not necessarily subsidized housing or what is commonly referred to as low-income housing. There are a number of definitions of affordable housing as federal and state programs offer various criteria. For example, the federal government identifies units as affordable if gross rent (including costs of utilities borne by the tenant) is no more than 30% of a household's income for determining eligibility for subsidized housing or if the carrying costs of purchasing a home (mortgage, property taxes and insurance) is not more than 30% of gross income. If households are paying more than these thresholds, they are described as experiencing housing affordability problems; and if they are paying 50% or more for housing, they have severe cost burdens.

Affordable housing is also defined according to percentages of median income for the area, and most housing subsidy programs are targeted to particular income ranges depending upon programmatic goals. Extremely low-income housing is directed to those earning at or below 30% of area median income as defined by the U.S. Department of Housing and Urban Development (\$21,500 for a family of four for the Fitchburg-Leominster area) and very low-income is defined as households earning less than 50% of area median income (\$35,850 for a family of four). Low-income generally refers to the range between 51% and 80% of area median income (\$57,350 for a family of four at the 80% level), and moderate-income from 81% to 100%, and sometimes 110% and 120% of median income (\$71,700, \$78,850 and \$86,040, respectively, based on a family size of four). Some of these income levels by household size are summarized in the table below:

2006 TARGETED INCOME LEVELS FOR AFFORDABLE HOUSING IN THE FITCHBURG-LEOMINSTER AREA

# Persons in Household	30% of Median Income	50% of Median Income	80% of Median Income
1	\$15,050	\$25,100	\$40,150
2	17,200	28,700	45,900
3	19,350	32,250	51,600
4	21,500	35,850	57,350
5	23,200	38,700	61,950

⁷ Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

6	24,950	41,600	66,550
7	26,650	44,450	71,100
8	28,400	47,300	75,700

2006 Median Family Income for the Fitchburg-Leominster Area = \$71,700

Additionally, most state-supported housing assistance programs are targeted to households earning at or below 80% of area median income, as well as some at lower income thresholds. Middle-income has been defined under the state's Executive Order 418 as up to 150% of area median income. In general, programs that subsidize rental units are targeted to households earning within 60% of median income, \$42,500 for a family of four. However, first-time homebuyer programs typically apply income limits of up to 80% of area median income. The state's Community Preservation Act allows resources to be directed to those within a somewhat higher income threshold - 100% of area median income. It is worth noting that according to the 2000 census, about 560 households or 30% of Ashburnham's households were likely to be income-eligible for affordable housing using the 80% of area median income level, without reference to existing assets.

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

CHAPTER 40B: WHAT IS AFFORDABLE HOUSING?

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

Source: CHAPA, February 2001

In counting a community's progress toward the 10% threshold, the state counts a housing unit as affordable if it is subsidized by local, state or federal programs that support low- and moderate-income households at or below 80% of area median income under Chapter 774 of the Acts of 1969. This is the legislation that established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B). Based on the Massachusetts Department of Housing and Community Development's most recent data on the Chapter 40B Subsidized Housing Inventory, Ashburnham has 1,997 year-round housing units, of which the state currently counts 24 units as affordable, representing 1.20% of the year-round housing stock. Ashburnham

is vulnerable to losing control over housing development through Chapter 40B comprehensive permit applications and would need at least 176 more affordable units to meet the 10% standard based on the existing housing stock. Assuming future housing growth, this 10% figure is a moving target and ultimately the required minimum number of year-round units will increase over time.

Ashburnham is not alone in this quandary about what to do about the lack of affordable housing. Several of Ashburnham's neighbors also have affordable housing levels below the state target, and, most small towns, like Ashburnham, face significant challenges in meeting the 10% affordable housing goal. The level of housing affordability in each of the surrounding municipalities is as follows:

Subsidized Housing Inventory for Neighboring Municipalities

Municipality	Year-round Units	Affordable Units	% Affordable Units
Ashburnham	1,997	24	1.20
Ashby	1,000	0	0.0
Gardner	8,804	1,395	15.8
Westminster	2,609	89	3.4
Winchendon	3,563	380	10.7

Source: Massachusetts Department of Housing and Community Development, June 1, 2006

The City of Gardner has surpassed the 10% state goal, as has the town of Winchendon. Ashburnham's progress lies between Ashby, with no state approved affordable units, and Westminster with 89 units or 3.4% of its year-round housing stock.

In recognition of pressing local needs, this Housing Plan suggests a range of opportunities to meet specified local housing priorities and to bring Ashburnham closer to the state 10% threshold. The Plan will also set the stage for producing new units that will allow the Town to reject unwanted Chapter 40B developments through Planned Production, a relatively new addition to Chapter 40B regulations. Given past efforts in the area of affordable housing, creating the 15 units a year needed to meet Planned Production goals and exert control over new development will be a substantial challenge. Nevertheless, affordable housing will come to Ashburnham, and this Plan provides a mechanism for the town to guide its creation as opposed to reliance on outside development interests.

C. Planning Process

With state funding under Executive Order 418, the Montachusett Regional Planning Commission (MRPC) prepared a Community Development Plan for the Town of Ashburnham in 2004. The Plan was prepared to help the community better understand where new development, such as additional housing units, could be provided with minimal detrimental effect upon natural resources, to assess the housing need in the community, and begin to identify housing strategies to provide a variety of housing opportunities for people from a broad range of income levels, while preserving community character and preventing pressure on additional natural resources. The planning process established for the preparation of the Community Development Plan included a "visioning" phase to identify the points on which residents agree and disagree and to build a common framework for addressing needed change.

The Montachusett Regional Planning Commission (MRPC) conducted a forum on August 12, 2003, to solicit input from residents and local officials about the Town of Ashburnham. Through a question-and-answer process, MRPC solicited ideas and suggestions on housing and economic development needs, open space and resource protection interests, and transportation issues from local residents. The forum represented an important step forward in helping the community develop an inventory of its assets and liabilities and to better define future directions for development.

The forum established that town residents have become more sensitized to the lack of new affordable housing that can address the wide range of local housing needs and the town should step-up its efforts and complement the work of neighboring communities in the area of affordable housing. This will be accomplished by encouraging a greater diversity of housing opportunities in order to meet the needs of a changing and diversified population with respect to age groups, persons in a household and income. Appendix 1 includes additional information on this public forum.

On November 2, 2006, Ashburnham's Affordable Housing Committee held another public forum to present this Affordable Housing Plan. The forum provided updated information on population trends and housing conditions, planned production goals for affordable housing, and key strategies to meet these goals. The Affordable Housing Committee responded to a number of good questions from residents regarding costs, timetable, market conditions, state requirements and level of local commitment. Also, beyond those in attendance, others in the community were able to obtain helpful information on the Plan as well as affordable housing in general as the forum was broadcasted on the local cable access channel.

D. Housing Goals

As mentioned above, in July 2003, as part of the development of the Community Development Plan, local residents and community officials attended a forum and interacted with their neighbors and local officials in a "visioning session". Comments and ideas were expressed regarding the assets/strengths, liabilities/weaknesses and needs of the town related to four issue areas including housing, open space, economic development and transportation. Most people appeared to understand that growth will continue to occur and agree that Ashburnham's "character" should remain as stable and as rural as possible and that managing future growth will enable the community to maintain most, if not all, of its amenities. Several themes emerged from this session regarding housing including the importance of planning for the future and providing affordable housing for all ages and income levels.

The planning process also resulted in the following housing-related goals to guide further development of affordable housing, augmented more recently by Ashburnham's Affordable Housing Committee, including the following:

- Increase affordable housing opportunities in a sustainable and fiscally responsible manner for a broad range of income levels and needs.

- Preserve Ashburnham's rural character as the town continues to grow.
- Preserve natural resources in the context of managed growth.
- Increase the supply of affordable rental units and subsidized units.
- Improve the condition of Ashburnham's present housing stock.
- Promote homeownership.
- Promote development that meets smart growth principles.⁸

It should be noted that smart growth is particularly challenging in more rural settings where infrastructure and transportation services are limited. The state is currently giving priority consideration to funding applications that promote smart growth, and it will be essential for the town of Ashburnham to make every effort to integrate such principles into its affordable housing initiatives.

III. HOUSING NEEDS ASSESSMENT

A. Demographic Profile

1. Population Characteristics

The Town of Ashburnham, in the period from 1960 to 2000, had a population increase of 101%, the bulk of growth happening between 1970 and 1990 with a jump of 50% in the town's population. The population of Ashburnham represented only 3% of the regional population at 5,546 residents in 2000. Population growth was significant between 1980 and 1990, as the town added 1,358 people, increasing from 4,075 to 5,433, representing a 33% increase. Since 1990, the population growth rate dropped considerably, increasing by only 2.1% as the town added another 113 people. In actual numbers the town grew from 2,758 to 5,546 residents between 1960 and 2000, an overall increase of 2,788 new residents. This increase was exceeded by only 5 of 22 communities in the Montachusett region where communities grew on average by only 51% from 1960 to 2000.

Town records indicate that from 2000 to 2005, the Town's population increased by another 185 residents, representing growth of 3.3%. However, the population decreased by 37 residents in 2006 (as of August 2006).

⁸ Smart growth development is a response to the problems associated with unplanned, unlimited suburban development or sprawl and calls for more efficient land use, compact development patterns, less dependence on the automobile, a range of diverse housing opportunities and choices, equitable allocation of the costs and benefits of development, and an improved jobs/housing balance. Some principles of smart growth development include: providing mixed-use development near the town and village centers; locating housing in close proximity to public transportation, where available; allowing higher density housing or mixed-use development near transit stops, along commercial corridors or in town and village centers; redeveloping environmentally impacted or brownfields sites; restoring vacant and abandoned residential buildings to productive use; converting vacant or underutilized former manufacturing, commercial or municipal buildings to housing; encouraging the development of housing and preservation of open space so that the goals of each will be mutually satisfied using techniques such as cluster zoning, transfer of development rights, or other innovative zoning or regulatory devices; promoting the redevelopment of vacant infill parcels; and participating in regional responses to addressing affordable housing needs.

**Population of Ashburnham
1960 - 2000**

Year	1960	1970	1980	1990	2000	Projected		'80-90? %	'90-00? %
						2010	2020		
Ashburnham	2,758	3,484	4,075	5,433	5,546	5,993	6,658	33.3%	2.1%

Source: U.S. Census and Montachusett Regional Planning Commission (MRPC) projections

The Montachusett region grew rapidly from 1980 to 1990, adding 21,440 people at a growth rate of 11%, and this growth continued between 1990 and 2000, though at a much slower rate of nearly 6%, adding another 12,434 people for a final population in 2000 of 228,005. In the decade of the 1990's, Ashburnham grew at a somewhat lower rate than most of the other MRPC communities. Most of the regional growth occurred in communities near I-495 and I-190.

**Population Changes in the Montachusett Region
1980 to 2000**

Community	Population			Change		Percent Change	
	1980	1990	2000	80-90	90-00	80-90	90-00
Ashburnham	4,075	5,433	5,546	1,358	113	33.3%	2.1%
Ashby	2,311	2,717	2,845	406	128	17.6%	4.7%
Athol	10,634	11,451	11,299	817	-152	7.7%	-1.3%
Ayer	6,991	6,837	7,287	-154	450	-2.2%	6.6%
Clinton	12,771	13,222	13,435	451	213	3.5%	1.6%
Fitchburg	39,580	41,194	39,102	1,614	-2,092	4.1%	-5.1%
Gardner	17,900	20,125	20,770	2,225	645	12.4%	3.2%
Groton	6,154	7,511	9,547	1,357	2,036	22.1%	27.1%
Harvard	3,744	4,448	5,981	704	1,533	18.8%	34.5%
Hubbardston	1,797	2,797	3,909	1,000	1,112	55.6%	39.8%
Lancaster	6,334	6,661	7,380	327	719	5.2%	10.8%
Leominster	34,508	38,145	41,303	3,637	3,158	10.5%	8.3%
Lunenburg	8,405	9,117	9,401	712	284	8.5%	3.1%
Petersham	1,024	1,131	1,180	107	49	10.4%	4.3%
Phillipston	953	1,485	1,621	532	136	55.8%	9.2%
Royalston	955	1,147	1,254	192	107	20.1%	9.3%
Shirley	5,126	5,739	6,373	613	634	12.0%	11.0%
Sterling	5,440	6,481	7,257	1,041	776	19.1%	12.0%
Templeton	6,070	6,438	6,799	368	361	6.1%	5.6%
Townsend	7,201	8,496	9,198	1,295	702	18.0%	8.3%
Westminster	5,139	6,191	6,907	1,052	716	20.5%	11.6%
Winchendon	7,019	8,805	9,611	1,786	806	25.4%	9.2%
Total	194,131	215,571	228,005	21,440	12,434	11.0%	5.8%

Source: US Decennial Census for 1980, 1990 and 2000

Ashburnham had 1,834 households in 1990 and 1,929 in 2000, representing a 5% increase or 95 new households. The 2000 census indicated that approximately 80% of Ashburnham's households consisted of families. There was also an increase in the number of households headed by females. The 1990 census counted 120 female-headed households (6.5%), while the 2000 census counted 179 (9.3%) or 59 more households, a 50% increase in those ten years.

Since the majority of rural communities are usually largely made up of single-family homes, these areas tend to have a higher percentage of family households. In comparison to similar communities, Ashburnham had a larger proportion of family households, approximately 80% of all households, than many communities in the region as indicated by the region's median of 74%. Only four communities had a higher percentage of family households than Ashburnham, with Harvard being the highest at 83%. The 2000 census also indicated that the average household size for the Montachusett Region was 2.50 persons, somewhat lower than 2.87 persons for Ashburnham, supporting the presence of greater numbers of families in town.

2. *Age Distribution*

The following table includes information on changes in Ashburnham's population related to age:

Ashburnham Population by Age Groups

Ages	1980	1990	2000
Under 5	287	442	332
5 to 9	317	437	423
10 to 14	368	478	549
15 to 19	419	408	442
20 to 24	272	248	234
25 to 34	685	984	579
35 to 44	494	1077	1135
45 to 54	386	535	927
55 to 59	205	187	261
60 to 64	198	180	172
65 to 74	259	296	281
75 to 84	130	124	173
Over 85	47	37	38
Total Population	4075	5433	5546
% Increase	--	33.3%	2.1%

Source: U.S. Department of Commerce, Bureau of the Census 1980, 1990, and 2000

The census showed that the school-aged population of those 19 years and under decreased somewhat from about one-third of the total population in 1990 to about 30% in 2000. In actual number of students, this population stayed at the same level, 1,746, representing only a small proportional decrease.

The numbers and percentage of those between the ages of 15 and 64 years increased somewhat over the past couple of decades from 2,667 persons in 1980, 3,619 in 1990 and 3,750 in 2000, and from 65% to 67% and then 68% of the total population. It is interesting to note, however, that those younger workers between the ages of 20 and 34 who were entering the labor market and starting their own families decreased in numbers and as a percent of the population from 1990 to 2000, from 1,232 to 813 and from 23% of the population in 1990 to 15% in 2000. This trend is occurring in many communities in Massachusetts as this cohort searches for employment opportunities and affordable living conditions, more frequently deciding to relocate out of area or even the state.

**Working Age Population for Montachusett Region
1980 to 2000**

	1980 Census	Working Age Population 1980	1990 Census	Working Age Population 1990	2000 Census	Working Age Population 2000
Ashburnham	4,075	2,667	5,433	3,619	5,546	3,750
Ashby	2,311	1,490	2,717	1,770	2,845	1,926
Athol	10,634	6,467	11,451	6,034	11,299	7,022
Ayer	6,993	4,874	6,871	4,738	7,287	4,985
Clinton	12,771	8,290	13,222	8,703	13,435	8,798
Fitchburg	39,580	26,097	41,194	26,304	39,102	24,897
Gardner	17,900	11,405	20,125	12,813	20,770	13,288
Groton	6,154	3,982	7,511	5,204	9,547	6,179
Harvard	3,744	8,838	12,329	8,952	5,981	4,188
Hubbardston	1,797	1,167	2,797	1,868	3,909	2,600
Lancaster	6,334	4,170	6,661	4,711	7,380	5,307
Leominster	34,508	22,818	38,145	25,603	41,303	26,730
Lunenburg	8,405	5,746	9,117	6,123	9,401	6,275
Petersham	1,024	642	1,131	734	1,180	867
Phillipston	953	595	1,485	1,001	1,621	1,108
Royalston	955	591	1,147	699	1,254	835
Shirley	4,712	3,509	6,118	4,324	6,373	4,601
Sterling	5,440	3,559	6,481	4,412	7,257	5,262
Templeton	6,070	3,945	6,438	4,181	6,799	4,442
Townsend	7,201	4,647	8,496	5,552	9,198	6,298
Westminster	5,139	3,455	6,191	4,150	6,907	4,639
Winchendon	7,019	4,343	8,805	5,457	9,611	6,208
Totals	193,719	133,297	223,865	146,952	228,005	150,647

Source: U.S. Census, 1980, 1990 and 2000

Between 1980 and 2000 those residents from 60 to 74 years of age decreased 15%, representing 10.3% of the total population. The other age group that decreased in numbers was the 15 to 34 year category, referred to above. This group lost 20.8% over the twenty-year period. All other age groups increased in number from 1980 to 2000.

Data from the 1980, 1990, and 2000 census, coupled with the MISER population projections for 2010 and 2020, illustrate an aging trend that reflects the general demographics of the baby boom generation, the subsequent dearth of babies (known as Generation X), and the "boomlet" that represents the children of the "baby boomers". With each passing decade, the age distribution curve points to a population that, while growing, is also tending to age in place.

In general, the 1980 age distribution showed the greatest percentages of those between the ages of 15 and 24, representing those who were born from 1956 to 1965, a significant component of the baby boom. The oldest were born in the 1890's and represented only a fraction of a percent of the population. By 1990 the largest age groups had shifted to those between the ages of 25 and 34 and their numbers represented a still greater share of the total population. This is in part because older generations had either left town or were no longer living and in part because young families were also moving into town. By 2000 the age groups with the greatest percentage of the population had shifted to those between the ages of 35 and 44, still representing the baby boomers. The trend is expected to continue through 2020 when these age cohorts will be between the ages of 50 and 64.

Twenty years behind this "baby boom" wave is a second wave of increased population: those born between the years of 1981 and 1996. By the time they hit their twenties, they are expected to hold an increasing share of the population, including young adults seeking affordable homes in the region as well as those remaining in their parents' homes because of the lack of affordable homes. The population projections did not seem to consider the tendency for age groups from 15 to 25 to level off due to college age residents leaving for school. This should be factored in when considering housing, recreation and open space needs for the region.

Since 1980, the population of Ashburnham has grown increasingly older, possibly indicating a trend of aging in place. Changes in age cohorts for children and young adults, by comparison, have remained relatively stable and typically show a pattern of young adults leaving between the ages of 19 and 24. These trends point to a need to focus planning efforts toward the needs of this older population, recognizing the types of recreation they are likely to engage in, the types of housing needs they will have, and the levels of income that will support the community in achieving these needs. They also indicate a decline in young adults and families and the need to enable these households, particularly children who were raised in town, to be able to live and raise their own families in Ashburnham.

Population numbers and estimates are represented as points on a distribution curve for each decade. These curves show a bulge in the age cohorts that shifts to the right with each passing decade, finally leveling off after age 80 for all decades. Note how the age

distribution peaks shift to the right with each passing decade. Note the significant trough that follows this bulge, and the subsequent lesser bulge that represents the ? children of the baby boom? who are now having children. Note also that the tail end of the baby boom generation is still in child bearing age and many have deferred having children until their late 30? s and early 40? s to pursue careers. The shift of the age distribution curve describes a population that is aging in place or perhaps increasingly to a town that is becoming only affordable to those who have significantly higher incomes and greater equity investments.

The median age for communities in the Montachusett Region has increased between 1980 and 2000, growing by 7.6 years. From a regional average of 29.8 years in 1980, to 32.9 in 1990, and reaching 37.4 years in 2000, this increase in the median age is higher than for the state as a whole. Ashburnham began at a higher median age than that of the region and increased from 30.4 years in 1980, to 32.9 years in 1990, up to 37.3 years in 2000. This 6.9-year increase (22.7%) occurred as the population increased 33% in the 1980? s and 2.1% in the 1990? s. In this last decade the male to female ratio of population remained almost nearly the same, with 50.9% male, and 49.1% female in 1990 and 50.8% male and 49.2% female in 2000.

Median Age, 1980 ? 2000

	1980	1990	2000
	Median Age	Median Age	Median Age
Ashburnham	30.4	32.9	37.3

Source: U.S. Department of Commerce, Bureau of the Census 1980, 1990, and 2000

4. Race

Race Information for the Montachusett Region 1980 to 2000

Community	1980			1990			2000		
	Total Population	White	Minorities	Total Population	White	Minorities	Total Population	White	Minori
Ashburnham	4075	4051	24	5433	5382	51	5546	5416	130
Ashby	2311	2294	17	2717	2707	10	2845	2789	56
Athol	10634	10555	79	11451	11136	315	11299	10884	415
Ayer	6993	6067	926	6871	5702	1169	7287	6261	1026
Clinton	12771	12169	602	13222	12395	827	13435	11849	1586
Fitchburg	39580	38269	1311	41194	36935	4259	39102	32007	7095
Gardner	17900	17737	163	20125	19290	835	20770	19343	1427
Groton	6154	6058	96	7511	7312	199	9547	9282	265
Harvard	12170	10496	1674	12329	10201	2128	5981	5484	497
Hubbardston	1797	1776	21	2797	2771	26	3909	3846	63
Lancaster	2329	1991	338	6661	5969	692	7380	6237	1143
Leominster	34508	33347	1161	38145	35469	2676	41303	35982	5321
Lunenburg	8405	8283	122	9117	8995	122	9401	9120	281
Petersham	1024	1019	5	1131	1110	21	1180	1147	33

Phillipston	953	952	1	1485	1479	6	1621	1584	37
Royalston	955	938	17	1147	1142	5	1254	1237	17
Shirley	5124	4638	486	6118	5329	789	6373	5347	1026
Sterling	5440	5401	39	6481	6443	38	7257	7116	141
Templeton	6070	6049	21	6438	6340	98	6799	6673	126
Townsend	7201	7126	75	8496	8281	215	9198	8972	226
Westminster	5139	5107	32	6191	6030	161	6907	6734	173
Winchendon	7019	6985	34	8805	8660	145	9611	9223	388
Total	198552	191308	7244	223865	209110	14755	228005	206533	21472

1. Source: U.S. Census, 1980, 1990 and 2000

In keeping with national trends, the population of the Montachusett Region is becoming more diverse in its racial and ethnic makeup. Minority racial and ethnic groups continue to be one of the fastest growing population segments in the region. In Ashburnham the minority population increased from 24 residents in 1980 to 130 residents in 2000, a more than 400% increase. Nevertheless, the minority population remains quite small involving only about 2% of town residents.

2. Those communities in the region with the highest level of minority residents include the cities of Fitchburg, Leominster and Gardner as well as the towns of Ayer, Clinton, Lancaster, and Shirley.

Income

Residents of Ashburnham are also becoming significantly more affluent. A comparison of 1989 and 1999 income figures is presented in the table below.

Income Distribution by Household 1989-1999

	1989		1999	
	#	%	#	%
Under \$10,000	152	8.2	92	4.8
10,000-24,999	295	15.8	218	11.3
25,000-34,999	223	12.0	154	8.0
35,000-49,999	495	26.6	336	17.4
50,000-74,999	558	30.0	541	28.0
75,000-99,999	74	4.0	346	17.9
100,000-149,999	30	1.6	197	10.2
150,000 or more	36	1.9	46	2.3
Total	1,863	100.0	1,930	100.0

Source: 1989 and 1999 U.S. Census Bureau

There were decreases in the numbers of households in all income ranges below \$75,000 from 1989 to 1999, while the numbers of households earning more than that amount increased substantially over the past decade, from 7.5% in 1989 to 30.4% in 1999. Those earning more than \$100,000 grew from 66 households in 1989 to 243 in 1999 ? well over what would be

expected under normal inflationary trends. The income distribution for those households that include children ? families ? is somewhat higher with a median family income in 1999 of \$58,993, and 15% of all families earning more than \$100,000 including 20 or 1.3% earning more than \$200,000

These income levels in contrast to those for Worcester County are offered in the following table:

**Income Distribution by Household: Worcester County vs. Ashburnham
1999**

	Worcester County		Ashburnham	
	#	%	#	%
Under \$10,000	25,152	8.8	92	4.8
10,000-24,999	48,186	17.0	218	11.3
25,000-34,999	31,373	10.9	154	8.0
35,000-49,999	42,839	15.1	336	17.4
50,000-74,999	58,935	20.7	541	28.0
75,000-99,999	35,696	12.6	346	17.9
100,000-149,999	28,596	10.1	197	10.2
150,000 or more	13,441	4.7	46	2.3
Total	284,218	100.0	1,930	100.0
Median income	\$47,874		\$55,568	

Source: 1989 U.S. Census Bureau

Residents of Ashburnham are somewhat more affluent in comparison to the county as a whole. The percentage of those earning less than \$35,000 is about 37% for Worcester County in contrast to approximately 24% for the town of Ashburnham, whereas those earning above the \$75,000 threshold included approximately 27.4% of households in Worcester County versus 30.4% of the households in Ashburnham.

Despite increasing household wealth, there still remains a population living in Ashburnham with very limited financial means. Of the 1,930 total households counted in 1999, 92 or 4.8% had incomes of less than \$10,000 and another 218 or 11.3% had incomes between \$10,000 and \$24,999, representing extremely low-income levels, most of whom have incomes at or below 30% of area median income. Another approximately 154 households had incomes within what public agencies would define as very low-income levels, within 50% of area median income. The total number of households within these income categories was about 464 in 1999, or 24% of all Ashburnham households, not an insignificant number given the general affluence of the community. Additionally, based on this income information, almost 30% of Ashburnham's households (or about 560 households), would have likely qualified for housing assistance as their incomes were at or below 80% of area median income defined by the U.S. Department of Housing and Urban Development (HUD), which was \$39,150 for a family of three in 2000.⁹

⁹ While these households' incomes might be at or below 80% of area median income, many households are likely to have assets, including equity in their homes that are more than the allowable state or federal standards that would disqualify them from housing assistance.

Ashburnham's median income level increased by more than 30% between 1989 and 1999, from \$42,442 to \$55,568. The 2000 income level is slightly higher than the regional and state medians as well as that for the nation as summarized in the following table:

**Household Income
1989 to 1999**

Community	Median Household Income 1989	Median Household Income 1999	% Change
Ashburnham	\$42,442	\$55,568	30.9%
Region Average	\$43,576	\$54,629	25.4%
Worcester County	\$35,774	\$47,874	33.8%
Massachusetts	\$44,367	\$50,502	13.8%
US	\$21,329	\$41,994	96.9%

Source: U.S. Department of Commerce, Bureau of the Census 1989 and 1999

The 2000 median income levels for other communities in the region ranged considerably from \$33,475 in Athol to as high as \$82,869 and \$107,934 in Groton and Harvard, respectively.

**Median Household Income for the Montachusett Region
1989 to 1999**

Community	Median Household Income (1990)	Median Household Income (2000)	Percent Change: 1990 to 2000
Ashburnham	\$42,442	\$55,568	30.1%
Ashby	\$46,250	\$61,000	31.9%
Athol	\$27,094	\$33,475	23.6%
Ayer	\$29,326	\$46,619	59.0%
Clinton	\$34,091	\$44,740	31.2%
Fitchburg	\$27,101	\$37,004	37%
Gardner	\$28,035	\$37,334	33.2%
Groton	\$55,169	\$82,869	50.2%
Harvard	\$47,299	\$107,934	128.2%
Hubbardston	\$42,650	\$61,462	44.1%
Lancaster	\$41,552	\$60,752	46.2%

Leominster	\$35,974	\$44,893	24.8%
Lunenburg	\$43,199	\$56,812	31.5%
Petersham	\$39,063	\$47,833	22.5%
Phillipston	\$35,573	\$46,845	31.7%
Royalston	\$33,333	\$44,444	33.3%
Shirley	\$38,377	\$53,334	39.0%
Sterling	\$49,345	\$67,188	36.2%
Templeton	\$34,395	\$48,482	41.0%
Townsend	\$46,910	\$61,745	31.6%
Westminster	\$46,292	\$57,755	24.8%
Winchendon	\$32,362	\$43,750	35.2%
Montachusett Region Avg.	\$38,901	\$54,629	40.4%
Middlesex County		\$60,821	
Worcester County	\$35,774	\$47,874	33.8%
State Avg.	\$36,952	\$50,502	36.7%
National Avg.	\$30,056	\$41,994	39.7%

Source: U.S. Department of Commerce, Bureau of the Census 1990 and 2000

The median family income for Ashburnham increased from \$45,359 in 1989 to \$58,993 in 1999, representing once again a 30.1% increase. Median family incomes for 1999 ranged from a low of \$41,061 in Athol to a high of \$119,352 in Harvard, with an average of \$62,297 for the region, somewhat higher than Ashburnham's.

**Median Family Income for the Montachusett Region
1989 to 1999**

Community	Median Family Income (1989)	Median Family Income (1999)	Percent Change: 1989 to 1999
Ashburnham	\$45,359	\$58,993	30.1%
Ashby	\$49,310	\$64,900	31.6%
Athol	\$33,263	\$41,061	23.4%
Ayer	\$32,939	\$61,968	88.1%
Clinton	\$40,139	\$53,308	32.8%
Fitchburg	\$33,357	\$43,291	29.8%
Gardner	\$35,430	\$47,164	33.1%
Groton	\$60,000	\$92,014	53.4%
Harvard	\$47,481	\$119,352	151.4%
Hubbardston	\$46,853	\$66,058	41.0%
Lancaster	\$46,924	\$66,490	41.7%
Leominster	\$41,927	\$54,660	30.4%
Lunenburg	\$49,625	\$63,981	28.9%
Petersham	\$45,855	\$58,125	26.8%
Phillipston	\$40,069	\$52,011	29.8%
Royalston	\$36,923	\$51,818	40.3%
Shirley	\$43,372	\$66,250	52.7%
Sterling	\$53,339	\$76,943	44.3%
Templeton	\$38,074	\$52,936	39.0%
Townsend	\$50,629	\$67,173	32.7%
Westminster	\$51,986	\$61,835	18.9%
Winchendon	\$35,828	\$50,086	39.8%
Montachusett Region Avg.	\$43,576	\$62,297	43.0%
Middlesex County		\$74,194	
Worcester County	\$42,057	\$58,394	38.8%
State Avg.	\$44,367	\$61,664	39.0%
National Avg.	\$35,225	\$50,046	42.1%

Source: U.S. Department of Commerce, Bureau of the Census 1990 and 2000

Per capita income in Ashburnham increased 38.9%, from \$15,595 in 1990 to \$21,659 in 1999, levels that were somewhat lower than that for the region as a whole but higher than the statewide figures.

**Per Capita Income for the Montachusett Region
1990 to 2000**

Community	Per Capita Income (1990)	Per Capita Income (2000)	Percent Change: 1990 to 2000
Ashburnham	\$15,595	\$21,659	38.9%
Ashby	\$16,611	\$21,648	30.3%
Athol	\$12,444	\$16,845	35.4%
Ayer	\$14,586	\$26,400	81.0%
Clinton	\$15,328	\$22,764	48.5%
Fitchburg	\$12,140	\$17,256	42.1%
Gardner	\$13,207	\$18,624	41.0%
Groton	\$22,832	\$33,877	48.4%
Harvard	\$17,397	\$40,867	134.9%
Hubbardston	\$15,575	\$23,072	48.1%
Lancaster	\$14,619	\$21,010	43.7%
Leominster	\$15,960	\$21,769	36.4%
Lunenburg	\$19,166	\$26,986	40.8%
Petersham	\$17,542	\$24,222	38.1%
Phillipston	\$13,216	\$18,706	41.5%
Royalston	\$12,421	\$18,297	47.3%
Shirley	\$15,581	\$20,556	31.9%
Sterling	\$17,830	\$28,844	61.8%
Templeton	\$13,347	\$21,994	64.8%
Townsend	\$15,694	\$22,658	44.4%
Westminster	\$16,798	\$24,913	48.3%
Winchendon	\$13,143	\$18,798	43.0%
Montachusett Region Avg.	\$15,501	\$23,262	50.1%
Middlesex County		\$31,199	
Worcester County	\$15,500	\$22,983	48.3%
State Avg.	\$17,224	\$25,925	50.5%
National Avg.	\$14,420	\$21,587	49.7%

Source: U.S. Department of Commerce, Bureau of the Census 1990 and 2000

6. Poverty

The 2000 census counted 350 Ashburnham residents with incomes below the poverty level or 6.3% of the population, up from 332 residents living in poverty in 1990, or 6.1% of all residents. Therefore, the town has experienced only a modest 5.4% increase in poverty from 1990 to 2000.

There was a considerable range in levels of poverty among towns in the Montachusett region, from 1.8% of the population in Harvard to 14.4% in Fitchburg. Most communities experienced

an increase in poverty while nine communities saw a decrease. A few communities encountered a more than a 50% increase in poverty including Ashby, Royalston, Shirley, Templeton, and Townsend. Ashburnham's poverty rate is somewhat lower than the regional average of 7.8%, nevertheless, there were 350 residents living with substantial income limitations (\$9,310 for an individual and \$15,670 for a family of three in 2004) and among the most vulnerable residents in Ashburnham.

**Poverty Levels for the Montachusett Region
1990 to 2000**

Community	Town Population 1990	Number Below Poverty	Percent Below Poverty	Town Population 2000	Number Below Poverty	Percent Below Poverty	Percent Change 1990 to 2000
Ashburnham	5,433	332	6.1%	5546	350	6.3%	5.4%
Ashby	2,717	68	2.5%	2845	143	5.0%	100.3%
Athol	11,451	1,312	11.5%	11299	1038	9.2%	-26.4%
Ayer	6,871	596	8.7%	7287	765	10.5%	28.4%
Clinton	13,222	980	7.4%	13435	949	7.1%	-3.3%
Fitchburg	41,194	5,461	13.3%	39102	5627	14.4%	3.0%
Gardner	20,125	2,092	10.4%	20770	1863	9.0%	-12.3%
Groton	7,511	286	3.8%	9547	376	3.9%	31.5%
Harvard	4,448	373	8.4%	5981	106	1.8%	-253%
Hubbardston	2,797	111	4.0%	3909	143	3.7%	28.8%
Lancaster	6,661	306	4.6%	7380	237	3.2%	-29.1%
Leominster	38,145	2,713	7.1%	41303	3889	9.4%	43.4%
Lunenburg	9,117	322	3.5%	9401	382	4.1%	18.6%
Petersham	1,131	61	5.4%	1180	66	5.6%	8.2%
Phillipston	1,485	114	7.7%	1621	93	5.7%	-22.6%
Royalston	1,147	72	6.3%	1254	109	8.7%	51.4%
Shirley	6,118	272	4.4%	6373	172	2.7%	-58.1%
Sterling	6,481	299	4.6%	7257	213	2.9%	-40.4%
Templeton	6,438	284	4.4%	6799	588	8.6%	107.0%
Townsend	8,496	256	3.0%	9198	464	5.0%	81.2%
Westminster	6,191	274	4.4%	6907	212	3.1%	-29.2%
Winchendon	8,805	790	9.0%	9611	953	9.9%	20.6%
Montachusett Region Avg.	223,865	17,374	7.8%	228005	18738	8.2%	7.8%
Worcester County	709,705	56,617	8.0%	750963	67136	8.9%	18.6%
State Avg.	6,016,425	19,339	8.6%	6349097	573421	9.0%	10.4%
National Avg.	248,709,873	31,742,864	12.8%	281421906	33899812	12.0%	6.8%

Sources: U.S. Department of Commerce, Bureau of the Census 1990 and 2000

7. Educational Attainment

In 2000, one-third those age 25 and over had a high school degree (including equivalency degree), up from 28% in 1990, and 17% had at least a Bachelor's degree, once again higher than the 1990 percentage of 14.6%. These levels are higher than those for the region, where only 13.1% had a Bachelor's degree, for example. Overall, of those 25 years and over, 90% had a high school degree or higher and 26% had a Bachelor's degree or higher.

**Educational Attainment for the Montachusett Region
1990 to 2000**

Town/City	1990 High School Graduate *	1990 Percentage	2000 High School Graduate*	2000 Percentage	1990 Bachelor's Degree	1990 Percentage	2000 Bachelor's Degree	2000 Percentage
Ashburnham	1090	28.43%	1181	33.00%	561	14.63%	613	17.10%
Ashby	753	39.59%	661	35.40%	225	11.83%	291	15.60%
Athol	3492	41.94%	3025	40.30%	603	7.24%	678	9.00%
Ayer	2113	40.51%	210	23.6%	553	10.60%	291	15.6%
Clinton	3713	35.62%	623	20.6%	1200	11.51%	1294	13.8
Fitchburg	10626	33.96%	2326	20.5%	2410	7.70%	2326	9.4
Gardner	4749	30.48%	1234	23.5%	1522	9.77%	1468	10.3%
Groton	1233	22.61%	524	17.8%	1284	23.55%	1841	30.4
Harvard	2728	30.70%	424	25%	1606	18.07%	1197	29.1%
Hubbardston	651	33.52%	194	16.7%	263	13.54%	668	26.7%
Lancaster	1428	27.70%	528	25	795	15.42%	943	18.9%
Leominster	9440	32.20%	2480	23.1%	3672	12.53%	3891	14%
Lunenburg	2373	35.16%	593	21.5%	1106	16.39%	1257	19.4%
Petersham	211	23.87%	200	23.20%	195	22.06%	192	22.30%
Phillipston	424	40.89%	106	23.3%	89	8.58%	107	10.1%
Royalston	259	32.29%	282	35.90%	97	12.09%	75	9.50%
Shirley	1397	30.76%	423	28.7%	569	12.53%	596	13.2%
Sterling	1154	25.19%	391	20.6	885	19.31%	1153	23.6%
Templeton	1799	37.64%	387	21.2%	281	5.88%	416	9.1%
Townsend	1839	32.39%	1600	28.10%	1029	18.13%	1170	20.50%
Westminster	1423	31.64%	410	21.8%	725	16.12%	891	19.2%
Winchendon	2283	37.26%	681	24.7%	470	7.67%	540	8.9%
Regional totals	55178	33.04%	6949		20140	12.06%	20904	13.13%
Massachusetts	1390157		1165489	27.30%	746818		834554	19.50%
United States	55769325		52168981	28.60%	22709074		28317792	15.50%

Sources: U.S. Department of Commerce, Bureau of the Census 1990 and 2000

* Includes high school equivalency.

8. *Employment*

Over the past several decades, the region's economic base has shifted considerably from manufacturing to more service oriented employment as other areas in the country and in fact the world have become more competitive locations for industry. This shift is evident in the table below where manufacturing jobs decreased by about 5,000 jobs from 1990 to 2000 in the region and from about 160 jobs in Ashburnham. On the other hand, service-related jobs increased regionally by approximately 13,000 jobs between 1990 and 2000 and by more than 500 jobs in Ashburnham. It should be noted that service-related jobs, in general, tend to pay less than manufacturing jobs and also tend to have fewer benefits.

Employment by Industry for the Montachusett Region 1990 to 2000

Community	Year	Agric, Forest, Fish	Const	Mfg	Whlsl & Retai l	Finance, Insurance, RE	Services Public Admin	*Total	% of Total
Ashburnham	1990	25	124	766	508	210	994	2,723	2.59%
	2000	8	216	601	343	113	1,506	2,840	2.65%
Ashby	1990	37	155	408	290	22	440	1,425	1.35%
	2000	23	123	269	265	30	671	1,460	1.36%
Athol	1990	64	252	1,609	906	187	1,561	4,801	4.56%
	2000	8	230	1,626	702	246	2,037	5,013	4.68%
Ayer	1990	10	132	905	675	142	1,232	3,334	3.17%
	2000	14	192	951	584	181	1,725	3,819	3.56%
Clinton	1990	70	515	2,345	1,208	290	2,147	6,895	6.55%
	2000	22	349	1,723	926	404	2,959	6,620	6.17%
Fitchburg	1990	130	1,029	4,821	3,973	766	6,371	17,948	17.06%
	2000	26	758	4,086	2,899	763	7,911	16,977	15.83%
Gardner	1990	21	325	2,801	1,758	339	3,098	8,764	8.33%
	2000	6	475	2,571	1,338	430	4,221	9,349	8.72%
Groton	1990	125	180	1,229	658	166	1,560	4,030	3.83%
	2000	8	225	887	660	242	2,424	4,620	4.31%
Harvard	1990	67	146	776	619	200	1,694	3,598	3.42%
	2000	65	70	498	313	184	1,416	2,566	2.39%
Hubbardston	1990	61	138	396	208	57	495	1,422	1.35%
	2000	21	182	472	224	117	932	2,024	1.89%
Lancaster	1990	77	172	754	608	101	1,566	3,393	3.22%
	2000	5	250	674	382	153	1,511	3,066	2.86%
Leominster	1990	115	948	6,065	4,476	1,061	5,990	19,533	18.57%
	2000	91	1,045	5,148	2,993	999	8,685	19,580	18.26%

Lunenburg	1990	83	314	1,245	1,089	189	1,567	4,860	4.62%
	2000	21	375	817	686	315	2,184	4,659	4.34%
Petersham	1990	15	57	81	103	22	247	566	0.54%
	2000	17	33	73	56	21	374	583	0.54%
Phillipston	1990	21	54	181	140	33	230	717	0.68%
	2000	22	67	200	150	21	357	832	0.78%
Royalston	1990	9	30	170	100	15	167	513	0.49%
	2000	20	52	142	64	18	259	576	0.54%
Shirley	1990	0	167	976	424	169	899	2,780	2.64%
	2000	4	205	609	351	143	1,260	2,703	2.52%
Sterling	1990	34	225	880	648	281	1,024	3,296	3.13%
	2000	29	271	838	516	211	1,872	3,861	3.60%
Templeton	1990	54	187	874	608	96	1,032	3,067	2.92%
	2000	21	203	702	850	171	1,437	3,510	3.27%
Townsend	1990	57	209	1,517	898	198	1,322	4,373	4.16%
	2000	23	456	1,108	719	238	2,051	4,705	4.39%
Westminster	1990	45	190	824	726	91	1,047	3,160	3.00%
	2000	70	193	872	494	200	1,452	3,487	3.25%
Winchendon	1990	32	241	1,295	659	145	1,477	4,014	3.82%
	2000	20	394	1,342	599	146	1,760	4,377	4.08%
Total	1990	1,152	5,790	30,918	21,282	4,780	36,160	105,212	
	2000	544	6,364	26,209	16,114	5,346	49,004	107,227	

In addition to the types of industries that employ residents, the census includes data on occupations. In 2000, of those who were employed and over the age of 15, 38.6% were employed in management, professional and related occupations; 15.3% were in service-related occupations; 21.7% were in sales and office occupations; 10.4% were in construction; and 14.0% were involved in production or transportation occupations. This demonstrates, that a majority of the population was involved in ? white collar? jobs.

9. Disability Status

Of the 2000 population age 5 to 20 years old, 90 or 6.2% had some disability, and of the population age 21 to 64, 459 or 14.2% claimed a disability, but 52.5% of this group was employed leaving 218 residents unemployed, most likely related to the disability. In regard to the population 65 years of age or older, 200 or 41.5% of those in this age group claimed some type of disability. These levels of disability, particularly that of seniors, represent significant special needs within the Ashburnham community.

10. Housing Profile

1. Housing Growth

Ashburnham's housing stock has and continues to grow at a slower rate than its population. In 1980 Ashburnham had 1,849 dwelling units. The number of units increased 23.3% between 1980 and 1990 to 2,279 units, representing an increase of 430

units created in response to considerable population growth. During the 1990's growth slowed, and Ashburnham's population grew 2.1%, below the median of 6.1% for the region. During this ten-year period the population increased from 5,433 residents to 5,546, an increase of 113 individuals. However, during this same period, the number of housing units decreased from 2,279 to 2,204 or 75 fewer units. These conflicting trends are likely related to the demolition of substandard housing and the conversion of some multi-family properties to single-family homes.

Local housing growth patterns are compared to the state and county growth rates during the last couple of decades in the chart below. While housing growth declined between 1980 and 2000 in Ashburnham, Worcester County and throughout Massachusetts, housing growth declined at a faster rate in Ashburnham, from a percentage change of 23.3% between 1980 and 1990 to a -3.3% from 1990 to 2000 as opposed to a 16.5% to 6.7% change for the county and 12% to 6% change for the state.

The information in the table below shows that Ashburnham was not the only community to experience an overall reduction in housing units between 1990 and 2000, but Athol, Fitchburg, Harvard and Shirley also experienced losses of housing units. The regional percentage change was 3.9% from 1990 to 2000, down considerably from an almost 16% rate of growth from 1980 and 1990.

Number of Dwelling Units for the Montachusett Region 1980 to 2000

Community	Number of Dwelling Units			% Change	% Change
	1980	1990	2000	'80-'90	'90-'00
Ashburnham	1,849	2,279	2,204	23.30%	-3.30%
Ashby	802	959	1,011	19.60%	5.40%
Athol	4,212	4,840	4,824	14.90%	-0.30%
Ayer	2,802	2,891	3,154	3.20%	9.10%
Clinton	4,943	5,635	5,844	14.00%	3.70%
Fitchburg	15,347	16,665	16,002	8.60%	-4.00%
Gardner	7,477	8,654	8,838	15.70%	2.10%
Groton	2,249	2,774	3,393	23.30%	22.30%
Harvard	2,807	3,141	2,225	11.90%	-29.20%
Hubbardston	623	1,025	1,360	64.50%	32.70%
Lancaster	2,010	2,095	2,141	4.20%	2.20%
Leominster	12,988	15,533	16,976	19.60%	9.30%
Lunenburg	3,133	3,486	3,668	11.30%	5.20%
Petersham	364	448	474	23.10%	5.80%
Phillipston	304	631	739	107.60%	17.10%
Royalston	358	469	526	31.00%	12.20%
Shirley	1,829	2,183	2,156	19.40%	-1.20%

Sterling	1,793	2,308	2,637	28.70%	14.30%
Templeton	2,082	2,276	2,597	9.30%	14.10%
Townsend	2,404	2,894	3,184	20.40%	10.00%
Westminster	1,982	2,405	2,694	21.30%	12.00%
Winchendon	2,636	3,349	3,660	27.00%	9.30%
Total	74,994	86,940	90,307	15.90%	3.90%

Source: U.S. Department of Commerce, Bureau of the Census 1980, 1990, and 2000

Since the last census, building permit activity provides information on the level of additional growth. Since 2000 the number of building permits issued in Ashburnham has fluctuated somewhat, ranging from 23 permits in 2000 to 49 permits in 2004, and averaging 38 permits from 2000 to 2005. The total number of permits for new residential dwellings from 2000 through July 2006 was 226, bringing the total number of housing units in Ashburnham to approximately 2,430. All recent permits were for single-family homes with the exception of the building permits for the model duplex units at Lakeside Village (see Section III.D.2 for more information on this development).

Annual Number of Building Permits Issued 2000 to July 2006

Year	7/2006	2005	2004	2003	2002	2001	2000	Total
# Permits	16	28	49	37	47	26	23	226

Source: Ashburnham Building Department, August 2006

In May of 2004, the Town adopted a growth management bylaw that capped the number of residential buildings permits at 36 per calendar year.

Vacant Units

The 2000 census counted 12.5% of the housing stock, or 275 units, as vacant, of which 207 units involved seasonable, recreational or occasional use, down from 307 seasonal units in 1990. Despite the Ashburnham's seasonal appeal, it appears that 100 seasonal units were converted to permanent ones during the 1990's. Ashburnham is a community well endowed with lakes and wooded land that draws vacationers and part-time residents. The decrease in the number of these part-time units appears to relate to the conversion of ? summer camps? to year-round residences. As the housing market tightened over the past two decades, these units were rehabilitated and enlarged. In addition, some of the camps and other houses had fallen into disrepair creating a hazard for local residents. The owners no longer paid their taxes, and a number of vacant units were taken by the Town and subsequently demolished.

The 2000 homeowner vacancy rate was 1.0%, down only marginally from 1.4% in 1990; and the rental vacancy rate of 1.8% also represented a decline from 4.3% in 1990. The change in numbers involved in these vacancy statistics is insignificant as any level below 5% is considered to represent tight market conditions and the rates remain well below that of the state and nation as a whole.

**Vacancy Rates
1990 and 2000**

Vacancy Rates by Tenure				
	1990	2000	MA 2000	Nation
Rental	4.3%	1.8%	3.5%	5%
Owner-Occupied	1.4%	1.0%	0.7%	3%

Source: U.S. Department of Commerce Bureau of the Census 1990 and 2000

The state's vacancy rates decreased over the decade of the 1990's. In 1990 the vacancy rate for year-round ownership units was 1.7% and the 2000 rate decreased to 0.7%. The vacancy rate for year-round rental units in the Montachusett Region decreased dramatically from 6.9% in 1990 to 1.7% in 2000, reflecting a statewide need for housing.

Occupancy

In 1990, there were a total of 1,570 owner-occupied housing units and that figure increased to 1,714 by 2000. During the same time period, rental units decreased from 264 to 215, by almost 50 units.

Type of Occupancy

1990 to 2000

	1990	1990	2000	2000	Change	Change
	Number	Percent*	Number	Percent*	Number	Percent
Owner-Occupied Units	1,570	85.6	1,714	88.9	144	9.2%
Renter-Occupied Units	264	14.4	215	11.1	-49	-18.6%

* Percent of occupied units

Source: U.S. Department of Commerce, Bureau of the Census 1990, 2000

The level of owner-occupancy was higher in Ashburnham than the region where owner-occupied units made up approximately two-thirds of the total housing stock, comparable to 66.2 % nationwide, 64.9% in New England, 61.7% in Massachusetts. The owner-occupied figure (88.9%) was higher than 17 of the 22 communities in the Montachusett Region, with Ashby having the highest number at 91.9%. This also indicated that 17 communities had more rental housing than Ashburnham. Much of the growth has taken place outside of the urban areas.

Occupied Units for the Montachusett Region, 2000

Community	Units Occupied	Owner-Occupied	% Owner-Occ.	Renter-Occupied
Ashburnham	1929	1714	88.9%	215
Ashby	978	899	91.9%	79
Athol	4487	3156	70.33	1331

Ayer	2982	1661	55.7	1321
Clinton	5597	3028	54.1	2569
Fitchburg	14943	7708	51.16	7235
Gardner	8282	4520	54.57	3762
Groton	3268	2740	83.84	528
Harvard	1809	1638	90.55	171
Hubbardston	1308	1195	91.36	113
Lancaster	2049	1622	79.16	427
Leominster	16491	9545	57.88	6946
Lunenburg	3535	3085	87.3	450
Petersham	438	362	82.6	76
Phillipston	580	527	90.9	53
Royalston	449	393	87.5	56
Shirley	2067	1457	70.5	610
Sterling	2573	2186	85	387
Templeton	2411	1996	82.8	415
Townsend	3110	2624	84.4	486
Westminster	2529	2169	85.8	360
Winchendon	3447	2492	72.3	955

Source: U.S. Department of Commerce, Bureau of the Census 2000

Rental units accounted for 33% of the housing units in the region. Compared to 1990 there were 1,874 fewer rental units than in 2000. The regional decline in rental units appears to be the result of the demolition of older substandard units in the urban centers and the conversion of multi-family properties to single-family dwellings.

Persons Per Unit

In the decade of the 90's the number of persons per unit in the Montachusett Region decreased slightly from an average of 2.55 persons to an average of 2.50, or a decrease of 5%. In the Town of Ashburnham the figures for persons per unit was somewhat higher, but decreased as well from 2.95 persons in 1990 to 2.87 in 2000. Another factor contributing to smaller household sizes is the graying of America that our nation's elderly population is expanding, which is also the case in Ashburnham. This is reflected in median age changes. In 1980 the median age was 30.4 years, in 1990 it went up to 32.9, and by the 2000 census it had increased to 37.3 years. In addition, those over the age of 75 increased 31%.

Persons Per Unit Change for Ashburnham, 1990 to 2000

2000 Population	2000 #Units	Persons/ Unit	1990 Population	1990 # Units	Persons/ Unit
5,546	1,929	2.87	5,433	2,204	2.95

Source: U.S. Department of Commerce, Bureau of the Census 2000

Statewide this trend towards fewer persons per housing units was due primarily to the increase in non-family households that included single persons living alone or unrelated individuals living together.

Type of Housing Units

Almost all of the housing in Ashburnham are single-family homes with only 5% of the housing stock in multi-family structures as summarized in the following table.

Number and Type of Household Units Ashburnham

Type of Unit	Number of Units	Percent of Total
One Unit (detached)	2,081	94.4
One Unit (attached)	-	-
Two Units	75	3.4
Three or Four Units	-	-
Five to Nine Units	19	0.9
Ten to Nineteen Units	-	-
Twenty or more Units	29	1.3
Mobile Homes	-	-
Total Housing Units	2,204	100

Source: U.S. Department of Commerce, Bureau of the Census 2000

The level of single-family homes in fact increased from 1990 to 2000, from 90% to 94.4% of the housing stock. The 1990 Census listed 17 mobile homes and nine ? other? units that did not show-up in the 2000 Census.

Ashburnham has among the highest level of single-family dwellings in the region.

**Type of Housing Units in Comparable Communities
2000**

Town	Total	One Unit		Two Units		3-4 Units		5+ Units		Mobile Homes	
		#	%	#	%	#	%	#	%	#	%
Groton	3,393	2928	86.3	262	7.7	66	1.9	125	3.7	12	0.4
Ashby	1,011	979	96.8	22	2.2	4	0.4	4	0.4	2	0.2
Ashburnham	2204	2081	94.4	75	3.4	0	0	48	2.2	0	0
Hubbardston	1360	1231	90.6	35	2.6	50	3.7	37	2.7	7	0.5
Winchendon	3659	2500	68.3	420	11.5	310	8.5	354	9.6	75	2
Templeton	2597	2126	81.9	154	5.9	150	5.8	117	4.6	50	1.9
Clinton	5844	2780	47.6	980	16.8	992	17	1035	17.8	58	1
Lancaster	2141	1745	81.5	89	4.2	148	5.6	40	1.9	0	0
Phillipston	739	708	95.8	17	2.3	1	0.1	2	0.3	0	0
Royalston	527	461	87.5	31	5.9	0	0	0	0	0	0

Sterling	2637	2236	84.8	219	8.3	105	4	4	0	0	0
Westminster	2694	2476	92	71	2.6	52	1.9	9	0	0	0

Source: U.S. Department of Commerce, Bureau of the Census 2000.

As the above table indicates, Ashby and Phillipston, where single-family homes were almost 97% and 96% of total housing units, respectively, exceeded the percentage of single-family units in Ashburnham, while the Town of Clinton had significantly fewer at about 48%. In general, the majority of multi-family units were rentals.

Age of the Housing Stock

The following table indicates that in 2000, almost half of Ashburnham's housing stock was at least 60 years old having been built before World War II. Nearly two-thirds of Ashburnham's housing stock was built before 1969 (59%), and it is likely that a good portion of these older units might be substandard and require some improvements.

Age of Housing Stock Ashburnham 2000

Year Structure Built	Number of Units	Percent
1999 to March 2000	34	1.5
1995 to 1998	95	4.3
1990 to 1994	70	3.2
1980 to 1989	512	23.2
1970 to 1979	195	8.8
1960 to 1969	290	13.2
1940 to 1959	427	19.4
1939 and earlier	581	26.4

Source: U.S. Department of Commerce, Bureau of the Census 2000

The 2000 census indicated that there were 512 housing units constructed during the 1980's followed by another 199 units in the 1990's. This growth of 711 units expanded the housing stock by almost one-third. These units, in addition to units constructed after 2000 are likely to be safer because they would be lead-free. Lead paint was prohibited in 1978 and many of the homes constructed prior to 1978 contain lead. Looking at when units were built, about two-thirds of the homes in Ashburnham could possibly contain lead paint. Those older homes that kept varnished moldings, windows, and trim would, however, not present a problem, and testing is now readily available.

Housing Market Conditions

Most of the housing units in Ashburnham were moderately valued structures that had an average assessed value of \$127,200 according to the 2000 census. In 2000, the census indicated that approximately 20% of the housing units were valued below \$100,000 and almost another 50% were valued from \$100,000 to \$150,000. Almost all of the homes were valued below \$200,000 representing a very affordable housing stock relative to many other communities in the Boston region.

**Existing Owner-Occupied Units
2000**

Valuation	Number of Units	Percent
Less than \$49,000	16	1.1
\$50,000 to \$99,999	279	18.8
\$100,000 to \$149,999	710	47.9
\$150,000 to \$199,999	376	25.4
\$200,000 to \$299,999	94	6.3
\$300,000 to \$499,999	7	0.5
\$500,000 to \$999,999	-	-
Median	\$127,000	

Source: U.S. Department of Commerce, Bureau of the Census 2000

During the last few years housing prices have increased considerably, and while the housing market appears to be softening somewhat, home prices in Ashburnham have almost doubled since 2000 as the table below demonstrates.

**Median Sales Price by Year
1988 to July 2006**

Year	Single-Family	Median Sales Price
2006*	48	\$245,000
2005	109	245,000
2004	109	225,000
2003	119	\$209,000
2002	91	\$174,500
2001	101	\$156,120
2000	95	\$126,500
1999	110	\$106,000
1998	98	\$101,000
1997	77	\$92,000
1996	50	\$91,000
1995	47	\$87,500
1994	34	\$75,000
1993	40	\$89,950
1992	24	\$104,500
1991	26	\$110,525
1990	22	\$101,450
1989	21	\$118,500
1988	38	\$127,500

* For January through July 2006

Source: The Warren Group ? Town Stats, August 22, 2006

This table also shows the effects of the economic recession in the early 1990? s, where house values slipped from 1989 to 1990, began to rebound again in 1990 and then

declined significantly through most of the decade not passing the 1988 value of \$127,500 until 2001.

On average, about 100 homes have been sold annually over the past few years and the median price as of July 2006 was \$245,000. As the table below indicates there are still a few homes being sold in the affordable range of less than \$200,000 including 15 current listings, two homes under agreement and 24 properties sold since the beginning of 2005, representing about 17% of all home that have come on the market recently. Two of these homes were sold or under agreement for less than \$100,000. The house under agreement, for \$79,000 involves a two-bedroom ranch with one bath and without a garage that was on the market for only 15 days.

More than 70% of the homes that have been on the market were priced between \$200,000 and \$400,000, the median list price of \$318,000, significantly higher than the median for homes under agreement at \$269,000 and properties sold since January 2005 of \$258,500. Almost 12% of the homes were priced above \$400,000 including one contemporary home under agreement for \$715,000 that has seven rooms, two bedrooms, three baths and a detached two-car garage. The house has 3,000 square feet of living space and sits on 1.3 acres with marvelous views. Six homes in a new subdivision are currently listed for \$399,900 and had been on the market for 99 days as of September 13, 2006. They were eight-room Colonials with four bedrooms and 2 ½ baths as well as an attached two-car garage. The highest priced home that sold recently was an 11-room Colonial with four bedrooms, 2 ½ baths, and an attached three-car garage, most likely involving new construction.

Single-family House Values

Price Range	Current Listings	Under Agreement	Properties Sold (1/1/05 to 9/13/06)	Total #/%
Less than \$100,000	0	1 (\$79,000)	1 (\$99,900)	2/0.8%
\$100,000-199,999	15	1	23	39/16.1%
\$200,000-299,999	25	5	77	107/44.2%
\$300,000-399,999	29	2	35	66/27.3%
\$400,000-499,999	10	2	8	20/8.3%
\$500,000-599,999	2	0	2	4/1.6%
Over \$600,000	3	1 (\$750,000)	0	4/1.6%
Total	84	12	146	242
Average Price	\$326,710	\$335,425	\$271,247	--

Median Price	\$318,000	\$269,000	\$255,500	--
Average # Days on Market	131 days	198 days	121 days	--

Source: Multiple Listing Service, September 13, 2006

Among neighboring communities, Ashburnham has experienced the greatest percentage increase in median housing values since 2000 through July 2006, almost doubling the value of its single-family homes during this timeframe, as noted in the following table. Nevertheless, like most communities in Massachusetts, Ashburnham's neighbors have also encountered substantial increases in housing values. The towns of Ashby and Westminster are also realizing very comparable market values to Ashburnham's.

Median Housing Values for Single-Family Homes in Ashburnham and Neighboring Municipalities 2000 and as of July 2006

Municipality	2000 Median Value	7/2006 Median Value	% Change
Ashburnham	\$126,500	\$245,000	94%
Ashby	\$148,000	\$250,000	69%
Gardner	\$115,000	\$195,000	70%
Westminster	\$150,000	\$250,000	67%
Winchendon	\$108,900	\$193,950	78%

Source: The Warren Group ? Town Stats, August 22, 2006

The census also provides information on the costs associated with rental properties. A recent report released by the National Low Income Coalition stated that Massachusetts was the third worst state in regard to numbers of affordable units, particularly outside urban areas. According to this report, of the 84,080 renter households in the state's first Congressional District, that includes Ashburnham, almost 17% had severe cost burdens as they were paying more than half their income on housing, and of these households who had incomes within 30% of area median income, including 22,054 households, more than half had severe cost burdens. The report indicated that the District required 11,439 additional rental units that would be affordable to renters in this income category to meet existing needs.

The 2006 fair market rents for the Worcester area are \$646 for a one-bedroom apartment, \$811 for a two-bedroom apartment and \$993 for three-bedroom units. Thus a Massachusetts worker earning minimum wage would need to work 100 hours a week to afford a two-bedroom apartment. There were 216 occupied rental units in Ashburnham according to the 2000 census. The gross rents range from less than \$200 per month up to \$1,000 per month. These figures do not include the households that do not have a cash rent that includes 26 renters. The median rent was \$664 in 2000.

Renter-Occupied Units Ashburnham, 1999

	Number	Percent
Renter-Occupied Units	216	100.00
Gross Rent		
Less than \$200	7	3.2
\$200 to \$299	0	0
\$300 to \$499	29	13.4
\$500 to \$749	121	56.0
\$750 to \$999	33	15.3
\$1,000 to \$1,499	0	0
\$1,500 or more	0	0
No Cash Rent	26	12.0
Median Rent	\$664	---

Source: U.S. Department of Commerce, Bureau of the Census 2000

Rents have increased somewhat since the 2000 census. For example, a two-bedroom duplex unit or apartment is renting in the \$800 to \$850 range, while small cottages or houses are fetching from about \$900 to \$1,000 in rent. Larger homes in good condition can rent for as much as \$1,500.

C. Cost Analysis of Existing Market Conditions

As housing prices rise steadily more than household income, the affordability gap tended to widen, defined as the gap between the cost of housing and the proportion of income that is reasonable to pay for housing, typically defined as 30% of gross income. To afford the median sales price of a single-family home in Ashburnham of \$245,000, a household would have to earn more than \$70,000¹⁰ based on conventional lending practices, substantially more than the 2000 median income of \$55,568. If we assume that Ashburnham's median incomes increased at the same rate as HUD's income limits from 2000 to 2006, by 31.8%, this would put the current median income at \$73,239, an income that would likely support the current median housing value. This would indicate that at present, Ashburnham does not have a significant affordability gap indicating that there is not much difference between the price of the median priced home and what a median income household can afford. There is an affordability gap of \$70,000, however, when estimating what a household earning within 80% of median income can afford or \$51,600 for a family of three (average size household in Ashburnham is 2.87 persons) who are unable to afford a house costing much more than \$175,000.

The condominium market in Ashburnham is negligible, however the recently approved Lakeside Village project will add 22 new condos for those 55 years of age or older, two of which will be affordable and counted as part of the town's Subsidized Housing Inventory. Other condo projects are proposed that over time will produce condominiums, some of which will be affordable.

¹⁰ Figures based on 95% financing, interest of 6.5%, 30-year term, annual property tax rate of \$12.76 per thousand, insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), and private mortgage insurance estimated at 0.3125 percent of loan amount.

In regard to rentals, the gross median rent of \$664, according to the 2000 census, requires an income of about \$27,000, which is within the means of low- and moderate-income households. Local realtors indicate that market rents are actually higher, at least \$800 for two-bedroom apartments, for example, requiring an income of approximately \$32,000, not affordable to more than 20% of all households in Ashburnham based on 2000 income data from the census.

Besides looking at purchase prices and rents to determine levels of affordability, it is also useful to examine how much households are spending on their housing in proportion to their income. As the table below indicates about 70% of those who had a mortgage were paying mortgage costs of more than \$1,000 in 2000, the median monthly mortgage bill at \$1,152. About one-quarter of homeowners did not have a mortgage on their property.

Mortgage Status and Selected Monthly Owner Costs 2000

Monthly Costs With a Mortgage	Number	Percent
	1,125	75.9
Less than \$300	0	0
\$300 to \$499	14	0.9
\$500 to \$699	65	4.4
\$700 to \$999	267	18
\$1,000 to \$1,499	628	42.4
\$1,500 to \$1,999	144	9.7
\$2,000 or more	7	0.5
Median in Dollars	\$1,152	-
Not Mortgaged	357	24.1

Source: U.S. Department of Commerce, Bureau of the Census 2000

The U.S. Department of Housing and Urban Development (HUD) considers that a household spending 30% or less of their income on housing, including housing expenses, is living in an affordable unit. In Ashburnham more than three-quarters of owners, 77.6%, are spending within this parameter. However, more than 20%, or 315 households, are spending more than 30% of their incomes on housing costs with 1.1% of the units not computed. Ashburnham had a lower percentage of homeowners who were spending too much for housing than many other communities. These households are considered to be living beyond their means.

Selected Monthly Owner Costs as a Percentage of Household Income 1999

Percentage of Household Income	Number	Percent
Less than 15%	440	29.7
15 to 19%	266	17.9
20 to 24%	241	16.3
25 to 29%	203	13.7

30 to 34%	77	5.2
35% or more	238	16.1

Source: U.S. Department of Commerce, Bureau of the Census 2000

As with homeowners, some renters are paying too much for their housing. In looking at gross rents as a percent of income, the 2000 census indicated that while 62% of the renters were spending below the 30% affordability guideline, and excluding households without cash rents, more than one-quarter of renters were spending more than 30% of their incomes on housing and of these 22.7% were spending more than 35% of their incomes on housing expenses. Those spending over 30% are considered to be living beyond their means in housing that is not affordable.

Gross Rent as a Percentage of Household Income 1999

Percent of Gross Rent	Number	Percent
Less than 15%	46	21.3
15 to 19%	29	13.4
20 to 24%	29	13.4
25 to 29%	30	13.9
30 to 34%	7	3.2
35% or more	49	22.7
Not computed	26	12.0

Source: U.S. Department of Commerce, Bureau of the Census 2000

D. Subsidized Housing Inventory

The Massachusetts Comprehensive Permit Law, Chapter 40B Sections 20-23 of the General Laws, was enacted as Chapter 774 of the Acts of 1969 to encourage the construction of affordable housing throughout the state, particularly outside of cities. Often referred to as the Anti-Snob Zoning Act, it requires all communities to use a streamlined review process through the local Zoning Board of Appeals for comprehensive permits submitted by developers for projects proposing zoning and other regulatory waivers and incorporating affordable housing for at least 25% of the units. Only one application is submitted to the ZBA instead of separate permit applications that are typically required by a number of local departments as part of the normal development process. Here the ZBA takes the lead and consults with the other relevant departments (e.g., building department, planning department, highway department, fire department, sanitation department, etc.) on a single application. The Conservation Commission retains jurisdiction under the Wetlands Protection Act and Department of Environmental Protection, the Building Inspector applies the state building code, and the Board of Health enforces Title V.

For a development to qualify for inclusion in the Subsidized Housing Inventory, it must meet all of the following requirements:

- Must be part of a ? subsidized? development built by a public agency, non-profit organization, or limited dividend corporation.
- At least 25% of the units in the development must be income restricted to households with incomes at or below 80% of area median income and have rents or sales prices restricted to affordable levels income levels defined each year by the U.S. Department of Housing and Urban Development.
- Restrictions must run for minimum of 30 years or longer for new construction or for a minimum of 15 years or longer for rehabilitation. Alternatively, the project can provide 20% of the units to households below 50% of area median income.
- Development must be subject to a regulatory agreement and monitored by a public agency or non-profit organization.
- Project sponsors must meet affirmative marketing requirements.

SUBSIDIZED HOUSING UNITS

FOR THE MONTACHUSETT REGION

	Year round Units	Total 40B Units	% Subsidized 40B Units
Ashburnham	1997	24	1.2
Ashby	1000	0	0
Athol	4775	194	4.1
Ayer	3141	280	8.9
Clinton	5817	552	9.6
Fitchburg	15963	1557	10.4
Gardner	8804	1395	15.8
Groton	3339	182	5.5
Harvard	2156	59	2.7
Hubbardston	1348	56	4.2
Lancaster	2103	95	4.5
Leominster	16937	1426	8.4
Lunenburg	3605	66	1.8
Petersham	453	0	0
Phillipston	598	0	0
Royalston	470	3	0.6
Shirley	2140	60	2.8
Sterling	2611	52	2.0
Templeton	2492	166	6.7

Townsend	3162	84	2.7
Westminster	2609	89	3.4
Winchendon	3563	380	10.7

Source: Massachusetts Department of Housing and Community Development, June 1, 2006

Ashburnham's percentage of 40B housing units included in the state's Subsidized Housing Inventory is 1.20%, representing 24 affordable units, well below the state's goal of 10%.

1. Current Inventory

Ashley Court is the only affordable housing project currently included in the Subsidized Housing Inventory. It is a privately developed, mixed-population housing complex that provides 24 units of affordable, income-based housing to tenants aged 62 or over, handicapped or disabled. All the units have one-bedroom. The maximum income limit is based on 80% of area median income, however, most of the existing tenants have incomes in the very low range, below 50% of median. Additionally, five of the apartments are occupied by a disabled person who is less than 62 years of age. One of the units is wheelchair accessible and a number of other units are handicapped adaptable.

Constructed under the U.S. Department of Agriculture's Rural Development (RD) Section 515 program in 1987, the project is 100% subsidized by the Federal government (in this case the interest rates were subsidized to as low as 1%). In addition to the USDA mortgage, Low Income Housing Tax Credits were used to further subsidize the development, however the tax credits were for a 15-year period and have since expired. The project was further subsidized with USDA rental assistance and 16 of the units continue to have this benefit, where tenants pay no more than 30% of their income on their rent and utilities. Given dwindling federal funding, however, extensions for this rental assistance are now being offered for shorter time periods, likely to be no more than two years at a time starting this year.

As of September 2006, there were 15 applicants on the waiting list for the project and waits typically take about a year for an available apartment. There is currently one person waiting for the wheelchair accessible unit. Approximately four to six apartments become available per year.

2. Proposed Projects

There are several housing projects in the development pipeline that include some amount of affordable housing as described below.

- *Lakeside Village*

This development was approved through the Town's Open Space Residential Development bylaw (see Section IV.A for details) for those 55 years or older. Located off of Sherbert Road, the project includes 11 duplexes, for a total of 22 units, two of which will be affordable and eligible to be counted as part of the town's Subsidized Housing Inventory. While over 55 projects are exempt from the OSRD bylaw's affordability requirement, the developer, Mike Hannon, requested an override of the development limitation bylaw, and the ZBA then asked that he include two or 10% of the units as affordable. The units represent the first condominiums in town. The developer received building permit approval for the model duplex and has begun construction.

- *Sherbert Road*
The local chapter of Habitat for Humanity, Habitat for Humanity of North Central Massachusetts, has been deeded one Town-owned parcel on Sherbert Road. They have selected a purchaser who will help build the house and are in the process of raising funds to begin construction in the spring of 2007 for occupancy before Christmas of that year.
- *Whitney Park Estates*
This development represents the town's first Chapter 40B comprehensive permit project and is located in the vicinity of Williams, Turnpike and New Streets. The developer, Mark Dymek, is proposing 106 units including 90 townhouse condominiums and 16 single-family homes that will result in the production of 27 affordable units that will be eligible for inclusion in the Subsidized Housing Inventory. The comprehensive permit was submitted to the Town's Zoning Board of Appeals (ZBA) on March 2006. Because the project relies on a sewer connection with the City of Gardner, an intermunicipal agreement will be necessary, which is currently being negotiated.
- *40B on Holt Road/Route 101*
The developer of the Lakeview Estates housing subdivision that is under construction on Holt Road and Route 101 in North Ashburnham, Geoff Evancic of Winn Lake Development, is proposing a 44-unit duplex development on the remaining portion of the parcel. This development will be processed through a comprehensive permit with 11 affordable units and the remaining 33 units should also be priced for those earning less than 150% of area median income, at around \$250,000. The project will be structured through a condominium association and include a shared septic system. The developer is preparing his application to MassHousing's Housing Starts Program in order to obtain a site eligibility letter that will enable him to submit the comprehensive permit application to the Zoning Board of Appeals.
- *Highway Barn Site*

The Town has established a Focus Committee to study the relocation of the Town Highway/Water/Sewer Department from the existing 4.2-acre parcel in the Village Center in order to redevelop the site for a mixed commercial and residential development. The Town has allocated \$15,000 for a relocation study and is beginning to meet with other organizations to discuss possible development strategies including senior housing and 40R.

E. Gaps Between Existing Needs and Current Supply

In 1999 to 2001, the Executive Office of Environmental Affairs (EOEA) sponsored the preparation of buildout analyses for all 351 towns and cities within the Commonwealth of Massachusetts. The buildout analyses provide projections of the total number of houses and commercial/industrial square footage that could result if every piece of unprotected, buildable land is developed, if no more land is permanently protected within a community, and if zoning remains unchanged. The buildout can provide insight to the potential burdens on community infrastructure. Using a projected growth rate based upon past growth trends, population forecasts and economic forecasts, communities can anticipate the length of time needed to reach buildout and to reach certain growth thresholds, such as when additional schools, water supplies and sewer systems will be needed.

The methodology defines buildable land as undeveloped, unprotected upland that does not include transmission lines or land within 100 feet of a stream or river. The analysis reflects a community's zoning bylaws and regulations, especially concerning the way they treat resource areas such as wetlands and floodplains. If wetland areas can be included in gross building lot area minimums, then wetlands are not considered an absolute constraint to development. Yet wetlands may be considered partial constraints if they restrict the density or type of development in a given area. For example, there may be a 25% limit on all impervious surfaces on parcels located within a certain distance of a wetland. The methodology takes this into account.

Ashburnham's buildout analysis, which was prepared by the Montachusett Regional Planning Commission in 2000, treated the Wetland and Watershed District and the 200 foot Rivers Protection Act buffer as absolute constraints to development. Partial constraints to development included wetlands and the Water Supply Protection District. It was assumed that wetland areas yielded 90% of the development potential of unconstrained areas. Within the Water Supply Protection District, commercial and industrial uses are prohibited and residential uses are permitted on lots of at least 90,000 square feet.

The Ashburnham buildout analysis revealed a total of 17,355 acres of residentially-zoned developable land in Ashburnham under current land use controls. Given existing zoning and use controls for commercial and industrial uses, the analysis indicated that the town has potential for 17,635,539 square feet of floor area. If the town builds out under current land use controls, citizens can expect to see almost 10,000 new housing units at buildout and the population can be expected to increase by 26,203 new residents. If

current family-size trends are extended, the student population would increase by 5,459. Total water demand would increase by 3,287,914 million gallons per day (an increase of nearly 1,500%)¹¹. *These projections suggest that the town would require 1,204 affordable units to meet the state's 10% affordable housing goal under Chapter 40B, therefore 1,180 additional units over and above the existing 24 affordable units.*

Currently, Ashburnham has 97 miles of roads, most of which are under local jurisdiction. At buildout the total road miles would more than triple, increasing by 214 miles to a total of 311 miles. Most of these roads would be created to accommodate new housing and subdivisions, placing them under the jurisdiction of the local communities.

Buildout Impact for Ashburnham

Buildout Impact for Ashburnham	Current	Additional Impact	Future Total
Population	5,546	26,203	31,749
Students	1,161	5,459	6,535
Households/Dwelling Units	2,111	9,925	12,036
Residential Developable Land Area (sq. ft.)		755,985,166	
Residential Developable Land Area (acres)		17,355	
Commercial/Industrial Buildable Floor Area (sq. ft.)		17,635,539	
Potential Employment		36,806	
Water Demand (gallons per day)	224,000	3,287,914	3,511,914
<i>Residential Water Use (gallons/day)</i>		1,965,248	
<i>Comm./Ind. Water Use (gallons/day)</i>		1,322,665	
Municipal Solid Waste (tons/year)		13,442	
<i>Non-Recycled Solid Waste (tons/year)</i>		9,559	
<i>Recyclable Solid Waste (tons/year)</i>		3,883	
Road Miles	97	214	311

Source: EOE A Buildout Analysis

It is important to note that the buildout analysis describes Ashburnham's final development phase; it does not attempt to determine the rate of future development or pinpoint the precise year that buildout will be achieved. Ashburnham's rate of development is influenced by a number of disparate factors, including regional and national market conditions. Therefore, it is virtually impossible to accurately predict the speed at which the town will grow. However, historic rates of development and trends, as documented in building permit records, population forecasts and economic forecasts, may provide insight into future development rates, at least in the near term. This can help Ashburnham anticipate the length of time needed to reach certain growth thresholds, such as when additional schools, water supplies and sewer system expansions will be needed. This information is key to planning future municipal budgets.

¹¹ Note that the current water demand estimate is based upon a formula specified by the buildout methodology.

There is no way to determine the accuracy of these estimates or the timeframe. *However, while the buildout projections may be alarming to many residents, they represent an opportunity for the citizens of Ashburnham to critically assess the Town's future and determine the most appropriate methods of directing future growth.* For example, adjustments can be made to current zoning and land use practices so as to yield a development dynamic that better conforms to hopes and expectations.

Based on this Housing Needs Assessment, there are a number of key indicators that suggest there are significant local needs for affordable housing that go beyond what is required to meet the 10% state goal including:

1. *Households with Limited Incomes*

- Despite increasing household wealth, there still remains a population living in Ashburnham with very limited financial means including 92 households earning less than \$10,000, with incomes between \$10,000 and \$24,999, and another approximately 154 households with incomes within what public agencies would define as very low-income levels, within 50% of area median income. The total number of households within these income categories was about 464 in 1999, or 24% of all Ashburnham households, not an insignificant number given the general affluence of the community.
- Based on this income information, almost 30% of Ashburnham households (or about 560 households), would have likely qualified for housing assistance as their incomes were at or below 80% of area median income defined by the U.S. Department of Housing and Urban Development (HUD) in 2000 of \$32,150 for a family of three.¹²
- The town has experienced a modest 5.4% increase in poverty from 1990 to 2000, with 350 Ashburnham residents with incomes below the poverty level or 6.3% of the population, up from 332 residents living in poverty in 1990, or 6.1% of all residents.

Need: Given the high costs of housing, more subsidized rental housing is necessary to make living in Ashburnham affordable, particularly to those described above who have very limited financial means.

2. *Disabilities and Special Needs*

- There are a number of residents who have special needs and are disabled, including 90 or 3.7% of the school-age population, 459 or 14.2% of those 21 to 64 (about one-half of whom could not be employed), and 200 or almost half of those 65 years or older.
- Almost 40% or 15 of the 38 elderly renters were spending more than half their income on housing.
- About one-quarter of elder homeowners were spending too much (more than 30%) of their income on housing and 14% were spending more than 50% of their income on housing.

Need: Some amount of new housing should be built adaptable or accessible to the disabled, including seniors.

¹² While these households' incomes might be at or below 80% of area median income, many households are likely to have assets, including equity in their homes, which are more than the allowable state or federal standards that would disqualify them from housing assistance.

3. *Gaps in Affordability and Access to Affordable Housing*

- Approximately 20% of Ashburnham residents, or almost 400 households, are currently living in housing that is by common definition beyond their means and unaffordable because their housing costs are more than 30% of their income, including about or 150 households, who were spending more than 50% of their income on housing-related expenses.
- Recent listings indicate that only about 25 homes have sold during since January 1, 2005 for under \$200,000 that would be affordable to low- and moderate-income households,
- To afford the median sales price of a single-family home in Ashburnham of \$245,000, a household would have to earn more than \$70,000¹³ based on conventional lending practices, substantially more than the 2000 median income of \$55,568. If we assume that Ashburnham's median incomes increased at the same rate as HUD's income limits from 2000 to 2006, by 31.8%, this would put the current median income at \$73,239, an income that would likely support the current median housing value. This would indicate that at present, Ashburnham does not a significant affordability gap indicating that there is not much difference between the price of the median priced home and what a median income household can afford. There is an affordability gap of \$70,000, however, when estimating what a household earning within 80% of median income can afford or \$51,600 for a family of three (average size household in Ashburnham is 2.87 persons) who are unable to afford a house costing much more than \$175,000.
- In regard to rentals, the gross median rent of \$664, according to the 2000 census, requires an income of about \$27,000, which is within the means of low- and moderate-income households. Local realtors indicate that market rents are actually higher, approximately \$800 for two-bedroom apartments, for example, requiring an income of approximately \$32,000, not affordable to more than 20% of all households in Ashburnham based on 2000 income data from the census.
- There is typically at least a year wait for units that become available at Ashley Court, the town's only affordable rental development.
- There are no assisted living units available in Ashburnham and only two affordable condominium units are proposed thus far for seniors looking to downsize and reduce home maintenance burdens.
- Demographic trends suggest that escalating housing costs may be pricing younger individuals and families out of the housing market. Those entering the labor market and forming new families are dwindling in numbers, reducing the pool of entry level workers and service employees as well as forcing the grown children who were raised in town to relocate outside of Ashburnham. For example, those between the ages of 20 and 34 decreased in numbers and as a percent of the population from 1990 to 2000, from 1,232 to 813 and from 23% of the population in 1990 to 15% in 2000.

Need: Wider range of affordable housing options including first-time homeownership opportunities, particularly for younger households entering the job market and beginning their own families, as well as senior housing.

¹³ Figures based on 95% financing, interest of 6.5%, 30-year term, annual property tax rate of \$12.76 per thousand, insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), and private mortgage insurance estimated at 0.3125 percent of loan amount.

4. *Housing Conditions*

- About 60% of Ashburnham's housing stock, 1,298 units, was built prior to 1970, and 581 units or 26.4% of the housing stock was built prior to World War II. Houses in this age category are likely to have traces of lead-based paint, posing safety hazards to children as well as problems concerning aging system and structural conditions.

Need: Programs to support necessary home improvements, including deleading and septic repairs for units occupied by low- and moderate-income households, particularly the elderly living on fixed incomes and including investor-owned properties tenanted by qualifying households.

There is therefore a sizable population of those who are seniors, have special needs and/or have very low incomes who have significantly reduced capacity to secure decent, safe and affordable housing in Ashburnham. A broader range of housing options is required to meet these varied needs.

Another look at the gaps between what housing is available in Ashburnham and what residents can afford to pay is demonstrated in the following affordability analysis.

Rental Unit Need/Demand Analysis 2000 to 2005

Income Group	Income Range*	Affordable Rent	# Households** 2000/2005	# Existing Units*** 2000/2005	Deficit/ Surplus 2000/2005
Less than 30% of AMI	\$14,700 and less	Less than \$368	35/29	14/12	-21/-17
Between 30% and 50% of AMI	\$14,701 to \$24,500	\$369 to \$612	31/27	76/76	+45/+49
Between 50% and 80% of AMI	\$24,501 to \$39,150	\$613 to \$980	28/24	99/124	+71/+100

Source: 2000 HUD SOCDs CHAS Data ? Housing Problems Output for All Households

* Based on 2000 HUD Income Levels for average size household of three persons.

** It can be assumed that incomes have increased since 2000, which would likely reduce these numbers somewhat. The 2005 projections are based on one-half the percentage change in these income categories between 1989 and 1999 per the census, assuming a similar rate of change.

*** The projections are based on one-half the percentage change in the numbers in these categories between the 1990 and 2000 census, assuming a similar rate of change.

While the above table indicates that there is only a very limited shortage of rental units for those in the very lowest income level of less than 30% of area median income, which

was \$14,700 in 2000, the available data was based only on existing renters in 2000 and does not reflect pent-up regional need for additional rental opportunities. HUD data further suggests that almost 40% of elderly who rent were spending too much on housing and there is likely to be a need for more affordable rental options for seniors.

The table below focuses on homeownership and demonstrates the waning supply of housing priced within the affordable range of many existing households and suggests a substantial need for more affordable homeownership opportunities in Ashburnham.

**Homeownership Need/Demand Analysis
2000 to 2005**

Income Group	Income Range*	Affordable Sales Prices	# Households 2000/2005**	# Existing Units 2000/2005***	Deficit/Surplus 2000/2005
Less than 80% of AMI	\$39,150 and less	\$125,000	501/472	650/89	+149/-383
Between 80% and 100% of AMI	\$39,151 to \$49,000	\$125,001 to \$160,000	279/185	430/119	+151/-66
Between 100% and 150% of AMI	\$49,001 to \$73,500	\$160,001 to \$250,000	529/520	350/896	-179/+646

Sources for above table: 2000 HUD SOCDs CHAS and Census data, and Ashburnham Assessor's Office

*Based on 2000 HUD Income Levels for average size household of three persons.

** It can be assumed that incomes have increased since 2000, which would likely reduce some of these numbers somewhat. The 2005 projections are based on one-half the percentage change in these income categories between 1989 and 1999 per the census, assuming a similar rate of change.

*** Updated assessments from Ashburnham Assessor's Office.

F. Local and Regional Resources

The town of Ashburnham has a number of local and regional agencies and organizations available to help support the production of affordable housing or provide housing-related services including:

1. Ashburnham Affordable Housing Committee

The Town of Ashburnham's Board of Selectmen formed the Ashburnham Affordable Housing Committee in 2005 to make headway in creating affordable housing opportunities for town residents, including the oversight of this Affordable Housing Plan.

2. *Ashburnham Council on Aging*

The Ashburnham Council on Aging is a Town department that supports the quality of life of the town's elders through a wide variety of services. These include the operation of a Senior Center that offers social programs for seniors, an information and referral service on a wide range of issues, community-based services to promote independence, including free shuttle bus transportation, as well as in-home support services. The Council relies heavily on local volunteers to support its activities.

The Council on Aging also works with the Town on a program that abates taxes for low-income seniors in exchange for minor services to the Town, for example, volunteering at a school or library. In addition to this work program, the Town also has a tax exemption program for income-eligible seniors that reduces property tax bills.

3. *Central Massachusetts Housing Alliance*

The Central Massachusetts Housing Alliance works in Greater Worcester and Worcester County to respond to the needs of the homeless or near homeless, providing a variety of support services and programs. In addition to advocating for high quality and appropriate shelters for the homeless as well as new affordable housing, the organization engages in a number of homelessness prevention initiatives, education efforts and programs directed to seniors. For example, the Alliance provides counseling services for first-time homebuyers as well as those requiring assistance with housing-related problems. It also administers the Affordable Housing Connection, which is designed to assist senior homeowners in renting their currently vacant units by providing support in tenant selection, financial and technical assistance in renovation and repairs, and other property services. The organization's Elder Homes Repair program offers additional support to help low-income seniors age in place by correcting health and safety problems.

4. *Central Massachusetts Smart Growth Alliance*

A regional affiliate of the Massachusetts Smart Growth Alliance¹⁴, the Central Massachusetts Smart Growth Alliance includes representatives from the state organization as well as local and regional organizations and communities to discuss opportunities to promote smart growth principles in the region. The Alliance has only recently begun to meet and is looking for a pilot project to serve as a model for the region on smart growth development. One consideration is Ashburnham's Highway Barn Site.

5. *Greater Gardner Community Development Corporation*

The Greater Gardner CDC is a non-profit organization, based in Gardner, which serves the communities of Ashburnham, Gardner, Hubbardston, Templeton, Westminster and Winchendon in promoting self sufficiency by creating affordable housing opportunities and providing

¹⁴ The Massachusetts Smart Growth Alliance includes the following organizations: Boston Society of Architects, Citizens Housing and Planning Association, Conservation Law Foundation, Metropolitan Area Planning Council, Massachusetts Association of Community Development Corporations, Environmental League of Massachusetts and Fair Housing Center of Greater Boston.

additional programs that raise the economic, educational, and social levels of residents in its service area? .¹⁵ The organization provides the following services:

- Promote affordable housing to meet the needs of low- and moderate-income households.
- Provide training and technical assistance to start-up businesses and micro-enterprises as well as access to loan funds.
- Provide learning programs to promote education and employment opportunities for low- and moderate-income residents.
- Establish partnerships with other organizations, agencies and institutions to enhance its mission.

In regard to affordable housing, the CDC offers counseling for first-time homebuyers and as well as homeownership opportunities for qualified residents through housing rehabilitation and new construction projects.

6. *Habitat for Humanity of North Central Massachusetts*

Habitat for Humanity is an ecumenical, non-profit Christian ministry dedicated to building simple, decent homes in partnership with families in need that has grown over the past two decades into one of the largest private homebuilders in the world. The organization has almost 1,600 U.S. affiliates and over 2,100 affiliates worldwide, including one serving the North Central area of Massachusetts that covers the town of Ashburnham. Habitat International has constructed more than 200,000 homes throughout the world since its inception in the late 1970s.

Habitat for Humanity of North Central Massachusetts, based in Fitchburg, has built or renovated 12 homes that house 33 children and their families. There are local projects currently being built in Acton and Townsend, as well as one that will be built in Ashburnham on Sherbert Road and ready for occupancy by the end of 2007. The organization continues to look for new volunteer support as well as the donations of land, funds and materials to support their work.

7. *Montachusett Opportunity Council, Inc. (MOC)*

The Montachusett Opportunity Council is a private, non-profit organization that serves as the area's community action agency providing a wide range of programs and services to improve the quality of life for low-income persons by working with communities in the Montachusett area to affect social, individual and family change and achieve self-sufficiency. Programs include adult learning and workforce development initiatives, day care and preschool education, food and nutrition services, and energy assistance (i.e., fuel assistance, utility discounts, heating system repair and replacement, and energy conservation support), family planning, and transportation.

8. *Montachusett Regional Planning Commission (MRPC)*

The Montachusett Regional Planning Commission (MRPC) serves as the regional planning agency for North Central Massachusetts and provides professional expertise to communities in the area including support for planning and program development. MRPC coordinated the

¹⁵ Greater Gardner CDC web site.

preparation of Ashburnham's Community Development Plan in 2004 and has been working with Ashburnham as well as neighboring communities on a Housing Rehab Program. This Program, funded for the last few years with Community Development Block Grant funds through the state, provides technical and financial assistance to qualifying homeowners for necessary housing repairs thus bringing properties into compliance with housing codes and regulations and prolonging the long-term viability of existing housing that is affordable to those with incomes at or below 80% of area median income. The Program has assisted a number of Ashburnham homeowners including approximately 27 owners in the past and four during FY' 05. In 2006 MRVP did not receive additional funding for the Program but plans to resubmit funding applications to the state to hopefully resurrect the Program in the future.

9. RCAP Solutions (*Resources for Communities and People*)

RCAP Solutions is a regional branch of a national private, non-profit organization that provides technical assistance in the areas of rural drinking water, and wastewater treatment systems, solid waste programs, housing, economic development, comprehensive community assessment and planning and compliance with environmental regulations. The organization serves as the regional housing agency and provides housing and community services to low- and moderate-income individuals and families including rental assistance programs. They manage 2,200 rental subsidies of which nine are being used in Ashburnham (one Section 8 voucher and eight MRVP's (state's Mobile Rental Voucher Program)). The approximate wait for a rental subsidy is from three to five years. Other RCAP activities include a Home Repair Loan Programs to support housing code-related home improvements to qualifying homeowners earning no more than 80% of area median income. Funding for this program emanated from a revolving loan fund established in the 1980's. The maximum loan amount is \$30,000 and the interest rate is set according to income and household size but no more than 5%. RCAP also provides a range of homeowner services such as first-time homebuyer education, down payment assistance, lead abatement assistance, mortgage default counseling, and budget and credit counseling. The organization also owns and manages nine developments in the region and is pursuing new opportunities to develop and manage real estate. They recently opened a Section 202 rental housing development in Bolton for low-income seniors. RCAP Solutions has also expressed interest in working with the Town on the development of the Town barn site, should it become available for housing, and has attended several meetings where it suggested that the parcel might be suitable for senior rental housing.

IV. OBSTACLES TO DEVELOPMENT AND MITIGATION MEASURES

It will be a great challenge for the town of Ashburnham to create enough affordable housing units to meet the state's 10% affordable housing standard, production goals and local needs, particularly in light of current constraints to new development including the following:

A. Zoning

1. Challenges

As is the case in most American communities, a zoning bylaw or ordinance is enacted to control the use of land including the patterns of housing development. Like most localities in the

Commonwealth, Ashburnham's Zoning By-law largely embraces large-lot zoning of 45,000 or 60,000 square feet as noted below.

Dimensional Requirements

	R-A District	R-B District	B District	V-C District	I District
Minimum Lot Area	45,000 square feet	*60,000 square feet	25,000 square feet	25,000 square feet	60,000 square feet
Minimum Frontage	150 feet	200 feet	125 feet	125 feet	150 feet
Minimum Front Yard	20 feet	40 feet	20 feet	20 feet	40 feet
Minimum Side Yard	10 feet	25 feet	10 feet	10 feet	25 feet
Minimum Rear Yard	10 feet	25 feet	10 feet	10 feet	25 feet
Maximum Height	35 feet	35 feet	40 feet	40 feet	40 feet
Maximum Lot Coverage	25%	20%	40%	50%	30%

* WSP *90,000 square feet

Source: Town of Ashburnham Zoning By-laws

While this zoning was put in place to slow development, preserve the town's rural character and accommodate septic systems in compliance with Title V requirements, the zoning maintains low housing densities, severely constrains the construction of affordable housing, and promotes sprawl that unless checked may ultimately degrade the community's rural charm, scenic resources, wildlife habitat, and air quality. Moreover, sprawling development makes it more expensive and inefficient to manage and provide municipal services to residents and businesses. It lengthens school bus routes and places a greater strain on police, fire, emergency medical services, and the municipal highway department. Changes to the Town's Zoning By-Laws are critically needed to reduce sprawl, promote smart growth development and provide incentives for a broader range of housing types to meet diverse local needs including affordable housing.

Ashburnham's Zoning By-Law has additional provisions that affect residential development including:

- *Development Rate Limitations*

The intent of this bylaw is ? to avoid large year-to-year variations in development rates in Ashburnham while allowing development consistent with historical average rates? .¹⁶ To accomplish this the provision requires that the Building Inspector issue no more than 36 building permits per year for the construction of new residential dwellings. After 36 permits have been issued, applications will not be accepted until the start of the next

¹⁶ Ashburnham Zoning Bylaws, Section 5.11.

calendar year. Additionally, any applicant cannot receive permits for more than six dwelling units in any calendar year unless the following development schedule allows.

# New Units in Development	Dwelling Units Allowed Year
1-4	100%
5-12	40%
13-20	33%
21+	20%

This schedule is only pertinent if the town-wide limit has not been reached.

The bylaw allows the Zoning Board of Appeals to issue a special permit authorizing exceptions to the above schedule based on particular circumstances such as if the development is perceived to have an unusually low impact on public services because of its location, occupancy, or design, and to serve an important unmet housing need of Ashburnham residents without over-burdening Town services. For example, the developer of the Lakeside Village condominium project approached the Zoning Board of Appeals to request an exemption from the development limitation, which was granted contingent upon the developer including two of the units as affordable.

- *Open Space Residential Development (OSRD)*

The Zoning By-law states that the purpose of an OSRD is to encourage the preservation of open land by providing an alternative pattern of development¹⁷ through which specific objectives are likely to be met such as preserving the town's rural character and allowing greater flexibility and creativity of design in residential subdivisions as long as the overall density of the development is no greater than what would normally be allowed under subdivision regulations. Another objective is to promote the development of housing for those over the age of 55 which qualifies for a density bonus such that for every two over 55 dwelling units, one unit may be added as a density bonus up to 25% of the Basic Maximum Number (the number normally allowed under existing subdivision regulations). A density bonus of 5% the Basic Maximum Number is also allowed for each additional 10% of the site set-aside as contiguous open space (not including wetlands) over and above the required 50%. Affordable housing is also required under the bylaw for the development of ten or more units where 10% of the units must be affordable to low-income households earning within 50% of area median income or 15% affordable to moderate-income households with incomes within 80% of area median income. Over 55 projects are exempted from this affordability requirement. Parcels must be at least three acres in size in the RA district and at least eight acres in the RB district.

- *Accessory Apartments*¹⁸

¹⁷ Ashburnham Zoning By-laws, Section 5.13.

¹⁸ Ashburnham Zoning By-laws, Section 3.22.

Accessory apartments are allowed under the bylaw by special permit in most districts but only for ? next of kin to the second degree? and revert back to single-family use upon the sale of the property.

- *Two-family Dwellings*¹⁹
Two-family dwellings or semi-attached residential structures are allowed by special permit in residential districts. Ashburnham does not have a multi-family zoning district.

Mitigation Measures

This Affordable Housing Plan includes a number of strategies that are directed to reforming local zoning regulations, making them ? friendlier? to the production of affordable housing and smart growth development. These include adopting inclusionary zoning, promoting accessory apartments, exploring the adoption of 40R, allowing affordable housing on noncomplying lots, articulating Housing Guidelines, modifying the Open Space Residential Development bylaw, amending the Development Rate Limitations bylaw, exploring TDR, and encouraging a wider range of housing options (see Section VII.A. for details on these measures).

B. Environmental Concerns

1. Challenges

Ashburnham is home to regionally significant natural resources including more than 25 conservation and recreational sites such as the Ashburnham State Forest, High Ridge Wildlife Management Area, Mount Watatic, Watatic Mountain Wildlife Sanctuary, Lake Wampanoag Sanctuary, Dunn Wildlife Sanctuary and Woodlot, Bluefield Reservation, Whitney/Dunn Conservation Area, Ashburnham Town Forest, among others. Most residents are aware of the town? s natural treasures and are rightly concerned about conserving them. Additionally, most areas of town do not have sewer services and are reliant on septic systems. Ashburnham currently has an agreement with Gardner for processing 200,000 gallons per day of wastewater and typically needs about 120,000 to 130,000 gallons per day except during the wet season when there are flow problems. There is only so much more capacity to accommodate new development such as Whitney Park Estates. Also, some areas lack Town water services and rely on wells, providing greater challenges to development. Once again there is an issue of capacity as Ashburnham shares a reservoir with Winchendon, which is looking into providing its own water supply at some point in the future. Moreover, many parts of town are not well suited to septic systems because of poor soil conditions or high groundwater. Failed septic systems are a problem for waterways and bodies of water, and this is a particular challenge for the town, especially in the unsewered areas surrounding Ashburnham? s many lakes.

Ashburnham has an active Conservation Commission to protect environmentally sensitive areas. While regulations to protect the environment (e.g., wetlands, aquifers, septic systems) are important and essential, they present challenges to development by reducing the amount of buildable land and increasing the time and costs of developing new housing. Also, thus far the Board of Health has not supported the use of shared

¹⁹ Ashburnham Zoning By-laws, Section 3.22.

septic systems that are needed for larger housing developments, particularly for affordable housing that relies on some economies of scale to be feasible, however a developer of a proposed "over 55" project is planning to incorporate such a facility in his project.

2. *Mitigation Measures*

Fundamental to this Affordable Housing Plan are the housing goals that provide a framework for producing affordable housing in Ashburnham. One of the housing goals is to maintain the rural character of Ashburnham, another emphasizes the need to preserve natural resources in the context of managed development and another specifies the promotion of smart growth principles. Consequently, housing strategies are largely oriented to actions that will promote smart growth such as adaptive reuse, affordable accessory apartments, conversion of existing housing, development of scattered sites in existing neighborhoods, and potentially mixed-use development (see Section VII.C. and VII.A.5 and 11 for details on these strategies). Additionally, the impacts of any new development must be identified during the regulatory process to determine how the project affects the environment and what actions might be required to mitigate problems. For example, developers may be encouraged to install special sewer treatment facilities that come in various sizes such that they can serve as few as ten houses or as many as 300. One primary benefit of these sewer treatment facilities is that they are eco-friendly alternatives to incurring the large costs associated with extending sewer lines to remote areas of town. It should also be noted that the Town is looking to do a Wastewater Facilities Plan that will help the town assess and plan for its future wastewater needs to support new development.

C. *Transportation*

1. *Challenges*

To accommodate new development, MRPC build-out projections anticipate that another 214 miles of roadway will be added to the existing 97 miles of roads for a total of 314 miles. In view of present traffic and projected increases, it is essential that the Town evaluates and selects appropriate measures to relieve the impact of growth on traffic yet still grow incrementally, a formidable challenge. It is also worth noting that public transportation is limited and residents must rely on the automobile, which presents an additional cost burden for those with limited incomes, particularly those on fixed incomes.

2. *Mitigation Measures*

The Town will continue to study opportunities for easing traffic congestion and pay particular attention to the projected traffic implications of any new development, working with the developer to resolve problems. One of the strategies included in this Affordable Housing Plan is to explore mixed-use development or higher density housing through 40R in the Town Center or South Ashburnham Village that has the potential for reducing the reliance on the automobile somewhat (see Section VII.A.5 for details).

D. *School Enrollment*

1. *Challenges*

Historically, school enrollments have fluctuated somewhat over the past decade from a high of 1,180 in 1995 to a low of 1,070 in 2004, up to 1,084 in 2005 as summarized below.

Projections by the New England School Development Council, dated December 2005, suggest that enrollment will increase to 1,225 in 2010 and up to 1,398 in 2015, representing almost a 30% increase over the next decade. The projections suggest that housing turnover and increased housing development through Chapter 40B projects might expand school enrollments, suggesting that by 2010 enrollments might be up to 1,302 students and up to 1,547 students in 2015, representing a 43% increase over and above 2005 enrollments. This added population would likely place a significant burden on a school system that is already experiencing some capacity issues.

Build-out projections computed by MRPC in 2000, sponsored by the state's Executive Office of Environmental Affairs (EOEA), indicated that the school-age population should increase by another 5,451 children, however there are no reliable projections as to when buildout is likely to occur or if these estimates are accurate.

2. *Mitigation Measures*

The Town has established a special task force to review school capacity issues, particularly in regards to the Briggs Elementary School that is likely to require expansion, however, there is land available on the site to accommodate this expansion.

E. *Availability of Subsidy Funds*

1. *Challenges*

Financial resources to subsidize affordable housing preservation and production as well as rental assistance have suffered budget cuts over the years making funding more limited and extremely competitive. Communities are finding it increasingly difficult to secure necessary funding and must be creative in determining how to finance projects and tenacious in securing these resources.

2. *Mitigation Measures*

This Affordable Housing Plan suggests that the Town adopt the Community Preservation Act to provide an important local resource with a substantial state match to promote affordable housing in addition to preserving historic resources and open space. The Town will need further support from state resources to meet production goals and serve local needs and must continue to complete the Commonwealth Capital application to be in a position to secure competitive state subsidy funds. Additionally, in an effort to better manage funding for affordable housing purposes, this Affordable Housing Plan recommends that the Town establish an Affordable Housing Trust Fund (see Section VIII.B. for details on these strategies).

F. *Community Perceptions*

1. *Challenges*

Affordable housing, subsidized housing, low-income housing, projects, Section 8, etc. ? these terms can conjure images of potential neglect, plunging property values, increased crime, and even tensions concerning class and race. On the other hand, with soaring real estate prices,

community perceptions are beginning to tilt towards the realization that affordable housing is needed in the community. More people are recognizing that the new kindergarten teacher, their grown children, or the elderly neighbor may not be able to afford to live or remain in the community. It is this growing awareness, as well as impending 40B developments, which is spurring communities such as Ashburnham to take a more proactive stance and greater interest in supporting affordable housing initiatives. Also, once residents understand that the Town will be able to reserve at least 70% of the affordable units in any new development for those who have a connection to Ashburnham, referred to as ? community preference? , greater local support is typically forthcoming.

2. Mitigation Measures

Ashburnham proposes launching an ongoing educational campaign to better inform local leaders and residents on the issue of affordable housing to help dispel negative stereotypes, provide up-to-date information on new opportunities and to garner political support for local initiatives (see details on this strategy in Section VII.B.8).

V. PROPERTY INVENTORY

The following information represents a work in progress that will be fine-tuned in coordination with other Town Boards and Committees (see Section VII.B.8).

2. A. Town-Owned Property

The Town Planner, working with the Town Assessors Department, has prepared a preliminary inventory of Town-owned land. The following table lists some of these properties that are owned by the Town and may be suitable for some amount of affordable housing development. Other Town-owned properties may also be suitable for such development and are likely to be identified through a more comprehensive inventory of such property (see Section VII.B.8).

Town-owned Properties with Potential for Affordable Housing Development

Parcels	Map #/ Parcel #	Total Parcel Acres/ Buildable Housing Acres*	Estimated # Housing Units/Aff. Units	Comments
Town Highway Barn site	62/138	4.2/2.1	20/10	Site not available until alternative parcel found for Highway Department; potential for mixed-use
Caouette property	17/12	3/1.5	15/8	Abuts large industrial zoned property; possible mixed-use development
South School Street I	69/36	6.27/3.15	30/15	Ball field to north of site; next to Ashley Ct. project
				Parcel used to have a school

South School Street II	59/57	1.3/0.65	7/4	at one time; next to Ashley Ct.; potential for combining with site above
Total		14.77/7.4 acres	72/37 units	

* The number of acres set-aside for housing is estimated to be approximately half of available acreage. It is therefore a best guess at this time of the buildable area and also recognizes Town concerns for maintaining some amount of open space in most developments, including infrastructure requirements such as possible water and sewer treatment facilities, and in some cases accommodating other uses on site as well.

All of these properties have access to Town sewer, and therefore direct new development towards areas with existing infrastructure. The table above does not include the parcel on Sherbert Road that the Town has agreed to convey to Habitat for Humanity for the purpose of building an affordable home for a first-time homebuyer.

In addition to currently owned Town parcels, the Town of Ashburnham may decide to make parcels available for affordable housing through the tax foreclosure process. The Town may also acquire privately owned sites over the next decade for the purposes of protecting open space and developing some amount of housing, including affordable housing, through cluster development on a portion of the sites.

B. Private Property

It is also likely that developers may pursue comprehensive permit applications, and it will be incumbent on the Town to determine the best approach for negotiating with these developers to guide new development to more appropriately satisfy local needs and requirements. One of the strategies recommended in this Affordable Housing Plan is to prepare Housing Guidelines that establish general local criteria for new housing development that would be acceptable to the Town.

Additionally, the Town should become alert to opportunities for acquiring property that would be suitable for some amount of affordable housing. Ideally such properties would meet a number of smart growth principals such as be involved the redevelopment of existing structures, be large enough to accommodate clustered housing, have good carrying capacity for water and septic systems, offer a buffer between adjacent properties, and be located along a major road.

VI. PLANNED PRODUCTION GOALS

The Massachusetts Department of Housing and Community Development (DHCD) is administering the Planned Production Program in accordance with regulations that enable cities and towns to prepare and adopt an affordable housing plan that demonstrates production of an increase of .75% over one year or 1.5% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.²⁰ Ashburnham will have to produce approximately 15 affordable units annually to meet these production

²⁰ Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

goals through 2010. When the 2010 census figures become available in 2011, this number will be higher, most likely closer to 20 units. If DHCD certifies that the locality has complied with its annual production goals, the Town may, through its Zoning Board of Appeals, deny comprehensive permit applications without opportunity for appeal by developers.

Using the strategies summarized under the Housing Action Plan described in Section VII.A through D., the Town of Ashburnham has developed a Planned Production Program to chart affordable housing production activity over the next decade. The projected goals are best guesses at this time, and there is likely to be a great deal of fluidity in these estimates from year to year. The goals are based largely on the following criteria:

- To the greatest extent possible, at least fifty percent (50%) of the units that are developed on Town-owned parcels should be affordable to households earning at or below 80% of area median income. The rental projects will also target some households earning at or below 60% of area median income and lower depending upon subsidy program requirements.
- The projections include middle-income units for those who earn between 80% and 150% of area median income. During the first six years, all units that are not affordable to those earning within 80% of median income are projected to be directed to those within this price range as market prices should still be accessible to those earning within 150% of median income. After 2012, goals estimate that the number of middle-income units will be at least equivalent to the number of affordable ones as market prices may increase somewhat at that point.
- Projections are based on no fewer than four (4) units per acre except of parcels near town or village centers where eight (8) per acre is applied. However, given specific site conditions and financial feasibility it may be appropriate to decrease or increase density as long as projects are in compliance with state Title V and wetlands regulations.
- Because housing strategies include some development on privately owned parcels, production will involve projects sponsored by private developers through the standard regulatory process or the "friendly" comprehensive permit process. The Town will continue to work with these private developers to fine-tune proposals to maximize their responsiveness to community interests and to increase affordability to at least 30% of total project units to the greatest extent feasible.
- The projections involve a mix of rental and ownership opportunities. The Town will work with private developers to promote a diversity of housing types directed to different populations with housing needs including families, seniors and other individuals with special needs to offer a wider range of housing options for residents.

Ashburnham Planned Production Program*

Strategies by Year	Units < 80% AMI	Units 80%-150% AMI	Total # units
Year 1 ? 2007			
Habitat House on Sherbert Road (donated Town land)	1	0	1
Whitney Park Estates	29	77	106
Lakeside Village	2	20	22
<i>Subtotal</i>	<i>32</i>	<i>97</i>	<i>129</i>
Year 2 ? 2008			
40B on Holt/Route 101	11	33	44
Rest of units covered in Year 1			
<i>Subtotal</i>	<i>11</i>	<i>33</i>	<i>44</i>
Year 3 ? 2009			
Highway Barn Site	10	10	20
Conversion of existing housing	5	0	5
<i>Subtotal</i>	<i>15</i>	<i>10</i>	<i>25</i>
Year 4 ? 2010			
Inclusionary zoning	2	1	14
Scattered-site development	1	0	1
Private development	15	15	50
<i>Subtotal</i>	<i>18</i>	<i>16</i>	<i>65</i>
Year 5 ? 2011			
Caouette site	8	7	15
Conversion of existing housing	4	0	4
Adaptive reuse	6	0	6
<i>Subtotal</i>	<i>18</i>	<i>7</i>	<i>25</i>
Year 6 ? 2012			
South School Street I and II	19	18	37
<i>Subtotal</i>	<i>19</i>	<i>18</i>	<i>37</i>
Year 7 ? 2013			
Inclusionary zoning	2	2	14
Conversion of existing housing	4	0	4
Private development	6	6	20
Another Town-owned parcel	8	8	16
<i>Subtotal</i>	<i>20</i>	<i>16</i>	<i>54</i>

Strategies by Year	Units < 80% AMI	Units 80%-150% AMI	Total # units
Year 8 ? 2014			
Accessory apartments	2	0	2
Scattered-site development	2	0	2
Housing on noncomplying lots	2	0	2
Private development	12	12	40
<i>Subtotal</i>	<i>18</i>	<i>12</i>	<i>46</i>
Year 9 ? 2015			
Accessory apartments	2	0	2
Conversion of existing housing	4	0	4
TDR	12	12	36
<i>Subtotal</i>	<i>18</i>	<i>12</i>	<i>42</i>
Year 10 ? 2016			
Accessory apartments	2	0	2
Private development	16	16	53
Housing on noncomplying lots	2	0	2
<i>Subtotal</i>	<i>20</i>	<i>16</i>	<i>57</i>
TOTAL	189	237	524

Total = 189 affordable units and 237 middle-income units with a total projected number of housing units created of 524 units.

**** Final determination of the use of existing Town-owned parcels for new affordable housing is subject to a more thorough feasibility analysis of site conditions and Town Meeting approval. If any of the preliminarily identified existing Town-owned properties are finally determined infeasible or do not obtain approval from Town Meeting, it is anticipated that the projected numbers of affordable units would be met through the acquisition of privately owned properties or private development.***

It is difficult to project which specific projects will involve ownership vs. rental beyond Year 2, and these projections are therefore conservative with totals assuming homeownership projects with up to 30% of the units affordable although a mix of rental and ownership is planned to meet local needs on parcels that do not involve Town ownership (50% affordability projected for Town-owned parcels). The numbers would be higher in the case of rental projects with all units counting as part of the Subsidized Housing Inventory. Additionally, these estimates do not earmark particular projects as being directed to seniors, families, individuals or special needs populations. However, this Plan projects that all of these needs will be addressed through local development efforts during the next ten years.

Despite ambitious production goals, this Plan will still not result in Ashburnham reaching the state 10% threshold after ten years given continued growth.

VII. HOUSING ACTION PLAN

The strategies outlined below are based on previous plans, reports, studies, the Housing Needs Assessment, and the experience of other comparable localities in the area and throughout the Commonwealth. The strategies are grouped according to the type of action proposed – Planning and Regulatory Reforms, Building Local Capacity, Housing Production, and Housing Preservation – and categorized by Two-Year and Five-Year Action Plans. Two-Year actions are those that will begin within the next two years, most of which will involve some immediate actions. Those strategies included in the Five-Year Action Plan involve focused attention after the next couple of years, working towards implementation after Year 2 but before Year 5. A summary of these actions is included as Appendix 2. Also, a glossary of housing terms is included in Appendix 5.

A. Recommend Planning and Regulatory Reforms

Housing production is contingent not only on actual development projects but on the planning and regulatory tools that enable localities to make well informed decisions to strategically invest limited public and private resources on housing creation. To most effectively and efficiently execute the strategies included in this Plan and meet production goals, greater flexibility will be needed in the Town's Zoning By-law, and new tools will be required to capture more affordable units and expeditiously move development forward to completion.

The Zoning Bylaw includes a minimum lot requirement of 45,000 to 60,000 square feet as well as frontage, setback and other requirements that may not be conducive to affordable housing. This creates the likely need for regulatory relief for any residential development that includes affordable units, possibly through the "friendly" comprehensive permit process that overrides local zoning if not normal regulatory channels. Additionally, the Zoning By-law incorporates a number of provisions that while intended to encourage affordable housing, have not provided sufficient incentives to realize actual new affordable units and should be revisited and revised as necessary (see Section IV.B).

The Town of Ashburnham should consider the following planning and zoning-related strategies to promote the creation of additional affordable units. These actions can be considered as tools that the Town will have available to promote new housing opportunities, each applied to particular circumstances and providing a powerful group of resources when available in combination.

1. Adopt Inclusionary Zoning

Current Status: Inclusionary zoning is not currently included in Ashburnham's Zoning By-laws except in the affordability provision of the Open Space Residential Development bylaw (see Section IV.A for details). This mechanism has been adopted by more than one-third of the communities in the state to insure that any new development project over a certain size includes a set-aside in numbers of affordable units or funding from the developer to support the creation of affordable housing. This bylaw applies to development that meets local zoning requirements, but most communities have

determined it appropriate to incorporate density bonuses in their inclusionary bylaw. Many of the municipalities that have inclusionary zoning in place are reaping the rewards of these actions through the creation of actual affordable units or cash contributions to the locality for investment in affordable housing production. Most of the bylaws include mandated percentages of units that must be affordable, typically 10% to 15% and density bonuses²¹. Some also allow development of affordable units off-site and/or cash in lieu of actual units.

Next Steps: There are a variety of bylaws that have been adopted in localities throughout the state that vary considerably based on requirements. Ashburnham's Planning Board should explore models and prepare a zoning amendment that is best suited to support affordable housing in town. The Town Planner would coordinate this work, but would seek the guidance of a land use consultant who has worked with other towns on adopting inclusionary bylaws, could adapt provisions for Ashburnham and help present the bylaw at Town Meeting.

Lead Entity: Planning Board

Timeframe: Two-Year Plan

This process could be accomplished within the next year, ready for vote by Town Meeting in May 2008 or a special Town Meeting in the fall of 2007 if it is ready earlier.

Resources Required: One of the benefits of this strategy is that it requires very little local investment to implement. If the Town decided to hire a consultant, the fee should not be more than \$5,000.

It will be important to also insure that all affordable units produced through the bylaw get counted as part of the Subsidized Housing Inventory, applied through the Local Initiative Program (LIP) administered by DHCD if another housing subsidy is not used. Some of the important tasks for insuring that the affordable units meet the requirements of Chapter 40B to be counted include:

- Meet with the developer to discuss requirements for inclusion in the Subsidized Housing Inventory through the state's Local Initiatives Program (LIP).
- Determine the purchase price based on LIP Guidelines.
- Execute a Regulatory Agreement between the developer, Town and DHCD.
- Determine the marketing agent and monitoring agent and make sure that fees are incorporated into the project budget.
- Submit LIP Local Action Units application to DHCD.
- Adapt the LIP Deed Rider to the Project.
- Prepare a Fair Housing Marketing Plan.
- Identify a lender to help pre-approve applicants for the affordable unit.
- Prepare a Purchaser Application and implement the Marketing Plan.
- Hold information session about the lottery.
- Approve applicants for eligibility in the lottery.

²¹ Density bonuses allow increased densities beyond what is allowed under the Zoning Bylaw.

- Prepare a letter to those eligible for inclusion in the lottery.
- Conduct the lottery.
- Work with selected purchasers and lender to secure their mortgage commitments.
- Work with lender and the developer to close on the properties.
- Have monitoring agent confirm the final eligibility of purchasers.
- Submit necessary documentation to DHCD to have the units counted as part of the Subsidized Housing Inventory.

This work could be conducted by the proposed Housing Trust or by a capable non-profit organization such as the Greater Gardner CDC, the costs to be budgeted as part of the project.

The monitoring of projects to insure continued affordability based on use restrictions would be the responsibility of a designated monitoring agent that is acceptable to the subsidizing agency. DHCD is serving as monitoring agent for all units produced through its Local Initiative Program (LIP).

Projected # Affordable Units Produced: 4 units

Ideally the adoption of this bylaw would lead to the production of actual housing units, but may also deliver payments in lieu of actual units to help capitalize the Affordable Housing Trust Fund (see Section VII.B.2).

2. Amend the Town's Open Space Residential Development (OSRD) Bylaw

Current Status: The Zoning By-law includes the Open Space Residential Development (OSRD) bylaw that provides a development alternative to the traditional subdivision.²² In addition to helping the Town preserve its rural character and allow greater flexibility and creativity of design, the bylaw allows limited density bonuses for senior development such that for every two over 55 dwelling units, one unit may be added as a density bonus up to 25% of the Basic Maximum Number (the number normally allowed under existing subdivision regulations). A density bonus of 5% the Basic Maximum Number is also allowed for each additional 10% of the site set-aside as contiguous open space (not including wetlands) over and above the required 50%. Affordable housing is also required under the bylaw for the development of ten or more units where 10% of the units must be affordable to low-income households earning within 50% of area median income or 15% affordable to moderate-income households with incomes within 80% of area median income. Over 55 projects are exempted from this affordability requirement. Parcels must be at least three acres in size in the RA district and at least eight acres in the RB district.

Next Steps: The Planning Board should review this bylaw and make appropriate changes to encourage cluster housing, allow multi-family housing and provide sufficient incentives to include affordable units. The Town Planner should then draft an appropriate amendment and process through to approval by Town Meeting.

Lead Entity: Planning Board

²² Ashburnham Zoning By-laws, Section 5.13.

Timeframe: Prepare for May 2007 Town Meeting.

Resources Required: Considerable staff time from the Town Planner to draft the zoning amendment and process it through to approval.

Projected # Affordable Units Produced: Units counted under housing production strategies in Section VII.C through the development of Town-owned land or private development.

3. Amend the Development Rate Limitation Bylaw

Current Status: Ashburnham adopted the Development Rate Limitation bylaw to control the rate of growth and ? to avoid large year-to-year variations in development rates in Ashburnham while allowing development consistent with historical average rates? .²³ The bylaw therefore limits the issuance of building permits to no more than 36 permits annually for the construction of new residential dwellings. After 36 permits have been issued, applications will not be accepted until the start of the next calendar year. Additionally, any applicant cannot receive permits for more than six (6) dwelling units in any calendar year unless allowed according to a specified development schedule that is only pertinent if the town-wide limit has not been reached.

The bylaw allows the Zoning Board of Appeals to issue a special permit authorizing exceptions to the above schedule based on particular circumstances such as if the development is perceived to ? have an unusually low impact on public services because of its location, occupancy, or design, and to serve an important unmet housing need of Ashburnham residents without over-burdening town services? . For example, the developer of the Lakeside Village condominium project approached Zoning Board of Appeals to request an exemption from the development limitation, which was granted if the developer included two of the units as affordable.

Next Steps: The Planning Board should review the existing bylaw and propose changes to exempt affordable housing and perhaps other development priorities from the bylaw.

Lead Entity: Planning Board

Timeframe: Two-Year Plan

Resources Required: Staff time from the Town Planner to draft the zoning amendment and process it through to approval.

Projected # Affordable Units Produced: Units incorporated under Housing Production strategies.

4. Amend Accessory Apartment Bylaw

Current Status: The current Zoning Bylaw allows accessory apartments through a special permit, but only for ? next of kin to the second degree? and revert back to single-family use upon the

²³ Ashburnham Zoning Bylaws, Section 5.11.

sale of the property. While accessory apartments are allowed in Ashburnham under certain conditions, it is generally recognized that there are illegal accessory apartments in town as well that may in fact possibly pose health and safety hazards.

Accessory units are helpful in meeting a number of public policy objectives.

- Enables homeowners to capture additional income, which is particularly important for elderly homeowners or single parents where such income may be critical to remaining in their homes. Also, some young families or moderate-income households might be able to afford homeownership if they could count on income from an accessory apartment.
- Provides appropriately sized units for growing numbers of smaller households.
- Are inexpensive ways of increasing the rental housing stock at lower cost than new construction and without loss of open space, without significant impact on the surrounding neighborhood, and without additional Town services such as streets or utilities. There are, however, issues regarding the adequacy of the existing septic system when a new bedroom is added.
- Tenants in accessory apartments can also provide companionship, security and services for the homeowner, from shoveling the sidewalk for an elderly owner to babysitting for a single parent.
- As recognized by the current bylaw and often referred to as "in-law" apartments, they have offered good opportunities for keeping extended families in closer contact.
- New accessory units typically generate tax revenue in a locality because accessory units add value to existing homes.

Recently the state allowed several new types of housing units to count toward a community's 10% goal including accessory apartments constructed on or after July 1, 2002, pursuant to a local ordinance or bylaw, and "that is affordable to the occupant." For an accessory apartment to "count" in the community's Subsidized Housing Inventory, the Town will have to establish a special process and annually certify the affordability of each accessory unit to DHCD (see Section VII.C.5 for details).

Next Steps: In order to promote new accessory units the Town should consider amending its Zoning Bylaw as follows:

- Eliminate occupancy restriction to relatives of the property owners.
- Allow accessory units as-of-right (not requiring any special regulatory approval) based on specified conditions of the bylaw;
- Extend use to detached structures or separate additions; and
- Extend availability to investor-owned properties.

There are many variations of accessory apartment bylaws that have been adopted in other communities. The Ashburnham Planning Board can explore other bylaws and work on an amendment that will best meet the needs of the community. Issues to consider when drafting an accessory apartment provision include access/egress to the apartment,

external appearance of the principal or secondary structure, parking, sewage disposal, trash disposal, size limitations and the permitting process. Allowing accessory apartments would provide another housing choice for Ashburnham's elder residents and young people who cannot yet afford to buy a home.

Lead Entity: Planning Board in coordination with Affordable Housing Committee or proposed Housing Trust.

Timeframe: Two-Year Plan

Resources Required: Time of the Town Planner to prepare the zoning amendment, potentially with the support of a consultant, and coordinate the necessary approvals.

Projected # Affordable Units Produced: 6 units (this unit count is also included under strategy VII.C.5).

5. Explore Adoption of 40R/40S

Current Status: The Commonwealth Housing Task Force, in concert with other organizations and institutions, developed a series of recommendations, most of which were enacted by the State Legislature as Chapter 40R of the Massachusetts General Laws. The key components of these regulations are that "the state provide financial and other incentives to local communities that pass Smart Growth Overlay Zoning Districts that allow the building of single-family homes on smaller lots and the construction of apartments for families at all income levels, and that the state increase its commitment to fund affordable housing for families of low and moderate income."²⁴ The statute defines 40R as "a principle of land development that emphasizes mixing land uses, increases the availability of affordable housing by creating a range of housing opportunities in neighborhoods, takes advantage of compact design, fosters distinctive and attractive communities, preserves opens space, farmland, natural beauty and critical environmental areas, strengthens existing communities, provides a variety of transportation choices, makes development decisions predictable, fair and cost effective and encourages community and stakeholder collaboration in development decisions."²⁵ These new districts would typically occur in denser town centers and in areas already served by transportation. The goal was to address several regional concerns at once: The need for more affordable housing, the need to avoid adding more traffic to roads and highways already choked during commuting hours, and to protect the New England landscape from additional sprawl, fostered by large-lot subdivisions. The legislation was also passed in recognition that escalating housing prices, now beyond the reach of increasing numbers of state residents, are forcing college graduates and young professionals to relocate to other areas of the country in search of greater affordability.

The key components of 40R include:

²⁴ Edward Carman, Barry Bluestone, and Eleanor White for The Commonwealth Housing Task Force, "A Housing Strategy for Smart Growth and Economic Development: Executive Summary," October 30, 2003, p. 3.

²⁵ Massachusetts General Law, Chapter 40R, Section 11.

- Allows local option to adopt Overlay Districts²⁶ near transit, areas of concentrated development, commercial districts, rural village districts, and other suitable locations;
- Allows ? as-of-right? residential development of minimum allowable densities;
- Provides that 20% of the units be affordable;
- Allows mixed-use and infill²⁷ development;
- Provides two types of payments to municipalities including incentive payments at the time the zoning is approved based on the projected number of units created and bonus payments when building permits are pulled; and
- Encourages open space and protects historic districts.

While 40R has specific density requirements, these can be waived in communities with populations of less than 10,000, as is the case in Ashburnham. More than 30 communities are actively considering adopting 40R districts that would create as many as 7,000 potential new housing units to be built in smart growth locations. For more information on 40R, refer to Appendix 3.

The state recently enacted Chapter 40S under the Massachusetts General Law that provides additional benefits through insurance to towns that build affordable housing under 40R so they would not be saddled with the extra school costs caused by school-aged children who might move into this new housing. This funding was initially included as part of 40R but was eliminated during the final stages of approval. In effect, 40S will hold those communities participating in 40R harmless from costs added to school budgets as a result of the 40R-related development.

Next Steps: In an effort to promote smart growth and promote mixed-use, mixed-income development, the Town should explore the potential opportunities to use 40R and might consider convening a special forum to discuss these new regulations and how they could be effectively implemented in Ashburnham. Representatives from DHCD or Commonwealth Housing Task Force are available to make presentations to communities on 40R and answer questions. If there is general agreement to pursue the development of the Zoning Districts further, the Town can apply for funding from the state's Priority Development Fund to secure the necessary technical assistance to implement the rezoning.

There may be some opportunity to create such a district in an appropriate place in the Town Center, South Ashburnham or along the Route 12 corridor. It may be useful to incorporate 40R into the development of the Town Barn site to support project planning and financing. Ashburnham Center already has the infrastructure in place to accommodate higher density housing. Such housing tends to be more affordable than single-family homes on large lots, due to smaller land costs per unit and lower

²⁶ Overlay districts contain additional provisions for special features or conditions, such as historic buildings, affordable housing, wetlands, mixed-uses, etc. as part of the Zoning Bylaw.

²⁷ Infill development is the practice of building on vacant or undeveloped parcels in dense areas that promotes compact development and in turn allows undeveloped land to remain open and green.

construction costs. Thus, having more multi-family units would help the Town bridge the gap in affordable rental units or provide a homeownership option through condominiums. Having more people live in the village areas will increase the demand for shopping opportunities, services and food establishments. Allowing a higher population density in areas with public water, and the creation of small wastewater treatment plants, would also alleviate some of the pressure to develop housing in the more rural areas of town and help reduce road and infrastructure maintenance costs.

The formal steps involved in creating Overlay Districts are as follows:

1. The Town holds a public hearing as to whether to adopt an Overlay District per the requirements of 40R;
2. The Town applies to DHCD prior to adopting the new zoning;
3. DHCD reviews the application and issues a Letter of Eligibility if the new zoning satisfies the requirements of 40R;
4. The Town adopts the new zoning through a two-thirds vote of Town Meeting subject to any modifications required by DHCD;
5. The Town submits evidence of approval to DHCD upon the adoption of the new zoning; and
6. DHCD issues a letter of approval, which indicates the number of incentive units and the amount of payment.

Lead Entity: Planning Board

Timeframe: Two-Year Plan if this strategy is considered as a planning and financing vehicle for the development of the Town Barn site.

Resources Required: The Town could apply to the state's Department of Housing and Community Development (DHCD) for funding through its Priority Development Fund (see Appendix 3 for details on this resource) to secure the necessary technical assistance to implement 40R locally.

Projected # of Affordable Units Produced: Units incorporated under housing production strategies in Section VII.C through the development of Town-owned land or private development.

6. Consider Backlot Zoning

Current Status: Backlot zoning allows a developer to reduce the required frontage of a lot in exchange for building on land further from the road. Backlands provisions address concerns over ? Approval Not Required? development, in which the entire frontage along existing public ways is developed lot by lot, in a piecemeal fashion. By allowing developers to forgo the frontage and develop further from the road, a pattern can be encouraged that enables development to be less visible from scenic roads, less likely to disturb existing historic stone walls or tree corridors, and less consumptive of remaining frontage. These bylaws could help the Town retain its rural character.

As road frontage is developed, a significant amount of inaccessible backland results. One option for accessing this backland is to create a roadway in conformance with the Subdivision Rules and Regulations. To justify the expense of constructing the roadway, landowners may be persuaded to carve the backland into several lots. However, the town-wide adoption of a "backlot" provision will give landowners another option. It will enable those with at least five (5) acres of backland and 50 feet of frontage to construct a driveway to service their lot versus a roadway. Provisions can be incorporated into the bylaw to encourage common driveways, prevent odd lot configurations, and limit the number of backlots created under a single development proposal or in close proximity to each other.

Next Steps: The Town Planner should determine how other communities have implemented this type of zoning and prepare a draft zoning amendment for review by the Planning Board and ultimately present it to Town Meeting for approval.

Lead Entity: Planning Board

Timeframe: Five-Year Plan

Resources Required: Staff time from Town Planner to prepare zoning amendment and process through to approval.

Projected # Affordable Units Produced: This bylaw would be directed to preserving the Town's rural character but would not produce affordable units.

7. Consider Waiving Permit Fees for Affordable Housing

Current Status: Many communities are waiving application/permit fees for affordable housing developments, either for certain types of projects or on a case-by-case basis. Waivers are becoming more important to gaining funding from potentially supportive funding agencies. All regulatory fees become part of a development budget that affects the affordability of the housing produced. The waiver of regulatory fees is an area where the Town might have some capability of directly affecting project costs and affordability. The Zoning Board of Appeals has demonstrated a willingness to consider decreasing fees for affordable housing.

Next Steps: The Town of Ashburnham should consider making fee waivers an institutionalized part of the Town's housing efforts. The Affordable Housing Committee or proposed Housing Trust should work with the Planning Board, Board of Selectmen, Building Department and other appropriate Town boards and committees to determine what types of projects would qualify for this waiver (e.g., non-profit developers, projects that require housing subsidy funds to be feasible, projects meeting Planned Production requirements) and the projected amount of foregone revenue that would result.

Lead Entity: Affordable Housing Committee/Housing Trust

Timeframe: Five-Year Plan

Resources Required: Foregone revenue received from the amount of fees waived in support of new affordable unit development.

Projected # Affordable Units Produced: This action is unlikely to by itself create affordable units, however, it represents a commitment on the part of the Town to support new affordable unit production that will help leverage other public and private resources for project financing and contribute to project affordability.

8. *Adopt Affordable Housing Guidelines*

Current Status: ? Affordable Housing Guidelines? should be considered by the Town of Ashburnham as a helpful tool for promoting greater cooperation with private for profit and non-profit developers on affordable housing production. This Housing Plan incorporates Planned Production goals that identify development opportunities leading to the production of at least .75% of the year-round housing stock per year of at least 15 units. However, given past production of only 24 total units to date, this Planned Production goal is ambitious and will require the Town to work more effectively with developers to boost the level of affordable housing. To this end the Planning Board and Affordable Housing Committee or proposed Housing Trust should consider affecting the types of housing proposals submitted through the creation of reasonable Affordable Housing Guidelines that provide guidance on projects that will be acceptable to the community and therefore will more likely avoid prolonged and often litigious battles.

Affordable Housing Guidelines provide an aid to both non-profit and for profit housing developers to help them plan for residential development that will be in line with what the community seeks in affordable housing related to scale, siting, density, levels of affordability, location, design, etc. Through such Guidelines the developer ? wins? because there is greater predictability in what the Town is willing to approve, and the Town ? wins? because it gets new affordable units that meet locally established development criteria that help it meet local needs and production goals. These Guidelines will contribute to a more open environment where developers who meet these development criteria can approach the Town with the expectation that they will likely be able to pursue their project through a ? friendly? Chapter 40B process, working with instead of against the Town on housing creation strategies.

A sample of Affordable Housing Guidelines that include possible factors for consideration and adaptation in Ashburnham are included as Appendix 4.

Next Steps: The proposed Ashburnham Housing Trust, working in coordination with the Planning Board, should revise the draft Affordable Housing Guidelines as needed and share them with the Board of Selectmen, Conservation Commission, Board of Health, Zoning Board of Appeals and other interested boards and committees for their review and comment. The Guidelines can then be finalized and made public.

Lead Entity: Affordable Housing Committee/Housing Trust in cooperation with the Planning Board

Timeframe: Five-Year Plan

Resources Required: The donated time of local officials and various Town boards and committees and staff time from the Town Planner to coordinate.

Projected # Affordable Units Produced: 49 affordable units through private development, most through the "friendly" Chapter 40B process if not normal regulatory channels including reformed Zoning Bylaw.

9. Allow Affordable Development on Noncomplying Lots

Current Status: There are parcels of vacant land that at this time cannot be developed because they do not meet the dimensional requirements of the Zoning Bylaw such as minimum lot size as well as front, rear and side yard requirements. It is likely that many of these parcels could in fact be suitably developed as housing. Smaller lots will encourage the construction of smaller homes under appropriate guidelines to provide some housing options that are not currently being created by the private market as starter housing or homes for empty nesters interested in reducing their living space and home maintenance.

Next Steps: The Ashburnham Affordable Housing Committee or proposed Housing Trust might explore what other communities are doing with respect to these undersized lots and work with the Planning Board to prepare a zoning amendment to enable these lots to be developed based on specific criteria. For example, the Town of Mashpee made about a dozen individual undersized lots available for affordable new homes through Habitat for Humanity over a period of a few years.

Another potential model is to adapt a bylaw that has been approved in Dennis to allow "affordable lots" that enables nonconforming lots to be built on by special permit if they meet the following conditions:

- Contains at least 10,000 square feet and satisfies other Board of Health requirements.
- Has safe and adequate access to a public or private way.
- Is similar in size and shape to surrounding lots.
- The dwelling cannot have more than three bedrooms with a minimum of 5,000 square feet per bedroom.
- The applicable front, rear and side yard requirements are determined by establishing an average setback based on the homes adjacent to and across the street from the lot in question.
- Where two lots are in common ownership, one of the two lots must be deed restricted to insure permanent affordability and where more than two lots are held in common ownership, the second, third and fifty percent of the remaining lots to

be built upon shall be deed restricted as permanently affordable (the fourth lot may be market rate, fifth affordable, sixth market rate, etc.).

Lead Entity: Planning Board

Timeframe: Five-Year Plan

Resources Required: The Affordable Housing Committee or the proposed Housing Trust should coordinate this effort with the Planning Board and other appropriate local officials in determining the feasibility of implementing this strategy in Ashburnham. The Town Planner should draft the zoning amendment and coordinate the necessary approvals towards implementation.

Projected # Affordable Units Produced: 4 units

10. Explore the Transfer of Development Rights (TDR)

Current Status: TDR involves the conveyance of development rights by deed, easement or other legal instrument from one parcel of land to another as a means of encouraging development in certain areas while preserving open space in others. Zoning provisions allow this transfer to take place and in some case can identify ? receiving zones? , growth incentive areas such as village centers or transportation nodes where more concentrated development is promoted as opposed to ? sending zones? where development is discouraged. This strategy is particularly effective when the town has valuable resources that need protection, such as scenic views, historic buildings and critical wildlife habitats and water resources, while other parts of town are suitable for development at densities greater than those currently allowed under zoning.

TDR bylaws have been adopted in Falmouth and Mashpee. For example, the Town of Falmouth preserved 12 acres of open space in a Water Protection District by buying the development rights and enabling a developer to more than double the number of subdivision lots, from seven to 15. Mashpee has yet to use its TDR bylaw referred to as Open Space Incentive Development.

Next Steps: The Affordable Housing Committee, working with the Planning Board, should consider the potential for adopting a TDR bylaw in Ashburnham. Inclusionary zoning, if adopted pursuant to implementing this Housing Plan, would incorporate affordable units into TDR development.

Lead Entity: Planning Board with support from the Affordable Housing Committee.

Timeframe: Five-Year Plan

Resources Required: Staff time from the Town Planner to explore the appropriateness of this strategy in Ashburnham and technical assistance funding, possibly from a state funding program (i.e., Priority Development Fund, Smart Growth TA Program) to hire a consultant to draft a bylaw and pursue approval.

Projected # Affordable Units Produced: Units counted under housing production strategies in Section VII.C through the development of Town-owned land or private development.

11. Allow a Wider Range of Housing Types

Current Status: Ashburnham's Zoning Bylaw allows two-family dwellings and accessory apartments under special conditions but does not have provisions for mixed-use development and multi-family housing. As almost all of Ashburnham's housing stock is comprised of single-family detached homes on at least one acre lots. However, even the provisions allowing two-family units and accessory apartments have not provided sufficient incentives for developers or property owners to create these types of housing opportunities. At this time there are few affordable housing options available for seniors, rental or ownership, with Ashley Court the only subsidized rental housing opportunity available in town for the elderly and disabled. There are no congregate housing units, special needs group homes, nor assisted living options. The only condos are currently in development, one for seniors at Lakeside Village involving 22 units, two of which are targeted to be affordable, and the other, Whitney Park Estates, caught in the regulatory approval process including 90 townhouses and 16 single-family homes, with 27 affordable units. This Affordable Housing Plan recommends amending the Zoning Bylaw to encourage a broader range of housing types to meet a wide range of housing needs, including the integration of affordable housing.

It may also be useful to consider a bylaw that was adopted in Dennis to establish greater flexibility on the part of the Town to approve affordable housing projects. This provision referred to as "Municipally Sponsored Housing Projects", allows the Dennis Board of Selectmen to act as a sponsor for affordable housing projects which:

- Encourage adaptive reuse;
- Promote infill development;
- Are compatible with the surrounding neighborhood;
- Encourage "economically priced housing" and a variety of housing types; and
- Foster "flexibility and creativity in the creation of affordable housing".²⁸

Approval is through a special permit by the Planning Board and various zoning exceptions can be granted including requirements related to intensity of use, minimum area, density (may be greater than 10,000 square feet per bedroom), parking, and buffers. All of the units must be created for year-round use and not less than 50% of the units can be affordable to those earning between 65% and 80% of area median income with the remaining units affordable to those earning no more than 120% of area median income.

The bylaw also provides for the development of affordable rental housing by special permit of the Planning Board in both residential and commercial zones that are accessory to an existing residential or commercial use, not divided from the principal structure, and

²⁸ Town of Dennis Zoning Bylaw, Section 4.9.2.4.

enforced by an affordability restriction. The bylaw also includes minimum sizes of the apartments ranging from 250 square feet for a studio apartment to 1,400 square feet for four-bedroom units. For these units, the Planning Board continues to have broad discretion.

Next Steps: The Affordable Housing Committee or proposed Housing Trust might explore adapting Dennis' bylaw to Ashburnham and work with the Town Planner and Planning Board to propose a zoning amendment for Town Meeting approval.

Lead Entity: Planning Board in cooperation with the Affordable Housing Committee/Housing Trust

Timeframe: Five-Year Plan

Resources Required: The Housing Authority/Trust should coordinate this effort with the Planning Board and other appropriate local officials in determining the feasibility of implementing this strategy in Ashburnham, drafting the zoning amendment and coordinating the necessary approvals towards implementation. This strategy will require staff time from the Town Planner.

Projected # Affordable Units Produced: Units counted under housing production strategies in Section VII.C through the development of Town-owned land or private development.

12. Explore Opportunities for Streamlining the Permit Approval Process for Affordable Housing

Current Status: It is essential that every municipality have a local regulatory process that protects the city or town from development that is not in the best interest of its citizenry. However, the time and costs associated with this regulatory process have been considered by some to be unduly burdensome, and therefore some municipalities have attempted to make the regulatory permit process easier to navigate, providing greater guidance to applicants on requirements and more predictability in the process. While the processing of building permits for single-family homes results in a relatively quick turn-around, regulatory approvals involving larger projects are likely to deserve greater scrutiny but may also encounter overly burdensome red tape and delays. Ashburnham's Building Inspector has been available only on a limited, part-time basis, which may also warrant further review to determine if extending hours might be possible or appropriate.

Next Steps: The Affordable Housing Committee or proposed Housing Trust should explore whether there is a need to fine-tune the review and approval of housing developments that involve affordable housing, including the approval of fee waivers. Guidelines that articulate the Town's priorities, and other written materials that better clarify the regulatory process should be developed. The Housing Trust should work closely with the Town Planner to review the current process, explore what other towns are requiring as part of the permitting process, make recommendations on possible reforms to the system if and where appropriate. Updated informational materials and

development criteria that will more clearly articulate the requirements involved in obtaining permit approvals should be written and available to interested potential developers.

Lead Entity: Affordable Housing Committee/Housing Trust in cooperation with the Planning Board

Timeframe: Five-Year Plan

Resources Required: Time of Town Planner to coordinate.

Projected # Affordable Units Produced: This action is unlikely to by itself create affordable units, however, it represents a commitment on the part of the Town to support new affordable unit production.

13. Waive Property Taxes or Provide Grants to Qualifying Households in Exchange for Deed Restrictions

Current Status: The average property tax bill is more than \$3,000, which is a considerable sum of money for lower income households living on fixed incomes, including seniors and the disabled. In order to remain in their homes, these households may be willing to consider restricting the resale price of their homes through a deed rider for a period of time in exchange for an exemption from property taxes during that timeframe. Because house prices are becoming so high, however, it may take additional financial incentives to induce participation such as a grant or annuity paid for out of the Affordable Housing Trust Fund, and some towns are trying to do so, offering existing lower income homeowners grant funds in exchange for insuring the long-term affordability of their homes. These units could then be counted as part of the Town's Subsidized Housing Inventory through the state's Local Initiative Program (LIP), and existing owners would have greater financial means to remain in their homes.

Next Steps: The Town would have to request state legislative approval through a home rule petition to change its current tax policies that is likely to take considerable time to process. If such approval was secured, the Housing Authority/Trust could reach out to seniors through the Council on Aging or a notice in the tax bill or Light Board bill to try to interest those over some specified age, such as 65, in this initiative. Alternatively, the Town could consider what financial incentives might be applied to this action. As indicated above, it may be necessary to offer some incentives such as grant money (through an up-front subsidy or an annuity) or a deferred loan to be repaid when the house is finally sold and may also incorporate a home improvement component.

It would be useful to have some professional housing support on how to implement the strategy and coordinate the paperwork that is necessary to execute the deed rider and the inclusion of the units in the state-approved Subsidized Housing Inventory. The Town Treasurer would process the tax exemptions.

Timetable: Five-Year Plan

Resources Required: The Board of Selectmen would have to coordinate the request to the state for approval of the change in tax policy through a home rule petition to make this action feasible, working with the Town Treasurer. Ultimately this strategy would involve the foregone tax revenue of approximately \$3,000 per affordable home and some time from a consultant or other Town staff person. The Town Treasurer would need to coordinate the tax exemption. If a subsidy is required, up to at least \$25,000 to \$50,000 per house may be needed, potentially to be repaid upon resale.

Projected # Affordable Units Produced: 17 units (also counted under Section VII.C,3 ? Convert Existing Housing to Affordability).

B. Build Local Capacity

In order to carry out the strategies included in this Housing Plan and meet the Planned Production goals, it will be important for Ashburnham to build its capacity to promote affordable housing activities. This capacity includes gaining access to greater resources ? financial and technical ? as well as building local political support, developing partnerships with public and private developers and lenders, and creating and augmenting local organizations and systems that will support new housing production. This Plan incorporates an organizational structure for the implementation of the strategies and continued oversight of housing policy and initiatives in Ashburnham. This structure involves a division of functions in compliance with current legislative opportunities, in recognition of existing entities, and in keeping with what is working in other communities.

1. Conduct Educational Campaign

Current Status: Affordable housing has become a more visible issue in Ashburnham, largely as a result of escalating housing prices that are having homeowners, especially long-term homeowners, ponder how they might fare in the current housing market if they did not already own a home. While many residents are aware of escalating housing prices and some are encountering difficulties affording housing in Ashburnham, it is likely that many residents hold onto negative stereotypes of what affordable housing is and what it will do to their community.

On November 2, 2006, Ashburnham's Affordable Housing Committee sponsored a forum for local leaders and the public to provide information on the draft Affordable Housing Plan to not only get feedback on the Plan's strategies and goals, but also to offer another opportunity to showcase the issue of affordable housing in a light that demonstrates how the Town can be proactive on the issue to better serve the wide range of local needs and control new development. During this meeting, updated information on the dwindling supply of unsubsidized affordable housing in Ashburnham was presented, highlighting the current gaps between the supply of housing and local needs. Additional opportunities to engage the community in discussions on affordable housing and to present information on the issue are needed to dispel myths and help galvanize local support, political and financial, for new affordable housing production. These

outreach efforts are mutually beneficial as they provide useful information to community residents and important feedback to local leaders on local concerns and suggestions.

Next Steps: The Town should work to educate the public about its housing needs, the social and economic benefits associated different forms of housing, and what resources are available to residents in support of their housing needs (i.e., homebuyer counseling, mortgage and closing cost assistance, home improvement financing). The Affordable Housing Committee is interested in initially conducting a survey of residents to get more information on local needs and priorities with respect to affordable housing. This survey could be inserted into Light Board bills. Information from this survey could be shared with local officials and the community at-large through local papers and a special housing forum. Additional community outreach to various local groups (e.g., churches, PTA's, women's clubs, fraternal organizations, realtors, hospitality organizations, Council on Aging, etc.) can occur on the survey results, Affordable Housing Plan and special initiatives through speakers or information meetings, and a newsletter or some progress report can be prepared for general distribution. Public education opportunities could be coordinated by the Affordable Housing Committee and proposed Housing Trust including having representatives from other towns speak in public forums on innovative affordable housing strategies and organizing panel discussions on particular housing-related topics. These sessions can help build community interest, improve communication and garner support. It may also be feasible to have local banks support such an effort with financial and/or technical assistance.

Lead Entity: Affordable Housing Committee/Housing Trust with staff support from the Town Planner.

Timeframe: Two-Year Plan

Resources Required: The donated time of the Affordable Housing Committee or proposed Housing Trust. The costs associated with the survey should be minor.

Projected # Affordable Units Produced: Unlikely to have a direct impact on actual unit production but important for securing local support for housing-related initiatives.

2. Create an Affordable Housing Trust and Dedicated Housing Trust Fund

Current Status: Discussions 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, the Governor signed new legislation, called the Municipal Affordable Housing Trust Fund Act, which simplifies the process of establishing such funds. Previously, cities could create trusts through their own resolution, but Towns had to get

approval from the 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: Ashburnham's Board of Selectmen should seek approval at the 2007 Annual Town Meeting for the establishment of a Municipal Affordable Housing Trust Fund and appoint members of the Board of Trustees. This Housing Trust will serve as the Town's Committee that will oversee housing issues and the implementation of the Affordable Housing Plan, manage the Affordable Housing Trust Fund, define policy issues that are in the public interest, serve as the Town's development review committee, and work with the Planning Board on establishing housing guidelines for housing efforts. This entity may effectively assume the responsibilities of the Affordable Housing Committee and current members might be considered for serving on this Housing Trust.

It will also be important to explore a wide range of possible fundraising options to capitalize the Trust Fund. In addition to CPA funding (see Section VII.B.3) and other public sector resources, the Town should 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 Ashburnham land ethic, but donations need to be promoted, nurtured, and facilitated. Inclusionary zoning, if passed, may also 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 that were projected in their comprehensive permit applications and 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.²⁹ The Ashburnham Housing Committee/Trust can work with the local churches on some additional activities that focus on affordable housing, including, for example, donations to the Housing Fund, perhaps during Fair Housing month.

Lead Entity: Affordable Housing Committee/Housing Trust

1. *Timeframe:* Two-Year Plan

This process could be accomplished within the next year, ready for vote by Town Meeting in 2007.

Resources Required: The process of creating the Affordable Housing Trust Fund is relatively straightforward and can be coordinated by the Affordable Housing Committee in concert with the Board of Selectmen with staff support from the Town Planner. Once established, it will be incumbent upon the Town to support efforts to capitalize the Fund from contributions of potential CPA funding in support of affordable housing initiatives. Other resources include the donated time of volunteers to coordinate fundraising activities with staff support at some point in the future.

Projected # Affordable Units Produced: This action leads to the production of units indirectly as it attracts new resources and increased local capacity to support housing creation activities.

2. ***Promote Local Approval for the Community Preservation Act (CPA)***

Current Status: The Community Preservation Act establishes the authority for municipalities in the Commonwealth to create a Community Preservation Fund derived from a surcharge of 1% to 3% of the property tax, to be matched by the state based on a funding commitment of approximately \$26 million annually. Once adopted the Act requires at least 10% of the monies raised to be distributed to each of three categories ? open space, historic preservation and affordable housing ? allowing flexibility in distributing the majority of the money to any of the three uses as determined by the community. More than 100 municipalities in the Commonwealth are benefiting from this important new resource that could be pivotal to Ashburnham preserving its history, open space and housing affordability.

Next Steps: The Town's Board of Selectmen should establish a Committee to explore this strategy comprised of members from a variety of Town boards and committees and local organizations, chaired by a member of the Board of Selectmen. The Community Preservation Act Coalition is available to support community efforts related to the CPA and have an excellent web site at <http://www.communitypreservation.org/>.

Lead Entity: Board of Selectmen

²⁹ Shabecoff, Alice. Rebuilding Our Communities: How Churches Can Provide, Support, and Finance Quality Housing for Low-Income Families, World Vision: Monrovia, California.

Timeframe: Two-Year Plan

If a Committee is designated to review this issue in 2007, it could report back to the Board of Selectmen in time for the matter to be voted on through a referendum in 2008.

Resources Required: Donated time of volunteers to seek support and approval of CPA in Ashburnham.

Projected # Affordable Units Produced: This action leads to the production of units indirectly as it attracts new resources and increased local capacity to support housing creation activities.

3. Access New Housing Resources

Current Status: The affordability of most housing development projects relies on multiple sources of financing involving both private and public loans and grants. It will be important for the Town to proactively encourage the establishment of partnerships with other interested parties including non-profit organizations, lenders, public agencies, and developers to secure the necessary financial and technical resources to create affordable units.

Next Steps: The Town of Ashburnham should reach out to private, public and non-profit entities to secure additional housing resources ? technical and financial ? in support of its efforts to produce new affordable housing. Additionally there are numerous public programs that can be helpful in supporting local housing efforts. A summary of some of these resources as well as pertinent housing regulations (e.g., Chapter 40B, Local Initiative Program, Commonwealth Capital) is included in Appendix 3. It should be noted that a number of these programs must be applied for through Commonwealth Capital (see Section VII.B.5 for details).

4. Lead Entity: Affordable Housing Committee/Housing Trust

Timeframe: Two-Year Plan

Resources Required: Town support of a developer's housing subsidy applications is often critical to funding, particularly in this highly competitive environment, and at times it may be necessary for the Affordable Housing Committee or proposed Housing Trust to secure funding to support predevelopment costs or other costs associated with regulatory reforms. The Town Planner may be able to provide the necessary professional support for some of the more complicated applications, potentially with the help of a consultant.

Projected # Affordable Units Produced: This action leads to the production of units indirectly as it attracts new resources and increased local capacity to support housing creation activities.

5. Continue to Apply for a Commonwealth Capital Score to Secure Funding from State Capital Spending Programs

Current Status: While the future of Commonwealth Capital is in doubt, the Town plans to participate in the program if it continues. In such case, in order to access many of the state resources referred to in the above strategy, it will be important for the Town to continue to apply for Commonwealth Capital scoring. The state established Commonwealth Capital as a policy that encourages communities to implement smart growth measures by making municipal land use regulations more consistent with smart growth principles and uses these reforms as part of the evaluation of proposals for state funding under a number of state capital spending programs related to economic development, the environment, transportation and infrastructure as well as housing. Municipalities have been scored based on what progress has been made in bringing local regulations, policies and land use-related initiatives into greater compliance with smart growth principals. This program is summarized in more detail in Appendix 3.

Next Steps: With staff support from the Town Planner, the Affordable Housing Committee should prepare and submit the scoring application under Commonwealth Capital prior to applying for any of the state's capital spending programs or as required. Applications were not required this year if one had been submitted during the last fiscal year, however, the state is accepting supplemental information from communities that can boost the local score and make the locality more competitive for state funding. Ashburnham should submit this supplemental information to the state's Office of Commonwealth Development following the approval of this Affordable Housing Plan if the program is continued.

Lead Entity: Affordable Housing Committee/Housing Trust

Timeframe: Two-Year Plan

Resources Required: Will require staff time from the Town Planner or consultant to prepare the application and subsequent supplemental information or applications as required for scoring under Commonwealth Capital.

Projected # Affordable Units Produced: This action leads to the production of units indirectly as it attracts new resources and increased local capacity to support housing creation activities.

6. *Secure Additional Professional Support to Implement the Plan*

Current Status: If the Town of Ashburnham wants to assume a more proactive role in promoting affordable housing and effectively implement actions included in this Affordable Housing Plan, it will have to augment its capacity to coordinate these activities. While most of the strategies that are included in this Plan do not by themselves involve substantial amounts of staff time from Town officials or donated time from board and committee members, when considered altogether they require a significant time commitment and involve some specialized expertise in housing programs, policy and development. The Town Planner already has more than a full-time job and has been seeking additional clerical support to assist him in achieving his goals, objectives and work items and to allow increased communication between Town Boards.

Various municipalities have handled this need differently. For example, the Town of Marshfield issued a Request for Proposals for a Housing Coordinator position and hired a full-time person. The Town of Grafton has an Assistant Planner on board to assume many of these housing-related functions. At one time Bedford shared a housing consultant with the Town of Lincoln. Belmont is working with a non-profit development organization located in a nearby community to support its housing activities. Holliston is working with a consultant to implement key initiatives, and at some point in the future is likely to hire a housing professional on at least a part-time basis with CPA funds.

Next Steps: The Board of Selectmen should work with the Town Planner and Town Administrator, the Affordable Housing Committee and eventually the proposed Housing Trust to determine how best to bring on the necessary skills and experience to effectively oversee the implementation of various components of this Housing Plan.

Lead Entity: Board of Selectmen

Timeframe: Two-Year Plan

Resources Required: Assume consultant fees that will vary according to what strategies are undertaken and the scope of services. A part-time staff position, such as an Assistant Planner, would require approximately \$35,000 annually.

Projected # Affordable Units Produced: Unlikely to have a direct impact on actual unit production but essential for coordinating the implementation of this Plan.

7. Establish Annual Housing Summits

Current Status: Most communities lack an effective mechanism for promoting regular communication between relevant Town boards and committees on issues related to affordable housing. It is useful for each locality to determine how it might more effectively communicate on this issue to insure that local leaders remain apprised of housing activities and have an opportunity for input. Some communities have attempted to promote and formalize this communication. Additionally, it may be helpful to open these meetings to the public to continue to foster greater community understanding and participation in the area of affordable housing.

Next Steps: The Board of Selectmen should consider formalizing an Annual Housing Summit. Such a summit could include an annual report from the Affordable Housing Committee or proposed Housing Trust on housing issues and progress towards implementing this Housing Plan.

Lead Entity: Affordable Housing Committee/Housing Trust

Timeframe: Two-Year Plan

Resources Required: Donated time of local officials, particular the Affordable Housing Committee or proposed Housing Trust, and staff time of Town Planner to organize and facilitate.

Projected # of Affordable Units Produced: Unlikely to have a direct impact on actual unit production but helpful in coordinating the implementation of the Housing Plan.

8. *Inventory Town-Owned Property Potentially Suitable for Affordable Housing*

Current Status: This Affordable Housing Plan includes a preliminary list of potential public and private sites (see Section V) that may be suitable for the development of housing, including some amount of affordable housing. A more comprehensive review of existing properties would be helpful to determine future opportunities to create affordable housing in Ashburnham and help meet the production goals included in this Housing Plan.

Next Steps: The Affordable Housing Committee or proposed Housing Trust should work with other Town boards and committees, such as the Planning Board and Conservation Commission, to update the February 2006 Town-owned land inventory from the Town Assessors to determine what land should be earmarked for particularly purposes, including the disposition for affordable housing. Those parcels identified as appropriate for affordable housing, should be declared surplus, and conveyed to the proposed Housing Trust, after Town Meeting approval, for eventual disposition to a developer based on prescribed terms and conditions for the development of affordable housing. The Affordable Housing Committee/Housing Trust should also consider what privately-held properties might be suitable for affordable housing and work with existing owners to develop or acquire (see Section VII.C.1 for more information).

Lead Entity: Affordable Housing Committee/Housing Trust in cooperation with the Planning Board

Timetable: Two-Year Plan

Resources Required: Staff time of the Town Planner.

Projected # Affordable Units Produced: *Projected # Affordable Units Produced:* Unlikely to have a direct impact on actual unit production but helpful in identifying properties for possible development of affordable housing.

9. *Provide Training for Local Officials*

Current Status: Town boards such as the Affordable Housing Committee, proposed Housing Trust, Zoning Board of Appeals and other interested local leaders should receive training on affordable housing issues and how to deal with Comprehensive Permits as they relate to low- and moderate- income housing as defined by Chapter 40B. Well advised and prepared board and committee members are likely to conduct Town business in a more effective and efficient manner. New members without significant housing

experience would benefit substantially from some training and orientation regarding their responsibilities.

The University of Massachusetts 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. The Zoning Board of Appeals is the responsible municipal entity for reviewing comprehensive permit proposals, but the Affordable Housing Committee or proposed Housing Trust may be the appropriate entity for developers to "sound-out" when development proposals are in the conceptual stages.

Next Steps: The Town's Board of Selectmen should encourage members of appropriate committees, the ZBA and Affordable Housing Committee in particular, to attend regional training sessions on housing-related issues including the comprehensive permit process. If fees are involved, this funding should be made available, and the Town should include from \$500 to \$1,000 in its annual budget to support these costs. This training should also be accessed on an ongoing basis as membership of the ZBA or Affordable Housing Committee turns over.

Lead Entity: Board of Selectmen

Timeframe: Two-Year Plan

Resources Required: Information on available training should be tracked and made available and attendance fees paid when required.

Projected # Affordable Units Produced: Unlikely to directly produce affordable units.

C. Housing Production

To accomplish the actions included in this Housing Plan and meet production goals, it will be essential for the Town of Ashburnham to reach out to the development community and sources of public and private financing to secure the necessary technical and financial resources. While some of the units produced will rely on the participation of existing homeowners, most of the production will require joint ventures with developers – for profit and non-profit – to create affordable units. For example, competitive Requests for Proposals (RFP's) are necessary for the selection of developers of Town-owned property. For profit developers continue to express interest in developing housing in Ashburnham, and there are numbers of non-profit organizations that have successfully completed affordable housing projects in Central Massachusetts.

In addition to the active participation of the development community, it will be important for Ashburnham to actively seek support from state and federal agencies. In addition to the state's Department of Housing and Community Development (DHCD), other state and quasi-public agencies that have resources to support affordable and special needs housing include MassHousing, MassDevelopment, Department of Mental Retardation, Department of Mental Health, Community Economic Development Assistance Corp.

(CEDAC), Massachusetts Housing Partnership Fund, and Massachusetts Housing Investment Corporation (MHIC). Regional resources should be considered as well including the Worcester Community Loan Fund and housing assistance through RCAP Solutions for example. Because affordable housing is rarely developed without private financing, project developers will need to reach out to private lenders as well.

The following strategies provide the basic components for the Town to meet its housing production goals:

1. Make Suitable Town-Owned Land Available for Affordable Housing

Current Status: The contribution or ? bargain sale? of land owned by the Town but not essential for municipal purposes is a component of Planned Production goals, and the Affordable Housing Committee has identified a list of potential Town-owned parcels that might potentially be developed as affordable (see Section V.A. of this Plan for the list of properties under preliminary consideration). Final determination of the use of these parcels for affordable housing is subject to a more thorough feasibility analysis of site conditions and Town Meeting approval. In addition to currently-owned Town parcels, the Town of Ashburnham may decide that it will acquire privately owned sites over the next decade for the purposes of protecting open space and developing some amount of housing, including affordable housing, through cluster development on a portion of the sites.

Next Steps: The proposed Housing Trust should conduct a preliminary feasibility analysis on existing Town-owned parcels, including those listed in Section V.A., or on sites identified at a later time that might potentially include some amount of affordable housing. If this analysis indicates that housing might likely be accommodated, the Trust should request approval from the Board of Selectmen and Town Meeting to designate these identified parcels for affordable housing development.

Following the necessary approvals, the Housing Trust in coordination with the Town? s Chief Procurement Officer and a housing professional (consultant or Town Planner) to prepare a Request for Proposals (RFP) to solicit interest from developers based on the Town? s specific project requirements and select a developer based also on identified criteria included in the RFP. It is likely that the projects will require densities or other regulatory relief beyond what is allowed under the existing Zoning Bylaw, and the Housing Trust may be able to obtain this relief through normal channels, if community support is assured, or use the ? friendly? comprehensive permit process through DHCD? s Local Initiative Program (LIP) or MassHousing? s Housing Starts Program, for example. Additionally, the Housing Trust will need to be involved in attracting the necessary financial, technical and political support. Evidence of municipal support is often critical when seeking financial or technical assistance from state or federal agencies.

Ashburnham should consider the following process when planning for the development of Town-owned land:

- *Conduct preliminary feasibility analysis on potential development sites.*
 The first responsibility for this action, besides the proposed Housing Trust, will be Town staff or representatives from other boards and committees who are capable of providing technical input as to whether a particular site is feasible for housing development and what constraints must be considered in preparing development plans. Additionally, the Town might explore technical assistance funding from the state's Priority Development Fund or other entity to hire a consultant(s) to conduct the necessary preliminary feasibility analysis.
- *Secure approval from Town Meeting to convey parcel for development to incorporate affordable housing,*
 The proposed Housing Trust should make this request and provide supportive documentation regarding the proposed project.
- *Prepare and issue a Request for Proposals (RFP) for developers that includes project guidelines (e.g., approximate size, density, ownership vs. rental, target market/income mix, level of affordability, design issues, community preference criteria, siting, financing available, ownership and management, other stipulations) and selection criteria.*
 The Housing Trust should work with Ashburnham's Chief Procurement Officer and Town Planner on this task, potentially hiring a consultant to coordinate this activity and prepare the document.
- *Select developer.*
 Once again the Housing Trust should work with the Town's Chief Procurement Officer, Town Planner and potentially a consultant on the selection process. It will be important for the Town to conduct a fair and rigorous process for reviewing proposals to insure that it designates the most capable developer. The Town might consider a selection process with two phases. First, all applicants must meet specific threshold requirements for their proposals to be considered competitive. All respondents to the RFP who pass the threshold requirements would then be evaluated and ranked according to competitive selection criteria such as:

 - Level of construction experience and capacity.
 - Level of financial ability and capacity.
 - Cost and price projections (applicants are evaluated according to how the proposal strikes a balance between project quality and cost).
 - Quality of the proposed design and product.
 - Cost control ability and current capacity.
 - Experience working with government-assistance programs.

Based on the proposals and references, the proposals are evaluated and ranked with the most highly qualified respondent earning designation. All of this information should be formally documented.

- *Prepare and finalize plans and budget.*
The designated developer is responsible for this task with guidance from the Housing Trust.
- *Secure regulatory approvals.*
The designated developer is responsible for obtaining regulatory approvals with guidance from the Housing Trust. As the likely designated Town Committee responsible for housing, the proposed Housing Trust can also be helpful in intervening, as appropriate, to expedite approvals and lend local support. If the project involves a comprehensive permit, the affordable housing units can be counted as part of the Town's Subsidized Housing Inventory when the 40B permit is approved and appropriate documentation is sent to DHCD. If the project does not involve a comprehensive permit, the affordable units would be counted through the subsidizing agency and program when the building permits are issued. It will be important to insure that all requirements for incorporating the affordable units in the Subsidized Housing Inventory are followed. (See Appendix 3 for details.)
- *Secure financing.*
The designated developer will ultimately be responsible for obtaining project financing, including both public and private sources. Support from the Affordable Housing Committee or proposed Housing Trust will be helpful, and letters of support from the Town, including the Board of Selectmen, will be critical in applying for subsidies where needed.
- *Conduct closing including conveyance of property to the developer.*
The Town will prepare and enter into an agreement that will contain all of the terms of the development and the respective responsibilities of the Town and developer including the disposition of the property for typically a nominal value representing the Town's commitment to the affordability of the new housing.
- *Secure building permits.*
The designated developer will take the lead.
- *Start construction.*
The designated developer will be responsible.
- *Market and select tenants/owners for affordable units.*
The Town needs to identify an entity to coordinate these functions that could be assumed eventually by the Housing Trust or performed by a capable non-profit housing organization located in a nearby community, such as the Greater Gardner CDC, or potentially the developer. The developer or designated realtor could be involved in marketing the market rate units.

It is important to recognize that Ashburnham can designate up to 70% of the available units in both rentals and ownership projects for those who meet

community preference criteria as established by the Town. In addition to existing residents, other communities have included children of residents, former graduates of the school system, municipal employees or any Town employees in their definition for receiving priority consideration for new available units under community preference criteria. The Board of Selectmen should establish local policy on the definition of community preference. Ashburnham should bear in mind that, however unintended, the use of local preference cannot have a discriminatory effect and as such housing lotteries must be marketed throughout the region to meet Fair Housing requirements and comply with all federal and state affirmative marketing regulations to have the affordable units counted as part of the Town's Subsidized Housing Inventory.

- *Complete construction.*
The developer will be responsible.
- *Occupy property*
The designated developer will be ultimately responsible. If the project did not involve a comprehensive permit, documentation must be submitted to DHCD to insure that the affordable units are counted as part of the Town's Subsidized Housing Inventory including:
 - The occupants, tenants or purchasers, have incomes at or below 80% of area median income as documented by tax returns, pay stubs, bank statements, etc.
 - The tenants or purchasers will pay no more than 30% of their income on housing expenses as evidenced through a lease or mortgage documentation,
 - The units have been marketed affirmatively as evidenced through a marketing plan and back-up documentation,
 - A regulatory agreement has been executed between the Town and the owner, project sponsor or individual purchasers, that will restrict use and affordability for the long-term,
 - An agreement is in place with an entity that will be responsible for insuring that the units remain affordable based on the regulatory agreement; and
 - The project has been subsidized by state or federal sources or the Town has committed CPA funding based on allowable, approved and completed activities.
- *Manage property.*
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 Affordable Housing Committee or proposed Housing Trust. If the proposed project sponsor does not have the expertise to undertake project management functions, it should work with the Housing Trust

- to identify a private company or capable non-profit organization to assume these important management functions.
- *Monitoring of affordability including annual income recertification of tenants in affordable units in the case of rentals and resales in affordable homeownership projects.*

DHCD is now providing monitoring services for units subsidized through their Local Initiative Program (LIP), and Citizens Housing and Planning Association (CHAPA) has been providing monitoring services on primarily homeownership projects throughout the state. In the case of a rental development, these services could be provided by a nearby non-profit organization.

As indicated above, in addition to existing Town-owned parcels, the Town might consider acquiring other privately owned properties over the next decade, through a debt exclusion of Town tax revenues or by leveraging other financial resources. As sites are identified, the Affordable Housing Committee or proposed Housing Trust should work cooperatively with the Board of Selectmen, Conservation Commission, and other entities to commit the needed resources to make projects feasible. If any of the preliminarily identified existing Town-owned properties are finally determined infeasible or do not obtain approval from Town Meeting, it is anticipated that the projected numbers of affordable units would be met primarily through this acquisition process or private development.

Lead Entity: Affordable Housing Committee or proposed Housing Trust.

Timetable: Two-Year Plan

Resources Required: It would be useful to have professional support to coordinate this effort, working with the Town's Chief Procurement Officer to prepare a Request for Proposals, coordinate the developer selection process and oversee development and construction, marketing and tenant/owner selection and occupancy. In addition to the costs of coordinating development, resources will be required to help subsidize the development. Comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units in fact subsidize the affordable ones. Many communities have used the "friendly" comprehensive permit process to take advantage of these internal subsidies, to create the necessary densities to make development feasible, and to make it easier to navigate the existing regulatory system. Other communities are finding that they 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 these objectives. Because the costs of development are typically significantly higher than the rents or purchase prices that low- and moderate-income households 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 Ashburnham. Appendix 3 includes summaries of many of these, however, some are listed below.

- Predevelopment funding from the state? s Priority Development Fund, CEDAC, MHIC, Life Initiative, etc.
- Federal HOME Program financing of up to \$65,000 per unit administered through DHCD for a range of housing activities. These are competitive funding sources, and DHCD typically accepts proposals through two funding rounds per year.
- Possible federal financing through Low Income Housing Tax Credits to developers of affordable housing that provide significant equity into a development. The allocating agency is DHCD and there are typically two funding rounds per year. These funds are directed to rental properties solely and are extremely competitive.
- Section 202 federal financing to non-profit organizations for the development of rental housing targeted to very low-income seniors or those with disabilities.
- Affordable Housing Program grant funding from the Federal Home Loan Bank Board, applied through participating banks.
- Rental subsidies through the Project Based Section 8 Program or individual Section 8 vouchers (this program is administered through the state, Housing Authorities and regional non-profit organizations).
- Section 8 to Homeownership Program, enabling Section 8 subsidy recipients to access homeownership.
- Additional resources that are directed solely to first-time homebuyer projects to make homeownership more affordable including the Soft Second Loan Program, American Dream Downpayment Assistance Program and MassHousing First-Time Homebuyer financing.
- Financing from CEDAC to support innovative forms of affordable housing including SRO? s, transitional housing, limited equity cooperatives, etc. and to preserve existing affordable housing developments.
- OneSource Loan Program is a streamlined financing program offered jointly by MHIC and Massachusetts Housing Partnership Fund offering construction and permanent financing in a single package.
- Other state funding programs.

Projected # Affordable Units Produced: 46 units

2. Support Scattered-Site Housing

Current Status: Many communities are looking for opportunities to create affordable housing through efforts that will spread the impacts of new housing production throughout the community so as not to overburden any particular neighborhood. There are lots, both Town-owned and privately-owned, that are geographically spread throughout Ashburnham that might accommodate more limited numbers of new housing units in support of Planned Production goals and local needs.

Next Steps: The Town can work with for profit and non-profit developers as well as with abutters of vacant land to develop new infill housing on available vacant sites scattered throughout town. The Town can play a helpful role in supporting developers in applying for subsidies to insure that at least some of the units are affordable and can be included in the Town's Subsidized Housing Inventory; can negotiate "friendly" Chapter 40B projects through DHCD's Local Initiative Program, MassHousing's Housing Starts Program, or the Federal Home Loan Bank Board's New England Fund; and can encourage abutters to create affordable housing on vacant adjacent lots. Additional resources to support such development can be accessed through the state and federal governments.

Habitat for Humanity is in the process of developing an affordable new home in Ashburnham, for example, and continues to look for donated public and private land on which to build. Organizations that support special needs housing are active throughout the area and may have an interest in developing group homes in Ashburnham. There are also excellent models of small comprehensive permit projects in other communities that incorporate several income tiers to meet the housing needs of those within a wide range of incomes.

Timeframe: Five-Year Plan

Resources Required: It will be helpful for the Housing Trust to support such efforts and, when possible, make scattered Town-owned parcels available for affordable housing development through Requests for Proposals.

Projected # Affordable Units Produced: 3 units

3. Convert Existing Housing Units to Affordability

Current Status: Because Ashburnham has a limited supply of affordable housing that is eligible for inclusion in the state-defined Subsidized Housing Inventory, currently 24 units, the Town should explore a range of options for creating new affordable units and should not overlook the potential of working with for profit, non-profit and local residents on strategies to not only preserve the affordability of the existing housing stock but to, when possible, convert existing market units to state-defined "affordable" ones. This strategy is particularly challenging in Ashburnham because of the very limited supply of multi-family rental properties and condominiums that are typically the most feasible targets for "buy-down" initiatives aimed at purchasing, improving, subsidizing and reselling or leasing units in accordance with Chapter 40B requirements. Most towns that are embarking on purchase-rehab programs, including communities with high market values, are focusing on multi-family properties with at least two units. Even purchasing homes at the lower end of the price range, in the low \$200K range, will require a subsidy to improve and make the unit available to a low- or moderate-income household.

Next Steps: The Housing Trust should look for opportunities to acquire property or work with other sponsors to convert existing unsubsidized units into new affordable housing. Using existing Trust Funds or funding from other resources, such as the Worcester

Community Loan Fund, the Trust could purchase units on the market or have a developer acquire, make the necessary repairs, and create either ownership or rental units as follows:

- Acquire the property through the Affordable Housing Fund that has been capitalized by a number of resources including CPA funds at some time in the future, lower interest rate financing from private lending institutions, and perhaps Community Development Block Grant funding or other subsidies from the state (the other option is to work with a non-profit or for profit developer to acquire the property and coordinate the improvements and sale/lease to qualifying households;
- If the Housing Trust owns the property, it should issue a Request for Proposals to select a developer or contractor to whom it would convey the property for improvement and eventual resale or lease to low- and moderate-income households;
- Prepare and complete a Units Only application to DHCD for the Local Initiative Program to get the unit(s) counted as part of the Town's Subsidized Housing Inventory and to insure long-term affordability and also execute a regulatory agreement with the selected developer/contractor;
- Make the needed improvements;
- Undertake project marketing to locate qualified purchasers and conduct a lottery working most likely through a non-profit organization and work also with a participating lender to pre-approve applicants for mortgage financing;
- Select purchaser(s) through a lottery (if there is only a single unit involved community preference cannot be used, whereas doing several units would enable the Town to insure that up to 70% of the units go to applicants with a connection to Ashburnham); and
- Close on project, executing the use/deed restrictions (to the greatest extent possible with restrictions in perpetuity and resales indexed to HUD area median income or other reasonable index) and turning the deed over to qualifying homebuyer(s) in the case of homeownership.

Another option for producing affordability through the existing housing stock was introduced under the strategy of waiving property taxes for qualifying households in exchange for deed restrictions as described in Section VII.A.13. The strategy suggested that the Town reach out to homeowners who are living on very limited incomes, the elderly in particular, to enable them to live in their homes for as long as they would like by offering sufficient financial incentives in exchange for a long-term affordability restriction. This proposal indicated that the Town might find that the exemption of property taxes is not an adequate enough incentive for residents to assume restrictions on the resale price and an additional subsidy might also be required to make this strategy viable. The resale restriction has the effect of ensuring that when the house is sold it will be affordable and sold to a buyer who has an income at or below 80% of area median income and includes the appropriate income and resale conditions to be counted as part of a community's state-defined Subsidized Housing Inventory under Chapter 40B. In addition to property tax relief, the financial incentives might include funds for both

building improvements, which would insure the physical viability of the property over time, plus an upfront grant or an annuity, which would provide the owner with a steady long-term income stream. The subsidy might come from potential future CPA funds.

1. *Timeframe: Five-Year Plan*

Resources Required: Some professional staff time to work with the Affordable Housing Committee or proposed Housing Trust to develop projects including support for securing subsidy funds.

Projected # Affordable Units Produced: 17 units

2. ***Explore Adaptive Reuse***

Current Status: The reuse of any abandoned, underutilized, or obsolete property could enable Ashburnham to direct growth towards already developed locations in its village centers thus negating the need to develop additional land in areas without existing infrastructure. It would also be a way of preserving and/or restoring unique architecture in the community, which can also be of historical significance.

The Town has begun to identify underutilized nonresidential properties for potential conversion to affordable housing through various options including but not limited to Single Room Occupancy Units (SROs), congregate and/or special needs housing, rental housing and first-time homeownership. Depending upon the structure, adaptive reuse can be amenable to mixed-use and mixed-income development.

Next Steps: Continue to identify an inventory of such properties that might be purchased, rehabilitated and converted to residential use and then attract interested for profit or non-profit developers to undertake development. It might also be possible to acquire such properties through tax taking, donation, negotiation, distress sale, and bank foreclosure, or brownfield remediation through the Housing Trust and convey to a developer selected through an RFP process.

Lead Entity: Affordable Housing Committee/Housing Trust

Timeframe: Five-Year Plan

The inventory of possible development opportunities could be completed within the next year and outreach to developers experienced in such projects could follow.

Resources Required: The Town Planner should continue to identify possible properties and ultimately work with the proposed Housing Trust to find partners to develop them. Predevelopment funding from DHCD's Priority Development Fund, EOEA's Smart Growth TA Fund, CEDAC, MHIC or other agency should be explored to support project planning.

Projected # Affordable Units Produced: 6 units

3. ***Consider an Affordable Accessory Apartment Program or Amnesty Program***

Current Status: Ashburnham's Zoning By-law allows accessory apartments through a special permit but owners can only rent to relatives. It is also likely that there are numbers of unpermitted accessory apartments that remain ? under the radar.? At this time, none of these accessory units, legal and illegal, can be counted in the Town's Subsidized Housing Inventory because they do not meet the state's Chapter 40B definition of affordable housing.

The Housing Needs Assessment (see Section III) has identified that there are low-income households in Ashburnham who are finding it difficult to pay their taxes and housing expenses. Having more options available in the housing market, such as small rental units, will serve unmet local needs. (See strategy VII.A.2. for more information on accessory apartments.)

Other communities are looking for opportunities to insure that current illegal units are converted to legal use. For example, the Towns of Watertown and Lexington have established amnesty programs allowing a period of time for an owner of a nonconforming second dwelling unit to obtain a certificate of occupancy. The Town of Barnstable has also implemented a program to enable those with illegal accessory units to come forward and receive necessary assistance to convert their units to legal use and simultaneously to be maintained, in the short-term at least, as affordable and eligible for inclusion in the Town's Subsidized Housing Inventory. This program was created in recognition of the high number of illegal accessory apartments that some estimated to be approximately 100 and the fact that these units were filling a market demand for housing at rental costs typically below that of other rental units. Barnstable has processed more than 125 units thus far through its program, but also has the resources to support a full-time person to coordinate the program. The Town of Scituate has also implemented an Affordable Accessory Apartment Program.

Next Steps: The Housing Trust, in tandem with other appropriate Town boards and committees, should determine how best to adapt an Accessory Apartment Program to the town of Ashburnham, develop an implementation plan, and initiate the program. This is likely to require professional support through a consultant as well as code enforcement activities.

It will also be important to consult with DHCD on this program, as DHCD has been reviewing policies related to the fair marketing of affordable accessory apartments and may require that all tenants be selected from a list compiled through a lottery of applicants.

The Town should also consider whether it would be worthwhile to initiate an Amnesty Program related to accessory apartments. If so, it should look at how other communities have set-up such initiatives and adapt these programs to Ashburnham.

Timeframe: Five-Year Plan

The implementation plan could be developed within the next several years to be considered by Town Meeting sometime within the next five years.

Resources Required: Inspections and other costs related to Program administration could be covered by modest processing fees. Barnstable charges applicants \$175.00 to pay for the initial application fee and another \$100 to process the comprehensive permit. The costs of monitoring the Program could be supported by fees derived from participating homeowners.

Projected # Affordable Units Produced: 6 units (this unit count is also included under strategy VII.A.2).

D. Housing Preservation

Housing production is critical, but the Town also needs to be concerned that it does not lose current as well as future units counted as part of its Subsidized Housing Inventory and provides resources to support the deferred home maintenance needs of lower income homeowners, including seniors. As indicated in the Housing Assessment, 25.7% of Ashburnham's housing stock was built prior to 1940, and 32% was built prior to 1970. It is quite likely that many of these older residences would not meet today's various housing codes (plumbing, electricity, weather-proofing, building code, etc.). Aesthetic improvements could also be made, which would also serve to enhance the visual appearance of neighborhoods throughout the community.

1. Monitor Affordability of Subsidized Housing Inventory

Current Status: Based on how housing was financed, how long the affordability requirements were established, and other stipulations in affordability agreements, the affordable status of housing units may be in jeopardy in many communities in the future. Ashburnham's existing Subsidized Housing Inventory includes the 24 units at Ashley Court. The USDA mortgage for this development is for 50 years, however, the affordability restrictions are for 20 years, this means that as of September 1, 2007, the owner has the ability to prepay the mortgage and potentially convert the units to market rate. If the owner chooses to do this, he would have to formally inform the USDA, which would then present the owner with a range of incentives to induce him to maintain affordability. If the owner still was unwilling to extend the affordability restrictions, the existing tenants would be protected until they left. Additionally, if there are any minority tenants (there aren't any at this time), the owner would be forced to offer the property to a non-profit organization for sale before he could sell or put the units on the open market. Apparently, the existing regulations are likely to loosen somewhat, and these requirements may no longer be applicable next year. Instead the federal government is proposing that the existing tenants receive vouchers that will be administered by the USDA and are expected to be less desirable than Section 8 Housing Choice vouchers. In any case, if the developer was able to opt out of the affordability restrictions by prepaying the mortgage, the units could no longer be counted as part of the Subsidized Housing Inventory.

Next Steps: It is important to insure that all affordable housing units that are produced remain a part of the Town's Subsidized Housing Inventory for as long a period as possible. The Affordable Housing Committee should contact the owner of Ashley Court to determine his future plans for the property and continue to closely monitor this development in addition to future projects with affordable units, intervening if necessary to maintain the units as affordable through the courts or through purchase and refinancing if necessary.

It should also be noted that the federal government has a new web site to help the public determine if notices have been filed regarding the prepayment of Rural Development/USDA rental financing at <https://pix.sc.egov.usda.gov/>. It appears that one needs to register and open an account of some sort. This may be something the Town may wish to pursue.

Lead Entity: Affordable Housing Committee or proposed Housing Trust

Timeframe: Two-Year Plan

Resources Required: Donated time of members of the Affordable Housing Committee/Housing Trust.

Projected # Affordable Units Produced: While this strategy is unlikely to create new affordable units, it is essential for maintaining existing affordable units.

2. *Help Qualifying Homeowners Access Housing Assistance*

Current Status: Some town residents, including seniors living on fixed incomes, are finding it increasingly difficult to afford the costs associated with rising taxes, energy costs and home improvements. Additionally, some seniors and those with special needs require special handicapped adaptations and repairs to help them remain in their homes. Ashburnham residents might also benefit from technical and financial support in the case of septic failures and Title V compliance issues.

In the past, the Montachusett Regional Planning Commission (MRPC) administered a Housing Rehab Program that with state support through Community Development Block Grant funds offered technical and financial assistance to homeowners earning no more than 80% of area median income. This program as well as the other comparable programs operated throughout the state were not refunded. However, there are other housing improvement resources offered through MassHousing and other organizations that can be helpful to area property owners. For more information on these housing rehab options see Appendix 3.

Next Steps: Through the community educational campaign recommended in Section VII.B.1, important information on housing improvement resources could be disseminated to real estate professionals, local organizations and community residents. The Council on Aging is also an important resource for providing seniors with information on available programs.

Lead Entity: Affordable Housing Committee or proposed Housing Trust

Timeframe: Two-Year Plan

Resources Required: The Town, through its Council on Aging, Affordable Housing Committee and the proposed Housing Trust, should provide the necessary education and referrals to programs sponsored by RCAP Solutions, Central Massachusetts Housing Alliance, and MassHousing for example, which provide low-cost financing for repair needs including de-leading, septic systems and other home improvements.

Projected # Affordable Units Produced: Unlikely to produce new affordable units but instrumental in helping seniors and others with special needs remain independent in their homes.

VIII. DESCRIPTION OF USE RESTRICTIONS

As has been indicated in various sections of this Housing Plan, the Town of Ashburnham is committed to maintaining its Subsidized Housing Inventory for as long a period as possible. Affordable units must serve households with incomes no greater than 80% of the area median income for which the unit is located. Units must be subject to use restrictions or re-sale controls to preserve their affordability as follows:

- For minimum of thirty years or longer from the date of subsidy approval or construction for new construction.
- For a minimum of fifteen years or longer from the date of subsidy approval or completion for rehabilitation.
- Alternatively, a term of perpetuity is encouraged for both new construction and completion of rehabilitation, and the state currently has a new ? universal? deed rider that will be adapted to Ashburnham affordable housing development.

Units are or will be subject to an executed Regulatory Agreement between the developer and the subsidizing agency unless the subsidy program 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. 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. The state now has a model deed rider for participants in its Local Initiative Program (LIP) and that can be adapted to other programs as well. The annual recertification in the case of rental agreements should be the responsibility of the project sponsor who must report annually to a housing entity approved by the Town, perhaps a regional non-profit organization. All LIP developments, rental or ownership, are now monitored by DHCD. The responsibility for monitoring resales of affordable homeownership units would be performed by a monitoring agent that is acceptable to the subsidizing agency if the project is not processed through LIP.

APPENDIX 1

Summary Results from Public Forums for 2004 Community Development Plan and 2006 Affordable Housing Plan

Results from Public Forum for 2004 Community Development Plan

The Montachusett Regional Planning Commission (MRPC) conducted a forum on August 12, 2003, to solicit input from residents and local officials about the Town of Ashburnham as part of the process of developing a Community Development Plan under Executive Order 418. Through a question-and-answer process, MRPC elicited ideas and suggestions on housing and economic development needs, open space and resource protection interests, and transportation issues from local residents. The forum was an important step in helping the community to develop an inventory of its assets and liabilities and to better define future directions for the community.

Key questions that opened the discussions are listed below:

- If you had to describe Ashburnham in one word, what would that word be?
- What do we like about Ashburnham?
- What would we like to change?
- What areas of the community should be preserved as open space and for recreation?
- Where should housing be developed?
- How can we develop more housing if we have no public water or sewerage system?
- Where can our elderly reside once they can no longer maintain their own homes?
- Can your children afford to live here?
- Where should projects fostering economic development occur in the community?
- Where should transportation improvements be made to facilitate the local preservation and development scenarios?
- Are there conflicts with areas proposed for development and preservation?
- Does our zoning bylaw adequately protect the character of our community?

The forum looked at residents' perspectives on local assets and liabilities, creating an Assets and Liabilities Inventory that defined the assets the community values and wants to preserve as well as highlight weak or unfavorable aspects that the community wants to change. The Inventory was expected to serve as a useful tool in developing goals and objectives for the Community Development Plan, providing a "visual tour" of the community ?

The following includes the *assets* that were identified:

- Lakes
- Rural character
- Large blocks of land in single ownership
- Historic downtown character

- Size of community
- Headwaters to 3 major watershed areas
- Trails/hills, mountains (Mt Watatic)
- School systems (public/private)
- Town meeting government
- People
- Close to urban areas
- COA transit

Perceived *liabilities* included the following:

- Lacking growth in key sectors-economic development/housing
- No control on sprawl
- No activities for teenagers
- Limited tax base (due to private school)
- Roads ? terrible? needing paving and maintenance, but there? s limited funding
- One half hour to anywhere out of town
- Lacking hospitals (nearest one is in Gardner)
- Lack of public transit (difficulty with transportation, must have a car)
- No public access to water for recreation (It? s hidden.)
- No sidewalks (near the Post Office for example)
- Not enough open recreational space
- All properties around lakes are privately controlled by lake associations
- Limited Funding. We? ve needed overrides for the past five years to stay within our means. We ? can? t afford affordable housing? as it doesn? t support the burden of services
- Lack of funding to support staff positions
- Changing character of town-new residents don? t have the same ownership of the town!
- Price push of eastern housing market. Houses in excess of 500K

The forum provided an opportunity for residents to provide additional input on key issues including:

Growth Management and Housing Accessibility

- Town? s population has been increasing since 1950- growth from Boston
- Don? t double population, we need growth control. ? Houses spring up in swamps: water them they grow?
- More ?cluster? zoning, ? single family? houses, detached homes
- Need for assisted living and places for elderly who are ?outgrowing ? their homes and want to stay in Ashburnham
- Need housing stock for college grad population
- Appropriate Town services to meet future needs
- Town facilities all need something ? Fire Dept. needs to be moved; Police Dept. needs to be upgraded

- Set aside specific areas for development and integrate with open space
- Develop the back lot space rather than road frontage, to preserve rural character
- Cope with NIMBY issues

Economic Development

- Capitalize on what Ashburnham is - don't try to make it something it's not
- Develop a committee that represents the positive side of economic development - leadership
- Revamp zoning for places for commercial/mixed business/light industry and recreation
- Business expansion: expand tax base without increasing residential taxes
- Need more restaurants (a real restaurant), full service and moderately priced
- Need a pharmacy need card store

2 contingencies:

- Increase business access (local)
- Keep it the way it is (bedroom commuters) different commuter markets, populations.

Town Governance

- Time for ?changing of the guard?
- Improve communication between boards in general
- Improve capacity: (volunteer initiatives); need help
- Whole system may need to change ? What worked 100 years ago may not work now
- Need training/education/publicity
- People need to be asked to help
- Schedule board meetings at times that work
- Town boards need to help businesses, not push them away
- Support for town website
- Provide outreach for Town positions

1.

Results from Public Forum for 2006 Affordable Housing Plan

On November 2, 2006, Ashburnham's Affordable Housing Committee held another public forum to present the draft Affordable Housing Plan. The forum provided updated information on population trends and housing conditions, planned production goals for affordable housing, and key strategies to meet these goals. The Affordable Housing responded to a number of good questions from residents regarding costs, timetable, market conditions, state requirements and level of local commitment. Also, beyond those in attendance, others in the community were able to obtain helpful information on the Plan as well as affordable housing in general as the forum was broadcasted on the local cable access channel.

Appendix 2 Summary of Housing Action Plan

Actions	Timeframe for Commencing Implementation		# Affordable Units	Lead Entity
	Two-Year	Five-Year		
A. Planning and Regulatory Reform				
1. Adopt inclusionary zoning	X		4	PB
2. Amend OSRD bylaw	X		**	PB
3. Amend Development Rate Limitation bylaw	X		*	PB
4. Amend accessory apartment bylaw	X		Under C.5	PB
5. Explore adoption of 40R/40S	X		**	PB/AHC
6. Consider backlot zoning		X	0	PB
7. Consider waiving permit fees		X	*	AHC
8. Adopt Affordable Housing Guidelines/private development after Year 3		X	49	AHC/PB
9. Allow affordable housing on noncomplying lots		X	4	PB
10. Explore TDR		X	**	PB/AHC
11. Allow a wider range of housing types		X	*	PB/AHC
12. Explore streamlining the permit approval process		X	*	BOS
13. Waive property taxes or provide grants in exchange for deed restrictions		X	Under C.3	BOS/AHC
B. Build Local Capacity				
1. Conduct educational campaign	X		*	AHC
2. Create Affordable Housing Trust and Fund and capitalize	X		*	AHC
3. Promote CPA	X		*	BOS
4. Access new housing resources	X		*	AHC
5. Apply for Commonwealth Capital scoring	X		*	AHC
6. Secure additional professional support	X		*	BOS
7. Establish Annual Housing Summits	X		*	AHC

8. Inventory Town-Owned property	X		*	AHC
9. Provide training for local officials	X		*	BOS
C. Housing Production				
1. Make suitable Town-owned land available for affordable housing	X		46	AHC
2. Support scattered-site housing		X	3	AHC
3. Convert existing housing to affordability		X	17	AHC
4. Explore adaptive reuse		X	6	AHC
5. Consider an Affordable Accessory Apartment Program or Amnesty Program		X	6	AHC
D. Housing Preservation				
1. Monitor affordability of Subsidized Housing Inventory	X		*	AHC
2. Help qualifying homeowners access housing assistance	X		*	AHC
Total				

* Indicates actions that are unlikely to directly produce new affordable units by themselves but are key to creating the resources that will contribute to actual unit creation.

** Indicates that units are counted under Housing Production strategies such as private development and development of Town-owned property.

Lead Entities

Board of Selectmen = BOS

Planning Board = PB

Affordable Housing Committee or proposed Housing Trust = AHC

Appendix 3

Summary of Housing Regulations and Resources

I. SUMMARY OF HOUSING REGULATIONS

A. Chapter 40B Comprehensive Permit Regulations

The Massachusetts Comprehensive Permit Law, Chapter 40B Sections 20-23 of the General Laws, was enacted as Chapter 774 of the Acts of 1969 to encourage the construction of affordable housing throughout the state, particularly outside of cities. Often referred to as the Anti-Snob Zoning Act, it requires all communities to use a streamlined review process through the local Zoning Board of Appeals for ? comprehensive permits? submitted by developers for projects proposing zoning and other regulatory waivers and incorporating affordable housing for at least 25% of the units. Only one application is submitted to the ZBA instead of separate permit applications that are typically required by a number of local departments as part of the normal development process. Here the ZBA takes the lead and consults with the other relevant departments (e.g., building department, planning department, highway department, fire department, sanitation department, etc.) on a single application. The Conservation Commission retains jurisdiction under the Wetlands Protection Act and Department of Environmental Protection, the Building Inspector applies the state building code, and the Board of Health enforces Title V.

For a development to qualify under Chapter 40B, it must meet all of the following requirements:

- Must be part of a ? subsidized? development built by a public agency, non-profit organization, or limited dividend corporation.
- At least 25% of the units in the development must be income restricted to households with incomes at or below 80% of area median income and have rents or sales prices restricted to affordable levels income levels defined each year by the U.S. Department of Housing and Urban Development.
- Restrictions must run for minimum of 30 years or longer for new construction or for a minimum of 15 years or longer for rehabilitation. Alternatively, the project can provide 20% of the units to households below 50% of area median income.
- Development must be subject to a regulatory agreement and monitored by a public agency or non-profit organization.
- Project sponsors must meet affirmative marketing requirements.

Towns are allowed to set-aside up to 70% of the affordable units available in a 40B development for those who have a connection to the community as defined by the municipality.

While there are ongoing discussions regarding how the state should count the affordable units for the purpose of determining whether a community has met the 10% goal, in a rental project if the subsidy applies to the entire project, all units are counted towards the state standard. For homeownership projects, only the units made affordable to those households earning within 80% of median income can be attributed to the affordable housing inventory.

There are up to three stages in the 40B process ? the project eligibility stage, the application stage, and at times the appeals stage. First, the applicant must apply for eligibility of a proposed 40B project from a subsidizing agency. Under Chapter 40B,

subsidized housing is not limited exclusively to housing receiving direct public subsidies but also applies to privately-financed projects receiving technical assistance from the State through its Local Initiative Program (LIP) or through MassHousing (Housing Starts Program), Federal Home Loan Bank Board (New England Fund), MassDevelopment, and Massachusetts Housing Partnership Fund. The subsidizing agency then forwards the application to the local Board of Selectmen for a 30-day comment period. The Board of Selectmen solicits comments from Town officials and other boards and based on their review the subsidizing agency typically issues a project eligibility letter. Alternatively, a developer may approach the Board of Selectmen for their endorsement of the project, and they can make a joint application to DHCD for certification under the Local Initiative Program (for more information see description in Section I.E below).

The next stage in the comprehensive permit process is the application phase including pre-hearing activities such as adopting rules before the application is submitted, setting the application fee high enough to cover administrative costs, providing for technical ? peer review? fees, establishing a process for selecting technical consultants, and setting forth minimum application submission requirements. Failure to open a public hearing within 30 days of filing an application can result in constructive approval. The public hearing is the most critical part of the whole application process. Here is the chance for the Zoning Board of Appeals? consultants to analyze existing site conditions, advise the ZBA on the capacity of the site to handle the proposed type of development, and to recommend alternative development designs. Here is where the ZBA gets the advice of experts on unfamiliar matters ? called peer review.

Another important component of the public hearing process is the project economic analysis that determines whether conditions imposed and waivers denied would render the project ? uneconomic? . The burden of proof is on the applicant, who must prove that it is impossible to proceed and still realize a reasonable return, which cannot be more than 20%. Another part of the public hearing process is the engineering review. The ZBA directs its consultants to analyze the consistency of the project with local bylaws and regulations and to examine the feasibility of alternative designs.

After the public hearing is closed, the ZBA must set-aside at least two sessions for deliberations within 40 days of the close of the hearing. These deliberations can result in either approval, approval with conditions, or denial.

If the process heads into the third stage ? the appeals process ? the burden is on the ZBA to demonstrate that the denial is consistent with local needs, meaning the public health and safety and environmental concerns outweigh the regional need for housing. If a local ZBA denies the permit, a state Housing Appeals Committee (HAC) can overrule the local decision if less than 10% of the locality? s year round housing stock has been subsidized for households earning less than 80% of median income, if the locality cannot demonstrate health and safety reasons for the denial that cannot be mitigated, or if the community has not met planned production goals based on an approved plan. The HAC has upheld the developer in the vast majority of the cases, but in most instances promotes negotiation and compromise between the developer and locality. In its 30-year history, only a handful of denials have been upheld on appeal. The HAC cannot issue a permit,

but may only order the ZBA to issue one. Also, any aggrieved person, except the applicant, may appeal to the Superior Court or Land Court, but even for abutters, establishing ? standing? in court is an uphill battle. Appeals from approvals are often filed to force a delay in commencing a project, but the appeal must demonstrate ? legal error? in the decision of the ZBA or HAC.

B. Planned Production Regulations

The Massachusetts Department of Housing and Community Development (DHCD) is administering the Planned Production Program in accordance with regulations that enable cities and towns to do the following:

- Prepare and adopt an affordable housing plan that demonstrates production of an increase of .75% over one year or 1.5% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory (15 units and 30 units, respectively, for Ashburnham until the new census figures are available in 2011) for *approval* by DHCD.³⁰
- Request *certification* of compliance with the plan by demonstrating production of at least the number of units indicated above.
- Through local ZBA action, deny a comprehensive permit application during the period of certified compliance, which is 12 months following submission of the production documentation to DHCD, or 24 months if the 1.5% threshold is met.

For the plan to be acceptable to DHCD it must meet the following requirements:

- Include a comprehensive housing needs assessment to establish the context for municipal action.
- Address a mix of housing consistent with identified needs and market conditions.
- Include a description of use restrictions.
- Address at least one of the following strategies including -
 - Identification of geographic areas in which land use regulations will be modified to accomplish affordable housing production goals.
 - Identification of specific sites on which comprehensive permit applications will be encouraged.
 - Preferable characteristics of residential development such as infill housing, clustered areas, and compact development.
 - Municipally owned parcels for which development proposals will be sought.

C. Commonwealth Capital

The state has established *Commonwealth Capital* as a policy that encourages communities to implement smart growth by utilizing the smart growth consistency of municipal land use regulations as part of the evaluation of proposals for state funding under a number of state capital spending programs including:

³⁰ Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

- Self Help/Urban Self Help (EOEA ? DCS)
- Urban River Visions Implementation (EOEA)
- Agricultural Preservation Restriction Program (EOEA ? DAR)
- Bike and Pedestrian Program (EOT)
- Transit Oriented Development Bond Program (EOT)
- Public Works Economic Development Program (EOT)
- Community Development Action Grant Program (DHCD)
- Coastal Pollutant Remediation Grant Program (EOEA ? CZM)
- Drinking Water Supply Protection Grant Program (EOEA)
- Economic Development Fund (formerly Ready Resource Fund) (EOEA)
- State Revolving Fund (EOEA ? DEP)
- Land Acquisition Programs (EOEA ? DCR, DFG)
- Urban Brownfields Assessment Program (EOEA)
- Commercial Area Transit Node Grant Program (DHCD)
- Affordable Housing Trust Fund (DHCD)
- Housing Stabilization Fund (DHCD)
- Off-Street Parking Program (EOAF)
- Land & Water Conservation Fund (EOEA ? DCS)
- Housing Development Support Program (DHCD)

The state's goal is to invest in projects that are consistent with the Office of Commonwealth Development's Sustainable Development Principles that include:

1. Redevelop first;
2. Concentrate development;
3. Be fair;
4. Restore and enhance the environment;
5. Conserve natural resources;
6. Expand housing opportunities;
7. Provide transportation choice;
8. Increase job opportunities;
9. Foster sustainable businesses; and
10. Plan regionally.

Grant applicants to the programs listed above apply directly to each of the specific programs, but additionally, each municipality must apply annually or as required to the state's Office of Commonwealth Development (OCD) for a Commonwealth Capital score, which can be done electronically. Communities should submit this application to OCD for scoring at least by the due date of the program to which they are applying. The resulting score will be used for all Commonwealth Capital programs to which a community applies that year.

D. Chapter 40R/40S

In 2004, the State Legislature approved a new zoning tool for communities in recognition that escalating housing prices, now beyond the reach of increasing numbers of state residents, are causing graduates from area institutions of higher learning to relocate to

other areas of the country in search of greater affordability. The Commonwealth Housing Task Force, in concert with other organizations and institutions, developed a series of recommendations, most of which were enacted by the State Legislature as Chapter 40R of the Massachusetts General Laws. The key components of these regulations are that the state provide financial and other incentives to local communities that pass Smart Growth Overlay Zoning Districts that allow the building of single-family homes on smaller lots and the construction of apartments for families at all income levels, and the state increase its commitment to fund affordable housing for families of low and moderate income.³¹ The statute defines 40R as a principle of land development that emphasizes mixing land uses, increases the availability of affordable housing by creating a range of housing opportunities in neighborhoods, takes advantage of compact design, fosters distinctive and attractive communities, preserves opens space, farmland, natural beauty and critical environmental areas, strengthens existing communities, provides a variety of transportation choices, makes development decisions predictable, fair and cost effective and encourages community and stakeholder collaboration in development decisions.³² The key components of 40R include:

- Allows local option to adopt Overlay Districts near transit, areas of concentrated development, commercial districts, rural village districts, and other suitable locations;
- Allows "as-of-right" residential development of minimum allowable densities;
- Provides that 20% of the units be affordable;
- Promotes mixed-use and infill development;
- Provides two types of payments to municipalities; and
- Encourages open space and protects historic districts.

The incentives prescribed by the Task Force and passed by the Legislature include an incentive payment upon the passage of the Overlay District based on the number of projected housing units as follows:

Incentive Payments

Incentive Units	Payments
Up to 20	\$10,000
21-100	\$75,000
101-200	\$200,000
210-500	\$350,000
501 or more	\$600,000

There are also density bonus payments of \$3,000 for each residential unit issued a building permit. To be eligible for these incentives the Overlay Districts need to allow mixed-use development and densities of 20 units per acre for apartment buildings, 12

³¹ Edward Carman, Barry Bluestone, and Eleanor White for The Commonwealth Housing Task Force, "A Housing Strategy for Smart Growth and Economic Development: Executive Summary", October 30, 2003, p. 3.

³² Massachusetts General Law, Chapter 40R, Section 11.

units per acre for two and three-family homes, and at least eight units per acre for single-family homes. Communities with populations of under 10,000 are eligible for a waiver of these density requirements. The Zoning Districts would also encourage housing development on vacant infill lots and in underutilized nonresidential buildings. The Task Force emphasizes that Planning Boards, which would enact the Zoning Districts, would be able to ensure that what is built in the District is compatible with and reflects the character of the immediate neighborhood.³³

The principal benefits of 40R include:

- Expands a community's planning efforts;
- Allows communities to address housing needs;
- Allows communities to direct growth;
- Can help communities meet planned production goals and 10% threshold under Chapter 40B;
- Can help identify preferred locations for 40B developments; and
- State incentive payments.

The formal steps involved in creating Overlay Districts are as follows:

- The Town holds a public hearing as to whether to adopt an Overlay District per the requirements of 40R;
- The Town applies to DHCD prior to adopting the new zoning;
- DHCD reviews the application and issues a Letter of Eligibility if the new zoning satisfies the requirements of 40R;
- The Town adopts the new zoning through a two-thirds vote of Town Meeting subject to any modifications required by DHCD;
- The Town submits evidence of approval to DHCD upon the adoption of the new zoning; and
- DHCD issues a letter of approval, which indicates the number of incentive units and the amount of payment.

The state recently enacted Chapter 40S under the Massachusetts General Law that provides additional benefits through insurance to towns that build affordable housing under 40R that they would not be saddled with the extra school costs caused by school-aged children who might move into this new housing. This funding was initially included as part of 40R but was eliminated during the final stages of approval. In effect, 40S will hold those communities participating in 40R harmless from costs added to school budgets as a result of the 40R-related development.

E. Local Initiative Program (LIP) Guidelines

The Local Initiative Program (LIP) is a technical assistance subsidy program to facilitate Chapter 40B developments and locally produced affordable units. The general requirements of LIP units include the following:

³³ ?A Housing Strategy for Smart Growth and Economic Development: Executive Summary,? p. 4.

- Must be affordable to those earning at or below 80% of area median income.
- Deed restricted or other recorded instrument to guarantee affordability.
- The affordable units design, type, size, etc. must be the same as the market units and dispersed throughout the development.
- Marketing and outreach, including lottery administration, in adherence with Fair Housing laws. LIP requires that the lottery draw and rank households by size.
- For over 55 projects, only one household member must be 55 or older.
- No third party mortgages.
- Income and asset limits determine eligibility for lottery participation.
- For homeownership projects, the calculation of affordability presumes a 30-year, fixed rate mortgage and 5% down payment.
- Household size relationship to unit size is based on "households" = number of bedrooms plus one" i.e., a four-person household in a three-bedroom unit (important also for calculating purchase prices of the affordable units for which LIP has a formula).
- A maximum of 70% of the units may be local preference units for those who live/work in the community.
- For homeownership units, must have deed restrictions for at least 15 years for housing rehabilitation and 30 years for new construction. For rental units, must have a regulatory agreement and monitoring agent to annually certify that the affordable units are occupied by those with incomes at or below 80% of area median income and pay no more than 30% of their income on housing expenses.

The process that is required for using LIP for 40B developments "friendly" comprehensive permit projects" is as follows:

1. Application process
 - Developer meets with Town
 - Developer and Town agree to proposal
 - Developer and Town submit proposal to DHCD
2. DHCD review involves the consideration of:
 - Sustainable development criteria (redevelop first, concentrate development, be fair, restore and enhance the environment, conserve natural resources, expand housing opportunities, provide transportation choice, increase job opportunities, foster sustainable businesses, and plan regionally),
 - Number and type of units,
 - Pricing of units to be affordable to households earning no more than 70% of area median income,
 - Affirmative marketing plan,
 - Financing, and
 - Site visit.

3. DHCD issues site eligibility letter that enables the developer to bring the proposal to the ZBA for processing the comprehensive permit.
4. Zoning Board of Appeals holds hearing
 - Developer and Town sign regulatory agreement to guarantee production of affordable units that includes the price of units and deed restriction in the case of homeownership and limits on rent increases if a rental project. The deed restriction limits the profit upon resale and requires that the units be sold to another buyer meeting affordability criteria.
 - Developer forms a limited dividend corporation that limits profits.
 - The developer and Town sign a regulatory agreement.
5. Marketing
 - Marketing plan must provide outreach to area minority communities to notify them about availability of the unit(s).
 - Local preference is limited to those who live/work in the community with a maximum of 70% of the affordable units.
 - Marketing materials must be available/application process open for a period of at least 60 days.
 - Lottery must be held.
6. DHCD approval must include
 - Marketing plan, lottery application, and lottery explanatory materials
 - Regulatory agreement (DHCD is a signatory)
 - Deed rider
 - Purchase arrangements for each buyer.

In addition to being used for ? friendly? 40B projects, LIP can be used for counting those affordable units as part of a Town? s Subsidized Housing Inventory that are not being developed through a comprehensive permit such as the case with accessory apartments or inclusionary zoning. Following occupancy of the units, a ? Units Only? application must be submitted to DHCD for the units to be counted as affordable. This application is on DHCD? s web site.

Note: Affordable units subsidized by Community Preservation funding solely are not required to go through the LIP review process, but documentation must be submitted to DHCD for each affordable unit that includes a Subsidized Housing Inventory form and the following:

Approval for Rental Units

- Documentation of tenant eligibility including income from all household members, numbers in households, and leases;
- A signed regulatory agreement between the Town and owner regarding the use restriction and long-term affordability of the units;
- An affirmative marketing plan that describes how the units will be marketed;

- Documentation of the approval and use of Community Preservation funding; and
- Documentation of how the affordability restrictions will be enforced through a monitoring agreement to be executed by the Town, owner and designated monitoring agent.

Approval for Ownership Units

- Documentation of owner eligibility including income and assets from all household members;
- A deed rider between the Town and owner regarding the use restriction and long-term affordability of the units;
- An affirmative marketing plan that describes how the units will be marketed;
- Documentation of the approval and use of Community Preservation funding; and
- Documentation of how the deed rider will be enforced through a monitoring agreement to be executed by the Town, owner and designated monitoring agent.

2. II. SUMMARY OF HOUSING RESOURCES

Those programs that may be most appropriate to development activity in Ashburnham are described below.³⁴

A. Technical Assistance

1. **Priority Development Fund**³⁵

A relatively new state-funded initiative, the Priority Development Fund, provides planning assistance to municipalities for housing production. In June 2004, DHCD began making \$3 million available through this Fund on a first-come, first-served basis to encourage the new production of housing, especially mixed-income rental housing. PDF assistance supports a broad range of activities to help communities produce housing. Applications must demonstrate the community's serious long-term commitment and willingness to increase its housing supply in ways that are consistent with the Commonwealth's principles of sustainable development (see Section I.E.2.above for the list of these principles).

Eligible activities include community initiated activities and implementation activities associated with the production of housing on specific sites. Community initiated activities include but are not limited to:

Zoning activities that support the program objectives include:

- Incentive zoning provisions to increase underlying housing density;
- Smart Growth Zoning Overlay Districts;
- Inter- and intra-municipal Transferable Development Rights proposals;

³⁴ Program information was gathered through agency brochures, agency program guidelines and application materials as well as the following resources: Verrilli, Ann. Housing Guidebook for Massachusetts, Produced by the Citizen's Housing and Planning Association, June 1999.

³⁵ Description taken from the state's program description.

- Zoning that promotes compact housing and development such as by right multi-family housing, accessory apartment units, clustered development, and inclusionary zoning;
- Zoning provisions authorizing live-and-work units, housing units for seasonal employees, mixed assisted living facilities and the conversion of large single-family structures, vacant mills, industrial buildings, commercial space, a school or other similar facilities, into multi-family developments; and
- Other innovative zoning approaches developed by and for an individual community.

Education and outreach efforts that support the program objectives include:

- Establishment of a local or regional affordable housing trust;
- Development of a plan of action for housing activities that will be undertaken with Community Preservation Act funds; and
- Efforts to build local support (grass-root education) necessary to achieve consensus or approval of local zoning initiatives.

Implementation activities associated with the production of housing in site-specific areas include but are not limited to:

- Identification of properties, site evaluation, land assembly and financial feasibility analysis; and
- Development of a Request for Proposal (RFP) for the disposition of land.

The PDF assistance is not available to serve as a substitute for pre-development assessment of alternative development scenarios for parcels already controlled by an identified private developer or to supplant municipal funds to pay staff salaries.

Eligible applicants consist of cities and towns within the Commonwealth. Municipalities may enter into third party agreements with consultants approved by DHCD, however only a municipality will be allowed to enter into a contract with MassHousing regarding the distribution of funds. Municipalities will be responsible for attesting that all funds have been expended for their intended purposes.

Joint applications involving two or more communities within a region or with similar housing challenges are strongly encouraged as a way to leverage limited resources, however, one municipality will be required to serve as the lead.

MassHousing and DHCD reserve the right to screen applications and to coordinate requests from communities seeking similar services. For example, rural communities may be more effectively served by an application for a shared consultant who can work with numerous towns to address zoning challenges that enhance housing production. Likewise, it may be more effective to support an application for a consultant to review model zoning bylaws or overlay districts with a number of interested communities with follow-up at the community level to support grassroots education, than it is to support the separate development of numerous zoning bylaws. Communities submitting multiple applications must prioritize their applications.

In exchange for the assistance, municipalities must agree to share the end product of the funded activities with DHCD and MassHousing and with other communities in the Commonwealth through reports, meetings, workshops, and to highlight these activities in print, on the web or other media outlets.

The agencies will focus the evaluation of applications to determine overall consistency with program goals and the principles of sustainable development. Applications will be evaluated based on:

- Eligibility of activity;
- Public support;
- Demonstrated need for funds;
- Likelihood activity will result in production of housing;
- Reasonableness of the timeline;
- Readiness to proceed with proposed project;
- Capacity to undertake activity;
- Cost estimates and understanding of the proposed project cost;
- Proposed activity having clearly defined benefits that will result in the production of housing; and
- Benefits being realized within a 2-3 year-timeframe.

Applications for funding will be accepted and evaluated on a rolling review basis. In order to deploy this assistance as effectively and efficiently as possible, or in the event the planning funds are oversubscribed, communities that have relatively greater planning capacity and/or resources may be requested to provide some matching funds. Additional consideration and flexibility for the assistance will be made for communities with little or no planning staff capacity or resources.

Communities may apply to DHCD for assistance of up to \$50,000. The amount of funds awarded will be a reflection of the anticipated impact on housing production. DHCD and MassHousing reserve the right to designate proposals as ? Initiatives of Exceptional Merit,? in order to increase the amount of assistance and scope of services for certain projects.

2. Peer to Peer Technical Assistance

This state program utilizes the expertise and experience of local officials from one community to provide assistance to officials in another comparable community to share skills and knowledge on short-term problem solving or technical assistance projects related to community development and capacity building. Funding is provided through the Community Development Block Grant Program and is limited to grants of no more than \$1,000, providing up to 30 hours of technical assistance.

Applications are accepted on a continuous basis, but funding is limited. To apply, a municipality must provide DHCD with a brief written description of the problem or issue, the technical assistance needed and documentation of a vote of the Board of Selectmen or

letter from the Town Administrator supporting the request for a peer. Communities may propose a local official from another community to serve as the peer or ask DHCD for a referral. If DHCD approves the request and once the peer is recruited, DHCD will enter into a contract for services with the municipality. When the work is completed to the municipality's satisfaction, the Town must prepare a final report, submit it to DHCD, and request reimbursement for the peer.

3. MHP Intensive Community Support Team

The Massachusetts Housing Partnership Fund is a quasi-public agency that offers a wide range of technical and financial resources to support affordable housing. The Intensive Community Support Team provides sustained, in-depth assistance to support the development of affordable housing. Focusing on housing production, the Team helps local advocates move a project from the conceptual phase through construction, bringing expertise and shared lessons from other parts of the state. The team can also provide guidance on project finance. Those communities, which are interested in this initiative, should contact the MHP Fund directly for more information.

4. MHP Chapter 40B Technical Assistance Program

Working with DHCD, MHP launched this program in 1999 to provide technical assistance to those communities needing assistance in reviewing comprehensive permit applications. The Program offers up to \$10,000 in third-party technical assistance to enable communities to hire consultants to help them review Chapter 40B applications. Those communities that are interested in this initiative should contact the MHP Fund directly for more information.

MHP recently announced new guidelines to help cities and towns review housing development proposals under Chapter 40B including:

- State housing agencies will now appraise and establish the land value of 40B sites before issuing project eligibility letters.
- State will put standards in place for determining when permit conditions make a 40B development ? uneconomic? .
- There will be set guidelines on determining related-party transactions, i.e., when a developer may also have a role as contractor or realtor.
- Advice on how to identify the most important issues early and communicate them to the developer, how informal work sessions can be effective, and how to make decisions that are unlikely to be overturned in court.

5. Smart Growth Technical Assistance Grants

The state recently announced the availability of *Smart Growth Technical Assistance Grants* from the Executive Office of Environmental Affairs that provides up to \$30,000 per community to implement smart growth zoning changes and other activities that will improve sustainable development practices and increase scores on the Commonwealth Capital application. Eligible activities include:

- Zoning changes that implement planning recommendations;

- Development of mixed-use zoning districts;
- Completion of Brownfields inventory or site planning;
- Implementation of stormwater BMPs;
- Completion of Open Space Residential Design bylaws/ordinances;
- Implementation of Low Impact Development (LID) bylaws/ordinances; and
- Development of a Right-to-Farm bylaw/ordinance or zoning protections for agricultural preservation.

The state requires that localities provide a match of 15% of this special technical assistance fund and encourages communities that are interested in the same issues to apply jointly. Preference will be given to applications that improve sustainable development practices, realize a commitment from a community's Commonwealth Capital application (see Section VII.B.5.), and implement a specific Community Development or Master Plan action. Additional preference will be offered those communities with lower Commonwealth Capital scores to support towns that have the greatest need for improved land use practices. For FY 2006, applications were due in mid-August for projects that must be completed by June 30, 2006, but no applications were required in FY 2006 if one had been submitted previously. Nevertheless, communities are able to submit supplemental information that will likely help boost their scores and competitiveness for state discretionary resources.

B. Housing Development

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 Ashburnham. Unlike more than 100 other communities in Massachusetts, Ashburnham has not approved the Community Preservation Act and does not have this funding available to support affordable housing. 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.

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.

It is also important to note that state funding for housing is extremely competitive, and those communities with higher Commonwealth Capital scores will have a competitive edge over those that do not.

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, or \$57,350 for a family of four, 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 (\$43,000 for a family of four), 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 (\$35,850 for a family of four). In addition to income guidelines, the HOME Program specifies the need for deed restrictions, resale requirements, and maximum sales prices or rentals.

Because Ashburnham 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 Ashburnham 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 multi-family 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 Ashburnham, 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 funding for the Peer-to-Peer Program mentioned in the above 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 nonentitlement 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.

The program that potentially has the greatest applicability in Ashburnham 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 best source of CDBG funding for Ashburnham 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. Massachusetts Preservation Projects Fund

The Massachusetts Preservation Projects Fund (MPPF) is a state-funded 50% reimbursable matching grant program that supports the preservation of properties, landscapes, and sites (cultural resources) listed in the State Register of Historic Places. Applicants must be municipality or non-profit organization. Funds can be available for pre-development including feasibility studies, historic structure reports and certain archaeological investigations of up to \$30,000. Funding can also be used for construction activities including stabilization, protection, rehabilitation, and restoration or the

acquisition of a state-registered property that are imminently threatened with inappropriate alteration or destruction. Funding for development and acquisition projects range from \$7,500 to \$100,000. Work completed prior to the grant award, routine maintenance items, mechanical system upgrades, renovation of non-historic spaces, moving an historic building, construction of additions or architectural/engineering fees are not eligible for funding or use as the matching share. A unique feature of the program allows applicants to request up to 75% of construction costs if there is a commitment to establish a historic property maintenance fund by setting aside an additional 25% over their matching share in a restricted endowment fund. A round of funding was recently held, but future rounds are not authorized at this time.

12. 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.

13. 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.

C. Homebuyer Financing and Counseling

1. Soft Second Loan Program

The Massachusetts Housing Partnership Fund, in coordination with the state's Department of Housing and Community Development, administers the Soft Second Loan Program to help first-time homebuyers purchase a home. The Program began in 1991 to help families earning up to 80% of median income qualify for a mortgage through a graduated-payment second mortgage and down payment assistance. Just recently the state announced that it had lent \$1 billion in these affordable mortgages. Participating lenders originate the mortgages which are actually split in two with a conventional first

mortgage based on 77% of the purchase price, the soft second mortgage for typically about 20% of the purchase price (or \$20,000 if greater) and a requirement from the buyer of at least a 3% down payment. Borrowers do not need to purchase private mortgage insurance that would typically be required with such a low down payment, thus saving the buyer significant sums on a monthly basis. Program participants pay interest only on the soft second mortgage for the first ten years and some eligible buyers may qualify for an interest subsidy on the second mortgage as well. Additionally, some participating lenders and communities offer grants to support closing costs and down payments and slightly reduced interest rates on the first mortgage. Ashburnham is already a participating community in the Program.

2. American Dream Downpayment Assistance Program

The American Dream Downpayment Assistance Program is also awarded to municipalities or non-profit organizations on a competitive basis to help first-time homebuyers with down payments and closing costs. While the income requirements are the same as for the Soft Second Program, the purchase price levels are higher based on the FHA mortgage limits. Deferred loans for the down payment and closing costs of up to 5% of the purchase price to a maximum of \$10,000 can be made at no interest and with a five-year term, to be forgiven after five years. Another loan can be made through the program to cover deleading in addition to the down payment and closing costs, but with a ten-year term instead, with at least 2.5% of the purchase price covering the down payment.

3. Homebuyer Counseling

There are a number of programs, including the Soft Second Loan Program and MassHousing's Home Improvement Loan Program, as well as Chapter 40B homeownership projects, that require purchasers to attend homebuyer workshops sponsored by organizations that are approved by the state, Citizens Housing and Planning Association (CHAPA) and/or HUD as a condition of occupancy. These sessions provide first-time homebuyers with a wide range of important information on homeownership finance and requirements. Those organizations that offer these workshops in closest proximity to Ashburnham are located in Gardner and Fitchburg, the Greater Gardner CDC and Twin Cities CDC, respectively.

4. Self-Help Housing.

Self-Help programs involve sweat-equity by the homebuyer and volunteer labor of others to reduce construction costs. Some 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.

D. Home Improvement Financing

1. MRPC Housing Rehab Program

The Montachusett Regional Planning Commission (MRPC) has been administering a Housing Rehab Loan Program. This Program, funded since July 2004 with Community Development Block Grant funds through the state, provided technical and financial assistance to qualifying homeowners for necessary housing repairs thus bringing properties into compliance with housing codes and regulations and prolonging the long-term viability of existing housing that is affordable to those with incomes at or below 80% of area median income. The Program provided up to \$30,000 (\$35,000 if lead paint or asbestos removal are involved) in the form of a deferred loan that can be forgiven after 15 years. MRPC also provided a rehabilitation specialist who is available to identify the necessary work, provide cost estimates, assist with finding a contractor and monitor the completion of the work. This Program was not refunded this fiscal year, as was the case with comparable programs across the state, but MRPC will submit applications to DHCD in the future for possible refunding.

2. MassHousing Home Improvement Loan Program (HLP)

The MHFA Home Improvement Loan Program (HILP) is targeted to one- to four-unit, owner-occupied properties, including condominiums, with a minimum loan amount of \$10,000 up to a maximum of \$50,000. Loan terms range from five to 20 years based on the amount of the loan and the borrower's income and debt. MassHousing services the loans. Income limits are \$92,000 for households of one or two persons and \$104,000 for families of three or more persons. To apply for a loan, applicants must contact a participating lender.

2. Get the Lead Out Program

MassHousing's Get the Lead Out Program offers 100% financing for lead paint removal on excellent terms that are based on ownership status and type of property. An owner-occupied, single-family home may be eligible to receive a 0% deferred payment loan up to \$20,000 that is due when the house is sold, transferred or refinanced. An owner-occupant of a two-family house could receive up to \$25,000 to conduct the de-leading work. Maximum income limits for owner-occupants are \$ 74,400 for one and two-person households and \$85,500 for three or more persons. Investor-owners can also participate in the program but receive a 5% fully amortizing loan to cover costs. Non-profit organizations that rent properties to income-eligible residents are also eligible for 0% fully amortizing loans that run from five to 20 years. Applicants must contact a local rehabilitation agency to apply for the loan.

3. Septic Repair Program

Through a partnership with the Massachusetts Department of Environmental Protection and Revenue, MassHousing offers loans to repair or replace failed or inadequate septic systems for qualifying applicants. The interest rates vary according to the borrower's income with 0% loans available to one and two-person households earning up to \$23,000 and three or more person households earning up to \$26,000 annually. There are 3% loans available for those one or two person households earning up to \$46,000 and three or more persons earning up to \$52,000. Additionally, one to four-family dwellings and condominiums are eligible for loan amounts of up to \$25,000 and can be repaid in as

little as three years or over a longer period of up to 20 years. To apply for a loan, applicants must contact a participating lender.

Appendix 4

SAMPLE AFFORDABLE HOUSING DEVELOPMENT GUIDELINES For Consideration and Possible Adaptation to Ashburnham

These Affordable Housing Guidelines include a number of factors that might be considered and possibly adapted to Ashburnham 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 housing needs across the full range of incomes including families, seniors and others with special needs. Even households earning at the median income level are increasingly finding it difficult to purchase a house in Ashburnham. 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 subsidies³⁶ 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.

1. Rental Developments

³⁶ 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.

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 income, with even affordability reaching down to those with incomes of 50% or 30% of the area median to reach very low-income households when feasible. Another 10% of the units should be directed to those earning between 80% and 150% of area median income to address housing needs of those moderate- and middle-income households who are priced out of the current housing market.

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. Ashburnham needs both new affordable homeownership and rental opportunities for its seniors and families.

2. Elderly Housing:

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

3. Family Housing:

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

4. 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 Ashburnham. Affordable units should be integrated and dispersed throughout the development and subsidized and market rate units should not be distinguishable from the exterior. Appropriate recreational facilities should be provided, pedestrian access and bike path required, and vegetation buffers required for projects of more than 30 units.

- **Location**

The Housing Plan emphasizes the distribution of affordable housing throughout the town of Ashburnham in an attempt to avoid unnecessarily high impacts from new development in any one area except where appropriate such as the Town Center. Another objective is to look for affordable housing opportunities that will minimize impacts on the built or natural environment such as the refinancing and redevelopment of existing housing, the creation of accessory apartments, or the redevelopment of those areas of town most accessible to transportation, goods and services such as the Town Center and other commercial areas. The Plan also acknowledges that growth will put greater burdens on limited public services, including schools, and future growth will most likely cause some schools to experience greater burdens than others.

- **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 Ashburnham through its Affordable Housing Committee or proposed Housing Trust.

Appendix 5

Glossary of Housing Terms³⁷

Affordable Housing

A subjective term, but as used in this Plan, refers to housing available to a household earning no more than 80% of area median income at a cost that is no more than 30% of total household income.

Area Median Income (AMI)

The estimated median income, adjusted for family size, by metropolitan area (or county in nonmetropolitan areas) that is adjusted by HUD annually and used as the basis of

³⁷ Heudorfer, Bonnie, "Taking the Initiative: A Guidebook on Creating Local Affordable Housing Strategies", Citizens Housing and Planning Association with funding from the Massachusetts Housing Partnership Fund, November 2002.

eligibility for most housing assistance programs. Sometimes referred to as ? MFI? or median family income.

Chapter 40B

The state's comprehensive permit law, enacted in 1969, which established an affordable housing goal of 10% for every community. In communities below the 10% goal, developers of low- and moderate-income housing can seek an expedited local review under the comprehensive permit process and can request a limited waiver of local zoning and other restrictions, which hamper construction of affordable housing. Developers can appeal to the state if their application is denied or approved with conditions that render it uneconomic, and the state can overturn the local decision if it finds it unreasonable in light of the need for affordable housing.

Chapter 44B

The Community Preservation Act Enabling Legislation that allows communities, at local option, to establish a Community Preservation Fund to preserve open space, historic resources and community housing, by imposing a surcharge of up to 3% on local property taxes. The state provides matching funds from its own Community Preservation Trust Fund, generated from an increase in certain Registry of Deeds' fees.

Comprehensive Permit

Expedited permitting process for developers building affordable housing under Chapter 40B ?anti-snob zoning? law. A comprehensive permit, rather than multiple individual permits from various local boards, is issued by the local zoning boards of appeals to qualifying developers.

Department of Housing and Community Development (DHCD)

The state's lead agency for housing and community development programs and policy. It oversees state-funded public housing, administers rental assistance programs, provides funds for municipal assistance, and funds a variety of programs to stimulate the development of affordable housing.

Fair Housing Act

Federal legislation, first enacted in 1968, that provides the Secretary of HUD with investigation and enforcement responsibilities for fair housing practices. It prohibits discrimination in housing and lending based on race, color, religion, sex, national origin, handicap, or familial status. There is also a Massachusetts Fair Housing Act, which extends the prohibition against discrimination to sexual orientation, marital status, ancestry, veteran status, children, and age. The state law also prohibits discrimination against families receiving public assistance or rental subsidies, or because of any requirement of these programs.

Inclusionary Zoning

A zoning ordinance or bylaw that requires a developer to include affordable housing as part of a development or contribute to a fund for such housing.

Infill Development

The practice of building on vacant or undeveloped parcels in dense areas, especially urban and inner suburban neighborhoods. Promotes compact development, which in turn allows undeveloped land to remain open and green.

Local Initiative Program (LIP)

A state program under which communities may use local resources and DHCD technical assistance to develop affordable housing that is eligible for inclusion on the state Subsidized Housing Inventory (SHI). LIP is not a financing program, but the DHCD technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. At least 25% of the units must be set-aside as affordable to households earning less than 80% of area median income.

MassHousing (formerly the Massachusetts Housing Finance Agency, MHFA)

A quasi-public agency created in 1966 to help finance affordable housing programs. MassHousing sells both tax-exempt and taxable bonds to finance its many single-family and multi-family programs.

Metropolitan Statistical Area (MSA)

The term is also used for CMSAs (consolidated metropolitan statistical areas) and PMSAs (primary metropolitan statistical areas) that are geographic units used for defining urban areas that are based largely on commuting patterns. The federal Office of Management and Budget defines these areas for statistical purposes only, but many federal agencies use them for programmatic purposes, including allocating federal funds and determining program eligibility. HUD uses MSAs as its basis for setting income guidelines and fair market rents.

Mixed-Income Housing Development

Development that includes housing for various income levels.

Mixed-Use Development

Projects that combine different types of development such as residential, commercial, office, industrial and institutional into one project.

Overlay Zoning

A zoning district, applied over one or more other districts that contains additional provisions for special features or conditions, such as historic buildings, affordable housing, or wetlands.

Public Housing Agency (PHA)

A public entity that operates housing programs: includes state housing agencies (including DHCD), housing finance agencies and local housing authorities. This is a HUD definition that is used to describe the entities that are permitted to receive funds or administer a wide range of HUD programs including public housing and Section 8 rental assistance.

Regional Non-profits

Regional non-profit organizations include nine private, non-profit housing agencies, which administer the Section 8 Program on a statewide basis, under contract with DHCD. Each agency serves a wide geographic region. Collectively, they cover the entire state and administer over 15,000 Section 8 vouchers. In addition to administering Section 8 subsidies, they administer state-funded rental assistance (MRVP) in communities without participating local housing authorities. They also develop affordable housing and run housing rehabilitation and weatherization programs, operate homeless shelters, run homeless prevention and first-time homebuyer programs, and offer technical assistance and training programs for communities. RCAP Solutions serves as Ashburnham's regional non-profit organization.

Regional Planning Agencies (RPAs)

These are public agencies that coordinate planning in each of thirteen regions of the state. They are empowered to undertake studies of resources, problems, and needs of their districts. They provide professional expertise to communities in areas such as master planning, affordable housing and open space planning, and traffic impact studies. With the exception of the Cape Cod and Nantucket Commissions, however, which are land use regulatory agencies as well as planning agencies, the RPAs serve in an advisory capacity only. The Montachusett Regional Planning Commission (MRPC) serves as Ashburnham's regional planning agency.

Request for Proposals (RFP)

A process for soliciting applications for funding when funds are awarded competitively or soliciting proposals from developers as an alternative to lowest-bidder competitive bidding.

Section 8

Refers to the major federal (HUD) program ? actually a collection of programs ? providing rental assistance to low-income households to help them pay for housing. Participating tenants pay 30% of their income (some pay more) for housing (rent and basic utilities) and the federal subsidy pays the balance of the rent. The Program is now officially called the Housing Choice Voucher Program.

Smart Growth

The term used to refer to a rapidly growing and widespread movement that calls for a more coordinated, environmentally sensitive approach to planning and development. A response to the problems associated with unplanned, unlimited suburban development ? or sprawl ? smart growth principles call for more efficient land use, compact development patterns, less dependence on the automobile, a range of housing opportunities and choices, and improved jobs/housing balance.

Subsidy

Typically refers to financial assistance that fills the gap between the costs of any affordable housing development and what the occupants can afford based on program

eligibility requirements. Many times multiple subsidies from various funding sources are required, often referred to as the "layering" of subsidies, in order to make a project feasible. In the state's Local Initiative Program (LIP), DHCD's technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. Also, "internal subsidies" refers to those developments that do not have an external source(s) of funding for affordable housing, but use the value of the market units to "cross subsidize" the affordable ones.

Subsidized Housing Inventory (SHI)

This is the official list of units, by municipality, that count toward a community's 10% goal as prescribed by Chapter 40B comprehensive permit law.

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

The primary federal agency for regulating housing, including fair housing and housing finance. It is also the major federal funding source for affordable housing programs.