

Town of Shrewsbury, Massachusetts

Housing Production Plan

November 30, 2012

Prepared for:
Shrewsbury Planning Board
Shrewsbury Board of Selectmen

Prepared by:
Community Opportunities Group, Inc.
Boston, Massachusetts

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1. INTRODUCTION

This plan builds upon and updates the affordable housing plan that Shrewsbury completed in July 2004. Its over-arching purpose is to help Shrewsbury work toward the 10 percent statutory minimum under Chapter 40B by increasing its affordable housing inventory and providing its regional fair share of housing for low- or moderate-income people. In addition, this plan documents Shrewsbury's efforts to implement the 2004 plan and outlines a policy framework to guide a continuation of those efforts over the next five years. Toward that end, the Town has considered the state's housing plan regulation at 760 CMR 56.03(4), local and regional housing needs, and the regional market's capacity to absorb housing growth.

What has Shrewsbury done since 2004?

Shrewsbury's last housing plan occurred under conditions that differed dramatically from the situation that exists today. Despite market obstacles, however, Shrewsbury has created more low- and moderate-income housing since 2004. Though not all of the new units are listed in the Chapter 40B Subsidized Housing Inventory (SHI), Shrewsbury recent permitting activity has culminated in approvals for 267 new low- or moderate-income housing units. Shrewsbury has also tried to provide a mix of ownership and rental housing, and build its own internal capacity to manage the affordable housing production process. Specific accomplishments include:

- **Avalon Shrewsbury LIP Comprehensive Permit.** The Board of Appeals approved one of the friendliest Chapter 40B rental projects ever developed in Massachusetts: 251 units of mixed-income housing by AvalonBay Communities on Route 20. Ironically, the Local Initiative Program (LIP) comprehensive permit for Avalon Shrewsbury came at the heels of local action to block a similar project on a nearby site – the last significant tract of vacant, industrially zoned land in town. Although Shrewsbury bought the first site in order to land bank it for future industrial development, representatives of the Town and AvalonBay worked together to bring Avalon Shrewsbury to fruition. In turn, the Avalon Shrewsbury project qualified Shrewsbury for a two-year certification of its housing plan.
- **Request for Expressions of Interest.** The Board of Selectmen pursued a unique strategy for increasing the supply of affordable housing in Shrewsbury. In 2007, they invited developers to submit letters of interest to create a LIP rental development like Avalon Shrewsbury. In exchange for receiving a preferred project designation, the selected applicant would agree to work with the Town on a “friendly” Chapter 40B application which, if approved by the Board of Appeals, would help to secure another two-year housing plan certification. Three developers filed letters of interest with the Town, and after extensive discussions the Board of Selectmen chose one of the projects. Unfortunately, the RFI process occurred on the eve of the foreclosure crisis, and eventually the developer withdrew.
- **Zoning Changes.** Shrewsbury has taken several steps to provide for multi-family housing and affordable housing. For example:
 - Town Meeting has added affordable housing requirements to the Zoning Bylaw. Though many Massachusetts towns have had limited (or no) success with **inclusionary zoning**, Shrewsbury's inclusionary housing bylaw has produced several commitments to build affordable units or provide for them through fees in lieu of units. It provides for an as-of-right density bonus for developments that create new affordable units.
 - After Shrewsbury expanded the area covered by one of its existing multi-family districts on Route 9, a mixed-income housing developer proposed to build additional units on the recently rezoned land – this time under Shrewsbury's inclusionary zoning. That project – Madison Place – created fifteen affordable units for the Subsidized Housing Inventory (SHI) this year.

- The Town established special **overlay districts** in the Lakeway and Edgemere areas. Both districts offer higher-density development options in order to facilitate the construction of multi-family and affordable housing units.
- In 2011, the Town created a new use district, **Rural AA**, which provides for a density bonus by right (except for single-family homes) in developments that preserve at least 60 percent of the land for permanent open space. The first property placed in the district is the Glavin Center, a residential facility owned and operated by the state for adults with disabilities. Anticipating the Glavin Center's eventual closure and sale, Shrewsbury took steps to encourage appropriate reuse of the land by offering more density in exchange for mixed residential uses and open space.
- **Shrewsbury Housing Authority.** Through the Chapter 40B process, the Housing Authority recently received from the Zoning Board of Appeals to build five new affordable units on Ridgeland Road.
- **Professional Town Planner.** The Town has hired a professional planner to assist the Planning Board and, as necessary, the Board of Appeals and other town agencies and permitting authorities.

2. HOUSING NEEDS ASSESSMENT

DEMOGRAPHIC PROFILE

Located just east of Worcester and an hour's drive from Boston or Providence, Shrewsbury is the largest town in the Greater Worcester area. In addition to Worcester, Shrewsbury is bordered by the towns of Boylston, Grafton, Northborough, West Boylston, and Westborough. Shrewsbury residents have easy access to jobs, educational and cultural facilities, and health care in Boston, Worcester, and the suburban employment centers nearby such as Westborough, Marlborough, and Framingham. In turn, conditions in these areas affect the local housing market. Long been a champion of housing diversity, Shrewsbury allows multi-family housing by right in many parts of town, which makes it regionally unique. Its historically low housing costs and exceptional school system make it an attractive community for families with children. In recent years, however, home prices in Shrewsbury have become unattainable for many, especially younger families. While home values have not increased to the same degree as in many neighboring communities, homes in Shrewsbury are no longer as affordable as they used to be.

Population and Household Trends

Like some of its neighbors, Shrewsbury has grown significantly since 1950. Shrewsbury grew rapidly in the post-war construction boom, for its population more than doubled between 1940 and 1960. Since then, the Town has continued to absorb steady population growth and it is now more than double its 1960 population. Moreover, Shrewsbury has experienced the highest 20-year growth rate, and the second highest decennial growth rate, in the immediate region (Table 2.1). Since 2000, Worcester County has grown about 6 percent, but Shrewsbury's relative affordability and outstanding school system have contributed to much faster growth. Shrewsbury grew by 12.5 percent between 2000 and 2010, a rate twice as fast as Worcester County and four times faster than Massachusetts as a whole.¹

Table 2.1. Population Growth

Geography	1990 Census	Census 2000	Census 2010	20-Year Change (Pct)
Massachusetts	6,016,425	6,349,097	6,547,629	8.8%
Worcester County	709,705	749,973	798,552	12.5%
Boylston	3,517	4,008	4,355	23.8%
Grafton	13,035	14,894	17,765	36.3%
Millbury	12,228	12,784	13,261	8.4%
Northborough	11,929	14,013	14,155	18.7%
SHREWSBURY	24,146	31,640	35,608	47.5%
West Boylston	6,611	7,481	7,669	16.0%
Westborough	14,133	17,997	18,272	29.3%
Worcester	169,759	172,648	181,045	6.6%

Source: State Data Center, Population of Massachusetts Cities, Towns, and Counties, 1930-2010.

¹ State Data Center, "Population of Massachusetts Cities, Towns & Counties: Census Counts, 1930-2010," U-Mass Donohue Institute.

POPULATION AGE

Shrewsbury's population is aging. The number of residents 75 years and over has increased by more than 80 percent since 1990. In addition, the 45- to 55-year age group has more than doubled in size since 1990. Today, it is Shrewsbury's largest age group. As middle-aged residents become seniors and the elderly live longer, a variety of senior housing – both affordable and market-rate – will remain a major need in Shrewsbury. The senior housing needs that Shrewsbury can reasonably expect to experience in the near future include traditional independent living units for rent, units with some associated social and health services, and growth in demand for assisted living residences, especially with subsidized units.² There will most likely be attendant needs for adult day care facilities as well.

Population by Age Group:

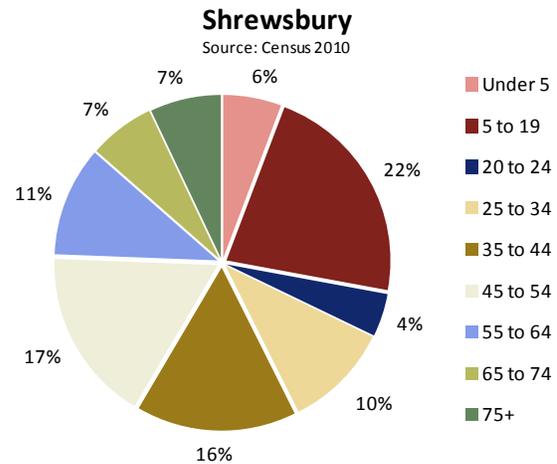


Table 2.2. Population Trends in Shrewsbury 1990 – 2010

Age Cohort	1990	2000	2010	Percent Change
Under 5	1,491	2,483	2,051	37.6%
Age 5-14	2,973	4,593	5,438	82.9%
Age 15-19	1,403	1,499	2,449	74.6%
Age 20-24	1,559	1,126	1,509	-3.2%
Age 25-34	4,208	4,460	3,730	-11.4%
Age 35-44	3,995	6,105	5,647	41.4%
Age 45-54	2,748	4,406	6,100	122.0%
Age 55-64	2,397	2,694	3,866	61.3%
Age 65-74	2,008	2,156	2,313	15.2%
Over 75	1,364	2,118	2,505	83.7%
Total	24,146	31,640	35,608	

Source: 1990, 2000, and 2010 Census Table DP-1

Table 2.3. Current Population by Age

	Total Population	Under 5	Under 18	Over 65	Over 75
Massachusetts	6,547,629	5.6%	21.7%	13.8%	6.8%
Worcester County	798,552	5.9%	23.4%	12.8%	6.3%
Boylston	4,355	5.1%	23.2%	13.7%	6.2%
Grafton	17,765	6.8%	25.6%	10.8%	4.8%
Millbury	13,261	5.3%	21.1%	15.6%	7.6%
Northborough	14,155	4.9%	26.7%	12.9%	6.3%
SHREWSBURY	35,608	5.8%	25.9%	13.5%	7.0%
West Boylston	7,669	3.6%	17.5%	17.6%	10.0%
Westborough	18,272	6.0%	25.6%	12.8%	6.8%
Worcester	181,045	6.6%	22.1%	11.7%	6.2%

Source: Census 2010 Table QT-P1

² Grace Carmark (Executive Director, Central Massachusetts Housing Alliance), interview by Community Opportunities Group, Inc., February 29, 2012 and Andrew E. Howarth (Interim Executive Director, Worcester Community Housing Resources), interview by Community Opportunities Group, Inc., February 14, 2012.

RACE, ETHNICITY, AND NATIONAL ORIGIN

Shrewsbury has more racial and ethnic diversity than Worcester County or the state as a whole, but overall, the Town is fairly homogeneous. Asians constitute the largest racial minority group in Shrewsbury, accounting for 17.2 percent of the total population. They tend to be overrepresented in Shrewsbury, for the Asian population makes up 5.5 percent of the total state population and 4.2 percent of the Worcester County population. Conversely, the black, African American, Hispanic, and Latino communities are conspicuously underrepresented in Shrewsbury. Together, they make up just 5.4 percent of Shrewsbury's total population compared with 16.7 percent of the Massachusetts population and 14.4 percent of the Worcester County population. The limited presence of black, African American, Hispanic, and Latino residents contributes to a perception that Shrewsbury is "unwelcoming" to minorities.³

	Massachusetts		Worcester County		SHREWSBURY	
	Number	Percent	Number	Percent	Number	Percent
Total Population	6,349,097	100%	750,963	100%	31,640	100%
White	5,265,236	82.9%	683,361	91.0%	28,187	89.1%
Black or African American	434,398	6.8%	33,314	4.4%	752	2.4%
American Indian and Alaska Native	18,850	0.3%	1,976	0.3%	33	0.1%
Asian	349,768	5.5%	31,815	4.2%	5,451	17.2%
Native Hawaiian and Other Pacific Islander	2,223	0.0%	246	0.0%	5	0.0%
Other Race (Unspecified)	305,151	4.8%	29,078	3.9%	539	1.7%
Two or More Races	172,003	2.7%	18,762	2.5%	641	2.0%
Hispanic or Latino (All Races)	627,654	9.9%	75,422	10.0%	961	3.0%

Source: 2010 Census Table DP-1. Note: right column does not total to 100 percent because "Hispanic or Latino" includes several racial groups reported above.

ANCESTRY & IMMIGRATION

Almost three-quarters of Shrewsbury's native-born population is of Irish, Italian, English, French, German, or Polish descent. Though percentages vary, the overwhelming majority of Worcester County residents are of similar ancestry.⁴ The vast majority (60.3%) of Shrewsbury's foreign-born residents are from Asian countries, with most coming from countries in South Central Asia. The single largest immigrant population is Indians, for almost a third of all Shrewsbury residents born outside the U.S. come from India. Chinese immigrants are the second-largest nationality (17.6 percent of the immigrant population⁵), followed closely by Latin American immigrants. The 17.2 percent of the immigrant population that comes from Latin America hails predominately from Brazil.⁶

Shrewsbury's foreign-born population with Limited English Proficiency and many of its racial minorities tend to be concentrated in the vicinity of "White City," a large Route 9 shopping center on the west edge of

³ Sharon Yager (Director, Shrewsbury Council on Aging) and Walter Rice (Social Worker/Outreach Coordinator, Shrewsbury Council on Aging), interview by Community Opportunities Group, Inc., February 15, 2012.

⁴ 2010 ACS Five-Year Estimates, DP-02.

⁵ Note: includes Hong Kong and Taiwan.

⁶ 2010 ACS Five-Year Estimates, DP-02.

town. The approximately 1,400 foreign-born, Black, and Hispanic or Latino residents living around White City comprise an Environmental Justice (EJ) population as defined in state environmental policies.⁷

Though not captured by census data, there is anecdotal evidence that in addition to Shrewsbury's immigrant population, the Town has many international families that were relocated to Shrewsbury for a year or more by the area's employers.⁸ The 2006-2010 ACS estimates that almost a full percent of Shrewsbury's residents were living abroad the previous year. Less than 45 percent of foreign-born Shrewsbury residents have become U.S. citizens.

LABOR FORCE

Shrewsbury has an above-average labor force participation rate, meaning that compared with Worcester County and the state as a whole, a larger proportion of Shrewsbury's over-16 residents are either employed or seeking jobs. This is characteristic of relatively affluent suburbs, where married-couple families with two working adults are common. While a 70.1 percent labor force participation rate seems high, four of Shrewsbury's neighbors have an even higher rate (71.1 percent in Millbury, 73.0 percent in Northborough, 73.1 percent in Boylston, and 74.5 percent in Grafton). Shrewsbury residents are also very well-educated; 26.2 percent of the town's adults (age 25 and older) have a graduate or professional school degree and more than half (56.5 percent) have a bachelor's degree. Almost 80 percent of Shrewsbury residents have at least some college education. These qualities help to make Shrewsbury residents highly skilled and competitive in the workforce. Nearly 80 percent of employed Shrewsbury residents have some type of white-collar position, and 56.5 percent of these workers are in management, business, science, or arts occupations.⁹

DISABILITY

According to the American Community Survey (ACS), there are 2,935 people in Shrewsbury (8.4 percent of the population) with at least one disability.¹⁰ Seniors have the highest incidence of disability, and the most common disabilities reported among elderly residents include hearing disabilities, ambulatory difficulty, and/or difficulty with living independently. This is consistent with local, state, and national trends. The number of seniors dealing with a disability has significant implications for local government service delivery and community housing needs. As the number of elderly residents increases, both with the Baby Boomers reaching retirement and everyone having longer life expectancies, the number of people needing affordable and accessible housing, transportation, medical care, and a variety of social, recreational, and leisure services will also rise.

HOUSEHOLDS AND FAMILIES

Population characteristics matter in a demographic profile, but **households** matter even more in a housing needs analysis because they are the main driver of housing demand. In Shrewsbury, the number of households is not increasing as fast as the population itself, but the town has absorbed considerable household growth compared with surrounding communities (Table 2.5).

⁷ MassGIS, Census 2000 Environmental Justice Polygons; see <http://www.mass.gov/anf/research-and-tech/it-serv-and-support/application-serv/office-of-geographic-information-massgis/datalayers/cen2000ej.html>. See also, Executive Office of Energy and Environmental Affairs, Environmental Justice Policy (2002).

⁸ Maribeth Boisvert (Realtor, Coldwell Banker Residential Brokerage and Member, Shrewsbury Zoning Board of Appeals), interview by Community Opportunities Group, Inc., February 15, 2012.

⁹ 2010 ACS Five-Year Estimates, DP-03, DP-02

¹⁰ 2010 ACS Three-Year Estimates, S-1810

	2000 Census		2010 Census		Percent Change	
	Households	Families	Households	Families	Households	Families
Massachusetts	2,443,580	1,576,696	2,547,075	1,603,591	4.2%	1.7%
Worcester County	283,927	192,423	303,080	202,602	6.7%	5.3%
Boylston	1,573	1,141	1,698	1,231	7.9%	7.9%
Grafton	5,694	3,952	6,892	4,736	21.0%	19.8%
Millbury	4,927	3,442	5,294	3,582	7.4%	4.1%
Northborough	4,906	3,866	5,110	3,892	4.2%	0.7%
SHREWSBURY	12,366	8,689	13,424	9,494	8.6%	9.3%
West Boylston	2,413	1,746	2,616	1,817	8.4%	4.1%
Westborough	6,534	4,520	6,924	4,763	6.0%	5.4%
Worcester	67,028	39,228	68,613	39,987	2.4%	1.9%

Source: 2000 and 2010 Census Table DP-1

The number of **family households** in Shrewsbury is growing, too, making the Town unique among its neighbors, Worcester County, and Massachusetts. Between 2000 and 2010, the number of family households in Shrewsbury increased faster than the number of households. The number of households headed by single women in Shrewsbury has also increased. Since 2000, the number of female-headed households with no husband present has increased more than 13 percent, and today, they account for more than 5 percent of all Shrewsbury households. The growing number of single women in Shrewsbury, especially with children, is becoming a concern for service providers. They report that many women live in homes they can no longer afford and struggle to keep their families stable during and after divorces.¹¹ Shrewsbury has seen a nearly 15 percent increase in single female-headed households with children since 2000. Among females 15 years old and older, about 10 percent are divorced or separated and another 10 percent are widowed. Both of these statistics have remained relatively static since 2000, when 9.2 percent of women were either divorced or separated and 10.3 percent were widowed.¹²

	2000 Census		2010 Census		Percent Change	
	Total	With Children	Total	With Children	Total	With Children
Massachusetts	289,944	163,550	318,244	173,286	9.8%	6.0%
Worcester County	32,351	19,708	36,954	21,459	14.2%	8.9%
Boylston	104	50	124	55	19.2%	10.0%
Grafton	482	274	603	330	25.1%	20.4%
Millbury	536	273	572	273	6.7%	0.0%
Northborough	372	228	417	222	12.1%	-2.6%
SHREWSBURY	931	474	1,054	544	13.2%	14.8%
West Boylston	215	104	245	119	14.0%	14.4%
Westborough	420	239	476	284	13.3%	18.8%
Worcester	10,448	6,614	12,047	7,303	15.3%	10.4%

Source: 2000 and 2010 Census Table DP-1

¹¹ Elaine LeBlanc (Director of Human Services, St. Anne's Church), interview by Community Opportunities Group, Inc., February 14, 2012 and Maureen O'Hagan (MCO Housing Services), interview by Community Opportunities Group, Inc., February 7, 2012.

¹² Census 2000 Table P-08; 2010 ACS Five-Year Estimates, B-12001

More than 10 percent of non-family households in Shrewsbury are individuals 65 and older living alone. This is on par with Worcester County and Massachusetts, where 9.9 and 10.7 percent of non-family households are individuals sixty-five and older living alone, respectively. Shrewsbury has a slightly higher percentage of households with at least one member aged sixty-five or older than the Massachusetts or Worcester County, almost twenty-six percent of Shrewsbury households fall into this category.

INCOME AND POVERTY

Shrewsbury residents tend to be financially well-situated. Both the median household income and median family income in Shrewsbury are higher than in Massachusetts or Worcester County, but the Town's median family income ranks just fourth among neighboring communities. Even though Shrewsbury's households tend to have relatively high incomes, 16 percent have an annual income below \$35,000. While there are high-earning single mothers and elderly (older than 65 years old) householders in Shrewsbury, an alarming percentage of the households in these categories make less than \$35,000 a year; 39.3 percent of single women with children and 39.4 percent of householders aged sixty-five and older are making less than \$35,000 a year.¹³

	Median Household Income	Median Family Income
Massachusetts	\$64,509	\$81,165
Worcester County	\$81,165	\$79,121
Boylston	\$88,214	\$105,789
Grafton	\$91,743	\$110,926
Millbury	\$67,448	\$102,969
Northborough	\$81,702	\$120,560
SHREWSBURY	\$85,697	\$101,935
West Boylston	\$79,906	\$88,003
Westborough	\$96,069	\$117,392
Worcester	\$45,036	\$56,053

Source: 2006-2010 ACS Table DP-03

In addition to differences in household types, there is a large disparity between Asian households and other racial groups. The median income for Asian households is \$102,780, compared with \$43,164 for Hispanic or Latino Households, \$70,373 for black and African American households, and \$84,357 for white households.¹⁴

Housing Characteristics

HOUSING TYPES

Shrewsbury's housing stock has been fairly diverse for a long time. With the exception of Westborough and Worcester, Shrewsbury has more multi-family units than any of its neighbors. However, the Town still falls shy of the percentage of multi-family housing available in either Massachusetts or Worcester County. Moreover, the percentage of multi-family units has decreased by almost 2 percent since 2000.¹⁵ Attached single-family homes and two-family homes account for slightly less than 12 percent of the Town's housing, which is a higher portion of the total housing stock than in 2000.¹⁶

¹³ 2010 ACS Five-Year Estimates, B-19131 and B-19049

¹⁴ 2010 ACS Five-Year Estimates, B-19013, B-19013A, B-19013D, B-19013D, and B-19013I

¹⁵ 2010 ACS Five-Year Estimates, DP-04; 2000 Census Table DP-04

¹⁶ Ibid.

	Total Units	Single Detached	Single Attached	Two-Family	Multifamily	Other
Massachusetts	2,786,077	52.5%	4.9%	10.6%	31.1%	0.8%
Worcester County	323,907	57.0%	5.4%	8.5%	28.4%	0.7%
Boylston	1,795	81.8%	8.2%	0.0%	10.0%	0.0%
Grafton	6,516	62.4%	11.2%	6.1%	20.2%	0.2%
Millbury	5,600	61.8%	7.9%	9.8%	19.8%	0.7%
Northborough	5,217	80.8%	5.1%	4.8%	9.3%	0.0%
SHREWSBURY	13,628	67.2%	5.9%	5.8%	20.9%	0.1%
West Boylston	2,343	72.9%	9.9%	5.6%	11.5%	0.0%
Westborough	7,063	53.3%	5.6%	6.8%	33.0%	1.3%
Worcester	79,030	33.0%	6.3%	8.0%	52.6%	0.1%

Source: 2006-2010 ACS Table DP-04

AGE OF HOUSING STOCK

On average, Shrewsbury's housing stock is younger than in the surrounding towns. Almost 30 percent of the town's 13,628 housing units have been built since 1990. Between 2000 and the 2010 estimates, the median year housing was built in Shrewsbury increased by two years, from 1973 in 2000 to 1975 in 2010.¹⁷ Two years is a rapid change for such a short period of time, which is reflective of Shrewsbury's continued housing growth since 1990.

UNIT SIZES

Owner-occupied units in Shrewsbury are among the area's largest, and renter-occupied units are among the area's smallest. The median number of rooms in an owner-occupied unit in both Massachusetts and Worcester County is 6.5 rooms. In Shrewsbury, the median number of rooms in owner-occupied housing is 7.1. The median number of rooms in renter-occupied units in Massachusetts and Worcester County are 4.1 and 4.2, respectively. However, rental units in Shrewsbury only have a median size of 3.9 rooms. It is not surprising to find that overall, Shrewsbury's renters earn significantly less than owner-occupants. The median household income in a renter-occupied unit is \$49,167, just 48 percent of the median household income for owner-occupied housing.¹⁸

	Median Year Structure Built	Median Number of Rooms		
		All Units	Owner-Occupied	Renter-Occupied
Massachusetts	1957	5.6	6.5	4.1
Worcester County	1959	5.8	6.5	4.2
Boylston	1974	6.3	6.8	3.4
Grafton	1975	6.3	6.9	4.0
Millbury	1962	5.8	6.3	4.2
Northborough	1972	7.0	7.4	4.7
SHREWSBURY	1975	6.3	7.1	3.9
West Boylston	1957	6.1	6.5	4.0
Westborough	1974	6.0	7.7	3.6
Worcester	1939	5.2	6.1	4.3

Source: 2006-2010 ACS Tables B-25035 and B-25021

¹⁷ 2010 ACS Five-Year Estimates, B25035; Census 2000, H-035

¹⁸ 2010 ACS Five-Year Estimates, B-25119

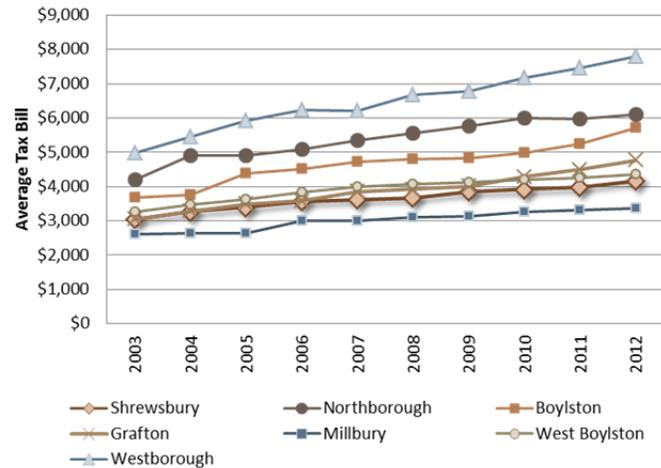
HOUSING VALUES

Though Shrewsbury has traditionally been an affordable alternative to wealthier communities in the area, home prices in Shrewsbury are now out of reach for many families. Since 2000, the median value of owner-occupied housing in Shrewsbury has increased 92.9 percent (See Table 2.10) – that is, a faster rate than the rate of growth in household incomes. There is concern that young adults who grew up in Shrewsbury cannot make the choice to remain in Shrewsbury due to the town’s high housing costs – this, despite the Town’s historically low tax rates and single-family tax bills.¹⁹ Trends toward pricier homes and higher housing values were identified both in Census 2010 data and interviews with community members and real estate professionals.²⁰

Furthermore, there has been a disproportionate drop in the number of young adults (between 20 and 34 years old) in Shrewsbury relative to Worcester County or the state as a whole.

**Average Single-Family Tax Bills
Shrewsbury & Neighboring Towns**

(Source: MassDOR)



	Census 2000		Census 2010	
	Median	Lower Quartile	Median	Upper Quartile
Massachusetts	\$185,700	\$247,800	\$352,300	\$485,700
Worcester County	\$146,000	\$215,000	\$282,800	\$382,400
Boylston	\$178,700	\$259,700	\$377,600	\$529,300
Grafton	\$183,500	\$285,400	\$361,000	\$461,400
Millbury	\$143,400	\$230,600	\$293,200	\$362,200
Northborough	\$228,300	\$313,100	\$390,600	\$521,900
SHREWSBURY	\$195,500	\$286,000	\$377,200	\$506,900
West Boylston	\$155,100	\$330,800	\$436,400	\$599,200
Westborough	\$262,200	\$229,700	\$296,800	\$382,600
Worcester	\$119,600	\$197,700	\$242,800	\$300,500

Source: 2010 ACS Five-Year Estimates, B25076, B25077, and B25078.

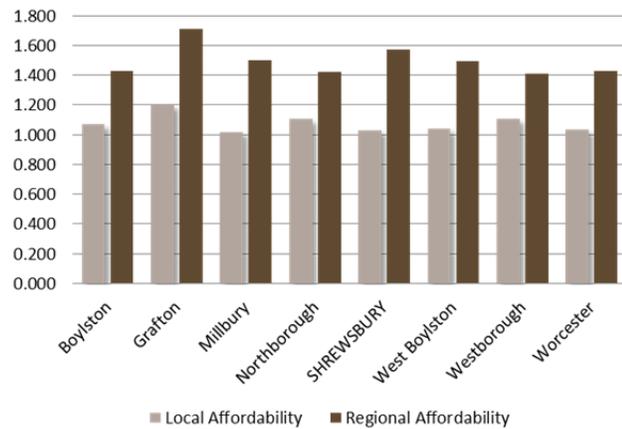
¹⁹ Massachusetts Department of Revenue (DOR), Division of Local Services, Municipal Data Bank.

²⁰ Maribeth Boisvert (Realtor, Coldwell Banker Residential Brokerage and Member, Shrewsbury Zoning Board of Appeals), interview by Community Opportunities Group, Inc., February 15, 2012.

HOUSING AFFORDABILITY

An important goal of any housing plan is to identify low- and moderate-income housing cost barriers and determine the possibilities for reducing them. Housing cost barriers can prevent a family from purchasing their first home, yet the impact of housing cost barriers extends beyond young homebuyers. Sometimes people with limited means live in homes they cannot afford. The absence of less expensive choices causes them to spend large share of their income just to stay in the house they already occupy. To a housing policy analyst, a home is unaffordable to low- or moderate-income homebuyers and existing low- or moderate-income homeowners if they have to spend more than 30 percent of their gross monthly income on housing costs (mortgage payment, property taxes, and house insurance). By definition, they are **housing-cost burdened**. According to federal data, 1,400 of Shrewsbury's 1,900 low- or moderate- income homeowners with a mortgage spend more than 30 percent of their monthly income on housing costs.²¹

Median Housing Sale Price: Ratio to Affordable Price at Local and Regional Median Incomes



a

Despite falling home prices in the past few years, the cost of housing in Shrewsbury remains a barrier for low- and moderate-income people. The town has some relatively affordable condominiums and older single-family homes, but they make up a small part of Shrewsbury's total housing inventory. Further, the number of modestly priced houses is declining due to extensions, alterations, and mansionization, which lead to higher home values and resale prices. In addition, the absence of deed restrictions means that low- or moderate-income people may not have access to units they could afford. This contributes to the problem of cost burdened households. In Shrewsbury, there are fewer affordable units than households with incomes below 80 percent of area median income.

Affordability Gap. The difference between a community's median housing sale price and the price affordable to a moderate- or middle-income income homebuyer is known as an affordability gap. Single-family home prices in and around Shrewsbury significantly exceed the maximum purchase price affordable to households at the *median* income for a family of four in the **Worcester Metro Area (Worcester HFMA)**.²² For moderate-income homebuyers, the gap is much larger. The chart above illustrates the ratio of each town's median housing sale price to the purchase price affordable to households at the local median income and moderate-income households in the HFMA. A ratio of ≤ 1.00 indicates relative affordability, but a ratio of >1.00 means the local median sale price is not affordable. As the ratio increases, the likelihood that first-time homebuyers could find an affordable place to live declines, i.e., communities with a high ratio of sale prices to affordable prices are primarily "buy-up market" suburbs. From a fair housing perspective, the issue is whether economically marginalized homebuyers can find safe, decent, affordable housing by choice or chance.

²¹ 2010 ACS Five-Year Estimates, B25101.

²² The Worcester HUD Fair Market Rent Area (HFMA) is a HUD-defined area that includes 33 Worcester County communities. HUD uses the HFMA's to set maximum rents and maximum household incomes under the Section 8 program.

FORECLOSURES

The foreclosure crisis in Massachusetts has migrated from inner cities to suburbs and small towns. While defaults on subprime mortgages precipitated the rise in foreclosures and the state's cities felt the greatest impacts, the Massachusetts Housing Partnership (MHP) reports that foreclosures have increased in non-urban areas primarily because of prolonged unemployment and a stagnant economy.²³ While MHP's analysis has merit, a look at foreclosure activity in Shrewsbury shows that more than half of homeowners threatened by foreclosure in the past few years had first or second mortgages with subprime lenders.²⁴ Table 2.11 traces foreclosure activity in Shrewsbury since 2007.

Table 2.11. Foreclosure Activity in Shrewsbury, 2007-2011						
Year	Petitions to Foreclose			Ratio of Petitions to Sales		
	1-Fam	Condo	All	1-Fam	Condo	All
2011	39	7	52	0.1483	0.1000	0.1221
2010	72	15	90	0.2416	0.1724	0.1911
2009	73	21	102	0.2694	0.2692	0.2563
2008	57	15	77	0.2021	0.1630	0.1816
2007	57	24	92	0.1528	0.2182	0.1733
Year	Foreclosure Auctions			Foreclosure Deeds		
	1-Fam	Condo	All	1-Fam	Condo	All
2011	67	22	107	20	5	30
2010	81	34	131	21	8	31
2009	51	17	96	21	12	38
2008	53	25	86	17	16	37
2007	44	11	66	9	9	21

Source: The Warren Group, January 2011.

Subprime Loans. Subprime lending began in the mid-1980s when new federal laws paved the way for variable mortgage interest rates and made mortgage debt more attractive than ever for tax purposes. Though seen as the villain in the national foreclosure crisis, the subprime industry was once credited for making homeownership possible for people who could not get a conventional mortgage. Subprime loans often involved higher repayment costs and other mechanisms to reduce lender risks, e.g., the prepayment penalties that predatory lending laws sought to abolish. When home values appreciated rapidly after 2000, subprime lenders financed a large share of cash-out loans, enabling borrowers to tap their equity for consumer spending, debt consolidation, and other needs.²⁵ By 2006, subprime and “near-prime” loans accounted for about 40 percent of all newly originated securitized mortgages in the United States.²⁶ In a study of subprime mortgages in Massachusetts from 1989 to 2007, the Federal Reserve Bank of Boston found

²³ Tim Davis, “Percentage of distressed homes shifts to ‘burbs,” *Foreclosure Monitor* (November 9, 2010).

²⁴ The Warren Group, Real Estate Records Search (user-defined query).

²⁵ Souphala Chomsisengphet and Anthony Pennington-Cross, “The Evolution of the Subprime Mortgage Market,” *Federal Reserve Bank of St. Louis Review*, January/February 2006: 36-40.

²⁶ Danielle DiMartino and John V. Duca, “The Rise and Fall of Subprime Mortgages,” *Economic Letter – Insights of the Federal Reserve Bank of Dallas*, vol. 2, no. 11 (2007): 2, and Yuliya Demyanyk and Otto Van Hemert, “Understanding the Subprime Mortgage Crisis,” http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1020396.

that some 20 percent of subprime loans ended in default. A later study revealed that subprime mortgages accounted for half of all residential foreclosures in Massachusetts.²⁷

More recently, Banker & Tradesman reported that "distressed properties" - the term for homes at some stage of the foreclosure process - make up nearly 28 percent of all housing sales in the country.²⁸ In Massachusetts, housing sales have continued to fall, as evidenced by a 28 percent drop in the year-to-date median single-family sales and a 37 percent drop in condominium sales as of April 2011.²⁹ Meaningful price recovery is not expected until 2014.

RENTAL HOUSING COSTS

The most recent, systematically conducted survey of rental housing costs is the American Community Survey, which shows that monthly rents in Shrewsbury are fairly expensive. The median **contract rent** - that is, excluding utilities - averaged \$1,038 over the five-year survey period (2006-2010), expressed in 2010 dollars. The median **gross rent**, which includes basic utilities, was \$1,115. A commonly used indicator of rental affordability in a given market area is the ratio of median gross rent to household income. In Shrewsbury, median gross rent as a percentage of household income has risen significantly in the past twenty years. Not surprisingly, the housing tenure statistics for Shrewsbury's area have also changed. Statewide, in Shrewsbury, and most of Shrewsbury's neighbors, the renter housing inventory has not grown in proportion to the demand for rental units.

Geography	Median Contract Rent	Median Gross Rent (with utilities)	Median Gross Rent % Household Income
Massachusetts	\$873	\$1,006	30.3
Worcester County	\$735	\$862	29.3
Boylston	\$491	\$612	21.4
Grafton	\$792	\$882	27.3
Millbury	\$755	\$929	28.8
Northborough	\$833	\$1,010	24.8
SHREWSBURY	\$1,038	\$1,115	27.9
West Boylston	\$1,198	\$1,237	22.0
Westborough	\$843	\$893	20.9
Worcester	\$739	\$861	30.3

Source: ACS 2006-2010, B25058, B25071, B25064.

Coincidentally, the median gross rent in Shrewsbury is very close to the two-bedroom Fair Market Rent (FMR) that HUD uses as a cost ceiling on market rents under the Section 8 voucher program. If a tenant with Section 8 assistance can find a landlord willing to participate in the voucher program, it seems

²⁷ Kristopher Gerardi, et al, "Subprime Outcomes: Risky Mortgages, Homeownership Experiences, and Foreclosures," Working Paper 07-15, May 4, 2008; and Christopher L. Foote, et al., "Subprime Facts: What (We Think) We Know about the Subprime Crisis and What We Don't," Working Paper 08-02, May 30, 2008, Federal Reserve Bank of Boston, <http://www.bos.frb.org/economic/wp/index.htm>.

²⁸ "Realty Trac: Distressed Home Sales Fall Nationwide in Q1," *Banker & Tradesman*, May 26, 2011, <http://www.bankerandtradesman.com/>.

²⁹ "Mass. April Home Sales Drop For Third Consecutive Month," *Banker & Tradesman*, May 24, 2011.

possible to find decent rental housing in Shrewsbury. Still, many low-income renters do not have Section 8 vouchers, and most renters in Shrewsbury do not have high enough earnings to afford a unit for which the monthly cost of rent and utilities equals the median gross rent. To afford an apartment at the median gross rent in Shrewsbury, a tenant household would have to earn at least \$44,600 per year. However, 64 percent of the renter households in Shrewsbury and 67 percent in the surrounding area have annual incomes at or below under \$49,000.³⁰

ACCESS TO AFFORDABLE HOUSING

Most towns have some modest, older single-family homes that are relatively affordable and apartments with low monthly rents. However, housing that is affordable due to its age, condition, limited amenities, or location is not necessarily occupied by low- or moderate-income people. The U.S. Department of Housing and Urban Development reports data for an affordable housing barrier known as **affordability mismatch**, or housing units that are affordable but unavailable to lower-income households because higher-income households already live in the units. Affordability mismatch measures:

- The number of housing units in a community with rents or home values affordable to people with very low incomes (at or below 30 percent AMI), low incomes (between 31 and 50 percent AMI), and moderate incomes (between 51 and 80 percent AMI);
- The number of households in each income tier;
- How many of those households live in units they can afford, and
- How many of the affordable units have a high probability of housing problems in addition to housing costs, e.g., substandard or otherwise inadequate housing.

According to a recent report from HUD:

Higher income renters occupy about 42 percent of the units that are affordable to extremely low-income renters, who earn less than 30 percent of Area Median Income (AMI). Further, higher income renters occupy 36 percent of the units that are affordable to renters who have incomes at 30 to 50 percent of AMI. As a result of this competition and because a substantial proportion of available units are not in standard or adequate physical condition, only 32 units of adequate, affordable rental housing are available for every 100 extremely low-income renters.³¹

Although Shrewsbury has housing that is affordable to very low-, low-, and moderate-income households, most of the "affordable" units are lower-end market-rate units without any type of income eligibility restrictions. In fact, more than half of the renter-occupied units and 62 percent of the owner-occupied units that are technically "affordable" do not provide housing for low- or moderate-income people. As a result, Shrewsbury's lower-income households have a very high incidence of housing cost burden. This is because an **affordability mismatch** prevents them from accessing existing units they could otherwise afford to purchase or rent.

³⁰ ACS Five-Year Estimates, B25118.

³¹ HUD Office of Policy Research and Development (PDR), *Worst Case Housing Needs 2009: Report to Congress*, (February 2011), viii.

Units Affordable to...	Renter-Occupied				Owner-Occupied			
	0-1BR	2BR	3+BR	Total	0-1BR	2BR	3+BR	Total
Very Low Income	179	60	58	297	—	—	—	—
Occupied by VLI Households	120	30	10	160	—	—	—	—
Built Pre-1970	55	25	49	129	—	—	—	—
Housing Problems Reported	35	4	0	39	—	—	—	—
Low Income	290	135	89	514	55	152	49	256
Occupied by LI Households	185	50	24	259	25	28	24	77
Built Pre-1970	120	80	60	260	30	64	29	123
Housing Problems Reported	125	45	15	185	4	10	0	14
Moderate Income	795	745	204	1,744	144	380	1,170	1,694
Occupied by MI Households	370	255	69	694	94	190	376	659
Built Pre-1970	350	365	145	860	69	285	1,025	1,379
Housing Problems Reported	325	205	55	584	15	45	70	130
Total VLI/LI/MI Affordable	1,264	940	351	2,555	199	532	1,219	1,950
Total Not VLI/LI/MI Occupied	589	605	248	1,442	80	314	819	1,214
% Not VLI/LI/MI Occupied	46.6%	64.4%	70.7%	56.4%	40.2%	59.0%	67.2%	62.3%

Source: HUD, Comprehensive Housing Affordability Strategy (2000).
 Note: As of 2012, the most current affordability mismatch profiles are still based on data from Census 2000.

Affordability mismatch is more complicated than may be apparent in a simple comparison of affordable units with low- or moderate-income households. When a very-low-income tenant rents a moderate-income apartment, the tenant will be housing cost burdened due to an affordability mismatch that occurs *within* the subsidized housing inventory. This condition exists everywhere, including Shrewsbury.³²

HOUSING PRODUCTION

Shrewsbury experienced rapid growth during the 1990s, but the pace of new-home construction declined somewhat in the past decade even before the foreclosure crisis and weakening of the national housing market. From 2000 to 2011, the Town issued building permits for 1,435 new units, as shown in Table 2.14. This is within range of the increase in total housing units (+1,291 units) between Census 2000 and Census 2010, as reported by the Census Bureau.

Year	Buildings	Units	Year	Buildings	Units
2000	185	192	2006	77	272
2001	127	127	2007	52	57
2002	143	149	2008	34	34
2003	102	131	2009	59	79
2004	81	94	2010	96	96
2005	79	153	2011	51	51

Source: Bureau of the Census, New Residential Construction Database, 2012.

³² HUD, CHAS 2009, MA_Table 15C_06.

CHAPTER 40B

Under a Massachusetts law that went into effect in 1969, all communities are supposed to have housing that remains affordable to low-income households even under robust market conditions. The units retain their affordability because an **affordable housing deed restriction** limits resale prices and rents for many years, if not in perpetuity. Another type of affordable housing - generally older, moderately priced dwellings without deed restrictions, and which lack the features and amenities of new, high-end homes - can help to meet housing needs, too, but only as long as the market allows. Both types of affordable housing matter. The crucial difference is that the market determines the price of unrestricted affordable units while a recorded legal instrument determines the price of deed restricted units. There are other differences, too. For example, any household - regardless of income - may purchase or rent an unrestricted affordable unit, but only a low- or moderate-income household is eligible to purchase or rent a deed restricted unit.

When deed restricted affordable units comprise less than 10 percent of a town's housing, G.L. c. 40B, §§ 20-23 ("Chapter 40B") authorizes the Board of Appeals to grant a **comprehensive permit** to qualified affordable housing developers. The 10 percent statutory minimum is based on the total number of year-round housing units in the most recent federal census; in Shrewsbury, 10 percent would mean 1,392 affordable units out of a total of 13,919 year-round units (Census 2010). A comprehensive permit is a **unified permit**, i.e., a single permit that subsumes the approvals required under zoning and other local regulations. By designating one town board to issue all local permits for a particular development, the state legislature sought to provide a mechanism for providing a diverse supply of housing throughout the state, and to reduce concentrations of affordable housing units in the larger cities. Under Chapter 40B, the Board of Appeals may approve, conditionally approve, or deny a comprehensive permit, but in communities that do not meet the 10 percent minimum, developers may appeal to the state Housing Appeals Committee (HAC). Although comprehensive permits may be granted after a town achieves the 10 percent minimum, the HAC no longer has authority to overturn a local board's decision. Despite many years of controversy about Chapter 40B, Massachusetts voters defeated a ballot question to repeal the law in 2010.

Table 2.15. Chapter 40B-Eligible Units in Shrewsbury

Name	Location	Type	SHI Units	Affordability Expires
Shrewsbury Towers	36 North Quinsigamond Ave.	Rental	99	Perpetuity
Shrewsbury Housing Authority	Francis Ave.	Rental	100	Perpetuity
Shrewsbury Housing Authority	Elizabeth Street	Rental	36	Perpetuity
Shrewsbury Housing Authority	South Street	Rental	4	Perpetuity
Shrewsbury Housing Authority	Scattered Sites	Rental	13	Perpetuity
Town Arbor	100 Arbor Drive	Rental	302	Perpetuity
DDS Group Homes	Confidential	Rental	30	N/A
DMH Group Homes	Confidential	Rental	8	N/A
Avalon Shrewsbury	870 Hartford Turnpike	Rental	251	Perpetuity
Madison Place	100-900 Madison Place	Rental	15	Perpetuity
Grove Meadow Farms	472-474 Lake Street	Ownership	2	Perpetuity
			860	

Source: DHCD, 2012. Note: As of July 2012, Grove Meadow Farms had not been added to Shrewsbury's Subsidized Housing Inventory.

The Massachusetts Department of Housing and Community Development (DHCD) maintains a list of the deed-restricted (Chapter 40B-eligible) affordable units in each city and town. Known as the Subsidized

Housing Inventory (SHI), the list determines whether a community meets the 10 percent minimum. It also is used to track expiring use restrictions, i.e., when non-perpetual affordable housing deed restrictions will lapse. Table 2.15 lists the Chapter 40B-eligible housing units in Shrewsbury, as reported by DHCD.

The inventory of low- and moderate-income housing in Shrewsbury's region (approximately 12,300 units), is about 10.5 percent of all Census 2010 year-round housing units in the eight communities combined. Worcester's very large inventory of affordable housing (9,490 units) plays a key role in these statistics. Looking strictly at the suburbs and smaller towns, the region is at 6.5 percent, and only one town – Northborough – meets the statutory minimum under Chapter 40B.

HOUSING DEVELOPMENT FRAMEWORK

Shrewsbury is divided into many zoning districts, and some also fall within one or more overlay districts (Map 1) as well. With the exception of the recently created Rural AA District, which applies to one site, Shrewsbury's largest minimum lot area is 20,000 sq. ft. In general, Shrewsbury's zoning is fairly permissive, with provisions for multi-family dwellings and two-family homes, and some incentive overlay districts that encourage multifamily and mixed-use developments. The use districts include:

Residential Districts

- Rural AA District
- Rural A District
- Rural B District
- Residence A District
- Residence B-1 District
- Residence B-2 District
- MF-1 District
- MF-2 District
- Apartment District

Commercial Districts

- Limited Business District
- Commercial-Business District
- Limited Commercial Business District
- Neighborhood Business District

Office, Industrial Districts

- Limited Industrial District
- Office-Research District
- Limited Office-Research District

OVERLAY DISTRICTS

Shrewsbury also has several overlay districts. Two impose additional restrictions or requirements on land use in the underlying districts, and three provide for additional development opportunities not otherwise allowed in the underlying districts. The more restrictive overlays include the **Aquifer Protection Overlay District** and the **Flood Plain Overlay District**. The development incentive districts include the **Lakeway Overlay District**, the **Edgemere Overlay District**, the **Route 20 Overlay District**, and the **Flexible Development Overlay District**.

INCLUSIONARY HOUSING

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

- Madison Place; 15 affordable rental units

■ Grove Meadow Farm; 2 affordable units

Another development at 143-145 North Quinsigamond Avenue is expected to generate one affordable for-sale unit as well. In addition, a development known as Willow Woods generated income to the Town's affordable housing fund (fees in lieu of affordable units). Though somewhat productive in terms of affordable housing benefits, the bylaw has been challenging for developers to work with, especially small developers unfamiliar with eligibility requirements for the Subsidized Housing Inventory. The Town plans to explore options for simplifying the bylaw, both for applicants and the Planning Board.

3. AFFORDABLE HOUSING GOALS

PRODUCTION STANDARD

In order to qualify for the flexibility that a DHCD-approved Housing Production Plan offers, Shrewsbury needs to reach an affordable housing production goal - a minimum numerical target - and obtain DHCD's certification that the standard has been met. The minimum goal is 0.5 percent of the Town's year-round housing inventory as reported in the most recent decennial census, and the goal has to be achieved within a single calendar year. If DHCD finds that Shrewsbury has met the annual standard, the one-year certification will take effect as of the date that Shrewsbury actually achieved the numerical target for that calendar year. If the Town's new affordable housing production is equal to or greater than the 1 percent of its year-round housing inventory, the certification will remain in effect for two years.³³ With these basics in mind, Table 3.1 provides a target affordable housing production schedule for the five-year period in which this plan will remain in effect.

CALENDAR YEAR	2012	2013	2014	2015	2016	2017
Total Year-Round Homes	13,919	13,919	13,919	13,919	13,919	13,919
Existing Chapter 40B Inventory*	858	858	928	998	1,068	1,138
New Chapter 40B Units	0	70	70	70	70	70
Revised Chapter 40B Inventory	858	928	998	1,068	1,138	1,208
Revised Chapter 40B %	6.2%	6.7%	7.2%	7.7%	8.2%	8.7%
10% Requirement	1,392	1,392	1,392	1,392	1,392	1,392
Gap	534	464	394	324	254	184
Required # for .50 of 1.0%	70	70	70	70	70	70
Required # for 1.0%	139	139	139	139	139	139

Table is based on existing annual housing production targets under 760 CMR 56.03(4)(c). Existing Chapter 40B Inventory under "2012" is based on the SHI as of July 2012. Source: DHCD.

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

³³ See 760 CMR 56.03(2) for the procedures for counting units on the Subsidized Housing Inventory.

Plan Approval v. Certification of Compliance

Certification is available to communities that receive DHCD approval of their affordable housing plan and meet their annual production targets. Clearly, the first step involves completing a housing plan that meets state requirements.

When DHCD receives this plan, it has thirty days to conduct a completeness review and notify the Town if the plan has any deficiencies. Once DHCD determines that the plan (as submitted or subsequently revised) meets the regulatory specifications for a Housing Production Plan (760 CMR 56.03(4)), it has ninety days to issue an approval letter.³⁴ Low- or moderate-income housing production that occurs during the effective period of this plan will position Shrewsbury to seek certification if the minimum numerical target is reached within a given calendar year. The units may be entirely within one development or in separate developments, and while all must be approved in the same calendar year, they do not have to be approved on the same date. As soon as the minimum target is reached, the Town should provide DHCD with supporting documentation and request housing plan certification.

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

- Within fifteen days of opening the public hearing on a comprehensive permit application, the Board would have to notify the applicant in writing, with a copy to DHCD, that denying the permit or imposing conditions or requirements is consistent with local needs because the Town has been certified by DHCD. The Board has the burden of proving consistency with local needs.
- The Applicant may challenge the Board's position by submitting a written objection to DHCD, with a copy to the Board, within fifteen days of receiving the Board's notice.
- Thereafter, DHCD has thirty days to review the materials from the Board and the applicant and make a decision. This review process tolls the requirement for the Board to complete the public hearing within 180 days. If DHCD does not issue a timely decision, the Board's position automatically prevails.

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

HOUSING TO MEET LOCAL AND REGIONAL NEEDS

As Shrewsbury works to increase its supply of Chapter 40B-eligible housing, it will be important to keep both quantitative and qualitative goals in view. Some types of housing assistance strategies may not qualify under the rules for listing in the Subsidized Housing Inventory, but they would nevertheless address an affordable housing need. Based on the Comprehensive Housing Needs Assessment in Chapter 2, the following housing priorities should guide Shrewsbury's implementation of this plan:

- **Low-Income Rental Housing for Families.** Multi-family rental units for very low-income and low-income families remain in short supply. The renters with the most severe housing cost burdens in Shrewsbury and all of the surrounding towns are small families with very low incomes and larger

³⁴ Note: a housing plan could be complete but inconsistent with state regulations and policies, in which case DHCD would not approve the plan.

families with low incomes. Shrewsbury's Subsidized Housing Inventory does not have many apartments for families, which helps to explain the town's large percentages of cost-burdened families living in rental housing. Deeply subsidized multi-family garden-style units in low-rise buildings and townhouse units would help to address the needs of family households, especially those with young children.

- **Rental Housing for Single People.** Local and regional needs exist for studio units and single-room occupancy (SRO) units for single people with low incomes. Shrewsbury has homes with rooms for adults with severe disabilities, and the Shrewsbury Housing Authority also leases some of its elderly housing units to people with disabilities who can live independently. However, there does not appear to be any rental housing appropriate for single people *without* disabilities. Populations served by very small, affordable units range from young citizens entering the workforce to divorced or separated individuals with limited means, very-low-income women who formerly qualified as displaced homemakers and are now living alone, and very-low-income seniors. Low-income one-person households have the second highest incidence of housing cost burdens in Shrewsbury. DHCD made a similar finding about single, low-income renter households throughout the state in the *Massachusetts 2010-2014 Consolidated Plan*.³⁵
- **Subsidized Rental Housing for the Elderly.** As the Town's population continues to age, growth in demand for affordably priced apartments will place further stress on Shrewsbury's inventory of rental housing for seniors. In fact, Shrewsbury already needs more deeply subsidized apartments for seniors because the incidence of housing cost burdens among low-income elderly *homeowners* is exceptionally high. By contrast, a comparatively small percentage of Shrewsbury's seniors who rent have high housing cost burdens. This may be due to the presence of many subsidized elderly apartments owned and managed by the Shrewsbury Housing Authority.
- **Acquisition and Rehabilitation of Substandard Housing.** Shrewsbury has older, typically small houses that have lost value over time as the homebuyer market demanded spacious, expensive single-family homes on larger lots. In every Eastern Massachusetts suburb, the inventory of interwar-era housing has become the prime target of teardowns and mansionization, even in communities with demolition delay bylaws and ordinances (which often fail to protect mid-twentieth-century buildings). However, the same homes traditionally gave young couples an affordable path to homeownership. Acquiring and rehabilitating some of these dwellings and reselling them as shared equity homeownership units would give the Town a relatively green strategy for creating Chapter 40B-eligible units and expanding its Subsidized Housing Inventory. Unfortunately, Shrewsbury does not have a revenue source to carry out an acquisition/rehabilitation program.
- **Housing Rehabilitation for Existing Homeowners.** Shrewsbury's unaffordably housed seniors and families would benefit from a housing rehabilitation program to address deterioration and extraordinary maintenance they cannot afford. While a traditional housing rehabilitation program for homeowners will not create Chapter 40B-eligible units, it would meet a documentable housing need of existing residents.

³⁵ Department of Housing and Community Development, *Massachusetts 2010-2014 Consolidated Plan* (2010), 42, citing University of Massachusetts Donohue Institute, *The State of the Massachusetts Housing Market: A Statewide and Regional Analysis* (2008).

4. IMPLEMENTATION STRATEGIES

HOUSING PRODUCTION PLAN REQUIREMENTS

See Map 4.1 for implementation strategies associated with specific areas in Shrewsbury.

Zoning Amendments

Identification of zoning districts or geographic areas in which the municipality proposes to modify current regulations for the purposes of creating affordable housing developments to meet its housing production goal [760 CMR 56.03(4)(d)(1)].

Shrewsbury has already taken major steps to zone for higher-density housing and affordable housing. The Town should continue to capitalize on these existing efforts to promote housing diversity and affordability through its own zoning. (See Map 2)

After the Town zoned additional land for multi-family development on Route 9, a local developer successfully permitted Madison Place, a 96-unit apartment development providing fifteen “Local Action” affordable units. These fifteen units are now listed on the Subsidized Housing Inventory.

Anticipating the Commonwealth’s sale of The Glavin Center, an educational and residential facility for adults with disabilities, Shrewsbury Town Meeting created a special zoning district, Rural AA, with a new Planned Residential Development provision. Under PRD, developers qualify for a density incentive of 1.5 times the number of units otherwise permitted in the district, and they can propose multi-family dwellings as well, provided their projects preserve at least 60 percent of the land as protected open space.

The existing inclusionary zoning bylaw has largely accomplished what the Town expected when Town Meeting adopted it in 2005. Through approvals granted by the Planning Board, Shrewsbury has created seventeen actual units and one to be created with in-lieu-of fees paid by developers. The bylaw could be more comprehensible to local developers if the Town had an inclusionary housing permitting guide, which is currently in production.

The Town could consider other steps as well:

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

Comprehensive Permits

Identification of specific sites for which the municipality will encourage the filing of comprehensive permit projects [760 CMR 56.03(4)(d)(2)].

Locations that would be suitable for comprehensive permit developments are shown on Map 2.

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

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

Housing Preferences

Characteristics of proposed residential or mixed-use developments that would be preferred by the municipality [760 CMR 56.03(4)(d)(3)]:

- *Infill and Intensification of Existing Development.* Redevelopment in the Lakeway area remains a very important priority for Shrewsbury. Multi-family housing at a fairly high density (e.g., in the range required under Chapter 40R) would be appropriate in this part of town if developed in conjunction with commercial uses. Upper-story and “horizontal” mixes are encouraged both in the Lakeway and Edgemere neighborhoods.
- *Housing Preservation.* One of Shrewsbury’s great strengths has been the affordability it offers to young families. Homebuyers that could not afford to purchase housing in other Worcester-area suburbs found relatively affordable homes and stepped up to homeownership in Shrewsbury. As the supply of usable land dwindles, pressure will increase to improve (and increase the value of) the town’s older housing units. Strategies to preserve some of Shrewsbury’s mid-century housing inventory could help to keep the town affordable to young families without always relying on new residential construction.
- *Senior Housing.* Shrewsbury needs to increase its supply of affordable housing for seniors. The market for “over-55” housing is saturated in many parts of the Greater Boston area, so Shrewsbury should consider other ways to address the housing needs of its aging population. Comprehensive permits for deeply subsidized senior housing, such as a HUD 202 development, will probably be more effective than zoning.

Town-Owned Land

Municipally owned parcels for which the municipality commits to issue requests for proposals to develop affordable housing [760 CMR 56.03(4)(d)(4)]:

Shrewsbury does not have municipal land that would be appropriate for housing development. Virtually all town-owned land in Shrewsbury is used for general government or school purposes, e.g., town facilities, public utilities, recreation facilities, or schools. The Town owns very little conservation and recreation land.

Regional Collaboration

Participation in regional collaborations to address housing development [760 CMR 56.03(4)(d)(5)]:

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

AFFORDABLE HOUSING TRUST

Shrewsbury could increase the effectiveness of this plan by establishing an Affordable Housing Trust. In 2004, the General Court enacted G.L. c. 44, § 53C, the Municipal Affordable Housing Trust Law, in order to increase the capacity of cities and towns to create affordable housing. Shrewsbury has created a special revenue fund for in-lieu-of fees paid by developers under the inclusionary bylaw, but the Town does not have a flexible mechanism for investing the funds in new affordable housing production. Shrewsbury has needs for affordable units at the very low- and moderate-income ranges – and for assistance that may not qualify for the Subsidized Housing Inventory. An Affordable Housing Trust could conduct or financially assist many of the ideas promoted in this plan.

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

An Affordable Housing Trust is essentially an accounting mechanism for segregating revenues from the General Fund and dedicating them for the purpose of creating affordable housing. A board of trustees appointed by the Board of Selectmen oversees the fund and has authority to invest monies in the trust for any of sixteen purposes listed in the statute. They include:

- (1) to accept and receive real property, personal property or money, by gift, grant, contribution, devise or transfer from any person, firm, corporation or other public or private entity, including but not limited to money, grants of funds or other property tendered to the trust in connection with any ordinance or by-law or any general or special law or any other source, including money from chapter 44B [Community Preservation Act];
- (2) to purchase and retain real or personal property, including without restriction investments that yield a high rate of income or no income;
- (3) to sell, lease, exchange, transfer or convey any personal, mixed, or real property at public auction or by private contract for such consideration and on such terms as to credit or otherwise, and to make such contracts and enter into such undertaking relative to trust property as the board deems advisable notwithstanding the length of any such lease or contract;

- (4) to execute, acknowledge and deliver deeds, assignments, transfers, pledges, leases, covenants, contracts, promissory notes, releases and other instruments sealed or unsealed, necessary, proper or incident to any transaction in which the board engages for the accomplishment of the purposes of the trust;
- (5) to employ advisors and agents, such as accountants, appraisers and lawyers as the board deems necessary;
- (6) to pay reasonable compensation and expenses to all advisors and agents and to apportion such compensation between income and principal as the board deems advisable;
- (7) to apportion receipts and charges between incomes and principal as the board deems advisable, to amortize premiums and establish sinking funds for such purpose, and to create reserves for depreciation depletion or otherwise;
- (8) to participate in any reorganization, recapitalization, merger or similar transactions; and to give proxies or powers of attorney with or without power of substitution to vote any securities or certificates of interest; and to consent to any contract, lease, mortgage, purchase or sale of property, by or between any corporation and any other corporation or person;
- (9) to deposit any security with any protective reorganization committee, and to delegate to such committee such powers and authority with relation thereto as the board may deem proper and to pay, out of trust property, such portion of expenses and compensation of such committee as the board may deem necessary and appropriate;
- (10) to carry property for accounting purposes other than acquisition date values;
- (11) to borrow money on such terms and conditions and from such sources as the board deems advisable, to mortgage and pledge trust assets as collateral;
- (12) to make distributions or divisions of principal in kind;
- (13) to comprise, attribute, defend, enforce, release, settle or otherwise adjust claims in favor or against the trust, including claims for taxes, and to accept any property, either in total or partial satisfaction of any indebtedness or other obligation, and subject to the provisions of this act, to continue to hold the same for such period of time as the board may deem appropriate;
- (14) to manage or improve real property; and to abandon any property which the board determined not to be worth retaining;
- (15) to hold all or part of the trust property uninvested for such purposes and for such time as the board may deem appropriate; and
- (16) to extend the time for payment of any obligation to the trust.

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

a balanced board of trustees. The Board of Selectmen must have representation on the board of trustees, but other town boards are optional at the community's discretion.

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

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

The Town will need to determine how it wants to provide funding for the trust. Practices vary from town to town, but many CPA communities have decided to transfer their annual appropriations for community housing directly to the trust.³⁶ This helps to ensure that housing appropriations actually produce some results. An Affordable Housing Trust may also be used to account for and report other revenues and expenditures, such as housing development grants received from state or federal sources.

MANAGING COMPREHENSIVE PERMITS

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

³⁶ Note: Shrewsbury has not adopted the Community Preservation Act, however.

Comprehensive Permit Guidelines

Most developers yearn to know the answer to one question: "what do I have to do to get my permit?" Unfortunately, communities sometimes forget that if they want certain outcomes from the development process - *any* type of development, including but not limited to affordable housing - they need to be clear about what they hope to accomplish and their expectations have to be anchored in economic reality. One way to communicate effectively about Shrewsbury's comprehensive permit priorities would involve developing guidelines, with text, photographs, and maps, that developers can consider in the early stages of planning their projects.

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

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

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

LOCAL INITIATIVE PROGRAM

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

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

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

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

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

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

For homeownership developments:

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

³⁷ See Appendix for DHCD Affirmative Marketing Plan requirements.

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

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

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

Prepare a "Ready Buyers" or "Ready Renters" list for resales or upon tenant turnover.

COMMUNITY PRESERVATION ACT (CPA)

The Community Preservation Act (CPA), G.L. c. 44B, has become an increasingly valuable tool for creating and preserving affordable housing in Massachusetts. Available to cities and towns on an optional basis, the CPA allows communities to impose a 0.5 percent to 3 percent surcharge on real estate tax bills and apply the funds to three core community needs: historic preservation, open space and recreation, and affordable housing. In exchange, communities that adopt the CPA become eligible for a share of the state's community preservation revenues, or surcharges on real estate transactions at the Registry of Deeds. Although several towns in Shrewsbury's area have adopted the CPA – Northborough, Grafton, West Boylston, Southborough, Hopkinton, and Upton – Shrewsbury is not currently a CPA community.

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

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

APPENDIX

A. NOTES ON DATA SOURCES

The data used to develop this plan come from the Town of Shrewsbury, several state agencies, the Bureau of the Census, and the U.S. Department of Housing and Urban Development (HUD). The Bureau of the Census sources include:

The American Community Survey (ACS). In the late 1990s, the Census Bureau launched a new "rolling" population survey that would eventually replace the demographic, social, and housing data reported in the past in the decennial census. The ACS draws data from a very small sample, but a new survey is collected each month and the results are aggregated to provide a similar dataset on a wide variety of topics. By 2005, the ACS was releasing the first trial data sets for a sample of the nation's major cities. Today, the ACS publishes annual profiles for geographies with 65,000 people or more, such as counties, states, and large metro areas, and three-year "rolling average" statistics once a year for areas with populations between 20,000 and 65,000. In December 2010, ACS began to publish five-year "rolling average" statistics for smaller population areas, such as census tracts and block groups, or the small towns around Shrewsbury. Like the three-year survey, the new five-year profiles will be released every year, which means that communities will no longer have to wait ten years for fresh demographic data. In most cases, data labeled as "ACS" in this plan area taken from the most recent five-year tabulation, or 2005-2009 inclusive.

The Decennial Census. The Census Bureau recently released Census 2010 total population and housing counts. Where appropriate, the new data have been incorporated in this plan. However, a comprehensive housing needs assessment requires information that goes well beyond the coverage of Census 2010. Accordingly, the local and regional demographic portraits presented in this plan draw primarily from the ACS and (by comparison) Census 2000. Although Census 2010 population counts do not match ACS 2005-2009 population estimates, in most cases the difference is fairly small.

Building Permits Database. The Census Bureau's Manufacturing and Construction Division (MCD) is a repository of new residential building permit statistics for states, counties, and cities and towns. MCD's data come from states which in turn obtain reports from local building departments.

HUD Consolidated Planning/Comprehensive Housing Affordability Strategy (CHAS) Data. Created through a combined effort of the Census Bureau and the U.S. Department of Housing and Urban Development (HUD), the CHAS is a special tabulation of ACS. The purpose of the CHAS program is to provide housing affordability data for cities and towns to identify and address existing housing problems.

B. GLOSSARY

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

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

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

Chapter 40B. G.L. c. 40B, § 20-23 (1969 Mass. Acts 774), the state law administered locally by the Board of Appeals in order to create affordable housing. It provides eligible developers with a unified permitting process that subsumes all permits normally issued by multiple town boards. Chapter 40B establishes a basic presumption at least 10 percent of the housing in each city and town should be affordable to low- or moderate-income households. In communities below the 10 percent statutory minimum, affordable housing developers aggrieved by a decision of the Board of Appeals can appeal to the state Housing Appeals Committee, which in turn has authority to uphold or reverse the Board's decision.

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

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

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

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

Consolidated Plan. A five-year plan prepared by CDBG entitlement recipients and Participating Jurisdictions under the HOME Program. The purpose of the plan is to document and analyze housing

market conditions, affordable housing needs, homelessness and disability housing needs, and non-housing community development needs in the city or state that receives federal housing and community development funds and design a strategy to address those needs using federal, state, local, and private resources. Grant recipients also have to prepare one-year action plans showing how each year's funding will be used in a manner consistent with the five-year Consolidated Plan.

Department of Housing and Community Development (DHCD). The state's lead housing agency, originally known as the Department of Community Affairs (DCA). DHCD oversees state-funded public housing and administers rental assistance programs, the state allocation of **CDBG** and **HOME** funds, various state-funded affordable housing development programs, and the Community Services Block Grant (CSBG) Program. DHCD also oversees the administration of **Chapter 40B**.

Extremely Low Income. See Very Low Income.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Typical, Non-standard Rental Units. A term that defines the types of rental units that HUD includes and excludes in establishing the **FMR** for each housing market area. The term excludes: public housing units, rental units built in the last two years, rental units with housing quality problems, seasonal rentals, and rental units on ten or more acres.

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

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

C. DHCD AFFIRMATIVE MARKETING PLAN REQUIREMENTS

Effective as of June 25, 2008

The Commonwealth of Massachusetts has a compelling interest in creating fair and open access to affordable housing and promoting compliance with state and federal civil rights obligations. Therefore, all housing with state subsidy or housing for inclusion on the Subsidized Housing Inventory (SHI) shall have an Affirmative Fair Housing Marketing Plan (AFHMP). *The affordable Use Restriction documents of said housing must require that the AFHMP, subject to the approval of the subsidizing or funding agency, shall be implemented for the term of the Use Restriction.* Affirmative Fair Housing requirements apply to the full spectrum of activities that culminate with occupancy, including but not limited to means and methods of outreach and marketing through to the qualification and selection of residents. All AFHMP plans must, at a minimum, meet the standards set forth by the Department of Housing and Community Development (DHCD). In the case of M.G.L. c.40B projects, the AFHMP must be approved by the Subsidizing Agency.

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

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

(April 8, 2008 change: inserted a new third sentence in the first paragraph).

Developer Staff and Contractor Qualifications

The entity as well as the individual with primary responsibility for resident selection, whether in-house staff or a third-party contractor, must have substantial, successful prior experience in each component of the AFHMP for which the party will be responsible, e.g. drafting the plan, marketing and outreach activities, administering the lottery process and/or determining eligibility under applicable subsidy programs and/or qualifying buyers with mortgage lenders.

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

The entity has successfully carried out similar AFHMP responsibilities for a minimum of three (3) projects in Massachusetts *or* the individual with primary responsibility for the resident selection process has successfully carried out similar AFHMP responsibilities for a minimum of five (5) projects in Massachusetts.

The entity has the capacity to address matters relating to English language proficiency.

“Successfully” for the purposes of these Guidelines means that, with respect to both the entity and the relevant staff, (a) the prior experience has not required intervention by a Subsidizing Agency to address fair housing complaints or concerns; and (b) that within the past five (5) years, there has not been a finding or final determination against the entity or staff for violation of any state or federal fair housing law.

Affirmative Fair Housing Marketing Plan

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

- Informational materials for applicants including a general description of the overall project that provides key information such as the number of market/affordable units, amenities, number of parking/garage spaces per unit, distribution of bedrooms by market and affordable units, accessibility, etc.
- A description of the eligibility requirements.
- Lottery and resident selection procedures.
- A clear description of the preference system being used (if applicable).
- A description of the measures that will be used to ensure affirmative fair marketing will be achieved including a description of the affirmative fair marketing and outreach methods that will be used, sample advertisements to be used, and a list of publications where ads will be placed.
- Application materials including:
 - The application form.
 - A statement regarding the housing provider's obligation not to discriminate in the selection of applicants, and such a statement must also be included in the application materials.
 - Information indicating that disabled persons are entitled to request a reasonable accommodation of rules, policies, practices, or services, or to request a reasonable modification of the housing, when such accommodations or modifications are necessary to afford the disabled person equal opportunity to use and enjoy the housing.³⁸
 - An authorization for consent to release information.
 - For homeownership transactions, a description of the use restriction and/or deed rider.

The Subsidizing Agency must approve the AFHMP before the marketing process commences. In the case of a Local Action Unit (LAU), DHCD and the municipality must approve the AFHMP.

The AFHMP shall be applied to affordable units³⁹ upon availability for the term of affordability and must consist of actions that provide information, maximum opportunity, and otherwise attract eligible persons protected under state and federal civil rights laws that are *less likely to apply*.

³⁸ It is important to remember that legal obligations with respect to accessibility and modifications in housing extend beyond the Massachusetts Architectural Access Board requirements, including federal requirements imposed by the Fair Housing Act, the Americans with Disabilities Act, and the Rehabilitation Act. Under state law, in the case of publicly assisted housing, multiple dwelling housing consisting of ten or more units, or contiguously located housing consisting of ten or more units (see M.G.L. c. 151B, § 1 for definitions), reasonable modification of existing premises shall be at the expense of the owner or other person having the right of ownership if necessary for the disabled person to fully enjoy the premises. M.G.L. c. 151B, § 4(7A). See also 24 C.F.R. part 8 for Rehabilitation Act requirements of housing providers that receive federal financial assistance.

³⁹ The advertising component of the AFHMP applies to all units.

Outreach and Marketing

- Marketing should attract residents outside the community by extending to the regional statistical area as well as the state.
- Advertisements should be placed in local and regional newspapers, and newspapers that serve minority groups and other groups protected under fair housing laws. Notices should also be sent to local fair housing commissions, area churches, local and regional housing agencies, local housing authorities, civic groups, lending institutions, social service agencies, and other non-profit organizations.
- Affordable units in the Boston Metro Area (Boston-Cambridge-Quincy MSA) must be reported to the Boston Fair Housing Commission's Metrolist (Metropolitan Housing Opportunity Clearing House). Such units shall be reported whenever they become available (including upon turnover).
- Affordable and/or accessible⁴⁰ rental units must be listed with the Massachusetts Accessible Housing Registry whenever they become available (including upon turnover). See <http://www.chapa.org>.
- Available affordable ownership units must also be listed with CHAPA's lottery website (see <http://www.chapa.org>) and with the Massachusetts Affordable Housing Alliance (MAHA) website (see <http://www.mahahome.org>).
- Marketing should also be included in non-English publications based on the prevalence of particular language groups in the regional area. To determine the prevalence of a particular language by geographical area, see for example: http://www.doleta.gov/reports/CensusData/LWIA_by_State.cfm?state=MA.

(April 8, 2008 changes: (1) Inserted new first bullet paragraph; (2) modified fourth paragraph to include listing with MAHA website; and (3) modified fifth bullet paragraph which, previously, stated: "...Marketing should also be targeted towards persons with limited English proficiency (LEP), not limited to solely to Spanish speaking persons.")

- All marketing should be comparable in terms of the description of the opportunity available, regardless of the marketing type (e.g., local newspaper vs. minority newspaper). The size of the advertisements, including the content of the advertisement, should be comparable across regional, local, and minority newspapers.
- Advertisements should run a minimum of two times over a sixty day period and be designed to attract attention. Marketing of ownership units should begin approximately six months before the expected date of project occupancy.
- Pursuant to fair housing laws,⁴¹ advertising must not indicate any preference or limitation, or otherwise discriminate based on race, color, disability, religion, sex, familial status, sexual orientation, national origin, genetic information, ancestry, children, marital status, or public

⁴⁰ Note: The owner or other person having the right of ownership shall, in accordance with M.G.L. c. 151B, §4(7A), give at least fifteen days' notice of the vacancy of a wheelchair accessible unit to the Massachusetts Rehabilitation Commission. Said statute also requires the owner or other person having the right of ownership to give timely notice that a wheelchair accessible unit is vacant or will become vacant to a person who has, within the past 12 months, notified the owner or person or person having the right of ownership that such person is in need of a wheelchair accessible unit.

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

assistance reciprocity. Exceptions may apply if the preference or limitation is pursuant to a lawful eligibility requirement. All advertising depicting persons should depict members of classes of persons protected under fair housing laws, including majority and minority groups.

- The Fair Housing logo () and slogan (“Equal Housing Opportunity”) should be included in all marketing materials. The logo may be obtained at HUD’s website at: <http://www.hud.gov/library/bookshelf11/hudgraphics/fheologo.cfm>.

Availability of Applications

Advertising and outreach efforts shall identify locations where the application can be obtained. **Applications shall be available at public locations including one that has some night hours; usually, a public library will meet this need.** The advertisement shall include a telephone number an applicant can call to request an application via mail.

Informational Meeting

In addition, the lottery administrator must offer one or more informational meetings for potential applicants to educate them about the lottery process and the housing development. These meetings may include local officials, developers, and local bankers. The date, time, and location of these meetings shall be published in ads and flyers that publicize the availability of lottery applications. The workshops shall be held in a municipal building, school, library, public meeting room or other accessible space. Meetings shall be held in the evening or on weekend days in order to reach as many potential applicants as possible. However, attendance at a meeting shall not be mandatory for participation in a lottery.

The purpose of the meeting is to answer questions that are commonly asked by lottery applicants. Usually a municipal official will welcome the participants and describe the municipality’s role in the affordable housing development. The lottery administrator will then explain the information requested on the application and answer questions about the lottery drawing process. The Developer should be present to describe the development and to answer specific questions about the affordable units. It is helpful to have representatives of local banks present to answer questions about qualifications for the financing of affordable units. At the meeting, the lottery administrator should provide complete application materials to potential applicants.

Homeownership – Establishing Sales Prices

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

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

Local Preference

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

Demonstrate in the AFHMP the need for the local preference (e.g., the community may have a disproportionately low rental or ownership affordable housing stock relative to need in comparison to the regional area); and

Demonstrate that the proposed local preference will not have a disparate impact on protected classes.

In no event may a local preference exceed more than 70% of the (affordable) units in a Project.

The Subsidizing Agency, and in the case of LAUs, DHCD as well as the municipality, must approve a local preference scheme as part of the AFHMP. Therefore, the nature and extent of local preferences should be approved by the Subsidizing Agency (or DHCD in the case of LAUs) prior to including such language in the comprehensive permit or other zoning mechanism.

ALLOWABLE PREFERENCE CATEGORIES

- Current residents: A household in which one or more members is living in the city or town at the time of application. Documentation of residency should be provided, such as rent receipts, utility bills, street listing or voter registration listing.
- Municipal Employees: Employees of the municipality, such as teachers, janitors, firefighters, police officers, librarians, or town hall employees.
- Employees of Local Businesses: Employees of businesses located in the municipality.
- Households with children attending the locality's schools, such as METCO students.

(June 25, 2008 change: removed formerly listed allowable preference category, "Family of Current Residents.")

When determining the preference categories, the geographic boundaries of the local resident preference area should not be smaller than municipal boundaries.

Durational requirements related to local preferences, that is, how long an applicant has lived in or worked in the residency preference area, are not permitted in any case.

Preferences extended to local residents should also be made available not only to applicants who work in the preference area, but also to applicants who have been hired to work in the preference area, applicants who demonstrate that they expect to live in the preference area because of a bona fide offer of employment, and applicant households with children attending the locality's schools, such as METCO students.

A preference for households that work in the community must not discriminate (including have a disproportionate effect of exclusion) against disabled and elderly households in violation of fair housing laws.

Advertising should not have a discouraging effect on eligible applicants. As such, local residency preferences must not be advertised as they may discourage non-local potential applicants.

(April 9, 2008 changes: (1) Inserted new fifth enumerated paragraph; (2) addition of "and applicant households with children attending the locality's schools in eighth paragraph).

Avoiding Potential Discriminatory Effects

The local selection preferences must not disproportionately delay or otherwise deny admission of non-local residents that are protected under state and federal civil rights laws. The AFHMP should demonstrate what efforts will be taken to prevent a disparate impact or discriminatory effect. For example, the community may move minority applicants into the local selection pool to ensure it reflects the racial/ethnic balance of the HUD defined Metropolitan Statistical Area as described below.

⁴² However, such a protective measure may not be sufficient as it is race/ethnicity specific; the AFHMP must address other classes of persons protected under fair housing laws who may be negatively affected by the local preference.

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

A lottery for projects including a local preference should have two applicant pools: a local preference pool and an open pool. After the application deadline has passed, the Developer should determine the number of local resident minority households there are in the municipality and the percentage of minorities in the local preference pool. If the percentage of minority local resident households in the local preference pool is less than the percentage of minorities in the surrounding HUD-defined area, the Developer should make the following adjustments to the local preference pool:

- The Developer should hold a preliminary lottery comprised of all minority applicants who did not qualify for the local preference pool, and rank the applicants in order of drawing.
- Minority applicants should then be added to the local preference pool in order of their rankings until the percentage of minority applicants in the local preference pool is equal to the percentage of minorities in the surrounding HUD-defined area.
- Applicants should be entered into all pools for which they qualify. For example, a local resident should be included in both pools.
- Minorities should be identified in accordance with the classifications established by HUD and the U.S. Census Bureau, which are the racial classifications: Black or African American; Asian; Native American or Alaska Native; Native Hawaiian or Pacific Islander; or other (not White); and the ethnic classification Hispanic or Latino.

D. Household Size/Larger Households Preference

GENERAL

Household size should be appropriate for the number of bedrooms in the home. It is appropriate to set a minimum. A maximum household size for the units may be established provided that:

Maximum allowable household size may not be more restrictive than the State Sanitary Code or applicable local bylaws, and may not violate state and federal civil rights laws.

Maximum allowable household size may not be more restrictive than the Large Household Preference established below.

(April 8, 2008 change: deleted first sentence of paragraph which previously stated "...for example, it may be appropriate for two bedroom homes to set a minimum household size of two persons.")

⁴² Note: This protective measure may not be dispositive with respect to discriminatory effects. For example, the non-local applicant pool may contain a disproportionately large percentage of minorities, and therefore adjusting the local preference pool to reflect demographics of the regional area may not sufficiently address the discriminatory effect that the local preference has on minority applicants. Therefore, characteristics of the non-local applicant pool should continually be evaluated.

LARGER HOUSEHOLD PREFERENCE

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

There is at least one occupant per bedroom.⁴³

A husband and wife, or those in a similar living arrangement, shall be required to share a bedroom. Other household members may share but shall not be required to share a bedroom.

A person described in the first sentence of (b) shall not be required to share a bedroom if a consequence of sharing would be a severe adverse impact on his or her mental or physical health and the lottery agent receives reliable medical documentation as to such impact of sharing.

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

A “household” shall mean two or more persons who will live regularly in the unit as their principal residence and who are related by blood, marriage, law or who have otherwise evidenced a stable inter-dependent relationship, or an individual.

Lottery drawings shall result in each applicant being given a ranking among other applicants with households receiving preference for units based on the above criteria. Household size shall not exceed State Sanitary Code requirements for occupancy of a unit (See 105 CMR 400).⁴⁴

Lotteries

The Lottery Application

Resident selection must generally be based on a lottery, although in some cases it may be based on another fair and equitable procedure approved by the Subsidizing Agency.⁴⁵ A lottery procedure is preferred over a “first-come, first-serve procedure,” as the latter procedure may disadvantage non-local applicants.

The application period should be at least 60 days. To ensure the fairness of the application process, applicants should not be required to deliver application materials and instead should be permitted to mail them.

The lottery application must address a household’s:

- income
- assets
- size and composition

⁴³ Disabled households must not be excluded from a preference for a larger unit based on household size if such larger unit is needed as a reasonable accommodation.

⁴⁴ Note, however, that fair housing exceptions may apply: see HUD Fair Housing Enforcement—Occupancy Standard; Notice of Statement of Policy, Docket No. FR-4405-01 (1998).

⁴⁵ In the case of project based Section 8 properties where resident selection is to be performed by the housing authority pursuant to a Section 8 waiting list, a lottery procedure is not required.

- minority status (optional disclosure by the household)
- eligibility as a first-time buyer (for ownership units)
- eligibility for local preference

The lottery administrator shall request verification (e.g., three prior year tax returns with the W2 form; 5 most recent pay stubs for all members of the household who are working, three most recent bank statements and other materials necessary to verify income or assets).

Applicants cannot be required to use a specific lender for their pre-approval letter or their mortgage.

Only applicants who meet qualification requirements should be included in the lottery.

Lottery Procedure

Once all required information has been received, qualified applicants should be assigned a registration number. **Only applicants who meet the eligibility requirements shall be entered into a lottery. The lottery shall be conducted after any appeals related to the project have been completed and all permits or approvals related to the project have received final action.**

Ballots with the registration number for applicant households are placed in all lottery pools for which they qualify. The ballots are randomly drawn and listed in the order drawn, by pool. If a project has units with different numbers of bedrooms, units are then awarded (largest units first) by proceeding down the list to the first household on the list that is of appropriate size for the largest unit available according to the appropriate-unit-size criteria established for the lottery. Once all larger units have been assigned to appropriately sized households in this manner, the lottery administrator returns to the top of the list and selects appropriately sized households for smaller units. This process continues until all available units have been assigned to appropriately sized applicant households.

If the project includes units accessible or adaptable for occupancy by disabled persons, first preference (regardless of applicant pool) for those units shall be given to such disabled persons, including single person households, in conformity with state and federal civil rights laws.

The lottery administrator should retain a list of households who are not awarded a unit, in the order that they were drawn. If any of the initial renters/buyers do not rent/purchase a unit, the unit shall be offered to the highest ranked household on that retained list. This list may generally be retained and used to fill units for up to one year. However, other factors such as the number of households remaining on the list, the likelihood of the continuing eligibility of such households, and the demographic diversity of such households may inform the retention time of the list, subject to the approval of the Subsidizing Agency.

After the initial lottery, waiting lists should be analyzed, maintained, and updated (through additional marketing) so that they remain consistent with the objectives of the housing program and are adequately representative of the racial, ethnic, and other characteristics of potential applicants in the housing market region.

(April 8, 2008 change to the third paragraph: addition of “(regardless of applicant pool)”)

Lottery Example

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

- Total applicants in lottery: 100
- Total minority applicants: 20
- The community in which the lottery takes place falls within the HUD Boston Metropolitan Statistical Area which has a minority population of 20.7%.

Determine the number of applicants who claim a LOCAL preference according to approved criteria.

Determine the number of minority applicants in the LOCAL preference pool.

Determine the percentage of minority applicants in the LOCAL preference pool.

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

Since the percentage of minority applicants in the LOCAL preference pool is below the percentage of minority residents in the HUD defined statistical area (16.7% as opposed to 20.7%), a preliminary lottery is required.

The 10 minority applicants who do not have LOCAL preference are entered into a preliminary drawing and assigned a rank based on the order of their draw. Minority applicants are added to the LOCAL preference pool in order of their rank until the LOCAL preference pool has at least as great a percentage of minority applicants as the larger statistical area. In this example, 4 applicants will be added to the LOCAL preference pool to bring the percentage of minority applicants up to 21.8%.

Total Applicants in Supplemented Local Preference Pool	Total Minority Applicants in Supplemented Local Preference Pool	% Minority Applicants in Supplemented Local Preference Pool
64	14	21.8%

Draw all ballots from the adjusted LOCAL pool and assign rankings to each household. Preference for appropriately sized households will still apply and all efforts should be made to match the size of the affordable units to the legitimate need for bedrooms of each household.

Once all units for LOCAL residents have been allocated, the OPEN pool should proceed in a similar manner. All LOCAL residents should have ballots in both pools, and all minority applicants that were put in the LOCAL pool should remain in the OPEN pool as well.

Homeownership

HOUSEHOLD ELIGIBILITY

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

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

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

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

FINAL QUALIFICATION AND CLOSING

Once the lottery has been completed, applicants selected to purchase units must be given a reasonable pre-specified time period in which they must secure financing. The Developer should invite the lottery winners to a loan application workshop. The Developer should make prior arrangements with local financial institutions with respect to financing qualified purchasers. Often such institutions will give preliminary approvals of loans, which make the remainder of the process more efficient for all parties.

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

Non-household members should not be permitted as co-signers of the mortgage.

RESALES

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

(April 8, 2008 changes: modified second and third sentences to include listing with the MAHA website).

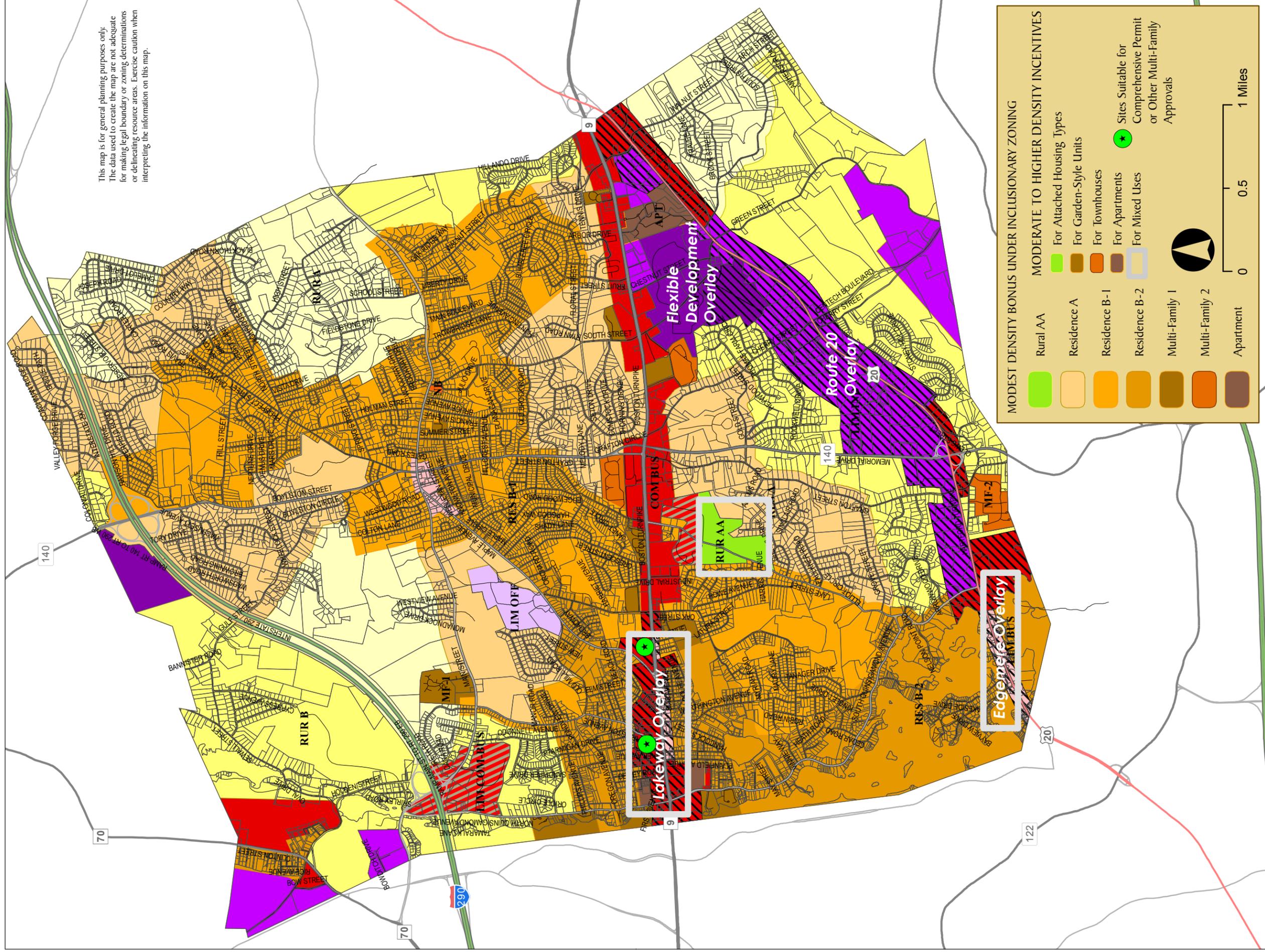
A “ready-buyer” list of eligible buyers maintained by the municipality or other local entity is encouraged. This list may be created through local, regional, and statewide lists and resources. As stated above, the list should continually be analyzed, maintained, and updated (through additional marketing)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

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MAPS



This map is for general planning purposes only. The data used to create the map are not adequate for making legal boundary or zoning determinations or delineating resource areas. Exercise caution when interpreting the information on this map.

Data Sources: Shrewsbury GIS, MassGIS.

Town of Shrewsbury Housing Production Plan

Shrewsbury Planning Board
January 2013

Assisted by:
Community Opportunities Group, Inc.
Boston, Massachusetts

MAP 1: Existing Zoning and Areas Suitable for Higher-Density Housing

- ROADWAYS**
- Interstate
 - U.S. Highway
 - State Route
 - Non-numbered Road
 - Local Streets

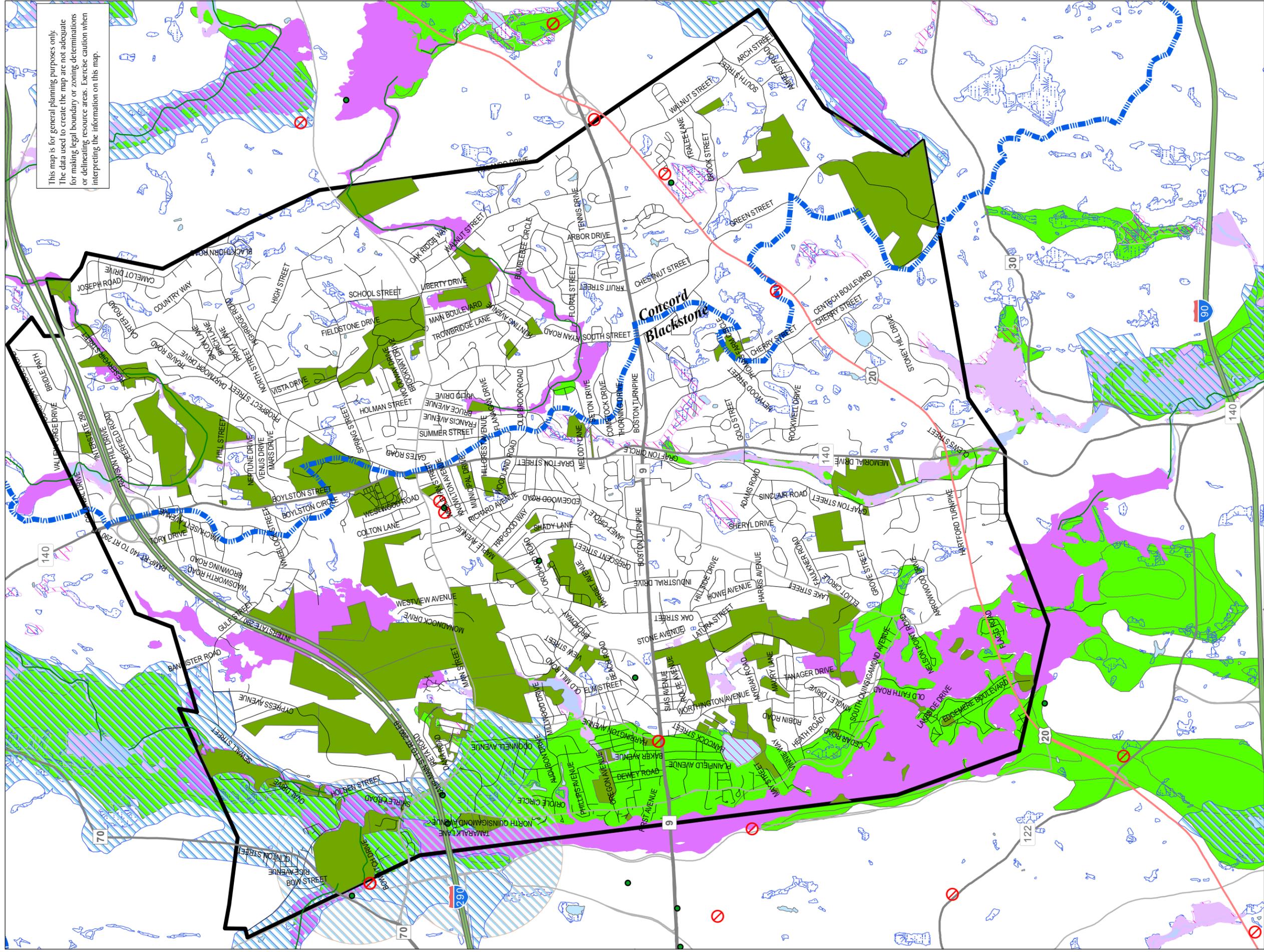
- ZONING DISTRICTS**
- Rural AA
 - Rural A
 - Rural B
 - Residence A
 - Residence B-1

- Limited Business
- Commercial Business
- Office-Research
- Limited Industrial
- Limited Office-Research

MODERST DENSITY BONUS UNDER INCLUSIONARY ZONING

Rural AA	For Attached Housing Types	Sites Suitable for Comprehensive Permit or Other Multi-Family Approvals
Residence A	For Garden-Style Units	
Residence B-1	For Townhouses	
Residence B-2	For Apartments	
Multi-Family 1	For Mixed Uses	
Multi-Family 2		
Apartment		

Scale: 0, 0.5, 1 Miles



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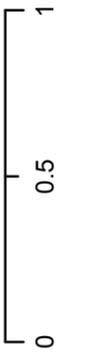
Town of Shrewsbury Housing Production Plan

Shrewsbury Planning Department
November 2012
Assisted by:
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Boston, Massachusetts

MAP 2: Development Constraints

- Watershed Boundary
- Town Boundary
- ROADWAYS**
- Interstate
- U.S. Highway
- State Route
- Non-numbered Road
- Local Streets
- Chapter 21 Sites
- AUL Sites
- DEP Zone II - Public Water Supply
- DEP Interim Wellhead Protection Area
- Wetland and Water Resources
- Open Water
- Wetlands
- Aquifers

- FEMA National Flood Hazard Layer
- Possible Flood
- A 100 yr No BFE
- AE 100 yr BFE
- AE Floodway
- AO 100 yr BFE 1-3 Sheeting
- AH 100 yr BFE 1-3 Ponding
- VE BFE w/Waves
- 0.2 % Chance (500 yr)



Data Sources: Shrewsbury GIS, MassGIS.