

# **Affordable Housing in Boxborough**

## **Report and Recommendations**

**Boxborough Affordable Housing Study Committee**

**October 30, 2000**

*“To maintain and broaden its diversity and sense of community, Boxborough will make available a range of housing that is affordable to low and middle-income families of all generations. This housing will be in harmony with open space, conservation and recreation lands.”*

**AHSC Nov, 1999**



# Acknowledgement

The Affordable Housing Study Committee respectfully submits this report and recommendations in fulfillment of its charge. The committee acknowledges the encouragement and support of the Boxborough Board of Selectmen throughout this endeavor. We are grateful for the advice and counsel of our fellow residents who have helped to inform and guide this work.

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# Affordable Housing in Boxborough

## Report and Recommendations

### Table of Contents

<b>1</b>	<b>SUMMARY RECOMMENDATIONS AND OVERVIEW</b>	<b>1</b>
1.1	BOXBOROUGH HOUSING BOARD	1
1.2	AFFORDABLE HOUSING LONG-RANGE PLAN	2
1.3	AFFORDABLE HOUSING PRODUCTION GOALS	4
1.4	AFFORDABLE HOUSING PRODUCTION CONSEQUENCES	5
1.5	ZONING ENABLERS	6
1.6	SUGGESTED KEY MILESTONES	6
1.7	CLOSURE AND TRANSITION	7
<b>2</b>	<b>BOXBOROUGH CURRENT HOUSING</b>	<b>8</b>
2.1	CHARACTER OF EXISTING HOUSING STOCK	8
2.2	HOUSING DATA — SINGLE FAMILY HOUSES	9
2.3	HOUSING DATA – CONDOMINIUMS	11
2.4	APARTMENTS	12
<b>3</b>	<b>BOXBOROUGH AFFORDABLE HOUSING NEEDS</b>	<b>14</b>
3.1	HOMESTEADING ADULT CHILDREN	14
3.2	BLANCHARD TEACHERS	14
3.3	RESIDENT ABRHS TEACHERS	14
3.4	NON-SCHOOL TOWN EMPLOYEES	14
3.5	SENIORS	16
3.6	2000 CENSUS DATA	17
3.7	SUMMARY OF HOUSING NEEDS	17
<b>4</b>	<b>BOXBOROUGH HOUSING BOARD</b>	<b>19</b>
4.1	DEVELOPMENT AND MANAGEMENT REQUIREMENTS	19
4.2	ALTERNATIVES CONSIDERED	19
4.3	AFFORDABLE HOUSING LOTTERY – LOCAL PREFERENCE	20
4.4	SUGGESTED TIMELINE AND MILESTONES FOR THE BHB	20
<b>5</b>	<b>RECOMMENDATIONS FOR DEVELOPMENT OF AFFORDABLE HOUSING UNITS</b>	<b>21</b>
5.1	OPEN SPACE AFFORDABLE HOUSING	21
5.2	CONVERSION OF EXISTING UNITS	23
5.3	PARTNERSHIP PROJECTS WITH PRIVATE NON-PROFIT HOUSING GROUPS	25
5.4	COOPERATIVE PROJECTS WITH DEVELOPERS	25
<b>6</b>	<b>LAND OPTIONS FOR OPEN SPACE AFFORDABLE HOUSING</b>	<b>25</b>
6.1	MUNICIPAL LANDS	25

6.2	LARGE PARCELS IN THE AGRICULTURAL-RESIDENTIAL ZONE.....	26
6.3	PARCELS IN THE ICB/OP ZONES .....	27
<b>7</b>	<b>IMPACT ON BUILDOUT .....</b>	<b>27</b>
7.1	BUILDOUT METRICS .....	28
7.2	POPULATION MODEL .....	28
7.3	BUILDOUT SCENARIOS.....	29
7.4	SCENARIO MODELING ASSUMPTIONS .....	30
7.5	OSAH PLAN MIXES .....	31
7.6	SUMMARY IMPACT ANALYSIS.....	32
<b>8</b>	<b>FINANCIAL IMPACTS.....</b>	<b>35</b>
8.1	COST ASSUMPTIONS .....	35
8.2	CAPITAL COST SUMMARY .....	36
8.3	ADMINISTRATIVE STAFFING AND EXPENSES .....	36
8.4	SOURCES OF FUNDS.....	37
<b>9</b>	<b>ZONING TOOLS AND ENABLERS.....</b>	<b>39</b>
9.1	ZONING DENSITY ENabler .....	39
9.2	SPECIAL PERMIT PROCESS .....	39
9.3	STREAMLINED SITE APPROVAL PROCESS .....	40
	<b>APPENDICES .....</b>	<b>41</b>
<b>10</b>	<b>STATUTORY AND REGULATORY FACTORS FOR AFFORDABLE HOUSING.....</b>	<b>42</b>
10.1	STATE MANDATE: MGL CH 40B .....	42
10.2	COMPREHENSIVE PERMIT DEVELOPMENT.....	42
10.3	LOCAL INITIATIVE PROGRAM (LIP).....	42
10.4	QUALIFIED UNITS .....	43
<b>11</b>	<b>SURVEY OF AFFORDABLE HOUSING IN OTHER TOWNS .....</b>	<b>44</b>
<b>12</b>	<b>MUNICIPAL LANDS INVENTORY – TOWN OWNED PARCELS .....</b>	<b>45</b>
<b>13</b>	<b>HOUSING AUTHORITY .....</b>	<b>47</b>
13.1	HOUSING AUTHORITY PURPOSE .....	47
13.2	CREATION BY A TOWN.....	47
13.3	POWERS .....	47
13.4	COMMENTS:.....	47
<b>14</b>	<b>EXECUTIVE ORDER 418 AND BOXBOROUGH STATUS .....</b>	<b>48</b>
14.1	SUMMARY.....	48
14.2	COMMUNITY DEVELOPMENT PLAN .....	48
14.3	HOUSING CERTIFICATION FOR DISCRETIONARY GRANT FUNDS .....	48
14.4	FUNDING IMPACTS OF EXECUTIVE ORDER 418.....	48
14.5	HOUSING CERTIFICATION PROCESS.....	50
14.6	BOXBOROUGH HOUSING CERTIFICATION STATUS .....	50
14.7	SUMMARY STATUS .....	52

## List of tables

Table 1-1 Affordable housing buildout projections .....	5
Table 3-1 Cumulative affordable housing needs and production estimates .....	18
Table 5-1 Condominium occupancy analysis.....	24
Table 6-1 Analysis of lots remaining to buildout as of February, 2000. ....	27
Table 7-1 Split population parameters .....	29
Table 7-2 Buildout scenarios. Approximately 50% conversions. ....	30
Table 7-3 Selling price assumptions for scenario analysis. (Current dollars) .....	31
Table 7-4 Special permitting density factor .....	32
Table 7-5 Results of AR-municipal mixes for Open Space Affordable Housing.....	33
Table 7-6 Buildout impact summary .....	33
Table 8-1 Per unit capital costs for OSAH and conversion plans (\$K).....	36
Table 8-2 Staffing assumptions for affordable housing activities .....	37
Table 8-3 Staffing cost estimates .....	37
Table 8-4 Grants and funding sources.....	38
Table 11-1 Summary of town data on affordable housing and management.....	44
Table 14-1 Summary of EO418 housing certification criteria .....	50
Table 14-2 Summary of Boxborough EO 418 activities and status.....	51
Table 14-3 Summary of Production (A) and Planning (B) status.....	52





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## 1 Summary Recommendations and Overview

This Boxborough Affordable Housing Study Committee final report is the culmination of 16 months of investigation of issues, requirements and options for affordable housing in Boxborough. The AHSC believes its recommendations can and should be used as a solid basis for the development and of affordable housing in a manner that is best suited to Boxborough's needs and character. Through commitment and active engagement, Boxborough can develop affordable housing that serves local needs, the state mandate, and helps to preserve and protect our remaining open space. Our recommendations chart a course that:

- Develops affordable housing consistent with local needs
- Has a goal in line with the state mandate
- Helps preserve open space
- Minimizes population growth
- Is favorable to long-term town economics and services

Boxborough is an attractive, growing community with all the hallmarks of modern success and affluence. Yet, housing costs are climbing out of the reach of many. According to the 1990 census about 40% of Boxborough households would have qualified for affordable housing under Department of Housing and Community Development guidelines. Based on available town records, a significant number of town and school employees may be income-qualified for affordable housing. The demographics of Boxborough are changing – our population is aging. Current projections indicate that 25-30% of residents will be over 60 years of age by the year 2020, in contrast to about 10% in 2000. The housing needs of the burgeoning senior segment must be addressed. The committee has analyzed the available evidence and data across all population segments and concluded that 115-125 units of affordable housing will be required by 2020 to meet purely local needs of town residents.

Affordable housing issues are complex, and the impacts must be considered responsibly beyond mere satisfaction of the state mandate of 10% affordable housing units. Under the 10% mandate of MGL Ch 40B, Boxborough should plan for a total of about 250 affordable housing units over the next 20 years. This is an aggressive goal but one that the AHSC believes can be reached through a combination of existing unit conversions and new unit construction. For the town to be successful, careful attention to planning and execution will be required to carry out the ongoing work and duties in future years. This report provides the supporting data, analysis and recommendations for an Affordable Housing Long-Range Plan that will address the state mandate while allowing Boxborough the flexibility to pursue the course most favorable to town economics.

The AHSC recommends Boxborough take two key steps:

- **October 2000 STM:** Establish the Boxborough Housing Board with the responsibility for the town's affordable housing programs
- **May 2001 ATM:** Approve and adopt a formal Affordable Housing Long-Range Plan to guide the process and execution.

### 1.1 Boxborough Housing Board

First, the town must create a permanent organization to carry out the numerous activities and substantial work that lie ahead. An ad hoc approach would be inadequate. The AHSC recommends that Town Meeting adopt the proposed bylaw establishing the Boxborough Housing Board (BHB) to provide the proper focus, structure and mechanisms to meet our affordable housing needs. After considering a number of alternatives, the committee concluded that the town's interests would be best served through creation of a permanent town board with responsibility for affordable housing. The mechanism of a town board is familiar, and will be best equipped to address the key activities:

## Affordable Housing in Boxborough

AHSC Report and Recommendations – October 30, 2000

- Achieving consensus to drive the establishment and approval of the Affordable Housing Long-Range Plan
- Proposing and managing town-initiated development of affordable housing
- Utilizing town funds and lands for designated affordable housing purposes
- Managing affordable housing cooperative projects with commercial and non-profit development partners
- Conducting the housing lottery
- Monitoring and managing resale of deed-restricted housing
- Providing a focus for issues, education and awareness

The bylaw has been designed to permit the BHB sufficient freedom to act expeditiously in affordable housing matters while remaining accountable to the town and the Board of Selectmen. Accountability will be ensured through a system of checks and balances including:

- Board of Selectmen approval of appointments to BHB
- Town Meeting approval of the Affordable Housing Long-Range Plan
- Town Meeting approval of special article funding for specific affordable housing projects
- Board of Selectmen approval required for spending of gifts to town for affordable housing purposes

One of the first duties of the new Board should be to use the recommendations and findings in this report to prepare and submit a formal Affordable Housing Long-Range Plan for consideration and approval at Town Meeting. This essential next step should be undertaken subject to further inputs received via the public hearing process.

### 1.2 Affordable Housing Long-Range Plan

A formal Affordable Housing Long-Range Plan should be developed as an integral part of Boxborough's overall planning and management process. The Housing Board, using the findings and recommendations of this report together with input from town boards, committees, and public hearings, should prepare a balanced plan for production of affordable housing. The plan should have a goal of producing about 250 affordable housing units over the next 20 years to reach the 10% state mandate. This plan should then be presented at Town Meeting for approval and adoption as the plan of record for Boxborough. It will serve both as a blueprint for action, and as a defining set of guidelines for the Housing Board's development work. The proposed Housing Board bylaw expressly requires Town Meeting approval of the Affordable Housing Long-Range Plan, and any substantive revisions.

The Long-Range Plan can probably best be constructed as a core document containing the long-range guidelines, supporting analysis, and general recommendations, together with a number of specific addenda each of which addresses a particular phase of execution requiring town approval, and oriented toward a specific project and its associated funding. Each large project proposed by the BHB can then be addressed as a stand-alone article for consideration by Town Meeting, subject to the particulars of the specific project and its constraints, but evaluated in the context of the overall plan direction.

The AHSC recommends that the long-range plan strike a balance among four types of development activities:

- Open Space Affordable Housing on municipal land
- Conversion of selected existing units to deed-restricted affordable housing
- Cooperative projects with developers
- Partnership projects with private non-profit housing groups

## Affordable Housing in Boxborough

AHSC Report and Recommendations – October 30, 2000

Given the opportunities for proactive affordable housing development with favorable economic consequences for the town, the bulk of production plans should strongly favor a combination of conversion and Open-Space Affordable Housing (OSAH). The key benefits of this balanced strategy are:

- **OSAH:** No market unit loading means minimal increase in new units and population
- **Conversion:** In-place conversions results in no increase in housing units or population

### 1.2.1 Open Space Affordable Housing

Under the Open Space Affordable Housing (OSAH) concept, the town would develop affordable housing on several parcels of municipal land. About 60-80 acres total would be required to support the goals set forth in these recommendations. Housing would be built at low density relative to commercial comprehensive permit developments and be integrated with conservation or recreational open space for combined benefit to the town. The town would retain ownership of the land and provide for construction of affordable housing through perpetual or renewable 99-year leaseholds. All housing units would be deed-restricted affordable housing. Since there would be no commercial units built to offset the cost of affordable units, the town would be spared the excess build-out and population increase associated with commercial comprehensive permit developments that typically require three market units to be built for every affordable unit. OSAH would be favorable to Boxborough's future long-term economics for town services as a consequence of greater per capita equalized value (EQV) contribution realized through lower population growth.

Municipal land for OSAH may be designated from lands already owned by the town, or acquired in the future for affordable housing purposes. Designation of specific lands for OSAH would require approval by Town Meeting and be reflected in approved revision(s) to the Affordable Housing Long-Range Plan.

Several options are available to fund construction of housing on land provided by the town under OSAH:

- Construction by private non-profit housing organizations that would donate labor and materials
- Construction by developers of residential subdivisions or commercial properties in compliance with conditions imposed on site plan approvals
- State matching funds from the Community Preservation Act of 2000, should Boxborough choose to adopt its provisions in the future
- State or federal affordable housing development grants
- Town Meeting approval of special articles for specific projects

A fair cost/benefit analysis of any given proposed OSAH development would need to weigh a number of factors including:

- Benefits of mixed use development, including conservation, recreation and preservation values
- Benefit of future town service cost avoidance resulting from lower population at buildout
- Net present cost of capital
- Sunk and opportunity costs associated with alternative use of municipal lands

The OSAH concept provides a means to address affordable housing needs aligned with traditional Boxborough values for open space protection. Analysis carried out by the AHSC indicates a very positive long-term financial impact compared to several more conventional alternatives.

## Affordable Housing in Boxborough

AHSC Report and Recommendations – October 30, 2000

### 1.2.2 Housing unit conversion

Approximately 44% of existing housing units in Boxborough are condominiums – this is a distinguishing aspect to the housing stock. Only about 36% of these are owner occupied. Currently between 30-35 one and two bedroom condominiums are being sold each year at market prices below the legal maximum for affordability established under MGL Ch 40B. In the economic sense, they are “affordable”, but since none have deed restrictions on maximum sale price, under the law they are not recognized as affordable housing units – *i.e.*, they do not “count”. This presents Boxborough with an opportunity to preserve and protect a portion of our existing stock by conversion of selected units to qualified affordable housing units through acquisition and resale with deed restrictions. While condominium market pricing remains low relative to legal affordability guidelines, conversion could be undertaken with minimal cost to the town. However, since condominium prices have been rising at about 14% compounded annually since 1992, it will be necessary to embark soon on a conversion program to take maximum advantage of favorable market conditions.

In addition to condominiums, single family houses that come on the market should also be considered as opportunities for conversion through acquisition and resale with deed restrictions. Given prices in the current Boxborough real estate market, the smaller, older houses would be the most likely candidates for single family conversion. Analysis of recent housing sales data shows that only about one single family unit per year would be available for conversion on economic terms as favorable as development of new units under Open Space Affordable Housing. This situation is likely to deteriorate even further due to market competition for smaller older houses as candidates for demolition and replacement with new up-scale construction. Although increasing numbers of older smaller houses are likely to come on the market in the future with aging of our long-term residents, it seems doubtful that single family conversions could contribute substantially to long term affordable housing production goals.

### 1.2.3 Partnership projects with private non-profit housing groups

The Town, through the BHB, can work with other groups and non-profit organizations (e.g. Habitat for Humanity) to develop plans for, and build or renovate affordable housing units. Such units could be developed on town-owned lands as part of the OSAH program, or on single lots provided by the town for this purpose, either through purchase or tax-taking.

### 1.2.4 Cooperative projects with developers

The town always has the option to work with commercial developers to develop affordable housing under agreements favorable to town finances and interests in affordable housing. This could include, but need not be limited to providing land for affordable housing development in return for favorable considerations. Typically, such developments are carried out under the Local Initiative Program (LIP) of the Department of Housing and Community Development to ensure recognition of the deed-restricted affordable housing units that are created. The Boxborough Housing Board, working in conjunction with other town boards, would be in an excellent position to identify and facilitate agreeable developments at minimal cost to the town. The BHB would have formal standing in the structure of the town and be better equipped than a purely advisory Local Housing Partnership.

## 1.3 Affordable housing production goals

Study and modeling of the impacts and consequences on future tax revenue and population buildout indicates a very favorable outcome for Boxborough to generate affordable housing through a balanced production program. Production should be a combination of existing unit conversions complemented with low-density Open Space Affordable Housing development carried out under the authority of the town. The overall affordable housing production goals for the next twenty years are:

## Affordable Housing in Boxborough

AHSC Report and Recommendations – October 30, 2000

- 90-100 units of new construction under Open Space Affordable Housing
- 125-150 units through conversion of existing stock
- 250 total units by year 2020

These are goals to guide planning. The exact numbers will be dictated by the realities of implementation, and would be adjusted to reflect production of affordable housing through alternative means such as private commercial development, or influence of potential future zoning changes or enablers.

### 1.3.1 New construction

Set a goal to build 90-100 units over the next 20 years through a combination of Open Space Affordable Housing and partnerships with developers and private non-profit organizations. Units produced through cooperative projects and partnerships with developers and private non-profit housing organizations are likely to provide only a small supplement to the main thrust of production.

### 1.3.2 Conversion

Set a goal to convert 125-150 units of existing ownership style housing units (*i.e.*, not rental units) over the next 20 years. Conversion of 15-20% of existing condominium units would be sufficient to achieve this goal. The majority of conversions should be directed at existing one and two bedroom condominiums to be acquired by the town and converted to deed-restricted affordable housing units. The conversion program can be supplemented with acquisition and conversion of small single family houses as opportunity arises. However, under current and foreseeable market conditions single family conversions are not likely to produce more than about one unit/year under financial conditions as favorable to the town as the alternative of new construction under the Open Space Affordable Housing approach.

## 1.4 Affordable housing production consequences

Adoption of the balanced approach to affordable housing production should result in only a modest increase in overall buildout housing and population compared to a baseline of current and conventional estimates in the absence of affordable housing production, as summarized in the following table:

**Table 1-1 Affordable housing buildout projections**

<b>Buildout Projections to 10% Affordable Housing</b>			
<b>Assuming half are conversions (150 – 160 units)</b>			
	<b>Total New Houses</b>	<b>Total Housing Units</b>	<b>Population at Buildout</b>
<b>Baseline – No affordable units</b>	656	2509	6530
<b>Open Space Affordable Housing Plan</b>	707 - 794	2560 - 2650	6610 - 6835
<b>All Residential comprehensive permit</b>	1076	2929	7622
<b>All IC/Business comprehensive permit</b>	1336	3189	8315

## Affordable Housing in Boxborough

AHSC Report and Recommendations – October 30, 2000

Total housing units includes both condominiums and single family housing units as well as a small number of apartments and duplexes. Through the OSAH approach, the number of new single family style housing units would be increased by a modest 10-20 % relative to the baseline. The exact number of additional units would depend on the method(s) chosen for implementation, and the amount of market unit construction that will occur in the interim. The combination of conversion and new affordable housing construction would drive an increase in ultimate buildout population of 2-5%. In contrast, under worst-case purely residential or commercial comprehensive permit developments to reach state mandates, new housing could be more than doubled, and population increased by 27%. These are strong incentives for Boxborough to take an active role in developing its affordable housing stock. A purely passive approach could have very undesirable consequences on ultimate buildout and the character of the town.

The inclusion of non-OSAH cooperative projects with developers or partners would result in more housing construction and a greater population at buildout. The consequences of several alternative approaches are presented in some detail in the body of the report.

### 1.5 Zoning enablers

To foster the development of affordable housing under financial circumstances favorable to the town, the AHSC recommends investigation of zoning enablers to foster development of affordable housing through a system of rewards and fees to offset the cost of town developments. Various options for zoning tools or enablers may include:

- A special permitting process with provision for higher than usual density in both residential and commercial developments in return for the creation of affordable housing units in designated areas – either in the proposed residential subdivision or within an OSAH development.
- A residential subdivision fee-based special permitting process which allocates the fees to affordable housing development to be carried out by the Boxborough Housing Board.
- Creation of a streamlined residential subdivision approval process for builders who agree to create affordable housing within their developments.

A preliminary analysis indicates that a fee-based special permitting process, for example, could generate substantial revenue to help offset the cost of town-initiated affordable housing development. Special permitting appears to be an attractive mechanism that would allow the town to retain significant control over developments while evaluating specific opportunities on a case-by-case basis. We recommend a broad public hearing process sponsored by both the Boxborough Housing Board and Planning Board in order to examine these and other options for potential adoption.

### 1.6 Suggested key milestones

- October STM – approve Housing Board Bylaw
- Appointment of BHB completed by January, 2001
- Affordable Housing Long-Range Plan approved at May 2001 Town Meeting
- BHB brings first special article request for at least 10 conversions – May 2001
- BHB proposes first partnership affordable housing project – Fall 2001 STM
- First phase of OSAH proposed – May 2002 ATM
- First 10 units of town-initiated development completed – Nov 2003

### 1.7 Closure and transition

For a number of years there has been a growing awareness of the need to take action to address affordable housing requirements in the town of Boxborough. With the added impetus of a sense of the meeting motion to that effect adopted at the May 1999 Annual Town Meeting, in June 1999 the Board of Selectmen appointed the Affordable Housing Study Committee to investigate affordable housing issues and deliver recommendations to the town. The AHSC was charged to:

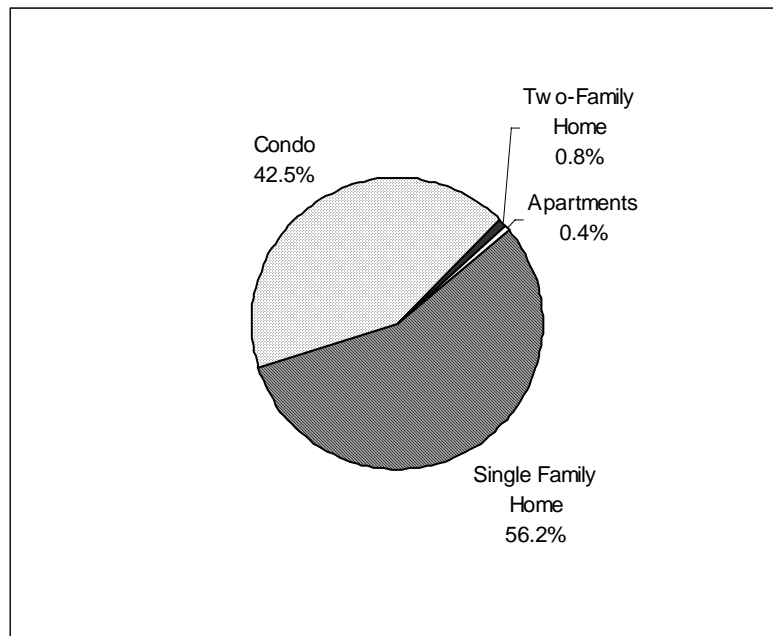
- Research and articulate Boxborough's affordable housing needs.
- Propose an affordable housing strategic long-range plan.
- Serve as a focal point for citizen input on affordable housing needs and direction.
- Make recommendations for implementation, management and continued refinement of the strategic plan.

With the delivery of this report and the proposed Boxborough Housing Board bylaw, the Affordable Housing Study Committee has completed its mission. Our recommendations have been guided by our vision. We believe they will well serve Boxborough as the basis for the planning and work that lie ahead. The time has come for the town to take the next important step by establishing the Boxborough Housing Board to begin that work. The Affordable Housing Study Committee will work with the newly established Housing Board and other town boards during a short transition period to facilitate the development of a formal Affordable Housing Long-Range Plan for approval by Town Meeting.

## 2 Boxborough current housing

### 2.1 Character of existing housing stock

Analysis of the town Assessor's data shows the existing Boxborough housing stock is approximately 56% single family homes and 43% condominiums, with less than 2% comprising everything else – predominantly apartment units. These two main segments of the Boxborough housing market display quite distinct market economics, with condominiums selling at moderate prices affordable to many individuals, and new single family construction affordable only to affluent families.



The condominium market was overbuilt at its peak and with the general economic downturn of the late 1980's prices became significantly depressed. During the last ten years, even as this market has rebounded, condominium units have been selling at market rates that are well within the range of affordability established by DHCD. They have been affordable in the economic sense at pricing in line with Ch40B affordability guidelines. However, since none have deed restrictions to limit selling price to be within the range of income-qualified buyers, they are not affordable in the legal sense. Since about 1992 median 1- and 2-bedroom condominium prices have been increasing at about 14% compound annual growth rate (CAGR), so affordability and availability are under increasing pressure.

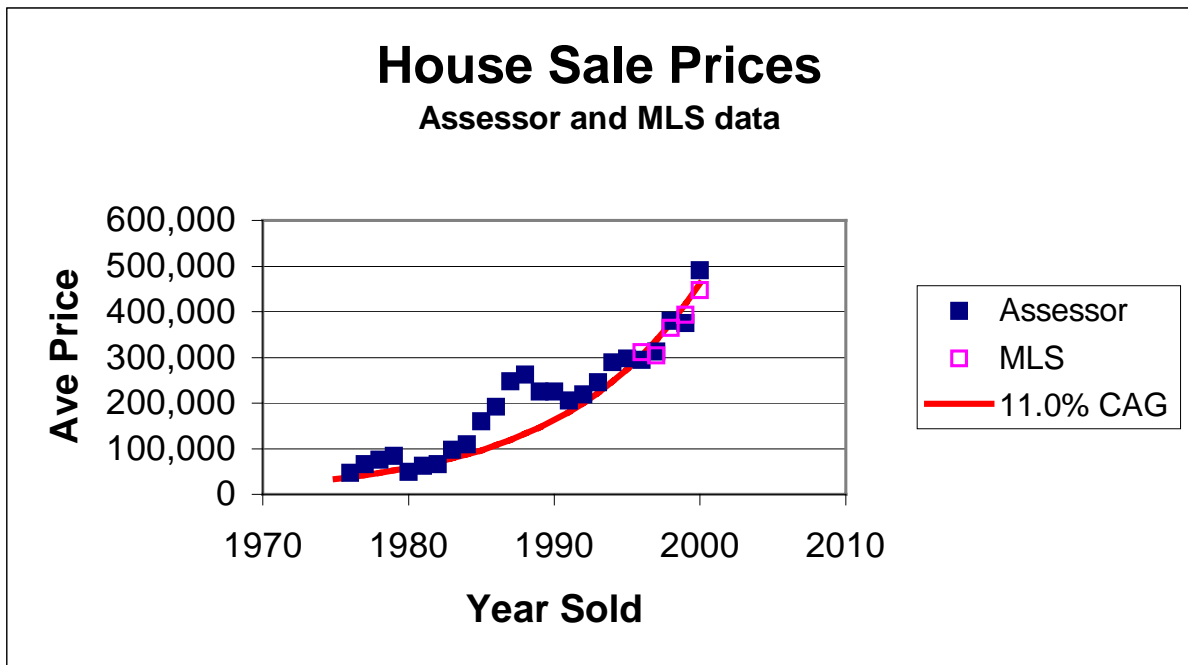
Average selling prices of single family houses has been moving steadily upward at approximately 11% CAGR since about 1975. Examination of the quartile selling price distribution shows that the median price climbed past \$300K in 1995. Even the lowest quartile (lowest 25% of units sold) climbed past \$300K in 1998. The lower 75% of the single family market (first three quartiles) has been tracking fairly closely within a price band or spread of about \$100K. However, selling prices of the upper quartile appear to be accelerating at a greater rate of increase. Moreover, there is a clear bimodal population of house pricing with the upper quarter significantly separated from the lower 3/4 by about \$150-200K.



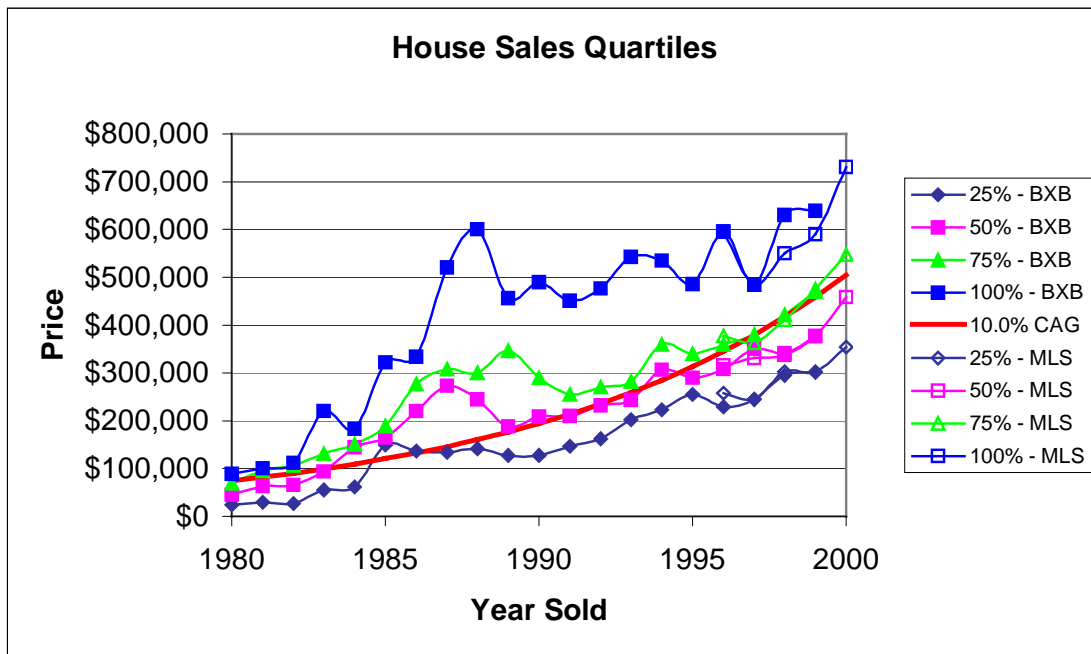
The upper end of Boxborough’s housing market exemplifies a trend that has been underway since about 1970 – the average size of houses has been increasing. New homes in 1970 were about 1750 square feet. In 1998-99 new construction was 3000-3500 square feet. More house costs more money. The economic impact of size can be clearly seen in the chart of average selling price versus year built.

## 2.2 Housing data — single family houses

The following figures show sale pricing trends for single family housing in Boxborough. Data for these analyses were obtained from the town assessor and Multiple Listing Services Property Information Network (MLS) databases.

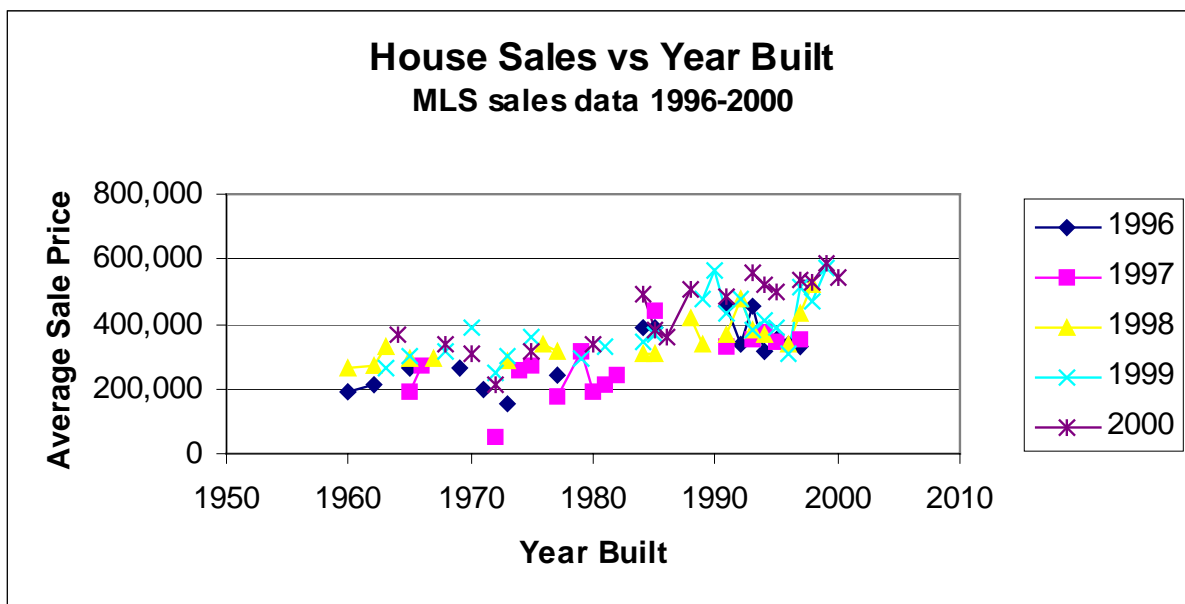


The following figure shows the distribution of house selling prices by quartiles using assessor (BxB) and MLS data. Median price is the 50% quartile. A line of 10% compound annual growth rate (CAGR) is superimposed on the data. Median sale price crossed above \$300K in 1995, and the lower quartile surpassed this level in 1998.

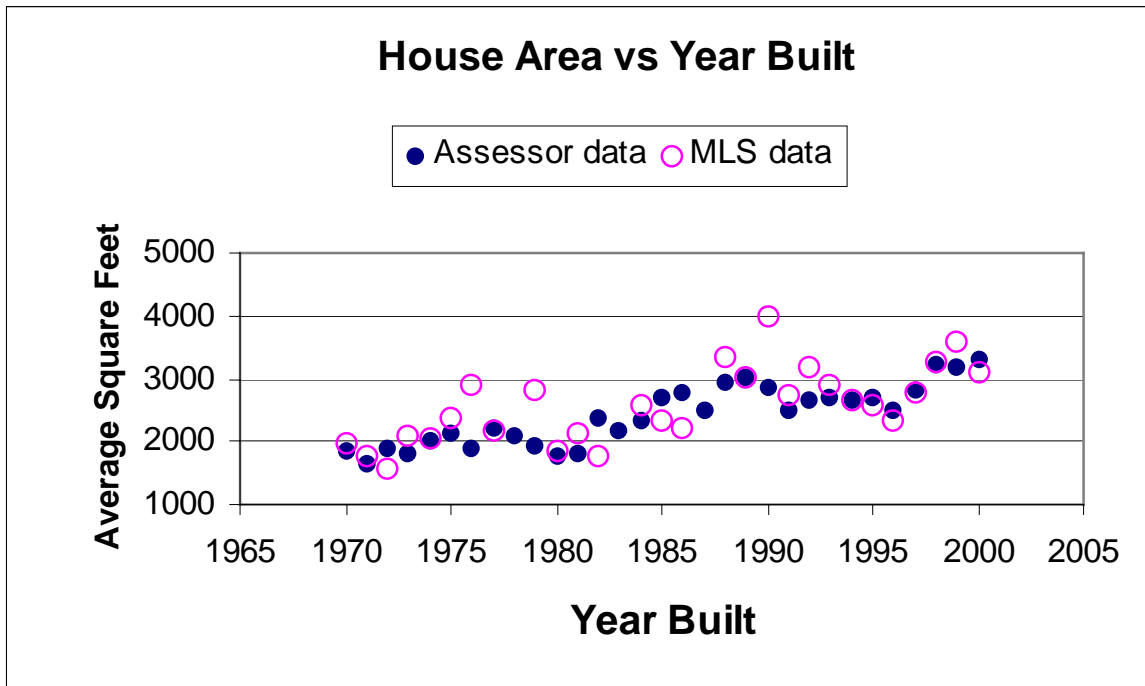


The following figure of sale prices from 1996-2000 versus year built shows that the more recently built housing is more expensive than older units. There are a number of factors influencing this trend – among them the inflation of building lot prices due to limited supply in the face of strong demand, and features of construction or design.

In the plot of house area versus year built, it is clear there has been a steady trend to build larger houses since about 1970. For some time there has been a market for increasingly larger houses which has driven up pricing of more recent construction. In addition to this size factor, there appears to be an additional market premium for the larger houses, as



can be seen in the significant price elevation and recent sharp upturn in pricing of the upper quartile.

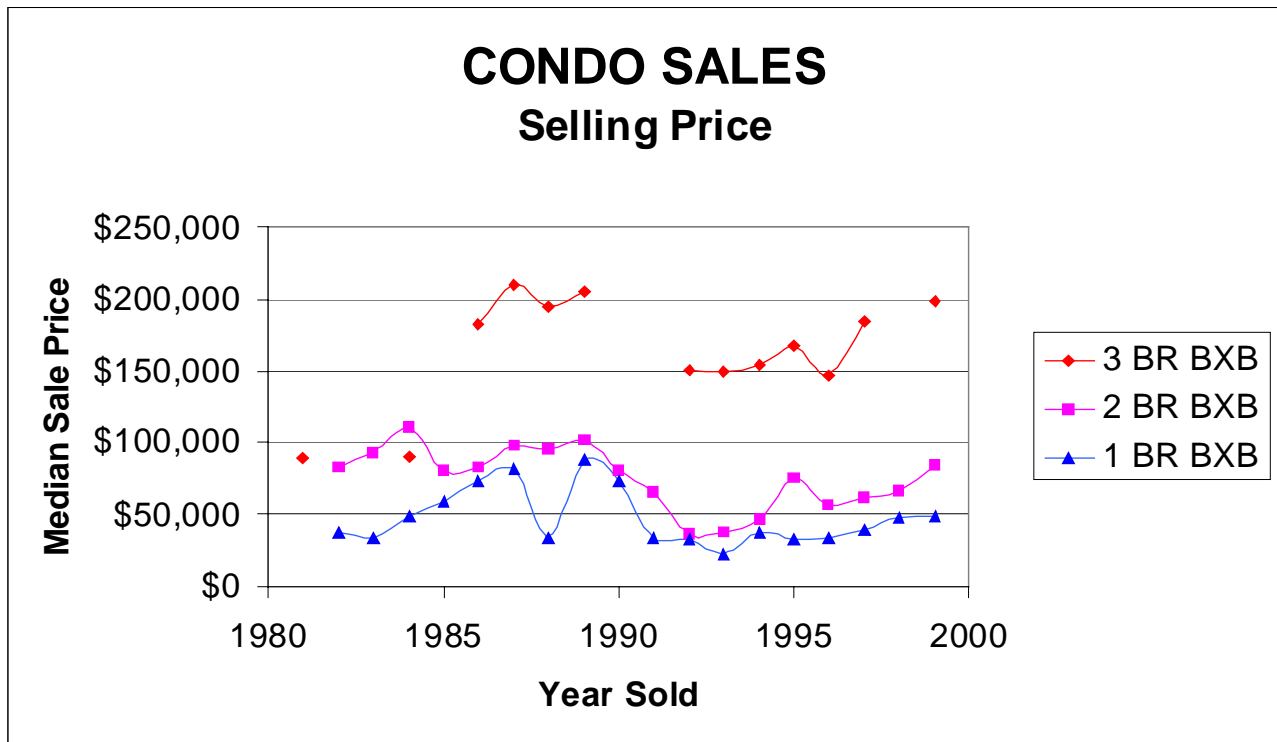


### 2.3 Housing data – condominiums

Recent condominium sales data are shown in several following figures based on town assessor and MLS data. Median selling prices of 1- and 2-bedroom condominiums have tracked fairly closely together at about half the level of the 3-bedroom units. The 3-bedroom condominiums are a special case. There are 42 of these on the assessor’s list (5.4% of all condominiums), and all are located in the Applewood complex.

Another special case is the Sheriff’s Meadow and Tisbury Meadow complex on Stow Road in the Town Center District. These are all 2-bedroom units that are restricted to occupants at least 55 years of age. Furthermore, they are at the upper end of the market, with an average sale price of approximately \$203K from 1995-99. A summary of the Applewood and Sheriff/Tisbury data is shown in the following table.

	2-Bedroom Units		3-Bedroom Units	
	Number	Average Sale Price [1]	Number	Average Sale Price [1]
Applewood	42	\$138K	42	\$156K
Sheriff’s Meadow + Tisbury Meadow	19	\$203K	0	N/A

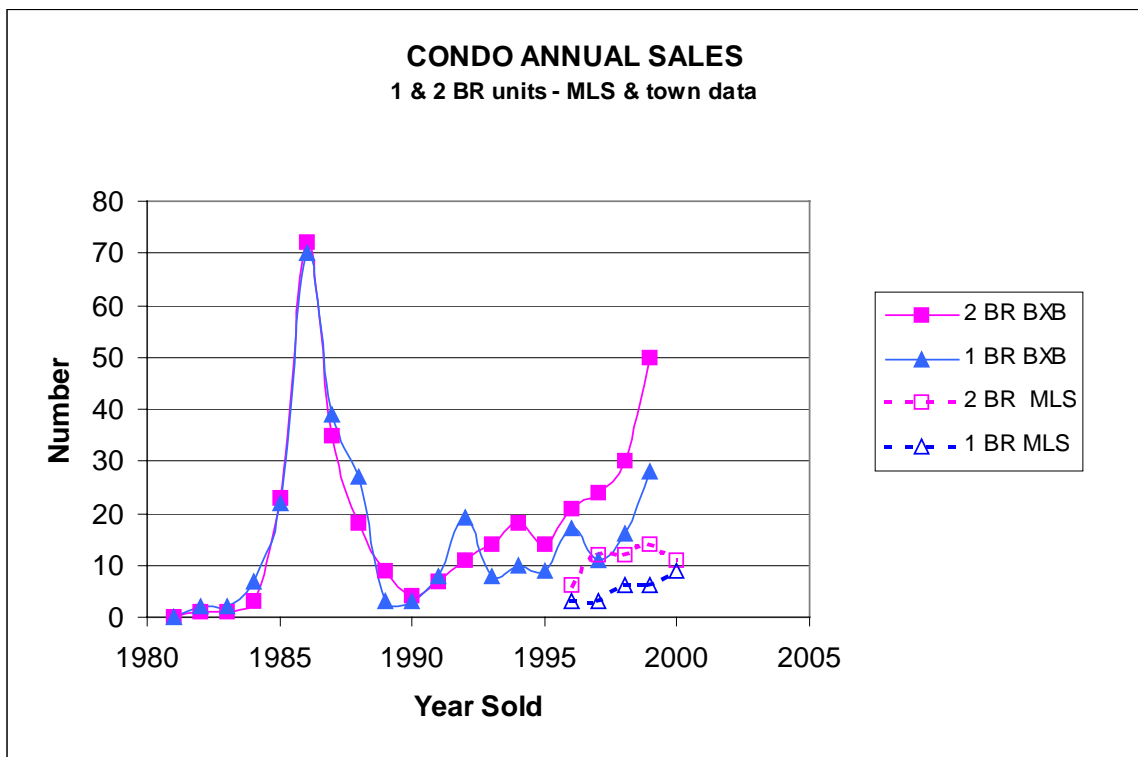
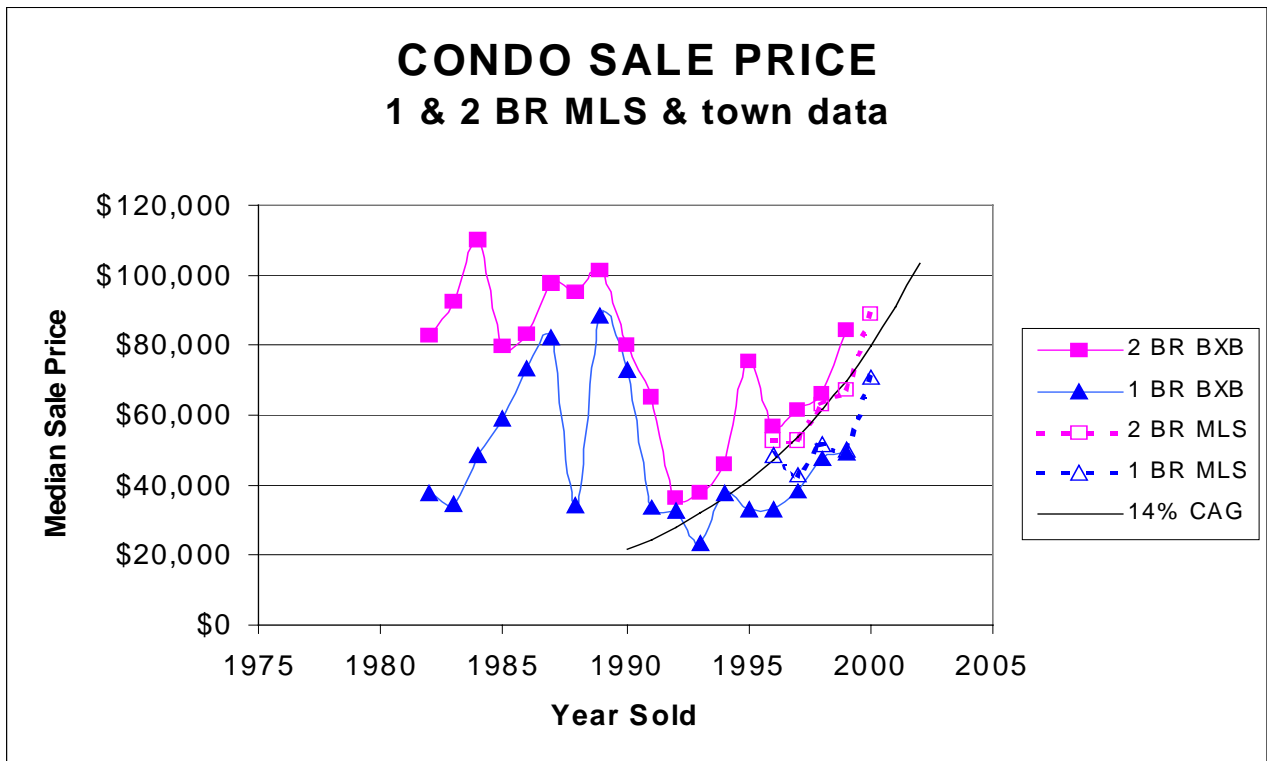


A significant fraction of 1- and 2-bedroom condominiums are currently selling at levels below the DHCD maximum guidelines for affordable units, whereas no 3-bedroom condominiums are (see Appendix). Under current market conditions and DHCD guidelines, conversion of 3-bedroom condominiums appears less feasible and less economically viable than conversion of smaller older single family houses. Given these factors, the 3-bedroom condominium segment is omitted from further analysis that instead focuses on the 1- and 2-bedroom segment.

As shown in the following figure, median sales volumes and prices for 1- and 2-bedroom condominiums have been increasing since about 1992. After some years of decline, median selling price has been increasing at about 14% (CAGR) as volumes have increased. Removal of the 19 units of Sheriff’s and Tisbury Meadows 2-bedroom condominiums does not significantly alter these results or conclusions. Within the past 4-5 years, 1- and 2-bedroom units have been selling at a rate of about 35-40 per year, on average. Assuming these trends hold, this presents a substantial conversion opportunity, as discussed in a later section. However, at 14% CAGR in sales prices, favorable conversion economics may not hold much longer.

## 2.4 Apartments

Apartments comprise a very small fraction (0.4%) of existing units. Although approximately 64% of condominiums are rented (i.e., not owner-occupied) and therefore are apartment-like in function, this mostly appears to be a phenomenon of the local condominium market, and its early history of speculative investment. Boxborough has little apartment housing that was built as such. However, given the apparent continuing success of the condominium rental market, apartment construction might become an attractive prospect to private builders who could build them under comprehensive permit in any zone. Under worst-case circumstances, this could lead to explosive additions to total town population, given the potential for extremely dense development.



### **3 Boxborough affordable housing needs**

Local affordable housing needs in Boxborough are difficult to estimate since, without an existing affordable housing stock, there is no method to directly measure needs and numbers of potential qualified applicants. The AHSC analyzed five population categories to establish a plausible estimate of local needs:

- Homesteading adult children
- Blanchard teachers
- Share of Acton-Boxborough Regional High School teachers
- Non-school town employees
- Seniors aged 60 or more

We estimated the current number of potential candidates in each of these categories that might be income-qualified currently, and then projected the same proportions with respect to their relevant population segments to arrive at future needs estimates in 10 and 20 years. Estimates of population were obtained from a variety of sources: MAPC (1996), MISER (1999)<sup>1</sup>, Massachusetts Department of Education (DOE), Massachusetts Department of Revenue (DOR), and available town data. The methodology for each of these population categories is described in the following sections.

#### **3.1 Homesteading adult children**

Although many children desire to leave their hometown and set up housekeeping elsewhere, or must leave due to circumstances of employment, and so on, the AHSC assumed that a small percentage of grown Boxborough children might want to settle in town. Lacking any concrete guidance, we guessed this might be the order of 3% of adult children. Adult children were defined to include high school seniors through college graduates, or roughly ages 19-24. According to MAPC (1996) data, this group is expected to be fairly steady at about 400 people during the next 20 years. Thus, 3% of these, or about a dozen or so, comprises the homesteading group.

#### **3.2 Blanchard teachers**

Blanchard teachers may wish to settle in town, and the town may well benefit from having them as residents. The number of Blanchard teachers that might be income-qualified was determined from town payroll records, using the guideline of 80% of Boston MSA median income. This group was scaled in proportion to the expected elementary school population to arrive at a crude estimate. There was no adjustment made for potential disqualification due to possible additional household income. It also does not attempt to determine what fraction of potentially qualifiable teachers might actually wish to live in Boxborough. It should be noted that teachers in neighboring towns desiring to live in Boxborough might well offset Blanchard teachers choosing to live out of town. The population scaling was based on data summarized in the following figure for Boxborough population aged K-6.

#### **3.3 Resident ABRHS teachers**

This was estimated as 10% of the qualified Blanchard teachers segment. Again, this ignores the possibility of disqualification due to other household income.

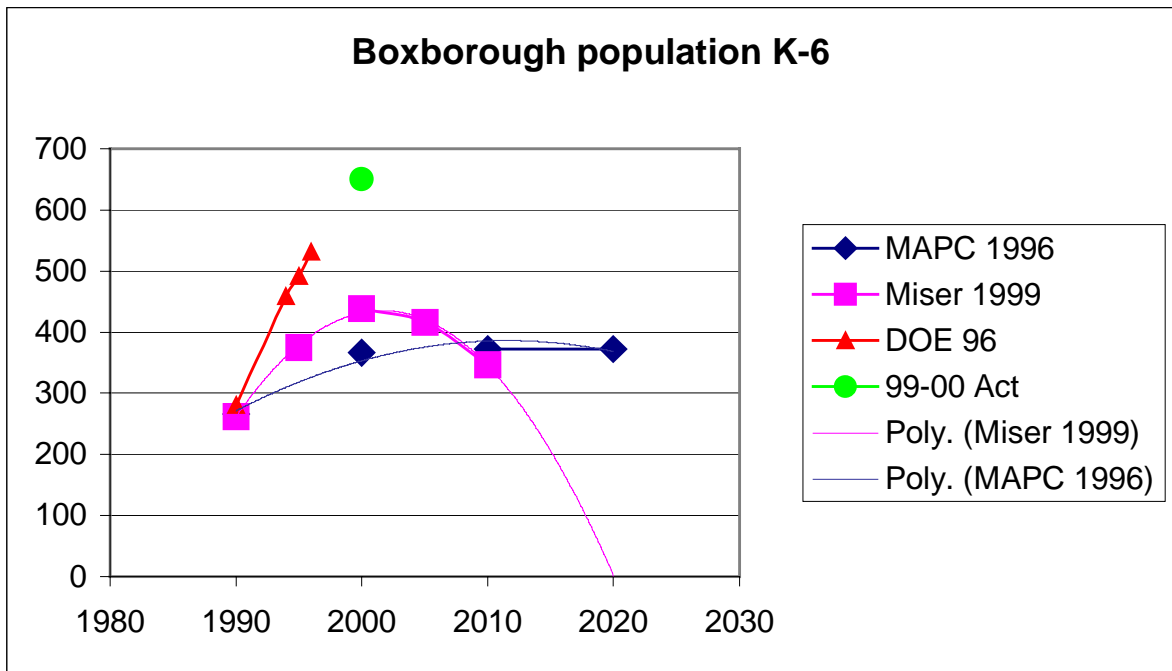
#### **3.4 Non-school town employees**

The same methodology was used as for Blanchard teachers. Town payroll records were used to determine the proportion of current non-school town employees that might be income-qualified, using the guideline of 80% of Boston MSA median income. Again, there was no adjustment made for potential disqualification due to other household income or for choice of town for residence. The size of this segment was scaled in proportion to total town

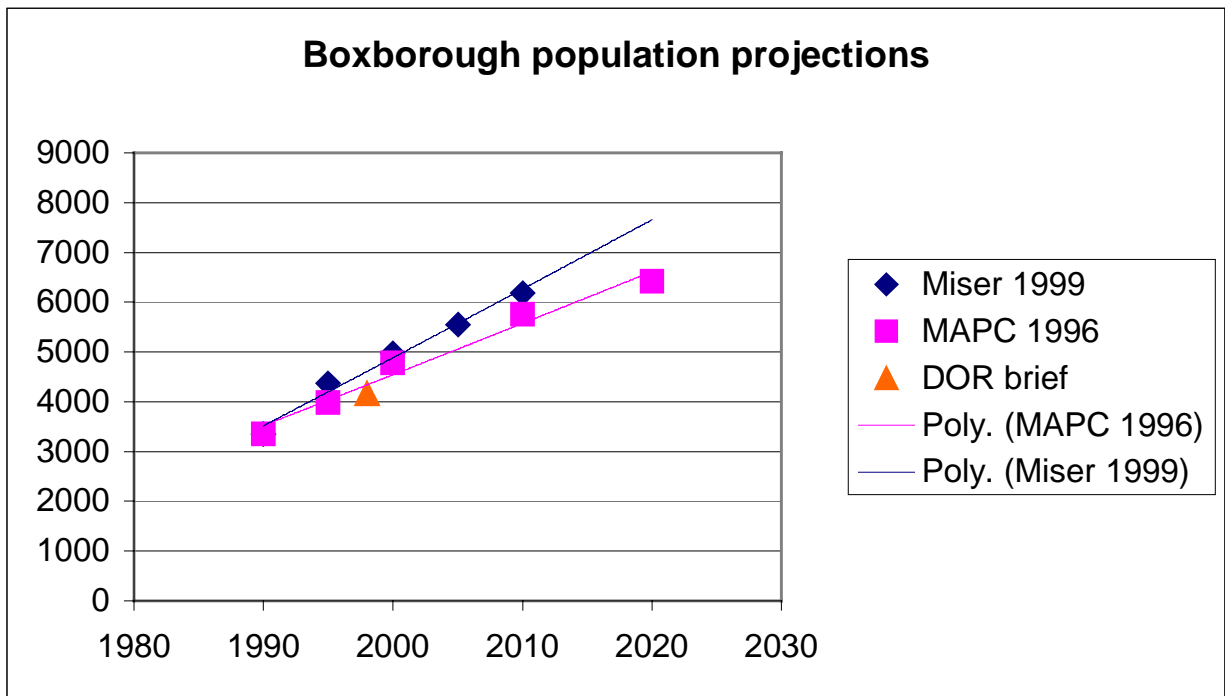
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<sup>1</sup> Massachusetts Institute for Social and Economic Research

population on the assumption that town services and thus employees must grow apace. Boxborough population

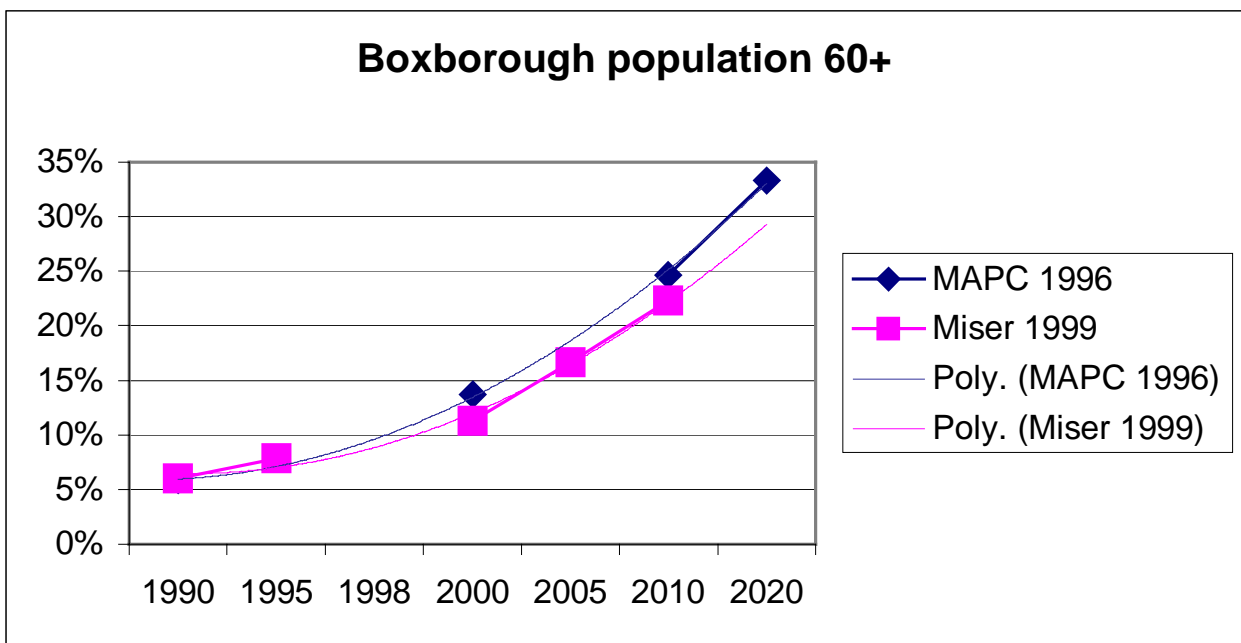


estimates are shown in a following figure.



### 3.5 Seniors

Seniors age 60+ are a growing segment. As shown in the following figure, over the next 20 years this proportion of Boxborough’s population is projected to increase 3-fold, from about 10% in 2000 to over 30%. However, we have a very poor understanding of this group’s dynamics and their housing needs. An estimate of current senior needs was developed based on information provided by the Town Administrator and the Council on Aging Coordinator on the number of seniors currently expressing interest in, or taking advantage of various assistance programs. This generated an estimate of about 10-12 seniors in the current population who might be considered potential candidates for income-qualified affordable housing should they wish to downsize their current residence and remain in Boxborough. By extrapolation based on population, this leads to an estimate of about 33 seniors in 2020. The number of affordable units for seniors was based on the assumption that 50% of the group would be housekeeping couples, and 50% would be living alone. The net result of this estimate is summarized in the table following.



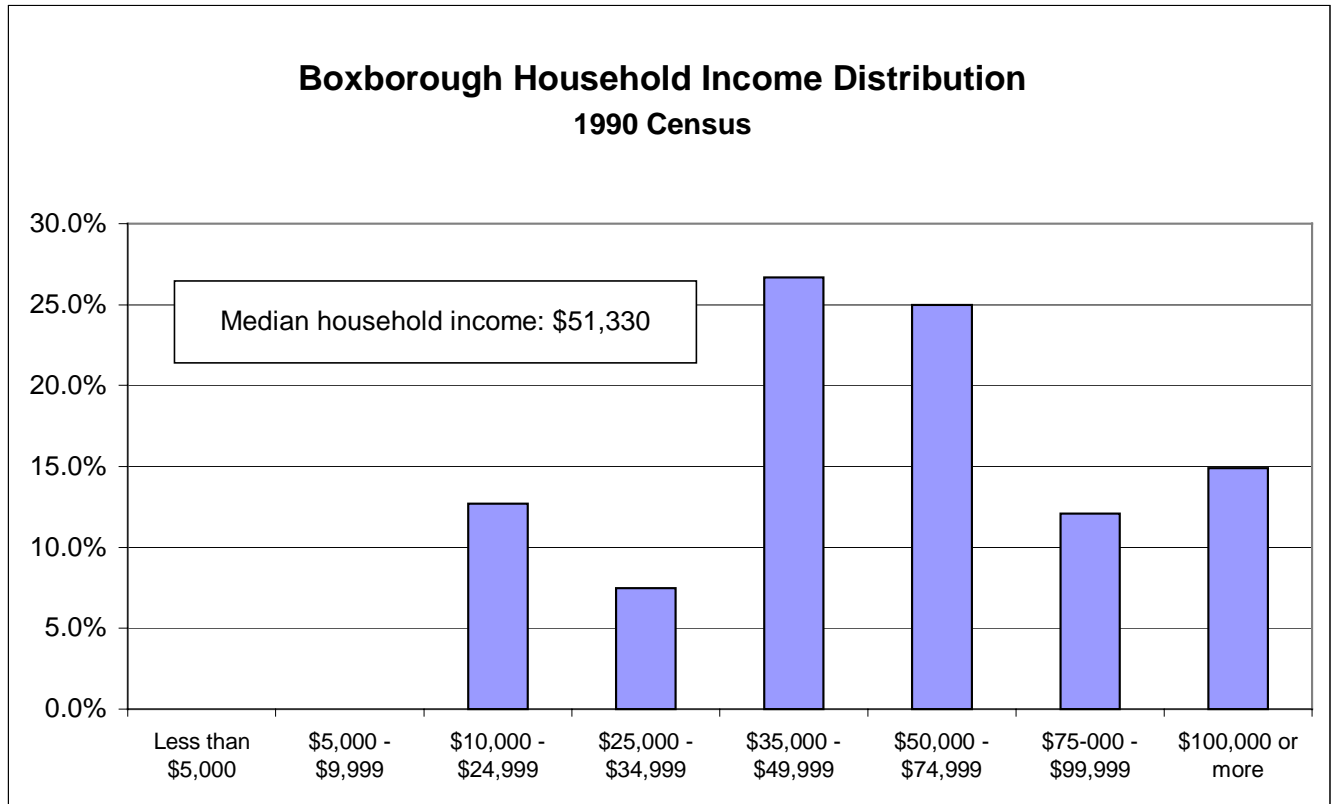
#### 3.5.1 Further discussion of senior affordable housing needs

Needs of Boxborough seniors have been historically difficult to gauge. This analysis of senior affordable housing unit requirements is almost certainly inaccurate and very likely too low. It is grounded in available data, and therefore quantitative. However, its naivete is a planning risk that should be addressed by a more in-depth assessment as part of the development of the affordable housing long-range plan.

In 1990, the median household income for the Boston MSA was \$51,330. The Ch 40B and DHCD guideline for moderate income affordable housing in Boxborough is 80% of the Boston MSA median, so in 1990 this would have been \$41,064. Analysis of the 1990 census data for Boxborough household income indicates that 40-42% of Boxborough households would have been income-qualified for affordable housing at the time of the census. Of course, this did not demonstrate needs for affordable housing since everyone living in Boxborough at that time obviously already had housing. However, it is an indication of potential hidden needs that could surface with aging of a substantial portion of long-term residents who may wish to make housing changes. Although affordable senior housing may be available elsewhere, long-term Boxborough residents may prefer to live out their years in town.



Boxborough seniors currently are in the local preference pool for Acton Housing Authority senior housing. Given the lack of any affordable housing in Boxborough at this time, DHCD is more likely to approve affordable housing programs targeting younger families and first-time homeowners. Although the town should press forward on the recommendations in this report, a careful and accurate assessment of senior affordable housing needs should be



undertaken as a follow-on activity. Depending on the findings of such a study, the senior affordable housing needs presented in this report may need to be revised.

### 3.6 2000 Census data

Many population projections and demographic analyses presented in this report, as well as DHCD guidelines are based on the 1990 US Census data and subsequent interpolation models. Certain data and conclusions may need to be revised and adjusted according to the results of the 2000 Decennial Census. Although such adjustments may be important for accuracy, they are not expected to alter substantially the thrust of the key recommendations.

### 3.7 Summary of housing needs

The following table summarizes the affordable housing needs analysis and a possible production plan. Details of the baseline and affordable housing production models are discussed in a later section, as is the population model. The affordable housing production total meeting the Ch 40B 10% goal is self-consistent with its effect on growth of the housing stock.

**Table 3-1 Cumulative affordable housing needs and production estimates**

	YEAR		
	2000	2010	2020
<b>Baseline housing units projection:</b>			
Condo + apt units - assumed constant	814	814	814
Baseline (2000) SF & duplex units	1039	1039	1039
SF & duplex units growth	0	394	656
<b>Total projected units</b>	<b>1853</b>	<b>2247</b>	<b>2509</b>
<b>Ch 40B units needed @10% baseline</b>	<b>185</b>	<b>225</b>	<b>251</b>
<b>Baseline population projection</b>	<b>4759</b>	<b>5822</b>	<b>6530</b>
<b>Local units needs estimation by category - income qualified buyers:</b>			
Homesteading adult children @ 3%	13	12	12
Resident Blanchard teachers	42	43	43
Resident AB teachers	5	6	5
Non-school town employees	20	26	29
Seniors 60+	8	16	24
<b>Total estimated local unit need</b>	<b>87</b>	<b>103</b>	<b>114</b>
<b>Possible production plan:</b>			
Private developer subdivision / special permit	18	22	25
Private non-profit partnership - isolated singles	7	9	10
Open Space Affordable Housing	68	82	92
Conversions	112	136	152
<b>Total production plan:</b>	<b>206</b>	<b>250</b>	<b>279</b>
<b>Net AH additions (excludes conversions)</b>	<b>94</b>	<b>114</b>	<b>127</b>
<b>Ch 40B units needed corrected for AH additions</b>	<b>206</b>	<b>250</b>	<b>279</b>
<b>Net population - corrected for AH new construction</b>	<b>4984</b>	<b>6095</b>	<b>6835</b>

## **4 Boxborough Housing Board**

One of the key recommendations of the AHSC is to establish a new Boxborough Housing Board (BHB) with responsibility for the production and management of affordable housing stock. Regardless of the specifics of the particular affordable housing production plan, the very considerable amount of work entailed in any case, plus the need for a formal mechanism to engage private affordable housing developments makes it essential to establish the Housing Board. The key responsibilities and activities of the Housing Board would be to:

- Develop detailed implementation and funding plans for affordable housing and bring them to Town Meeting for voter approval. This is required in the language of the proposed bylaw.
- Manage affordable housing production programs.
- Conduct real estate transactions for unit conversions.
- Act as the town's agent on private affordable housing projects.
- Oversee the affordable housing lottery and resales.

The AHSC considered several models for a permanent entity to develop and manage Boxborough's affordable housing efforts through both OSAH and conversion, as outlined above. At this time it appears the best course would be to establish a permanent Boxborough Housing Board through a by-law adopted at Town Meeting that would define its powers and responsibilities and authorize the Selectmen to appoint the members of the board. The BHB would function under the authority and supervision of the BoS and Town Meeting, but have sufficient independence to act expeditiously on affordable housing matters. The AHSC has developed a proposed bylaw to establish the BHB, and will present this for voter consideration at the October 30, 2000 Special Town Meeting.

### **4.1 Development and management requirements**

The requirements for an affordable housing management and development structure include but may not be limited to:

- Ongoing and permanent responsibility for development, implementation, advocacy, and continued refinement of the town's affordable housing plans.
- Ability to act on behalf of the town and execute the long-range affordable housing plan, without being unduly encumbered by town government processes.
- Be governed by and accountable to the town through its Board of Selectmen.
- Purchase and sell real estate for the purpose of meeting the town's affordable housing plan.
- Ability to use town lands and funds for the development of affordable housing.
- Act as the town's agent on any CH 40B comprehensive permit developments that may be proposed by private developers.
- Afford liability protection to volunteer members and agents.
- Manage the lottery and buyer qualification processes for compliance with law, DHCD, and any other relevant regulations.
- Manage and oversee affordable housing resale processes and exercise right of first refusal options as needed.

### **4.2 Alternatives considered**

The AHSC considered several alternative management structures to the proposed Housing Board and rejected them.

## Affordable Housing in Boxborough

AHSC Report and Recommendations – October 30, 2000

### 4.2.1 Housing authority

A town may establish a housing authority by statute. A general overview of a housing authority is given in the Appendix. A housing authority is traditionally focussed on management of subsidized rental housing, typically developed with large federal or state block grants or other public monies. It is often associated with large-scale urban housing rehabilitation projects. According to statute, one member of the housing authority must be appointed by DHCD. There is often a paid staff to handle the affairs of the rental housing operations. As described in the Survey of Towns in the Appendix, the AHSC found that a number of nearby towns had established housing authorities. In all cases, the motivation was to administer or develop subsidized or rental affordable or low-income housing. The AHSC concluded that the mechanisms of a housing authority were not aligned with the directions recommended for Boxborough, and would bring added complications with the DHCD appointment.

### 4.2.2 Local Housing Partnership

A Local Housing Partnership is an ad hoc group of affordable housing advocates and advisors who may work with a town to help facilitate the development of affordable housing. Although it is an informal body, its engagement in an affordable housing project, such as a private comprehensive permit development, is regarded positively by DHCD, and taken as evidence of productive engagement between the town and a developer. The key deficiency of a Local Housing Partnership is that it is advisory only with no official standing or clout, and is not able to directly utilize town resources such as land or money.

### 4.2.3 Private non-profit

Another option would be to rely solely on private non-profit affordable housing organizations to develop affordable housing units. Although extremely attractive as development partners for some types of projects, a private non-profit would be unable to utilize town resources directly, and would have great difficulty carrying out the balanced conversion and production plan recommended for Boxborough. It would not be realistic to rely on a private non-profit to carry out affordable housing unit production on a timetable consistent with Boxborough's goals. They would have neither the capacity nor the means.

## 4.3 Affordable housing lottery – local preference

Under MGL Ch40B affordable housing units must be offered to income-qualified buyers through a fair lottery process with three pools of candidates:

- Local preference pool
- Minority applicant pool
- State-wide applicant pool

In addition to the mechanics of conducting the lottery, one of the responsibilities of the Housing Board will be to establish a policy to define the local preference pool of candidates. The minority and state-wide pools are established in accordance with guidelines from MGL 40B, and regulations of the DHCD, but the town has wide latitude to determine the criteria for the local preference pool. Under the proposed Housing Board bylaw, such policy is to be determined with town-wide input through the public hearing process. The AHSC recommends that the local preference criteria include the following categories:

1. **Current residents.** Residency to be established in a fairly and unambiguously, *e.g.*, Town Census List.
2. **Relatives of current residents.** Definition of relative to be determined through the policy hearings, but could include parents, children, siblings, step-siblings.
3. **Town employees.** The definition of employee needs to be both fair and precise – for example minimum length of employment, and whether W-2 or Form 1099 recipients are to be considered equally.

## 4.4 Suggested timeline and milestones for the BHB

- October STM – approve Housing Board Bylaw

## Affordable Housing in Boxborough

AHSC Report and Recommendations – October 30, 2000

- Appointment of BHB completed by January, 2001
- BHB brings formal Affordable Housing Long-Range Plan to approval at May 2001
- BHB brings first special article request for at least 10 conversions – May 2001
- First partnership affordable housing project proposed – Fall 2001 STM
- First phase of OSAH proposed – May 2002 ATM
- First 10 units of town-initiated development completed – Nov 2003

## 5 Recommendations for development of Affordable Housing units

Boxborough's Affordable Housing Strategic Plan has four main elements for production of affordable housing units:

- Open Space Affordable Housing
- Conversion of existing units
- Cooperative projects with developers
- Partnership projects with private non-profit housing groups

### 5.1 Open Space Affordable Housing

The AHSC is sensitive to and concerned about potential adverse economic impact of affordable housing private developments that could result from commercial enterprises carried out under comprehensive permit allowed by statute. That is why the AHSC recommends a balanced proportion of existing unit conversions complemented with low-density Open Space Affordable Housing (OSAH). Under the OSAH concept the town would manage development of affordable housing on town-owned lands. Housing units would be sited to help preserve open space and provide access to recreational and conservation lands for use by all town residents. The town would receive a double benefit: affordable housing and preservation of open space recreational or conservation lands. Open Space Affordable Housing resonates with the philosophy and intent of the Community Preservation Act, and could facilitate access to state funds for open space and affordable housing needs. Compared to other options evaluated by the AHSC, this approach would help Boxborough to meet its obligations for affordable housing, while giving the town the most control over the future course of development, with the most favorable impact on town finances. The Boxborough Housing Board would present specific OSAH project proposals and plans for Town Meeting approval.

In order to meet the town's needs for affordable housing, in the manner most aligned with our vision, we recommend that the Town set a goal of building 100-120 AH units on selected parcels of town-owned municipal land. Such lands may be currently owned by the town or acquired in the future for affordable housing purposes. This approach to town-initiated development is termed "Open Space Affordable Housing" (OSAH) because the development and siting of units can be carried out in a way that helps preserve open space and recreational lands for use by town residents as well as affordable housing owners. This approach is attractive for the high degree of control by the town, and minimal impact on buildout population and density compared to conventional commercial comprehensive permit development. On the other hand, the Town will need to acquire and/or designate appropriate parcels for this purpose, and secure funds for development of the housing.

Housing would be built at relatively low density compared to commercial comprehensive permit developments and be integrated with conservation or recreational open space for combined benefit to town residents. The town could retain ownership of the land and permit construction of affordable housing through perpetual or renewable 99-year leaseholds. All housing units would be deed-restricted affordable housing. Since there would be no commercial units built to offset the cost of affordable units, the town would be spared the excess build-out and population increase associated with commercial comprehensive permit developments that typically require three market units to be built for every affordable unit.

## Affordable Housing in Boxborough

AHSC Report and Recommendations – October 30, 2000

The placement of conservation restrictions on common lands within the OSAH development would ensure the preservation of open space for purposes beneficial to the town: conservation and/or recreation.

About 60-80 acres total would be required to support goals for construction of affordable housing units. The amount of land required could be reduced by affordable housing developments that may take place outside OSAH – for example a comprehensive permit housing development such as the proposed Boxborough Meadows. However, 60-80 acres is a reasonable land budget for long-range planning purposes. This amount of land would permit the town to develop affordable housing in support of local needs, while simultaneously fulfilling the maximum 1.5% land use obligations under MGL Ch 40B(20).

The OSAH approach should permit Boxborough to provide affordable housing to satisfy our local needs consistent with the legal mandate, while minimizing the adverse economic impact of greater build-out due to entrepreneurial comprehensive permit developments. OSAH would be favorable to Boxborough's future long-term economics for town services as a consequence of greater incremental per capita equalized value (EQV) contribution realized through lower population growth. The table below summarizes the buildout consequences of several alternative scenarios for the production of affordable housing, showing the advantages of OSAH.

### 5.1.1 OSAH development options

There are several ways OSAH developments may occur:

- LIP-like partnerships with non-profit organizations.
- Town-initiated development.
- Development by builders in fulfillment of requirements of affordable housing subdivision zoning bylaws the town may decide to enact in the future.
- Development by builders in fulfillment of conditions of site plan approvals or special permits.
- Cooperative developments with builders on land provided by the town in exchange for favorable considerations.

Some important consequences and considerations for implementation of the OSAH plan include:

- Boxborough Housing Board would be responsible to bring specific development and funding proposals to Town Meeting, and then carry out approved plans.
- Conveyance or gifting of land to external non-profit organizations that will work with the Boxborough Housing Board.
- Equity rights in land may be retained by the town through long-term lease (e.g. 100-year lease), but allowing housing ownership and conveyance to be otherwise fee-simple.
- Conservation or other restrictions may be retained by the town in keeping with the open-space aspects of the development.

## Affordable Housing in Boxborough

AHSC Report and Recommendations – October 30, 2000

### 5.1.2 OSAH land options

To accommodate these possibilities, the affordable housing development/management entity (e.g., Boxborough Housing Board) must be able to utilize land provided by the town, which itself would most likely require action by Town Meeting. Such land could include parcels

- Already owned by the town for municipal purposes;
- Acquired for the purpose of development of affordable housing;
- Acquired through tax takings.

## 5.2 Conversion of existing units

As a complement to OSAH, between 100-120 existing condominium units will be acquired and converted to deed-restricted affordable housing. The Boxborough Housing Board would carry out this work. In addition a small number of existing single-family houses in town could be acquired and converted. Such "in-place" conversion will have minimal adverse impact on town tax revenues and cost of services since resident economics will be essentially unchanged.

as property comes onto the market. The recommended conversion strategy is then:

- Over the next 20 years, the Town should purchase 100-120 existing market-rate condominium units in town and convert them to deed-restricted (affordable) units.
- Purchase and convert selected single-family homes as economics and availability permit.

The BHB should consider initiating a process that would encourage current owners of these properties to work with the BHB and the Town, towards an eventual transfer which would add their unit/property to the affordable housing stock.

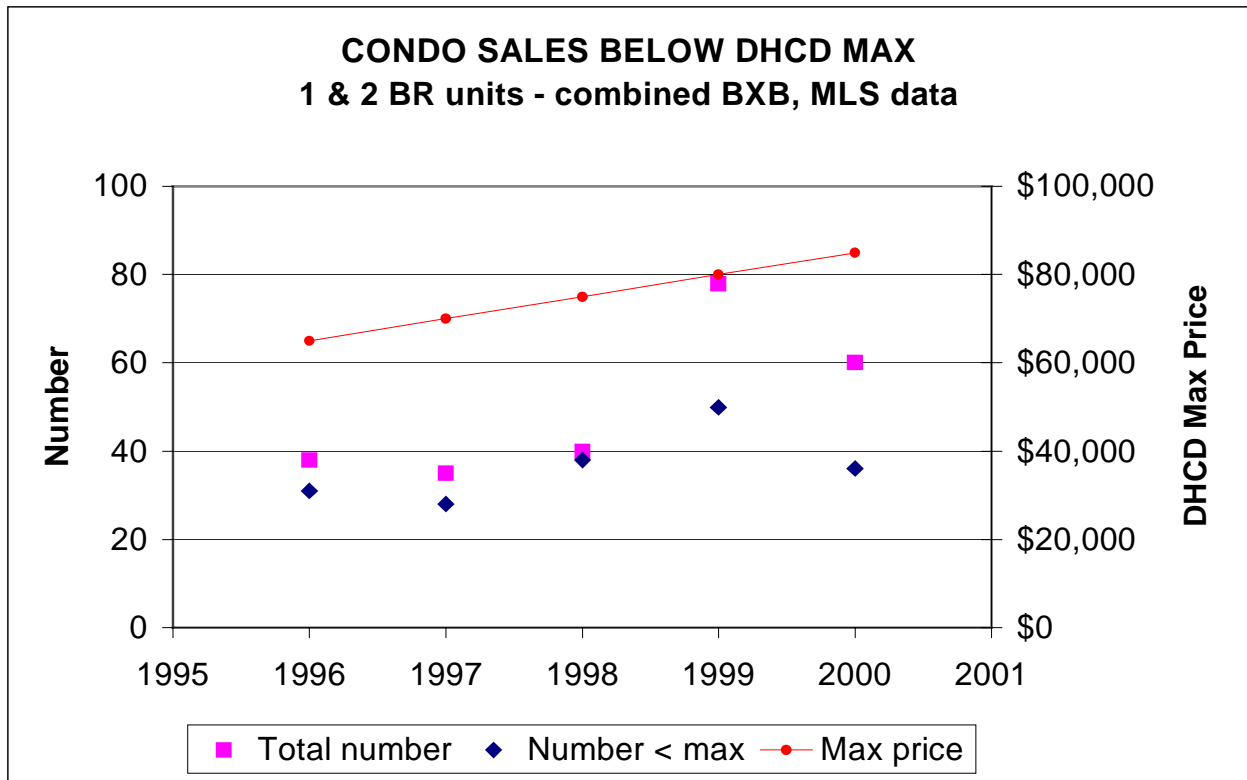
### 5.2.1 Condominium conversion opportunities

The most appealing opportunities for condominium conversions are the 1- and 2-bedroom units that could be purchased at or below the DHCD maximum selling price. Such units would minimize the town's costs associated with purchase, renovation and resale. It must be anticipated that some level of renovation or upgrading may be required either through obvious need, or as a result of DHCD conditions for plan approval. The DHCD maximum sale price for affordable 1- or 2-bedroom condominiums is currently \$78,000. Assuming an average inflation value for the DHCD maximum price of about \$5,000 per year, the condominium sales data were analyzed for the number of units per year that sold at or below the DHCD maximum. The following figure shows both the DHCD maximum price model, and the number of units that sold below that value.

### 5.2.2 Analysis of condominium ownership

The following analysis was based on a listing dated April 25, 2000 generated by the Assessor's Office. The Tax Collector assisted in the identifying the number of condominiums in the Town of Boxborough that are currently owner occupied and those that are rental/investment properties.

Based on the information available in this listing, there are currently 771 condominiums located in Boxborough, 281 of which are owner occupied and the remaining 490 are rental/investment properties. The following table presents the number of owner occupied units and rental/investment units by location.



**Table 5-1 Condominium occupancy analysis**

Location	Total Units	Owner Occupied	Rental - Investment	% Owner Occupied
Codman Hill Condominiums (Codman Hill Road)	108	15	93	14%
Harvard Ridge Condominiums (Swanson Road)	176	74	102	42%
Brook Village Condominiums (Swanson Court and Spencer Road)	192	53	139	28%
Carriage House Condominiums (Massachusetts Avenue)	30	4	26	13%
Meenmore Condominiums (Leonard Road)	96	35	61	36%
Applewood Village Condominiums (MacIntosh, Baldwin, Russet & Cortland Lanes)	84	69	15	82%
Sheriff's Meadow and Tisbury Meadow (Stow Road) (age 55+ only)	20	20	0	100%
Liberty House Condominiums (Liberty Square Road)	24	1	23	4%
Liberty Village Condominiums (Liberty Square Road)	41	10	31	24%
<b>Total</b>	<b>771</b>	<b>281</b>	<b>490</b>	<b>36%</b>



## Affordable Housing in Boxborough

AHSC Report and Recommendations – October 30, 2000

A statistical analysis for the purpose of affordable housing would need to exclude the portion of condominiums located in Sheriff's Meadow and Tisbury Meadow as well as Applewood Village Condominiums due to the high proportion of owner occupied units, and market position. On average across all condominium units, about 64% are rental/investment properties, that is, not owner-occupied. Excluding Sheriff's Meadow, Tisbury Meadow and Applewood Village, about 71% are rental/investment units.

### **5.3 Partnership projects with private non-profit housing groups**

The Town, through the BHB, can work with other groups and non-profit organizations (e.g. Habitat for Humanity) to develop plans for, and build or renovate affordable housing units. Such units could be developed on town-owned lands as part of the OSAH program, or on single lots provided by the town for this purpose, either through purchase or tax-taking.

### **5.4 Cooperative projects with developers**

The town always has the option to work with commercial developers to develop affordable housing under agreements favorable to town finances and interests in affordable housing. Typically, such developments are carried out under the Local Initiative Program (LIP) of the Department of Housing and Community Development to ensure recognition of the deed-restricted affordable housing units that are created. This could include, but need not be limited to providing land for affordable housing development. The Boxborough Housing Board, working in conjunction with other town boards, may be able to facilitate agreeable developments at minimal cost to the town.

## **6 Land options for Open Space Affordable Housing**

Land options for Open Space Affordable Housing include privately owned lands that could be purchased by the town for affordable housing purposes, or currently owned municipal lands. Municipal lands are town-owned lands not designated for conservation or other purposes. Of course, acquisition of land by the town automatically renders it municipal land unless it is taken for other specific purpose, such as conservation. Total OSAH land requirements are for about 60-80 acres to construct about 100 units of affordable housing over the next 20 years. The total acreage could be made up of several parcels. Land could be acquired for affordable housing in the Agricultural-Residential (AR), Industrial-Commercial/Business (ICB), or Office Park (OP) zones. Residential building is permitted by right in the AR zone. Construction of affordable housing in ICB or OP zones could be accomplished through several potential mechanisms – rezoning, use of a special permit process, or use of the comprehensive permit process. Although the scenario analysis presented in a following section is useful for planning, the suitability and desirability of these various options depends heavily on the specifics of an given opportunity. Further evaluation of the alternatives should be carried out as part of the detailed implementation planning. Land use options should be subject to broad public discussion and input from the land-use boards. Long-range financial impacts should carefully be examined with guidance from the Finance Committee.

### **6.1 Municipal lands**

Selected portions of current municipal land could be designated for Open Space Affordable Housing development. Such a course of action would require careful planning, the weighing of alternative options, a cost/benefit analysis, and approval at Town Meeting.

Municipal land for OSAH may be designated from lands already owned by the town, or acquired in the future for affordable housing purposes. Designation of specific lands for OSAH would require approval by Town Meeting.

## Affordable Housing in Boxborough

AHSC Report and Recommendations – October 30, 2000

A fair cost/benefit analysis of any given proposed OSAH development would need to weigh a number of factors including:

- Benefits of mixed use development, including conservation, recreation and preservation values
- Benefit of future town service cost avoidance resulting from lower population at buildout
- Net present cost of capital
- Sunk and opportunity costs associated with alternative use of municipal lands

An inventory of current municipal lands is listed in the Appendix. Lands that are currently in use for designated purposes, such as school facilities, fire and police stations, transfer station, town hall, highway barn, etc are obviously not available for alternative uses.

### 6.2 Large parcels in the Agricultural-Residential zone

Should the town purchase additional lands for OSAH, it seems most sensible to examine the applicability of a few larger parcels in the Agricultural-Residential (AR) zone. In the February 2000 buildout analysis of the Town Planner, it was estimated that approximately 656 additional single family houses could be built on 60,000 square foot lots in the remaining undeveloped land in the AR zone. This net estimate was based on allowance for unbuildable portions due to wetlands, poor siting, terrain, subdivision roadways, or other factors. Such construction would take place on three types of lots: existing approved lots, Approval Not Required (ANR) lots, or new subdivisions.

Of the total of 656 remaining lots to buildout, the AHSC estimates about 380 lots are contained in what would be larger subdivisions of 6 or more lots at 60,000 square feet each. Some portion of the larger subdivision potential might be considered for purchase by the town for OSAH purposes, or utilized for affordable housing through a combination of techniques that may be considered by the Planning Board. Such techniques include:

- Conditions on site plan approval
- Special permitting for affordable housing

The potential for town-driven development of Open Space Affordable Housing on existing AR lands should be kept in mind when evaluating options to use municipal lands.

The following table shows the breakdown of remaining available lots to buildout according to type and the estimated lots per plan that would be possible.

**Table 6-1 Analysis of lots remaining to buildout as of February, 2000.**

Lots / plan	Total build-out lot categories					Total
	0-5	6-10	11-15	16-30	> 30	
<b>Subdivision</b>	50	125	167	97	0	439
<b>ANR</b>	69	27	12	0	0	108
<b>Existing</b>	95	14	0	0	0	109
<b>Total</b>	214	166	179	97	0	656
<b>Subdivision</b>	7.6%	19.1%	25.5%	14.8%	0.0%	66.9%
<b>ANR</b>	10.5%	4.1%	1.8%	0.0%	0.0%	16.5%
<b>Existing</b>	14.5%	2.1%	0.0%	0.0%	0.0%	16.6%
<b>Total</b>	32.6%	25.3%	27.3%	14.8%	0.0%	100.0%

Of the 439 lots available through subdivision, it is estimated that about 380 would be in larger subdivisions of 6 or more lots each. These larger subdivisions hold the greatest potential interest for OSAH, since it would likely not be feasible or economic to work with the smaller parcels. In the ensuing analysis of OSAH scenarios, it is assumed that only the 380 lots of large future subdivisions are affected, with the remainder plus ANR and existing lots are built out regardless. In sum:

- 380 Lots in large subdivisions available for OSAH plan
- 276 Lots in smaller subdivisions + ANR + existing lots will be built out regardless
- 656 Lots total remaining to buildout

### 6.3 Parcels in the ICB/OP zones

Parcels may be acquired for affordable housing development in the Industrial/Commercial, Business or Office Park zones, but this should be the exceptional case only since such land is likely to be more valuable to the town for commercial vitality and tax revenue. Furthermore, such a course would not remove any AR lands from potential buildout, thus leading to greater buildout population than otherwise necessary.

## 7 Impact on buildout

The impact of affordable housing on buildout was analyzed according to the manner in which affordable housing is developed. Although it is not possible to predict what will happen, it is instructive to analyze several scenarios that explore the consequences of alternative approaches. Analysis of extreme cases provides quantitative insights for the development of strategy and policy. The buildout scenario results are summarized in four important metrics:

Buildout metrics

- Total new housing units
- Total housing units
- EQV/Capita for the incremental housing
- Population at buildout

These metrics are indicative of both aesthetics and economics of the town – appearance due to increased housing and population, and incremental property valuation to support cost of added town services.

## 7.1 Buildout metrics

The buildout metrics and the method of calculation are described as follows:

### 7.1.1 Total new housing units

This is the total number of new housing units that would be added to the current stock of 1853 units to reach buildout – the point at which no additional lots are available for housing development, and the 10% affordable housing goal has been satisfied. These new units include all new unit construction – units that will be built in accordance with particular affordable housing plans and policies and those that will be built regardless of affordable housing activities. Thus, in the status quo baseline model, 656 new units will be constructed on available buildable lots in the AR zone.

### 7.1.2 Total housing units

This is simply current stock (1853) plus total new units constructed.

### 7.1.3 EQV/Capita for incremental housing

This is the total added assessable valuation for all new units divided by the number of residents that will be added as a consequence of the new units. It is incremental to the existing assessed valuation of the town, and is a measure of the ability of the added housing to support the increased town services that would be associated with the population growth. Valuation is assumed to be equalized with respect to existing assessments, and is estimated as market value of the added housing in current dollars. True assessments may vary with respect to market values, and both will increase over time, but the constant dollar model is useful and pertinent for relative comparison among alternatives. Market valuation assumptions for new construction are summarized below. Again, accuracy of market pricing or valuations is not essential, as the comparisons are relative.

### 7.1.4 Population at buildout

This is total population of the town at buildout, including the existing units plus all new construction of both market and affordable housing. Population is calculated on the basis of total condominium, affordable, and market housing units using the split population model described below.

## 7.2 Population model

Conventional population modeling assumes approximately 2.6 – 2.8 residents per household on average across all housing types. However, a split population model was used for the buildout study to provide a more realistic view of housing dynamics. The split model is based on a more careful analysis of existing town housing stock and demographics, supplemented with available information on occupancy levels for affordable housing. Occupancy parameters for the split model are summarized in the following table.

**Table 7-1 Split population parameters**

<b>Split Population Model Parameters</b>	
Persons per housing unit	
Condominium – Market or Affordable and Affordable Single Family Houses	Market Single Family Houses
2.4	2.7

Justification for fewer numbers of occupants for condominiums of any type is based on the preponderance of 1- and 2-bedroom units in the existing housing mix. It is reasonable to assume the same would hold for income-qualified occupants. Use of this split model fits the current Boxborough population data quite well, with a prediction of 4759<sup>1</sup> people compared to town census count of about 4753.

The AHSC was informed anecdotally by affordable housing consultants Robert Engler and Mark O’Hagan that occupation levels for affordable single family houses tends to be low relative to the regular market. A higher proportion of single parent households among the income-qualified affordable housing population may explain this. More concrete evidence for lower average occupancy in affordable housing units comes from the recent CURP report<sup>2</sup>:

“Three-fourths of the low and moderate income households in Greater Boston are 1 and 2 person households. Only one-quarter have 3 persons or more.”

These data indicate an average household size within the eligible population of 2.25 ( $0.73 \times 2 + 0.25 \times 3 = 2.25$ ). The split model assumptions of the AHSC analysis are therefore more aggressive than the CURP data for affordable housing, and appear to fit well the existing data on town population and housing stock.

### **7.3 Buildout scenarios**

Three cases or scenarios were analyzed in addition to the baseline case of no affordable housing production. The baseline case assumes that current buildout projections hold, and there will be no affordable housing development by the town or by developers through comprehensive permits. The three affordable housing development scenarios each assumes that at final buildout Boxborough would have 10% affordable units, about half of which are conversions of existing stock. The OSAH case assumes 100 units of affordable housing will be constructed with the balance being conversions. It further assumes several mixes and density as described below. The following table summarizes the general scenario cases.

<sup>1</sup>  $814 \text{ (condos + apartments)} \times 2.4 + 1039 \text{ (single family + duplexes)} \times 2.7 = 4759$

<sup>2</sup> *A New Paradigm for Housing in Greater Boston*, Center for Urban and Regional Policy, Northeastern University, September, 2000, p 48

**Table 7-2 Buildout scenarios. Approximately 50% conversions.**

<b>Baseline</b>	No affordable housing construction or conversion. Buildout is 2129 + 380 = 2509 units
<b>Open Space Affordable Housing</b> <b>100 – 50 – 0</b>	Affordable housing built on some combination of municipal lands and a portion of the 380 large subdivision lots. Three cases: 100 units on current municipal land, 100 within a portion of large AR subdivisions (0 municipal), and a 50/50 blend.
<b>100% residential comprehensive permit development</b>	All affordable housing is developed by entrepreneurial builders under comprehensive permit within the 380 lot large subdivision lands in the AR zone.
<b>100% IC/Business comprehensive permit development</b>	All affordable housing is developed by entrepreneurial builders under comprehensive permit within the IC/Business zones.

A graphical representation of these scenarios is shown in the following figure indicating buildout construction for the four areas of the town considered:

- AR zone – existing lots, small subdivisions and ANR lots. This portion, shaded in the figure, is the same for all scenarios, since it is assumed to be unaffected by the alternative affordable housing scenarios. Buildout on this portion is 2129 units.
- AR zone – large subdivisions
- Industrial/Commercial and Business zone (ICB)
- Existing municipal land

#### 7.4 Scenario modeling assumptions

The assumptions of the scenario modeling for the cases described above are:

1. There will be 10% affordable housing units at buildout, including the effect of the added affordable units on total unit count such that the ratio is self-consistent with the additions.
2. Approximately 50% (150-160 units, depending on the particular scenario) of affordable units will be produced by conversion of existing stock.
3. 656 additional lots are available in the AR zone to reach buildout
4. There is a total of 1853 units currently, including single family houses, duplexes, apartments and condominiums. This is comprised of 814 condominiums plus apartments, and 1039 single family and duplex houses. There are about 25-30 “odd” units that are not accounted for, believed to be mis-categorizations or accessory units. These are included with the condominium count.
5. There will be zero growth in the number of condominiums and apartments, therefore constant at 814.
6. 276 units will be added to the existing base through buildout of existing lots, ANR and smaller subdivisions with less than 6 lots each. Thus at buildout there will be 1853 + 276 = 2129 units regardless of any affordable housing development plans or strategy.

## Affordable Housing in Boxborough

AHSC Report and Recommendations – October 30, 2000

7. The remaining 380 large subdivision lots will be developed in some mix of regular (market rate) houses and OSAH, or comprehensive permit development.
8. Developers could build affordable housing in the Industrial/Commercial or Business zones under comprehensive permit.
9. Comprehensive permit developments will have 25% affordable units, with 3 market units for each affordable unit. These assumptions are based on available evidence and independent review of a proposed private comprehensive permit development known as Boxborough Meadows.

Pricing assumptions for calculation of valuations are given in the following table. All valuations are for constant dollars.

**Table 7-3 Selling price assumptions for scenario analysis. (Current dollars)**

Market house	\$500K
Market house in comprehensive permit development	\$300K
Affordable house in comprehensive permit or OSAH development	\$120K

### 7.5 OSAH plan mixes

Open Space Affordable Housing could be developed on current municipal land or land that is acquired by the town in the future. We considered that affordable housing construction might occur on existing AR subdivision lands in two ways:

- By private builders in exchange for special considerations granted through the subdivision site approval process;
- By the town upon acquisition of land in the AR zone for development of affordable housing.

For this analysis it is assumed that either type of activity would take place within the 380-lot large subdivision portion, as discussed previously. Affordable housing constructed on parcels currently in the AR zone would have the effect of partially displacing some proportion of market units, depending on the relative density of market and affordable units. It was further considered that a fee-based special permit process might be established allowing increased subdivision density of market units as discussed in Section 9. Fees collected would be used to fund town-initiated affordable housing developments. The scenario analysis estimates the fee potential based on value added through increased density.

In addition to the baseline case, three OSAH mixes or scenarios were analyzed for a total of 100 affordable units built where 100, 50, or 0 units are built on current municipal lands, and the balance within the AR zone. The counter-opposed effects of affordable-market displacement and special permit density increases (if allowed) can be adequately explored through variation of the special permit density factor over a range of values to examine sensitivity, as follows:

**Table 7-4 Special permitting density factor**

Density factor = 1	<ul style="list-style-type: none"> <li>• Affordable units displace market units one-for-one</li> <li>• No net density increase</li> <li>• No excess value add since no increase in density. No fee potential</li> </ul>
Density factor > 1	<ul style="list-style-type: none"> <li>• Affordable units partially displace market units</li> <li>• Market units built at higher density</li> <li>• Excess value add created through higher density. Fee potential exists.</li> </ul>

The OSAH mix sensitivity analysis is summarized for four cases where a total of 100 affordable units are built:

- A** Baseline – no affordable housing
- B** 100 units on municipal land, 0 units in AR zone
- C** 50 units on municipal land, 50 units in AR zone
- D** 0 units on municipal land, 100 units in AR zone

**7.5.1 Density factor**

Two subcases were analyzed for each of A, B and C. In A-1, B-1 and C-1 construction is at ordinary density per existing zoning regulations, thus the density factor is 1 meaning there is no increase in density over conventional building. In these cases, there is no creation of excess value added upon which to base the assessment of a special permit fee. In cases A-2, B-2 and C-2 the density factor was adjusted to produce an excess value add of \$190-\$200K per unit of affordable housing constructed. This was computed as the total value add for all new market unit construction divided by the total number of affordable units built.

**7.6 Summary impact analysis**

The following tables summarize the results of the buildout scenario modeling. The three OSAH mix cases (100-50-0 plus density factor variation) are represented by the spread of values shown in the second table.

As indicated by the four key metrics, it is clear that the Open Space Affordable Housing approach would have significantly less negative impact on buildout than full comprehensive permit development in the residential or commercial/business zones. This is true even though conversion of existing units is assumed to contribute approximately half of all affordable housing production in all cases.

The simple excess value-add analysis indicates a special permit process to raise funds for town developed affordable housing could be feasible from the economic perspective. A special permit to allow increased subdivision density would result in the creation of additional building lots allowing the builder to create more market value on a given parcel. Since there would be a tangible benefit to the builder, it should be possible in principle to assess a fee for a special permit to build at higher density. Obviously, the greater the density allowed, the greater the excess potential value add. A target of \$190-200K per affordable unit (current dollars) would sustain a substantial fee for benefit of the town’s affordable housing programs, while allowing the builder to still enjoy additional profits after cost of the special permit. These levels of excess value add should be attainable with modest 10-15% increase in density, as indicated in the table below.



**Table 7-5 Results of AR-municipal mixes for Open Space Affordable Housing**

Case	Affordable units on municipal lands	Affordable units in large A-R subdivisions	Market units in large A-R subdivisions	Total new units in A-R	Total new units including ANR, existing, small SD	Density factor in A-R	Excess value per affordable unit - \$K	Number of conversions	Total units at buildout	EQV/Capita of plan units - \$K	Buildout population
A	0	0	380	380	656	1	0	0	2509	204	6530
B-1	100	0	380	380	756	1	0	161	2609	160	6770
B-2	100	0	418	418	794	1.1	190	165	2647	161	6873
C-1	50	50	330	380	706	1	0	156	2559	156	6635
C-2	50	50	370	420	746	1.12	198	160	2599	159	6742
D-1	0	100	280	380	656	1	0	151	2509	153	6500
D-2	0	100	319	419	695	1.14	196	155	2548	156	6606

**Table 7-6 Buildout impact summary**

<b>Buildout Projections to 10%</b>				
<b>Assuming half are conversions (150 – 160 units)</b>				
	Total New Houses	Total Housing Units	EQV/CAP \$K	Population at Buildout
Baseline – No affordable units	656	2509	204	6530
Open Space Affordable Housing Plan	707 - 794	2560 - 2650	153 - 160	6610 - 6835
All Residential comprehensive permit	1076	2929	130	7622
All IC/Business comprehensive permit	1336	3189	136	8315

**Baseline - 0 Affordable Units**

TOTAL UNITS	POPULATION	EQV/CAP
2509	6530	\$209K

A-R Existing Small SD ANR  2129	ICB  0 units
A-R Large SD  380 units	Municipal Land  0 units

**CP - 100% Residential**

TOTAL UNITS	POPULATION	EQV/CAP
2929	7622	\$130K

A-R Existing Small SD ANR  2129	ICB  0 units
A-R Large SD - mixed  420 market 140 AH  Large SD 240 regular	Municipal Land  0 units

**CP - 100% Commercial**

TOTAL UNITS	POPULATION	EQV/CAP
3189	8315	\$136K

A-R Existing Small SD ANR  2129	ICB  510 market  170 AH
A-R Large SD  380	Municipal Land  0 units

**OSAH - 100% Municipal**

TOTAL UNITS	POPULATION	EQV/CAP
2609-2647	6770-6870	~\$160K

A-R Existing Small SD ANR  2129	ICB  0 units
A-R Large SD 380 - 418 regular 0 AH	Municipal Land 100%  OSAH 100 AH

**OSAH - Mixed**

TOTAL UNITS	POPULATION	EQV/CAP
2560-2600	6500-6750	~\$156K

A-R Existing Small SD ANR  2129	ICB  0 units
A-R Large SD 280 - 418 regular 100 - 0 AH	Municipal Land x %  OSAH 100 AH

**Potential affordable housing development scenarios**

**Baseline buildout unit assumptions:**

Existing SF + condos/apts = 1853  
 Small SD + existing lots + ANR = 276  
 Large subdivisions (>6 lots) = 380

Total baseline units = 2509

**OSAH buildout assumptions:**

10% affordable housing total  
 150-160 unit conversions  
 Optional Ag-Res SP density 0-15%

## 8 Financial impacts

This section presents estimates of capital costs and expenses that would be required to support the affordable housing long-range plan. Current dollars and costs are assumed based on existing market conditions. Since they offer the greatest potential for affordable housing production only the two main plan elements are analyzed: Open Space Affordable Housing, and conversion of condominiums. Other opportunities exist for creation of affordable housing units. These include conversion of small single family houses as they become available at attractive prices, and support of production by private non-profits such as Habitat for Humanity through the donation of small housing lots. Units produced in this way would contribute to the town's affordable housing stock and offset the main production targets. Where tax-takings can be used for these purposes, town costs could be minimal. However, since only a handful of such opportunities are likely to be available, they are neglected in analysis of the costs of the main thrusts of production.

Actual plan costs will depend the proportion of conversions and new construction. These in turn will depend on the availability of suitable land for OSAH, the number of units available for conversion, the relative successes and experiences with these programs. The plan and future actions will also be guided through ongoing input and direction from public discourse and Town Meeting. State or federal grants, matching funds from various sources, or gifts could offset some capital costs.

### 8.1 Cost assumptions

Net cost to the town are calculated as cost of acquisition plus improvements and handling costs less sale cost of affordable housing units. Grants and matching funds may be available to further reduce net town costs. Sale prices of Ch 40B affordable housing units are limited by law, with some degree of flexibility depending on specific development program details. Under current market and regulatory conditions, it is estimated that the net capital costs of OSAH and condominium conversion units in terms of current dollars would be approximately:

Affordable housing type	Net capital cost per unit
Open Space Affordable Housing single family house	\$95K
Condominium conversion (1- or 2-bedroom)	\$25K

#### 8.1.1 OSAH assumptions

In this analysis it is assumed that Open Space Affordable Housing units are built on some portion of current town municipal lands, where the previous acquisition costs are treated as sunk costs. The OSAH approach would enable the town to apply land resources to achieve affordable housing production goals while minimizing incremental buildout costs associated with town services and schools that increase as population grows. A fair cost/benefit analysis of any given proposed OSAH development would need to weigh a number of factors including:

- Benefits of mixed use development, including conservation, recreation and preservation values
- Benefit of future town service cost avoidance resulting from lower population at buildout
- Net present cost of capital
- Sunk and opportunity costs associated with alternative use of municipal lands

These factors, as well as the cost of potential future land acquisitions for OSAH are not considered here. They will need to be addressed in the formulation of Boxborough's specific affordable housing implementation plans, and should receive broad public input and discussion. This section estimates OSAH unit construction costs that must be considered regardless of land costs.

Construction and furnishing cost is estimated at \$117 per square foot based on input from affordable housing consultants and real estate professionals. This cost includes allowance for site engineering and septic system or treatment plant costs. A modest house size of 1700 square feet is assumed, leading to an estimate of \$198,900 per unit. Adding a 10% contingency allowance results in a total construction cost estimate ranging \$200-220K. An average cost of \$210K is assumed for further analysis.

Maximum sale price is assumed to be \$120K. The current maximum affordable sale price for comparable housing under the New England Fund program of the Federal Home Loan Bank is about \$120K. The DHCD is believed to be in the process of raising the maximum sale price allowed under their Local Initiative Program (LIP). The current cap is \$94,500.

Additional costs will be incurred for preparation of the deed and deed restrictions, and other ordinary closing costs. There will also be costs associated with marketing and conduct of the affordable housing lottery. Total of these costs is assumed to be \$5000 per unit, to be supported within the program capital plan.

### 8.1.2 Conversion assumptions

As discussed previously in Section 5.2, at least for the near future, about 30-35 1- and 2-bedroom condominiums should be available for purchase annually at market prices not exceeding the DHCD maximum allowed for such units, currently about \$80K. The analysis assumes that both acquisition and resale will occur at the prevailing DHCD maximum allowed, therefore, condominium acquisition costs and resale price are both estimated to be \$80K.

Renovations may be required for wear and tear maintenance, to bring units into code compliance, or to meet DHCD program guidelines for conversion. There is no hard data upon which to base an estimate. We conservatively estimate \$20K per unit.

As for single family construction there will be deed preparation, closing, marketing and lottery costs. These are assumed to be the same as for single family construction: \$5000 per unit.

## 8.2 Capital cost summary

The following table summarizes the estimated capital costs per unit that would be associated with Open Space Affordable Housing construction or condominium conversion. These are costs net of outlays less selling prices. The net costs could be further reduced through the application of external funding such as state or federal grants, or matching funds for the development of affordable housing. The following section summarizes some sources of such funds. Section 14 in the Appendix discusses Boxborough’s status with respect to Executive Order 418 and its impact on qualification for certain types of funding programs.

**Table 8-1 Per unit capital costs for OSAH and conversion plans (\$K).**

	<b>Cost to Build/Buy</b>	<b>Plus: Renovation cost</b>	<b>Plus: Closing, marketing costs</b>	<b>Less: Sale price at DHCD max</b>	<b>Net capital cost per unit</b>
<b>OSAH</b>	210	0	5	120	\$95K
<b>Condo conversion</b>	80	20	5	80	\$25K

### 8.3 Administrative staffing and expenses

The administrative workload will increase with the level of affordable housing production activity. Assuming the recommended production goals, this is estimated to reach the level of about one person full time at about the half-way point. Assuming a linear ramp, this would occur at or about the 10<sup>th</sup> year. Among other qualifications, such an individual would have administrative skills, be capable of tracking and pursuing grants and matching fund opportunities, and be experienced in working with town boards and engineering and planning consultants in the

## Affordable Housing in Boxborough

AHSC Report and Recommendations – October 30, 2000

development and management of property. In terms of current dollars, a fully loaded salary commensurate with these qualifications is estimated to be about \$60K annually. It is assumed that extraordinary expenses associated with specific development projects would be absorbed and accounted for in the capital planning, thus are not addressed in this estimate. The administrative and staffing expense estimates presented here represent ongoing activities associated with permanent activities sustaining the entire affordable housing program. The assumptions and results of the staffing cost estimates are given in the following tables.

**Table 8-2 Staffing assumptions for affordable housing activities**

Year	Suggested staffing plan – cost estimates in current dollars
1-2	Absorb in current Town Hall staffing, use project capital funding for contracts.
2-5	Add 0.5 person staffing @ ~ \$30K/year, fully loaded with 33% benefits
5-10	Increase staffing to 0.75 person/year @ ~ \$45K/year fully loaded
10 and beyond	Increase staffing to 1.0 person/year @ ~ \$60K/year fully loaded

**Table 8-3 Staffing cost estimates**

	Year 1-2	Year 2-5	Year 5-10	Year 10+
Total staffing cost per year	\$0 K	\$30 K	\$45 K	\$60 K

### 8.4 Sources of funds

The AHSC identified a number of potential funding sources for affordable housing purposes. Several private and public funding sources are summarized the following table. The principle source of public funding is the Massachusetts Department of Housing and Community Development (DHCD) which administers federal funds in Massachusetts. Through DHCD, the Community Development Block Grant (CDBG) is one source of funds oriented to improving the housing in communities. The lists of CDBG funds or grants is:

- Community Development Fund I
- Community Development Fund II
- Mini-Entitlement Program
- Business Development Fund
- Housing Development Support Program
- Reserves
- Community Development Plans
- Bridge Financing Program
- Executive Order 108 Loan Program
- Administration and Technical Assistance by DHCD

Availability and priority for grants are based on scores derived from a community evaluation administered by DHCD. There are several layers of qualification for the CDBG funds: each community is given a score that qualifies a community for particular grants. Based on its score for 2000, Boxborough is qualified for Community Development Fund II, but not Community Development Fund I. Community Development Fund II and the Housing Development Support Program appear to be good candidates to pursue for Boxborough affordable housing programs, particularly in the area of housing unit conversions. The Community Development Plans program appears to be a source of funds for further development of specific affordable housing implementation plans.

## Affordable Housing in Boxborough

AHSC Report and Recommendations – October 30, 2000

Proposals for these grants can be submitted twice a year and the dates depend upon the program. To help in proposal preparation, DHCD offers courses at various locations in the summer time to assist applicants. After expressing an interest in applying for a grant, the DHCD makes a site visit to assess and review the proposed program and only after getting their approval can a proposal be submitted. Some awards are competitive with other communities making submittals while other grants are not competitive. There are also restrictions on new awards if there are outstanding, unspent funds from a previous grant. The latest details of all these programs are available at the web sites listed in the table. As one can see the process is not simple, but the rewards could be very beneficial to a town like Boxborough with limited resources for such programs.

Applicants to the non-competitive programs (i.e., Business Development Fund, Reserves, Bridge Financing Program and 108 Load program) must be Executive Order 418 housing certified to apply to those programs. Applicants to competitive programs (i.e., Community Development Funds I and II, Housing Development Support Program) do not need to be EO418 housing certified, but will receive bonus points equal to 10% of the total available if certified. A further discussion of Executive Order 418 and assessment of Boxborough's status is given in the Appendix.

**Table 8-4 Grants and funding sources**

<b>Agency</b>	<b>Contact/phone</b>	<b>Web URL</b>	<b>Comment</b>
DHCD: HOME	617-727-7824	<a href="http://www.hud.gov/local/bos">www.hud.gov/local/bos</a>	First-time homebuyer assistance
DHCD: Community Development Block Grant (CDBG): Community Development Fund II	617-727-7001	<a href="http://www.state.ma.us/dhcd">www.state.ma.us/dhcd</a>	Meets broad range of community development needs in housing and revitalization
DHCD: CDBG: Housing Development Support	617-727-7001	<a href="http://www.state.ma.us/dhcd">www.state.ma.us/dhcd</a>	Facilitates small project-specific affordable housing initiatives
Community Economic Development Assistance Corporation	617-727-0506		
Massachusetts Municipal Association (MMA)	617-426-7272	<a href="http://www.mma.org">www.mma.org</a>	
Crossroads Community Foundation	508-647-2260	<a href="http://www.ccfndn.org">www.ccfndn.org</a>	Private
Metro Area Planning Council	617-451-2770		
Carlisle Foundation	508-872-6377	<a href="http://www.carlislefoundation.org">www.carlislefoundation.org</a>	Private, non-profit
Grant Makers	781-834-8545	<a href="http://www.grantsearch.org">www.grantsearch.org</a>	Clearing house for helping organizations find grants

## 9 Zoning tools and enablers

We recommend investigation of the following zoning enablers to foster development of affordable housing through a system of rewards and fees. A zoning density enabler would give the town a tool and leverage to work with developers to produce affordable housing units with minimal cost to the town. A special permitting process with fees could generate substantial revenue to help offset the cost of town-initiated affordable housing development. Such approaches would offer balanced benefits to both town and developer, making them attractive and feasible. We recommend a broad public hearing process sponsored by both the Boxborough Housing Board and Planning Board in order to evaluate these as well as alternative options to determine the best course of action.

### 9.1 Zoning density enabler

Develop a zoning enabler, which applies to both residential and commercial/industrial land, linking higher than usual density with the creation of affordable housing units. Consideration could be given on a case-by-case basis, and implemented through the site plan approval process.

### 9.2 Special permit process

The AHSC recommends consideration of an amendment to the zoning bylaws to allow an Affordable Housing Special Permitting process to be established. The idea would be to allow the town through a special permitting authority, most likely the Planning Board, to permit conventional housing development at higher than normal density in exchange for special permitting fees. The fees collected would go toward an affordable housing development capital fund to be managed by the Boxborough Housing Board. The permitting authority, through the conventional hearing process, would consider proposals on a case-by-case basis for net town benefit and make appropriate determinations and set orders of conditions. As always, the special permit process is attractive since it allows the town to retain a high degree of control. The special permit process is not required for the development of affordable housing, or support of the OSAH plan. It is a potential means for the town to obtain funding for affordable housing programs. It is an option to be considered and evaluated through town-wide public discussion and debate.

Some considerations for development of a special permitting process include:

- The need to raise, over the course of remaining build out (15-20 years), a capital sum of about \$9M NPV. The OSAH scenario analysis described above indicates that substantial surplus or “excess value” per unit of affordable housing could be generated with modest 10-15% increases in market unit subdivision density. Obviously, the greater the density allowed, the greater the excess potential value add. A target of \$190-200K per affordable unit (current dollars) seems feasible. A portion of this excess value could be recovered through fair assessment of permitting fees, and used by the town to fund affordable housing development. Developer’s cost for the special permit would be more than offset by additional margin to be realized by the builder. In essence, the town could approximately split the excess margin with the builder, so the arrangement should be fair and attractive. The exact fee structure and methodology must be determined through more accurate analysis with expert input.
- The special permit process, though at the discretion of the permitting authority, is intended to target the larger subdivision AR parcels remaining in town. This area is estimated to be sufficient to support about 380 houses at 60,000 SF lots. The special permitting process would increase the final number of houses on this land, depending on various factors, including density allowances for both market and affordable units. Such houses would all be open market ordinary units not subject to any affordable housing deed restrictions.
- The affordable housing units would be built with town funds raised through fees and other sources and be sited in designated subdivisions developed and managed by the town under its Affordable Housing Long-Range Plan. The affordable housing units would be sold to qualified buyers at then-current approved levels, providing for recovery of approximately half the cost of construction, the remaining costs to be born by the special permit fees. State or other grants may supplement this process.

### **9.3 Streamlined site approval process**

We support the creation of a streamlined approval process for builders who create affordable housing within their developments, or cooperate with the town in other ways in satisfaction of the town's affordable housing requirements and plans. There are several guidelines available from DHCD and elsewhere for development of local streamlining processes. Streamlining has been shown elsewhere to be a useful "carrot" to encourage development activities favorable to local municipalities. Use of developers' resources to achieve Boxborough affordable housing goals would appear to be an equitable town benefit in consideration for streamlining.



# **APPENDICES**

## 10 Statutory and regulatory factors for affordable housing

An in-depth discussion of statutory and regulatory factors surrounding affordable housing as generally embraced under MGL 40B is beyond the scope of this report. Further, it is not necessary, as ample material is available from the Department of Housing and Community Development (DHCD). The DHCD website <http://www.state.ma.us/dhcd> is an excellent starting point, providing pointers to related reference material and resources for the development of affordable housing. In particular, one should consult the most current 1999 DHCD Program Handbook and the regulations under 760 CMR 45.03, as well as the FAQ pages of the DHCD website. All chapters of Massachusetts General Law are available through the website of the General Court at <http://www.state.ma.us/legis/legis.htm>.

Following is a very abbreviated outline synopsis of the salient points.

### 10.1 State mandate: MGL Ch 40B

State law (MGL Chapter 40B) mandates that all towns and cities in the Commonwealth establish 10% of their housing stock as affordable housing. Affordable housing is defined by law as housing that is affordable to families of low to moderate income levels. This is defined as 80% of the median income level for a family of four in the relevant census area - in the case of Boxborough, this is the Boston Metropolitan Statistical Area. As a further condition, affordable housing units must be deed-restricted to ensure their sale or resale price remains in the affordable range, and that they are only available to income-qualified buyers. Currently Boxborough has approximately 1800 housing units. While many of these are considered to be moderately priced affordable homes in the economic sense, none are deed-restricted qualified units as required by law.

While few towns have achieved the statutory 10% goal, a number have made good progress. There are many options and factors to consider and evaluate against a town's needs. To recommend the best course of action for Boxborough the committee examined a number of legal, financial, administrative and practical issues and considered the experiences of towns such as Littleton, Stow, Bolton, Westwood, Wayland, Carlisle, Harvard and Acton.

- 10% of housing stock must be targeted for low/moderate income
- Housing for elderly can comprise up to 1/2 of this (5% of housing stock)
- Means testing for owner/renter .
- Monitoring the resale process
- Boston MSA is region for median income level determination and market valuations.

### 10.2 Comprehensive permit development

- The developer must form Limited Dividend Organization, signing a regulatory agreement to limit profits on the comprehensive development project. There are no hard and fast rules for profit limits, but there are guidelines.
- The guideline for profit limits on rental unit developments (apartment buildings) is 10% equity/year.
- The guideline for profit limits on sale units is 20% of development costs.
- Ordinarily 25% of units must meet affordability guidelines for low and moderate-income families, but can be waived under certain conditions (760 CMR 45.09), but can not be less than 15%.

### 10.3 Local Initiative Program (LIP)

- The DHCD Local Initiative Program (LIP) was initiated to offer an alternative to presumption of qualification through subsidy as the original qualifying principle. In other words, if the DHCD provides technical assistance to an affordable housing development project, this qualifies as an effective subsidy

## Affordable Housing in Boxborough

AHSC Report and Recommendations – October 30, 2000

under the original intent of MGL Ch40B. The purpose and intent of LIP is to encourage communities to take the initiative to develop affordable housing without relying totally on private developers.

- The DHCD may provide money through various grant programs, or advice and technical assistance to help communities develop plans for qualified units.
- Details on LIP may be found in 760 CMR 45.03, the DHCD Program Book, and related materials.

### 10.4 Qualified units

MGL Ch 40B establishes that units are qualified if they are affordable to four-person families meeting defined income criteria, and are subject to deed restrictions limiting their sale to income-qualified families. The deed restrictions, which are recorded with the deed itself, must be written for a certain minimum period of time.

- Under LIP the deed restriction must be in effect for at least 5 years.
- In a comprehensive permit development, the guideline is for the restriction to be written for the "longest period allowed by law", but at least 15 years.
- It is important to note that units only "count" towards the town's affordable housing stock for the duration of the deed restrictions.

## 11 Survey of Affordable Housing in other towns

**Table 11-1 Summary of town data on affordable housing and management**

Town	Population [1]	Housing units [2]	Ch 40B Affordable housing [3]	Management structure	Comments
Acton	17,872 [4]	6,871	2.1%	Housing Authority & ACHC (Town Corporation)	16 first time buyer, 91 elderly rental, 39 family rental, 12 handicapped
Bolton	3,134	1,085	1.3%	Housing Authority for 10 years	5 members - 4 elected, one appointed
Carlisle	4,333	1,491	1.2%	Housing Authority for 10 years	Do not like Housing Authority – costs. Developer did units, not town.
Harvard	12,329 [5]	3,084	1.1%	Conservation Trust + Housing Authority	Defunct HA was formed to develop Devons units. Trust works with non-profits.
Littleton	7,051	2,658	9%	Housing Authority	9% AH Units. About ½ administered by HA, half by private sources.
Stow	5,328	1,834	6.4%	Housing Authority (Shared with Hudson)	Pilot Grove units are affordable rentals.
Wayland	11,874	4,372	3.2%	Housing Authority	HA does admin only, do not like. Town developments under LHP.

### Notes

- [1] As of 1990 census
- [2] As of 1990 census and DHCD inventory
- [3] As of Sept 1997 DHCD inventory
- [4] 19,671 per Acton Town clerk, as of September, 2000
- [5] Includes Fort Devons in 1990. Current estimate is ~ 6000 town only

## 12 Municipal Lands Inventory – Town Owned Parcels

PARCEL ID	ST. #	STREET	DESCRIPTION	ZONE	ACRES
037/006.4-0211-0000.0	0	BURROUGHS RD	SOUTH CEMETERY	A/R	6.67
037/007.5-0320-0000.0	0	COBLEIGH RD	COBLEIGH LAND	A/R	5.31
037/001.1-0144-0000.0	0	CODMAN HILL RD	TRANSFER STATION	I/C	2.70
037/001.1-0145-0000.0	0	CODMAN HILL RD	TRANSFER STATION	I/C	3.20
037/001.1-0146-0000.0	0	CODMAN HILL RD	TRANSFER STATION	I/C	0.70
037/001.1-0147-0000.0	0	CODMAN HILL RD	TRANSFER STATION	I/C	0.20
037/001.1-0140-0000.0	43	CODMAN HILL RD	TRANSFER STATION	I/C	17.24
037/001.1-0143-0000.0	550	CODMAN HILL RD	TRANSFER STATION	I/C	1.40
037/007.5-0226-0000.0	0	DEPOT RD	LEONE LAND	A/R	1.15
037/003.3-0208-0000.0	0	HILL RD	NORTH CEMETERY	A/R	0.92
037/008.5-0166-0000.0	0	LIBERTY SQ RD	HETZ	I/C & A/R	22.23
037/011.5-0319-0000.0	0	MASS AV	HAGER	A/R	94.43
037/003.3-0122-0000.0	0	MIDDLE RD	TOWN COMMON	A/R	0.59
037/006.5-0330-0000.0	29	MIDDLE RD	TOWN HALL	A/R	0.70
037/006.5-0331-0000.0	0	MIDDLE RD	TOWN HALL	A/R	2.21
037/007.5-0232-0000.0	405	MIDDLE RD	PICNIC STREET TRUST	A/R	.93
037/007.3-0127-0000.0	0	MIDDLE RD	PICNIC STREET TRUST	A/R	16.77
037/007.3-0128-0000.0	414	MIDDLE RD	PICNIC STREET TRUST	A/R	7.95
037/007.3-0134-0000.0	0	MIDDLE RD	COMMUNITY GARDEN	A/R	41.96
037/005.2-0169-0000.D	0	ROBINSON RD	ROBINSON RD	A/R	0.68
037/005.2-0169-0000.E	0	ROBINSON RD	ROBINSON RD	A/R	0.45
037/001.2-0112-0000.0	0	RT 495		A/R	6.00
037/003.3-0164-0000.0	0	RT 495	BROOKS	A/R	0.53
037/010.4-0294-0000.A	0	WINDERMERE DR	FLAGG HILL	A/R	36.00
037/008.5-0177-0000.0	1082	LIBERTY SQ RD	HETZ		.83
037/008.5-0176-0000.0	1096	LIBERTY SQ RD	HETZ		.80
037/008.5-0175-0000.0	1110	LIBERTY SQ RD	HETZ		.87
037/008.5-0174-0000.0	1124	LIBERTY SQ RD	HETZ		1.10
037/008.5-0173-0000.0	1140	LIBERTY SQ RD	HETZ		.94
037/011.5-0321-0000.0	493	MASS AV	BLANCHARD	A/R	20.21

## Affordable Housing in Boxborough

AHSC Report and Recommendations – October 30, 2000

<b>PARCEL ID</b>	<b>ST. #</b>	<b>STREET</b>	<b>DESCRIPTION</b>	<b>ZONE</b>	<b>ACRES</b>
037/010.4-0175-0000.0	502	MASS AV	FIRE STATION	A/R	2.00
037/010.4-0172-0001.0	520	MASS AV	POLICE STATION	BUS	1.13
037/006.5-0322-0000.0	577	MASS AV	HIGHWAY BARN	A/R	2.30
037/007.3-0125-0000.0	484	MIDDLE RD	STEELE FARM	A/R	36.19
037/007.5-0122-0000.0	575	MIDDLE RD	LIBRARY	A/R	1.02

## 13 Housing Authority

The AHSC examined whether a statutory Housing Authority would be an appropriate mechanism to carry out Boxborough's affordable housing programs. Under MGL Ch 121B, a Housing Authority is established, and may be set up in any town or city adopting the provisions of the statute. We concluded that it was not appropriate for Boxborough. All of the pertinent powers and capabilities that might be needed, as described in MGL Ch 121B, Sections 1-11 would be better served through establishment of a permanent town board.

### 13.1 Housing Authority purpose

- Clearance of substandard, decadent or blighted open areas
- The provision of housing for families or elderly persons of low income
- Engaging in a land assembly and redevelopment project; including the preservation, restoration or relocation of historical buildings

### 13.2 Creation by a town

- Vote at annual or special town meeting indicating need for a housing authority for the above stated purposes
- Election of four members who must be residents of the town. This is normally done at annual town meeting but if town meeting has approved need for housing authority the selectmen may appoint members to serve until next annual town meeting.
- Appointment by Department of Housing and Community Development (DHCD) of one member for a three year term.
- Town clerk files certificate of appointment or election with DHCD and the State Secretary and obtains certificate of organization from state secretary

### 13.3 Powers

The powers of a Housing Authority are generally very broad and include rights to:

- Sue and be sued
- Act as agent of federal government for authorized projects
- Receive money from any source and borrow money
- Take by eminent domain, acquire and hold property needed to carry out purpose
- With approval of Selectmen and DHCD to enter into agreements with federal government
- To enter into contracts and all other instruments necessary to exercise the powers granted

### 13.4 Comments:

The statutory Housing Authority structure did not seem appropriate for Boxborough for a variety of reasons including:

- Too independent from town authority and control, with rights of eminent domain and property ownership.
- Requires DHCD involvement and appointment of a member.
- Usually used by cities as a means of managing rental housing. Towns in the AHSC survey that have adopted a housing authority appear to have done so in order to manage subsidized rental housing.
- Emphasis is on providing housing for low income individuals and may preclude development of housing for moderate income groups.

## 14 Executive Order 418 and Boxborough status

### 14.1 Summary

Governor Cellucci signed Executive Order 418 on Jan 21, 2000. Its essential purpose is best expressed by the following quote taken verbatim from the preamble:

"to address the housing shortage, we need to encourage our cities and towns to create 'community development plans' that *identify locations for new housing opportunities while still preserving the unique character of their communities*, and to provide incentives to cities and towns to expand the supply of new housing" [emphasis added].

It is worth noting that the purpose of EO 418 is very much in line with the proposed Open Space Affordable Housing (OSAH) plan discussed in other sections of this report. This section analyzes and summarizes Boxborough's status relative to Executive Order 418 (EO 418) and its two components: Community Development Plan and Housing Certification. Compliance with EO 418 criteria is required for access to certain kinds of discretionary funding which has a total pool of about \$364M.

### 14.2 Community Development Plan

Funds that can be made available for Community Development Plans (CDP) under EO 418 could be used to continue and extend affordable housing planning activities, especially the preparation of detailed execution plans for both Open Space Affordable Housing and conversion of existing units to deed-restricted housing. Work of the AHSC, the Master Planning process, and a number of other activities would seem to position Boxborough very well for CDP funding eligibility. First, the town must obtain an EOEА build-out analysis as part of the grant application process. It is believed these are being prepared by MAPC on behalf of EOEА.

### 14.3 Housing Certification for Discretionary Grant Funds

As described below, Boxborough should be able to meet the DHCD criteria for Housing Certification under EO 418 assuming adoption of the AHSC proposals for an affordable housing long-range plan and creation of a Boxborough Housing Board (BHB). It is likely that Boxborough will have production units for Category A certification after Year 2, and assuming establishment of the BHB at the October 30, 2000 STM, have sufficient activities for Category B certification in all applicable periods Years 1-3.

### 14.4 Funding impacts of Executive Order 418

There are two sections to EO 418, described in the following sections.

#### 14.4.1 Section 1 - The "Community Development Plan" Program.

Under this section, the Secretaries of the Executive Office of Environmental Affairs and the Executive Office of Transportation and Construction, ("Secretaries") and the Director of the Department of Housing and Community Development (DHCD) will jointly develop a two-year program to provide technical assistance and resources for the creation of Community Development Plans (CDP). A CDP will include:

- Plans for creation of new housing opportunities
- Targeted areas for commercial or industrial economic development
- Plans for improvement of transportation infrastructure (or proof that this is not needed)
- Plans for preservation of open space



## Affordable Housing in Boxborough

AHSC Report and Recommendations – October 30, 2000

The above-mentioned Secretariats and DHCD are directed to provide up to \$30K assistance in funds or services in kind to help towns to develop CDPs. Evidently, the Secretaries will contract the MAPC to prepare the build-out analyses required for the CDPs. These in turn can increase the possibility of a favorable Housing Certification and access to discretionary funds. It would appear that Boxborough can be credited with a number of current or foreseeable actions that are very much in line with the criteria of EO 418 Section 1. These town actions can be stated as follows, pending establishment of the BHB and approval of an affordable housing long-range plan:

- The Selectmen appointed the AHSC that has done significant work to analyze needs and develop recommendations for affordable housing.
- Boxborough approves an affordable housing long-range plan that will help preserve open space and community values.
- Boxborough will adopt a bylaw to create a permanent town board to develop affordable housing.
- Boxborough has appointed an Economic Development Committee to look at balanced economic growth
- Boxborough has executed a TIF agreement with Cisco Systems that targets economic growth and improvement of the transportation infrastructure.
- Boxborough has initiated a Master Planning process.
- Boxborough has a formal Open Space and Recreation Plan.

### 14.4.2 Section 2 - Priority in distribution of discretionary funds: Housing Certification Process.

The Secretaries and DHCD are directed by EO 418 to develop programs giving priority to the awarding of discretionary funds to "towns that the Director of DHCD has determined are taking steps to increase the supply of housing for individuals and families across a broad range of incomes." Such steps could include:

- Adopting zoning or land use regulations that provide for more intensive housing development;
- Adopting incentive zoning provisions, such as density-bonuses for deed-restricted affordable housing;
- Streamlining the permitting process;
- Providing money or land to underwrite the cost of developing housing for low and moderate income households;
- Increasing the supply of housing for low and moderate income households by some percentage over existing levels.

The designation of land through the OSAH plan and the anticipated production of affordable housing units through current private efforts are aligned to these criteria. As described in this report, there are a number of zoning tools or enablers, or subdivision regulations that the town may wish to adopt in the near future.

As directed by EO 418, the DHCD has developed the Housing Certification Process to develop the specific criteria for assignment of priority in awarding of state discretionary programs administered by the above-mentioned Secretariats and DHCD, namely:

- Department of Housing and Community Development (DHCD)
- Executive Office of Environmental Affairs (EOEA)
- Executive Office of Transportation and Construction (EOTC)
- Department of Economic Development (DED)

According to the Implementation Guidelines for EO418 there are two categories of grant programs affected:

- Non-competitive Rolling Application Grant Programs totaling \$22M, administered by DHCD and EOTC absolutely require housing certification.
- Competitive Grant Programs totaling \$343M administered by DHCD, EOEA, and DED. For these programs, Housing Certification triggers a 10% bonus.

A number of the programs, *e.g.*, Mass CDBG, could be used by Boxborough to fund further development of specific OSAH plans and/or existing unit conversions to deed-restricted affordable housing.

### 14.5 Housing Certification Process

There are two categories of Housing Certification - Category A, and Category B, that are applicable, depending on time.

**Category A:** Essentially this is demonstrable production of qualified units, for low, moderate, and middle income individuals and families. This includes both conventional deed-restricted MGL Ch40B style units for families meeting the 80% median income criteria, as well as families making less than 150% of median income in the MSA/PMSA. Both the deed-restricted \$110-120K and approximately \$300K "market" housing units proposed for the Boxborough Meadows private development would count under Category A criteria. There is also credit for simply increasing the overall supply of housing over the previous year. It would appear ordinary home building also qualifies, but it is implied that the units must still be available to "a broad range of incomes." It is doubtful DHCD would qualify typical Boxborough Housing production.

Category A is always sufficient for certification and is optional through year 3. It is required after year 3.

**Category B:** This is basically plans and intent - "Planning, Removing Barriers, and Creating a Positive Atmosphere for Housing Development". There are 23 activities or criteria under Category B, summarized below, together with Boxborough's status on each.

Category B activities may be sufficient through year 3 only.

**Table 14-1 Summary of EO418 housing certification criteria**

Program Year	Dates	Category A: Unit Production	Category B: Planning - 23 Activities
Year 1	6-15-00 to 6-30-01	Optional and sufficient	7 activities out of 23 required
Year 2	7-01-01 to 6-30-02	Optional and sufficient	14 activities out of 23 required
Year 3	7-01-02 to 6-30-03	Optional and sufficient	14 out of 23 required
Year 4 and beyond	7-01-03 and beyond	Required	Insufficient - not an option

### 14.6 Boxborough Housing Certification Status

#### Category A

As stated above, the proposed Boxborough Meadows units, both deed restricted and market units, would qualify under Category A. This would most likely begin to occur in Year 2 (mid 2001 - mid 2002). Conversion of existing single-family homes or condos could feasibly begin in Year 1, depending on fund availability and market. Production of units under the OSAH plan would probably not occur before end of Year 3.

#### Category B

The following table summarizes the OE 418 Category B planning type activities, and an assessment of Boxborough's near term status assuming the AHSC recommendations in this report are adopted at Town Meeting. For Year 2 and Year 3, this anticipates successful completion of work that is expected to be carried forward with proposals for zoning tools and funding enablers that could be adopted by ATM 2001 and/or a fall 2001 STM. This will require close cooperation between the Board of Selectmen, the Finance Committee, the proposed new Boxborough Housing Board, the Planning Board, and the town planner. Although considerable, the work is doable.

**Table 14-2 Summary of Boxborough EO 418 activities and status**

Activity	Boxborough Status		
	Year 1 6-15-00 to 6-30-01	Year 2 7-01-01 to 6-30-02	Year 3 7-01-02 to 6-30-03
1 - Held a local forum on housing needs in last 2 years.	Yes	Yes - BHB should repeat	Yes - BHB should repeat
2 - Completed local plans for AH	Yes - STM Oct 00	Yes - BHB advances	Yes
3 - Received grants for technical assistance during past 2 years on AH production	Yes - MHPF for Meadows	Yes - OE418, Mass CDBG, etc	Yes - OE418, Mass CDBG, etc
4 - Applied for or received grants during past year that increase AH supply, including site preparation work or plans.	Yes? MHPF counts twice? Get funding for OSAH plan.	Yes - detailed concept plans OSAH - site 1. Conversion plans.	Yes - detailed concept plans OSAH - site 2. Conversion plans.
5 - Worked with local banks, financial services for concessionary financing, etc.	No	Yes / Maybe	Yes / Maybe
6 - Identified land suitable for development of AH in last 2 years.	Yes - AHSC OSAH concept work.	Yes - BHB detailed OSAH site plans.	Yes - BHB detailed OSAH site plans.
7 - Provided public land or buildings for development of AH during last 2 years.	No/Maybe. Possible tax takings for AH.	Yes - OSAH site(s) approval at TM.	Yes - OSAH site(s) approval at TM.
8 - Formally authorized a designee that can negotiate AH proposals on behalf of town.	Yes - BHB at STM, Oct 30, 2000.	Yes - BHB appointed.	Yes - BHB appointed.
9 - Formed a local housing partnership that reports to chief municipal official.	Yes - BHB is better, fulfills req't.	Yes - BHB is better, fulfills req't.	Yes - BHB is better, fulfills req't.
10 - Formed an AH Trust to receive tax-deductible, or other donations to develop or rehab AH. Need IRS 501-C (3) certificate.	Maybe – goal of ATM 2001.	Yes - Goal of ATM 2001.	Yes - Goal of ATM 2001.
11 - Encouraged interested residents in community to raise money for AH.	No	Yes - set goal, BHB should drive.	Yes - set goal, BHB should drive.
12 - Attained at least 8% subsidized housing listed in Ch 40 B subsidized housing inventory.	No - not feasible before 2010	No - not feasible before 2010	No - not feasible before 2010
13 - Encouraged use of alternate technology under Title 5 or other environmental regs to facilitate or reduce cost of housing development.	No	Yes/maybe - does Meadows treatment plant count?	Yes/Maybe - consider treatment plant for OSAH.
14 - Adopted Incentive Zoning Provisions	No - Maybe ATM 01	Yes - ATM or FTM 01	Yes
15 - Adopted Matter of Right Zoning or Land Use Regulations addressing duplexes, accessory apartments, multi-family housing, co-housing. Special Permit process is qualifiable.	Maybe - Special Permit process for ATM 2001?	Yes	Yes
16 - Adopted zoning provisions for live-work units, mixed commercial-residential, assisted living, and manufactured housing.	No	Yes/maybe - modular houses in OSAH to reduce town costs.	Yes/maybe - modular houses in OSAH to reduce town costs.

Affordable Housing in Boxborough  
 AHSC Report and Recommendations – October 30, 2000

Activity	Boxborough Status		
	Year 1 6-15-00 to 6-30-01	Year 2 7-01-01 to 6-30-02	Year 3 7-01-02 to 6-30-03
17 - Had its ZBA adopt model local rules put forth by Housing Appeals Committee for responding to comprehensive permit applications.	Yes	Yes	Yes
18 - Implemented procedures to expedite permitting process for housing development. (Note: this could be a guide to a special permit or OSAH process.)	No	Yes - at least write a guide to special permit, or OSAH processes.	Yes - at least write a guide to special permit, or OSAH processes.
19 - Streamlined the local process for foreclosing on tax title properties for creating housing.	No	Yes - obvious opportunities here.	Yes - obvious opportunities here.
20 - Developed zoning for conversion of large buildings to multi-family.	No	No	No
21 - Developed a concessionary fee structure to lower costs for AH or non-profits.	No	Yes - easy to do. Benefit non-profits.	Yes - easy to do. Benefit non-profits.
22 - Eliminated any building caps or moratoria during previous year.	No / Not applicable	No / Not applicable	No / Not applicable
23 - Other activities that promote planning, remove barriers, and create positive atmosphere for AH development across wide range of incomes - examples include entry-level police officer, firefighter, or teacher.	Yes - AHSC activities, publicity.	Yes - publicity, communications, be creative. This is easy!	Yes - publicity, communications, be creative. This is easy!
<b>Total activity score</b>	<b>8 - 10</b>	<b>18 - 20</b>	<b>18 - 20</b>

**14.7 Summary status**

The following table summarizes the anticipated status for Boxborough assuming adoption and implementation of the AHSC plans and recommendations.

**Table 14-3 Summary of Production (A) and Planning (B) status**

Program Year	Dates	Category A: Production	Category B: Planning - 23 Activities	
			Required	Probable
		<b>Probable units</b>		
Year 1	6-15-00 to 6-30-01	None	7	8 - 10
Year 2	7-01-01 to 6-30-02	<ul style="list-style-type: none"> <li>• Meadows phase 1</li> <li>• Condo conversions</li> </ul>	14	18 - 20
Year 3	7-01-02 to 6-30-03	<ul style="list-style-type: none"> <li>• Meadows phase 2</li> <li>• Condo, other conversions</li> <li>• OSAH units</li> </ul>	14	18 - 20
Year 4 and beyond	7-01-03 and beyond	<ul style="list-style-type: none"> <li>• Condo, other conversions</li> <li>• OSAH units</li> </ul>	Insufficient - Not applicable	

## Affordable Housing in Boxborough

AHSC Report and Recommendations – October 30, 2000

In sum, Boxborough should have production units for Category A certification after Year 2, and have sufficient activities for Category B certification in all applicable periods Years 1-3. Boxborough should be in good shape for Executive Order 418 Housing Certification if the town adopts and implements the AHSC proposed affordable housing long-range plan and other recommendations.