

**TOWN OF HOLLISTON
AFFORDABLE HOUSING PLAN**

HOLLISTON HOUSING COMMITTEE

Members of the Holliston Housing Committee

Heidi Doyle, Chair

Bryan Clancy

Walter Czarnek

Barbara Gardner

Ellie Gerson

Margaret Miley

Paul Saulnier

Carol Scott-Dooling

June, 2010

(revised September 2010)

**TOWN OF HOLLISTON
AFFORDABLE HOUSING PLAN
TABLE OF CONTENTS**

	Page
I. Executive Summary	3
A. Introduction	3
B. Housing Goal	4
C. Summary of Housing Needs Assessment	4
D. Summary of Planned Production Goals	7
E. Summary of Housing Action Plan	8
F. Description of Use Restrictions	20
II. Introduction	21
A. Purpose of Project	22
B. The Planning Process	24
C. Housing Goals	25
D. Definition of Affordable Housing	25
III. Housing Needs Assessment	27
A. Housing Characteristics	27
1. Population and Housing Data	27
2. Housing Market Conditions	35
B. Cost Analysis of Existing Market Conditions	38
C. Affordable Housing Inventory	41
1. Current Inventory	42
2. Proposed Projects	43
D. Gaps Between Existing Needs and Current Supply	46
E. Obstacles to Development	49
F. Local and Regional Organizations	51
IV. Property Inventory	56
A. Publicly-owned Properties	56
B. Private Properties	57
V. Affordable Housing Planned Production Goals	59
VI. Housing Action Plan	61
A. Planning and Regulatory Reform	61
B. Build Local Capacity	69
C. Housing Production	77
D. Housing Preservation	89
VII. Description of Use Restrictions	91
ATTACHMENTS	
1. Map of Existing & Potential Affordable Housing Sites	92
2. Summary of Planned Production Goals	93
3. Summary of Housing Actions	95
4. Draft Housing Guidelines	97

EXECUTIVE SUMMARY

A. Introduction

In 2004, the Holliston Housing Committee created an Affordable Housing Master Plan for the Town of Holliston. This work was designed to provide the Committee with a production proposal to help the community expand its affordable housing stock “in an orderly process”. In May 2010 the Housing Committee is updating the Plan, suggesting a range of opportunities to meet pressing local housing needs and to bring Holliston closer to the state 10% threshold by presenting a proactive housing agenda of Town-sponsored initiatives.

The Affordable Housing Master Plan involves the following key objectives:

- *A Housing Needs Assessment* including an analysis of housing market conditions, existing data on housing, review of local bylaws and regulatory requirements pertaining to housing, and potential affordable housing sites.
- *An Affordable Housing Plan* that establishes housing goals and objectives, reviews impediments to new development and mitigation strategies, completes a build-out analysis, identifies and prioritizes potential development opportunities, and provides recommendations regarding available resources to support prescribed short and long-term actions.

Undertaking a more proactive housing agenda to promote affordable housing remains a significant challenge in Holliston. First, the town has no existing sewer services in place, making denser development more costly and difficult. Second, local zoning provides some obstacles to affordable housing development, and current regulations would have to be reformed and in many cases overridden through “friendly” comprehensive permits. Third, the town needs to build its capacity to create new units by aggressively reaching out for necessary technical and financial resources as well as political support to get the job done.

Due to the costs of housing, many residents are finding it increasingly difficult to afford to remain in Holliston. Children who grew up in the town are now facing the possibility that they may not be able to return to raise their own families locally. Long-term residents, especially the elderly, are finding themselves less able to maintain their homes but unable to find alternative housing that better meets their current life styles and budget. Families are finding it more difficult to “buy up,” purchasing larger homes as their families grow. Town employees and employees of local businesses are increasingly hard pressed to find housing that is affordable in Holliston. More housing options are required to meet these local needs and produce Holliston’s fair share of regional needs.

If a municipality has less than 10% of its year-round housing set-aside for low- and moderate-income residents, according to Chapter 40B regulations, it is not meeting the regional and local need for affordable housing.¹ Not meeting this affordability standard makes the town susceptible to a state override of local zoning if a developer chooses to create affordable housing through the Chapter 40B comprehensive permit process. Based on the Massachusetts Department of Housing and Community Development’s most recent data on the Chapter 40B subsidized housing

¹ Massachusetts General Law, Chapter 40B, 760 CMR 31.07 91)(i)

inventory, Holliston has 4,861 year-round housing units, of which 198 can be counted in the Subsidized Housing Inventory, representing 4.07% of the year-round housing stock.

Since the 2004 plan was adopted, the Town has added three ownership units in the age-restricted Balancing Rock project as well as 30 family rental units in the Cutler Heights project to its Subsidized Housing Inventory. Additionally, the 72-unit Highland Meadows ownership project approved by the Zoning Board in February 2005 is under construction with an anticipated addition of 18 affordable units in the near future.

To meet the state's 10% standard, at least 486 of the existing units would have to be "affordable" based on the state's definition, requiring at least another 288 more housing units to be converted to affordable units in Holliston to meet just the 10% standard. Assuming future housing growth, this 10% figure is a moving target and ultimately the required minimum number of year-round units will increase over time.

B. Housing Goal

The Holliston Housing Committee has adopted the following over-arching goal in its efforts to produce affordable housing:

Provide adequate and affordable housing for all residents in Holliston along the full range of incomes and needs.

Additional development objectives that serve as guiding principles in the development and implementation of specific affordable housing strategies will be included in the Housing Action Plan that will be developed as the second phase of this planning process.

C. Summary of Housing Needs Assessment

This Housing Needs Assessment presents an overview of the current housing situation in the town of Holliston, providing the context within which a responsive set of strategies can be developed to address housing needs and meet production goals. Key findings in regard to household characteristics, housing characteristics, and housing affordability in Holliston are summarized in the following:

Holliston is a residential suburb located approximately 22 miles southwest of Boston in Middlesex County. The town comprises about twenty square miles and is bounded by the towns of Medway on the south, Millis on the southeast, Sherborn on the east, Ashland on the north, Hopkinton on the west and northwest, and Milford on the southwest and west. Holliston was incorporated on December 3, 1724 based on petition to the General Court that requested, "the western part of Sherborn be a Town." The name was taken in honor of Thomas Hollis, Esq. who was a benefactor of Harvard College. During the last 280 years the town has grown from a rural community of a few hundred to almost 15,000 residents, which is four times the size of the population since only the mid-20th century.

1. Household Characteristics

2000 US Census

- The median household income in 1999 was \$78,092, up 24.5% from the 1989 median income of \$62,712 and well above the median income for Middlesex County of \$60,821 but within the middle of the range in comparison to neighboring communities – Ashland with a 2000 median income of \$68,392, Medway with \$75,135, Hopkinton at \$89,281 and Medfield at \$97,748. In 2010 Fannie Mae and FHFA have estimated the area median income for the Boston-Cambridge-Quincy MSA and Middlesex County to be \$88,100.
- In 2000 the US Census counted 3.9%, or 189 households, with incomes below \$10,000, while another 363 or 7.6% had incomes between \$10,000 and \$24,999 representing extremely low-income levels at or below 30% of area median income.
- Approximately 630 households, or 13.1% of all households, had incomes within what public agencies would define as very low-income levels at or below 50% of area median income according to the 2000 US Census.
- More than one-third of Holliston households or 1,693 households might potentially qualify for housing assistance as incomes are at or below 80% of area median income defined by HUD.
- In contrast a comparable number – 35% or 1,680 households – had incomes of more than \$100,000.
- Those living in poverty remain a significant population comprising almost 475 individuals and approximately 100 families who have substantial income limitations and should have access to public assistance to meet their housing needs.
- The population has remained predominantly White with minority representation at 3.3%.
- Those 65 years or older comprised 8.9% of residents in 2000, lower than the 12.4% for the county but comparable to neighboring communities – 9.8% in Ashland, 9.1% in Medway, 6.9% in Hopkinton, and 9.3% in Medfield.
- Those 19 years and younger represented almost one-third of all residents, somewhat higher than the county level of 25.1% and that for the country as a whole of 25.7%.
- There are a number of residents who are disabled, including 213 or 6.3% of the school-age population, 752 or 9.2% of those 21 to 64 (about 250 of whom could not be employed), and 405 or 34.6% of those 65 years or older.
- Almost 30% of the total population five years of age or older, moved to a different house during the last five years. It is important to note that housing turnover drives up housing prices in an escalating real estate market, and typically the buyers are more affluent than sellers, fueling demographic changes in the community over time.

2010 Updates

- FY2009 targeted income levels for affordable housing in the commonwealth utilize a median household income in the Boston PMSA of \$88,100. The American Community Survey estimates a 2008 county median income of \$78,202 (inflation-adjusted dollars).
- The Greater Boston Demographic Profile within the Greater Boston Housing Report Card 2009 represents that for the 1,548,583 households in the region, there are 1,656,640 housing units in the area in 2008 (108,057 units were vacant). The median household income was \$71,139. The median homeowner income was \$93,516 and median renter income was \$39,727. The value of median home/median homeowner median income was 5.62, a change of -7.39% in one

- year. The median gross monthly rent was \$1,130, an increase of 4.28% in one year with an average of 34.1% of renter income spent on rent. An estimated 25.2% of renter households pay more than 50% of income for rent.
- In the Greater Boston Housing Report Card 2009 “Matrix of Municipalities for Affordability Analysis” Holliston is characterized as a high-income medium density community. The surrounding towns of Hopkinton and Sherborn are characterized as being high-income, low density, Ashland and Millis are labeled medium-income, medium density, and Milford is characterized as low-income, high-density.

2. Housing Characteristics

2000 US Census data

- The 2000 census counted 4,868 total housing units, up 10.3% from 4,413 units in 1990.
- Total growth in the housing stock from 1990 to 2000 was 455 units including a gain of 86 rental units, most likely due to the conversion of single-family homes and condos to rental apartments by investor-owners and the addition of 24 new units by the Holliston Housing Authority.
- The 2000 census counted 1.5% of the housing stock or 73 units as vacant, of which seven involved seasonal, recreational or occasional use.
- In 2000, the town had 4,795 occupied units of which 4,140, or 86.3%, were owner-occupied with the remaining 655, or 13.7%, as rentals, representing a considerably higher level of owner-occupancy than that for Middlesex County of 61.7%.
- Almost all of the housing units are in single-family detached structures, 85.8%, higher than the 48.9% level for the county.
- Almost 3,000 units or 61.2% of the housing stock was built prior to 1970 compared to 83.1% for the county as a whole.

2010 Updates

- In the last five years, the average number of building permits has decreased from 41 between 1993 and 2003 to 25 between 2005 and 2009. In 2009, permits were granted for 7 single family detached homes and 11 age-restricted attached units, a notable change in the housing mix.
- The first multi-family homes built in decades in the community have been constructed in the second half of this decade.
- The Holliston Housing Authority maintains significant waiting lists for its elderly and family housing projects, totaling over 130 families.

3. Housing Affordability

2000 US Census data

- Almost one-quarter of Holliston residents, or about 1,100 households, are currently living in housing that is by common definition beyond their means and unaffordable.
- The 2000 US Census indicated that the median gross rental was \$738, significantly higher than the 1990 median rent of \$598, and requiring an income of \$30,000 that is not affordable to more than 600 households.
- Approximately 2/3 of Holliston’s households could not afford to buy a home at the median sales price.

2004 Plan information and 2010 updates

- Data from the 2004 Multiple Listing Service (MLS) suggested an average single-family sales price of \$339,900. This number increased slightly in 2009 to \$357,000.
- In 2004 to afford the median sales price of \$339,000, a household would have to earn at least \$100,000, significantly more than the 2000 median income of \$78,092. In 2010, this income number is \$109,003 to afford a home priced at \$350,000.
- In 2004, the borrowing power of the average household, based on the town's median income of \$78,092, was about \$260,000, and houses at this price level are now extremely limited in the Town of Holliston. In 2010 this number, based on a median income of \$88,100, is \$293,000. Given the outdated US Census data, it is difficult to correlate how many households cannot afford to buy at the median sales price.
- In 2004, the affordability gap was estimated at about \$80,000 - the difference between the price of the median priced home and what a median income household can afford. The affordability gap doubles to \$160,000 if the analysis focuses on those low- and moderate-income households earning at or below 80% of area median income. In 2010, the gap decrease to about \$55,000 and remains at about \$160,000 if the analysis focuses on those low- and moderate-income households earning at or below 80% of area median income.
- The 2009 Greater Boston Housing Report Municipal Scorecard indicates that for the period of June 2008 – June 2009, the number of single family sales in Holliston was down 2% and the median single family home selling price was up 1% to \$350,000.
- The 2009 Greater Boston Housing Report Municipal Scorecard also indicates that in 2008 there were 28 petitions to foreclose, 32 foreclosure auctions, and 17 foreclosure deeds in Holliston. The foreclosure deeds represented 0.35% of the 2000 housing stock. The numbers are significantly lower than surrounding communities.

D. Summary of Housing Production Goals

The Massachusetts Department of Housing and Community Development (DHCD) is administering the Planned Production Program in accordance with regulations that enable cities and towns to prepare and adopt an affordable housing plan that demonstrates production of an increase of .50% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.² Holliston will have to produce approximately 24 affordable units annually to meet these production goals through 2010. When the 2010 census figures become available in 2011, this number will be higher, most likely above 40 units. If DHCD certifies that the locality has complied with its annual production goals, the Town may, through its Zoning Board of Appeals (ZBA), deny comprehensive permit applications. Specifically, if a community has achieved certification within 15 days of the opening of the local hearing for the Comprehensive Permit, the ZBA shall provide written notice to the Applicant, with a copy to DHCD, that it considers that a denial of the permit or the imposition of conditions or requirements would be Consistent with Local Needs, the grounds that it believes have been met, and the factual basis for that position, including any necessary supportive documentation. If the Applicant wishes to challenge the ZBA's assertion, it must do so by providing written notice to DHCD, with a copy to the ZBA, within 15 days of its receipt of the ZBA's notice, including any documentation to support its position. DHCD shall review the materials provided by both parties and issue a decision within 30

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

days of its receipt of all materials. The ZBA shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be consistent with local needs, provided, however, that any failure of the DHCD to issue a timely decision shall be deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days.

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

- To the greatest extent possible, 100% of the units that are developed on Town-owned parcels should be affordable to households earning at or below 80% of area median income and at least another 10% affordable to those earning up to 150% of area median income, depending on project feasibility. The rental projects will also target some households earning at or below 60% of area median income and lower depending upon subsidy program requirements.
- Projections are based on eight (8) units per acre. However, given specific site conditions it may be appropriate to lower density; and due to the lack of Town sewer services and limited water service in some areas, density may have to be reduced closer to four (4) units per acre to accommodate wells and septic systems.
- Because housing strategies include some development on privately owned parcels, production will involve projects sponsored by private developers through the standard regulatory process or “friendly” comprehensive permit process. The Town will continue to work with these private developers to fine-tune proposals to maximize their responsiveness to community interests and compliance with Housing Guidelines. The Town plans to promote increased affordability in these projects, working with developers to incorporate at least one-third of the units as affordable.
- The projections involve a mix of rental and ownership opportunities, targeting rental or mixed rental and ownership closer to nonresidential uses, more remote areas and larger parcels and homeownership towards the smaller sites in residential areas. The Town will work with private developers to promote a diversity of housing types directed to different populations with housing needs including families, seniors and other individuals with special needs to offer a wider range of housing options for residents.

E. Summary of Housing Action Plan

The strategies outlined below are based on previous plans, reports, studies, the Housing Needs Assessment, and the experience of other comparable localities in the Metro West area and throughout the Commonwealth. The strategies are grouped according to the type of action proposed – Planning and Regulatory Reform, Building Local Capacity, Housing Production, and Housing Preservation – and categorized by Two-Year and Five-Year Action Plans. Two-Year actions are those that will begin within the next two years, most of which will involve some immediate actions. Those strategies included in the Five-Year Action Plan involve focused attention after the next couple of years, working towards implementation after Year 2 but before Year 5. A summary of these Housing Actions is included as Attachment 3.

1. Planning and Regulatory Reform

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

- *Adopt Inclusionary Zoning – Two-Year Plan*

Inclusionary zoning is currently included in Holliston’s Zoning Bylaw, but has not been utilized by any development since its adoption in October 2005. Review of the fee-in-lieu calculation as well as density bonus provisions has been suggested by several developers as well as housing advocates.

- *Adopt Affordable Housing Guidelines for Privately Sponsored Affordable Housing Development – Two-Year Plan*

This Housing Plan incorporates Planned Production goals that identify development opportunities leading to the production of at least .50% of the year-round housing stock per year of about 24 units. However, given past production of only 161 total units, the goal is ambitious and will require the Town to work more effectively with developers to boost the level of affordable housing production. To this end the Holliston Housing Committee and Planning Board should consider affecting the types of housing proposals submitted through the creation of reasonable Affordable Housing Guidelines that provide guidance on the types of projects that will be acceptable to the community and therefore will more likely avoid prolonged and often litigious battles.

The Holliston Housing Committee, working in coordination with the Planning Board, should revise the draft Affordable Housing Guidelines as needed and share them with the Board of Selectmen, Community Preservation Committee, Conservation Commission, Zoning Board of Appeals and other interested boards and committees for their review and comment. The Guidelines can then be finalized and brought before the Planning Board and Zoning Board of Appeals for approval.

- *Amend Accessory Apartment Bylaw – Two-Year Plan*

The current Zoning Bylaw allows accessory apartments, however restricts them to single-family residences, allowed as-of-right in residential districts and through Special Permit in commercial districts “to assure that the single-family character of the neighborhood will be maintained and that the accessory unit remain subordinate to the principal use of the living quarters.” The occupancy of the accessory unit must also be limited to a family member “related by first degree of kinship, marriage or adoption to the owner of the premises.” There are currently only about ten accessory apartments in compliance with the Bylaw in Holliston. While it is possible to get these units to count on the SHI, getting the existing units to count may be difficult if they are occupied by family members.

It is also worth noting that the Zoning Bylaw addresses the conversion of single-family units into two-family units by-right as cited in Section III-A, #15 and Section IV-C #3

and #4, however no one has used this existing conversion provision legally to facilitate multiple units on a lot as of yet.

In order to promote new accessory units the Town should amend its Zoning Bylaw to extend permitted occupancy of the accessory units to those beyond family members, to enable investor-owned properties to include accessory units, to allow the development of separate additions or buildings on single lots, and to increase the allowable size of the units. There are many variations of accessory apartment bylaws that have been adopted in other communities. The Holliston Housing Committee and Planning Board can explore other bylaws and work on an amendment that will best meet the needs of the community. The Housing Committee should also work with the Planning Board to determine how the existing language in Section III-A, # 15 and Section IV-C #3 and #4 can be better utilized to produce additional units in existing residences with the maximum local preference allowable under the DHCD's Affirmative Fair Housing Marketing Plan policy for current residents, municipal employees, and employees of local businesses.

- *Explore Adoption of 40R – Two-Year Plan*

The Commonwealth Housing Task Force, in concert with other organizations and institutions, developed a series of recommendations, most of which were enacted by the State Legislature last year as Chapter 40R of the Massachusetts General Laws, that require the state to “provide financial and other incentives to local communities that pass Smart Growth Overlay Zoning Districts that allow the building of single-family homes on smaller lots and the construction of apartments for families at all income levels, and the state increase its commitment to fund affordable housing for families of low and moderate income”.³ The incentives prescribed by the Task Force and passed by the Legislature include density bonus payments upon passage of the Overlay Zoning Districts equal to \$2,000 for each apartment and \$3,000 for each single-family home and priority for receiving capital investments from the state for infrastructure improvements. To be eligible for these incentives the Overlay Districts need to allow mixed-use development and densities of 20 units per acre for apartment buildings and at least eight units per acre for single-family homes. The Zoning Districts would also encourage housing development on vacant infill lots and in underutilized nonresidential buildings. The Task Force emphasizes that Planning Boards, which would enact the Zoning Districts, would be “able to ensure that what is built in the District is compatible with and reflects the character of the immediate neighborhood.”⁴

In an effort to promote smart growth and promote mixed-use, mixed-income development in the Town Center and potentially other areas of town including the industrial zones along transportation corridors, the Housing Committee should explore the adoption of 40R in Holliston and convene a forum to discuss these new regulations. Representatives from the Commonwealth Housing Task Force

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

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

are available to make presentations to communities on 40R and answer questions. If there is general agreement to pursue the development of the Zoning Districts further, the Housing Committee can apply for funding from the state's Priority Development Fund to secure the necessary technical assistance to implement the rezoning. The Overlay Zoning Districts will require approval by the Planning Board and a two-thirds vote of Town Meeting.

- *Waive Permit Fees for Town-Supported Projects – Two-Year Plan*
Many communities are waiving application/permit fees for affordable housing developments, either for certain types of projects or on a case-by-case basis. Waivers are becoming more important to gaining funding from potentially supportive funding agencies. All regulatory fees become part of a development budget that affects the affordability of the housing produced. The waiver of regulatory fees is an area that the Town might have some capability of directly affecting project costs and affordability.

The Town of Holliston should consider making fee waivers an institutionalized part of the Town's housing efforts. The Holliston Housing Committee should work with the Planning Board and Board of Selectmen to determine what types of projects would qualify for this waiver (e.g., non-profit developers, projects that require housing subsidy funds to be feasible, projects meeting Planned Production requirements) and the projected amount of foregone revenue that would result.

- *Make Tax-Foreclosed Properties Available – Two-Year Plan*
Holliston has effectively acquired properties, including land and buildings, for the development of affordable housing through the tax foreclosure process. Through a series of required notices to owners who are delinquent on their taxes and additional processing through the state's Land Court, municipalities can obtain title to these properties and choose to convey them via auction or special redevelopment initiatives. The Housing Committee is working with the Town Treasurer and the Board of Selectmen to monitor properties through the tax title process and oversee the planning and development of tax-foreclosed properties for affordable housing. The Committee has asked for at least 45 days notice of auctions.
- *Explore Opportunities to Streamline Permit Approval Process – Five-Year Plan*
While the processing of building permits for single-family homes results in a relatively quick turn-around, regulatory approvals involving larger projects are likely to deserve greater scrutiny but frequently encounter substantial red tape and delays. The Housing Committee should work closely with Town officials to determine how to expedite the review and approval of housing developments that involve affordable housing, including the approval of fee waivers, responsive inspections, and written materials that better clarify the regulatory process. The Board of Selectmen could consider designating an Ad Hoc Task Force to review the current process, explore what other towns are requiring as part of the permitting process, make recommendations on possible reforms to the system if and where appropriate, and create updated informational materials that will more clearly articulate the requirements involved in obtaining permit approvals. The Task Force will be created from representation of the Housing Committee as well

as the involvement of all departments involved in the permitting process. The Zoning Board's practice in the past five years has been to waive the filing fees for the affordable units and consider other fee waivers (e.g. water main extension fees) on a case by case basis.

- *Waive Property Taxes for Qualifying Households in Exchange for Deed Restrictions – Five-Year Plan*

The average property tax bill is almost \$5,000, which is a considerable sum of money for low- and moderate-income households living on fixed incomes, including seniors and the disabled. In order to remain in their homes, these households may be willing to consider restricting the resale price of their homes through a deed rider for a period of time in exchange for an exemption from property taxes during that timeframe. These units could then be counted as part of the Town's Subsidized Housing Inventory through the state's Local Initiative Program (LIP), and existing owners would have greater financial means to remain in their homes.

The Housing Committee could reach out to seniors through the Council on Aging or a notice in the tax bill to try to interest those over some specified age, such as 65, in this initiative. The proposed Housing Coordinator (see Section VI.B.5 for details on this strategy) would coordinate the paperwork that is necessary to execute the deed rider and the inclusion of the units in the state-approved Subsidized Housing Inventory, and the Town Treasurer would process the tax exemptions. If there is little or no interest in the program from residents, it may be necessary to offer some grant money (through an up-front subsidy or an annuity) or a deferred loan to be repaid when the house is finally sold as an additional incentive.

- *Allow Affordable Development on Nonconforming Lots – Five-Year Plan*

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

The Holliston Housing Committee might explore what other communities are doing with respect to these undersized lots and work with the Planning Board to prepare a zoning amendment to enable these lots to be developed based on specific criteria. One potential model is to allow such lots to be developed by Special Permit or through the state's Local Initiative Program⁵, restricting the

⁵ The Local Initiatives Program (LIP) is a state program under which communities may use local resources and DHCD technical assistance to develop affordable housing that is eligible for inclusion on the state-defined Affordable Housing Inventory. LIP is not a financing program, but the DHCD technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. At least 25% of the units must be set-aside as affordable to households earning at or below 80% of area median income.

development to affordable units that qualify for inclusion in the Town's state-defined Subsidized Housing Inventory.

2. *Build Local Capacity to Promote Affordable Housing*

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

- *Conduct an Educational Campaign for Affordable Housing -- Two-Year Plan*
Affordable housing has become a more visible issue in Holliston particularly in light of escalating market values and growing interest from developers in the Chapter 40B comprehensive permit process. Opportunities to engage the community in discussions on affordable housing and to present information on the issue are needed to dispel myths and help galvanize local support, political and financial, for new affordable housing production. These outreach efforts are mutually beneficial as they provide useful information to community residents and important feedback to local leaders on local concerns and suggestions.

The presentation of this Housing Plan also offers an opportunity to bring attention to the issue, offering information on housing needs and proposed strategies that can help attract community support for affordable housing initiatives. It may be useful for the Town to sponsor several forums to present the Housing Plan, opening these up to the public to better sensitize community residents and local leaders on the issue.

- *Provide Support to a Local Non-profit Organization – Two-Year Plan*
In order to insure that new affordable housing is sensitive to local needs and gains the necessary political support, each community should consider having its own functioning non-profit entity with tax-exempt status to serve the community in a number of important capacities. First, such organizations can become effective brokers for housing resources, including donated land and money, to be dedicated to affordable housing initiatives and managed by the organization through an affordable housing support fund. Second, in addition to the local housing committee, they can serve as articulate advocates for affordable housing in the community, sponsoring events and special forums to bring attention to the issue and promote local support. This local outreach helps dispel negative stereotypes about affordable housing and establishes a more productive dialogue within the community. Third, the organizations can possibly joint venture with developers, for profit and non-profit, on actual development projects, to insure better compatibility with local concerns, needs and priorities. Fourth, at some time in the future a local non-profit could seek funding to manage special programs (e.g., employer-assisted housing, committed loan pools with area banks, outreach to seniors regarding reverse equity mortgages, research projects, regional partnership efforts). Fifth, these entities can be a vehicle for the community to expedite new production efforts such as acquiring property through the housing support fund, being the pass-through entity to which Town-owned properties are conveyed or leased, and working closely with the Housing

Committee on the implementation of local housing strategies. Sixth, a local non-profit can serve as the marketing agent for new housing units and monitoring agent to insure long-term affordability.

The Housing Committee has looked at how other comparable communities have established non-profit housing organizations and adapted an approach for Holliston. The Housing Committee is working with the Housing Authority, the Holliston Housing Development Corp. and the newly formed Housing Trust for this strategy.

- *Utilize an Affordable Housing Support Fund – Two-Year Plan*
Discussions with other communities regarding the success of their affordable housing initiatives indicate that it is often critical to have accessible funds available to respond immediately and effectively to housing opportunities as they arise. Also, many of the state subsidy sources require local matches of funds either through local funds, waivers of fees, donation of Town-owned property, or private donations. In order to receive donations and avoid paying taxes, it is useful for each locality to have a dedicated housing fund that is managed by an entity that has received 501(c)(3) tax exemptions or create a special municipally managed gift fund for affordable housing.

The Town of Holliston has established a Housing Trust Fund and is exploring a wide range of possible fundraising options to capitalize it.

- *Establish Annual Housing Summits – Two-Year Plan*
Most communities lack an effective mechanism for promoting regular communication between relevant Town boards and committees on issues related to affordable housing beyond the inclusion of representatives on the local Housing Partnership or Housing Committee. It is useful for each locality to determine how it might more effectively communicate on the issue of affordable housing to insure that local leaders remain apprised of housing activities and have an opportunity for input. The Town of Holliston orchestrated a Housing Summit in the spring of 2004 to bring together representatives of a number of local boards and committees to share information on affordable housing and to offer early input into preparations for a Housing Needs Assessment and Housing Plan. This event was well received and attended and could serve as a precedent for regularly scheduled Summits, held perhaps twice a year. The Housing Committee should consider formalizing these Summits into regular annual meetings and work with the Board of Selectmen and Town Administrator to convene.
- *Expand the Role of Holliston Housing Committee – Two-Year Plan*
The Holliston Housing Committee should include representation from the Planning Board, Housing Authority, real estate community, and other interested parties to fulfill its stated mission to “investigate the housing resources and needs within the town of Holliston and make recommendations which would increase the supply of housing affordable to families and individuals across a range of ages and incomes.” Since the Committee was formed in 2001, it has provided feedback to developers and Town boards and committees on housing development proposals, has coordinated preliminary feasibility testing on a

number of Town-owned properties that are likely to be suitable for affordable housing, and has overseen the completion of a Housing Needs Assessment and Action Plan to develop strategies to produce additional affordable units in Holliston that are in line with local needs and priorities. To implement these new strategies, the Housing Committee will be involved in a wider range of activities that will require a broader mission statement and a greater level of support, including increased staff support, the availability of a local non-profit entity, and additional housing resources as prescribed in the strategies below. The Housing Committee should review its existing mission statement and make appropriate revisions based on its expanded agenda for review and approval by the Board of Selectmen.

- *Access New Housing Resources – Two-Year Plan*
The affordability of most housing development relies on multiple sources of financing involving both private and public loans and grants. It will be important for the Town to proactively encourage the establishment of partnerships with other interested parties including non-profit organizations, lenders, public agencies, and developers. The Town of Holliston should reach out to private, public and non-profit entities to secure additional housing resources – technical and financial – in support of its efforts to produce new affordable housing.
- *Hire a Housing Coordinator – Five-Year Plan*
If the Town of Holliston wants to assume a more proactive role in promoting affordable housing and effectively implement the range of actions included in this Housing Plan, it will have to augment its capacity to coordinate these activities. While most of the strategies that are included in this Plan do not by themselves involve substantial amounts of staff time from Town officials, when considered altogether they require a significant time commitment and involve some specialized expertise in housing programs, policy and development.

The Holliston Housing Committee should prepare a scope of services for the Housing Coordinator position and work with the Community Preservation Committee to insure that funds to cover the new position are included in the Committee’s proposal for approval at Town Meeting. Once funding is in place, the Housing Committee should hire and supervise a Housing Coordinator.

3. *Housing Production*

To accomplish the actions included in this Housing Plan and meet production goals, it will be essential for the Town of Holliston to reach out to the development community and sources of public and private financing to secure the necessary technical and financial resources. While some of the units produced will rely on the participation of existing homeowners, most of the production will require joint ventures with developers – for profit and non-profit – to create affordable units. In addition to the active participation of the development community, it will be important for Holliston to actively seek support from state and federal agencies as mentioned earlier. The production of a substantial number of new affordable units will require subsidies beyond what is available through the Community Preservation Fund.

In addition to the overriding goal that is fundamental to the strategies included in this Housing Plan (see Section II.C.), development strategies are also based on important objectives that serve as guiding principles in selecting project sites, determining types of development, and identifying priorities. Whenever possible, the Town of Holliston will pursue development projects based on the following development objectives:

To Support Smart Growth

- Look to areas of town that could accommodate higher housing densities and mixed-uses such as sites that are closer to the Town Center and other areas with concentrations of nonresidential uses.
- Avoid targeting development projects to areas that are ecologically sensitive and will degrade nearby conservation land, however look to opportunities to combine open space preservation and housing development through cluster development.
- Look for affordable housing opportunities that will minimize impacts on the built or natural environment such as accessory apartments or buy-down/conversion initiatives.
- Preserve existing historic resources and integrate with affordable housing.

To Promote Affordability

- Leverage public and private resources to the greatest extent possible.
- Target development projects to Town-owned properties to take advantage of parcels that will have discounted or nominal acquisition costs to make affordable housing more financially feasible.
- Look for opportunities to obtain privately owned land or other resources for free or at below market values to promote greater financial feasibility.

To Distribute and Diversify New Production

- Spread the impacts of new housing development geographically throughout town to avoid substantial impacts in any one residential neighborhood.
- Develop a number of project alternatives in recognition of a range of housing needs in town including rental and homeownership options as well as housing for seniors, families and those with special needs.
- Encourage mixed-income development to minimize stigmas associated with concentrations of low-income units.

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

- ***Make Town-Owned Land Available for Affordable Housing – Two-Year Plan***
The contribution or “bargain sale” of land owned by the Town but not essential for municipal purposes is a substantial component of Planned Production goals and will enable Holliston to proactively launch its housing efforts. The Holliston Housing Committee and Planning Board have identified a sampling of Town-owned parcels that might potentially be developed as affordable housing (see Section IV.A. of this Plan for the list of properties under preliminary consideration). Final determination of the use of these parcels for affordable

housing is subject to a more thorough feasibility analysis of site conditions and Town Meeting approval.

In addition to currently owned Town parcels, the Town of Holliston may decide that it will acquire privately owned sites over the next decade for the purposes of protecting open space and developing some amount of housing, including affordable housing, through cluster development on a portion of the sites. Community Preservation Funds would be one good source for such acquisition as the accommodation of both affordable housing and open space would serve two CPA goals.

The Housing Committee with support from the Community Preservation Committee should continue to conduct preliminary feasibility analyses on existing Town-owned parcels, including those listed in Section IV.A., or on sites identified at a later time that might potentially include some amount of affordable housing. If the analysis indicates that housing can likely be accommodated, the Housing Committee should request approval from the Board of Selectmen and Town Meeting to designate these identified parcels for affordable housing and convey them for development.

- *Support Scattered-Site Housing Development – Five-Year Plan*
Many communities are looking for opportunities to create affordable housing through efforts that will spread the impacts of new housing production throughout the community so as not to overburden any particular neighborhood. There are smaller lots, both Town-owned and privately-owned, that are geographically distributed throughout Holliston that might accommodate more limited numbers of new housing units in support of Planned Production goals and local needs. In addition, the proposed strategy included under Section VI.A.5 would allow the development of one or two affordable units on small non-conforming lots, representing another opportunity to produce scattered infill housing.

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

- *Convert Existing Housing Units to Affordability – Five-Year Plan*
The Housing Needs Assessment indicated that while market prices for condominiums have increased substantially during the last few years, they largely are being sold within an affordable range and the means of those earning at or below 80% of area median income (with the exception of the 80 age-restricted

units that have been constructed in the past 5 years). In 2003, there were 30 sales of condominiums with the median sales price of \$127,000, requiring an income of approximately \$46,000, well within the affordable income threshold for a household of three of \$59,550. In 2009, there were 20 sales with a median sales price of \$110,000, requiring an income of approximately \$39,842, still well within the affordable income threshold. Many of these condominiums are investor-owned and rented out and quite a few are crying out for improvements, not only to improve the living space, but to spruce up the exteriors as well.

During the last few years approximately 30 condo units have been turned-over through re-sales annually. This housing stock represents a significant opportunity for the Town to “buy-down” these properties or convert them to affordable housing – purchasing units that come on the market, making necessary improvements, and undertaking the process to insure their affordability well into the future, thus adding to Holliston’s Subsidized Housing Inventory.

The Housing Committee should look for opportunities to acquire property and sponsor new affordable housing. Working with the proposed new non-profit organization and/or the Holliston Housing Development Corp. (HHDC), a loan pool could be created to purchase units on the market, make the necessary repairs, and create either ownership or rental units.

Another option for producing affordability through the existing housing stock was introduced under the strategy of waiving property taxes for qualifying households in exchange for deed restrictions as described in Section VI.A.9. The strategy suggested that the Town reach out to homeowners who are living on very limited incomes, the elderly in particular, to enable them to live in their homes for as long as they would like by offering sufficient financial incentives in exchange for a long-term affordability restriction (to the greatest extent possible with restrictions in perpetuity and re-sales indexed to HUD area median income). This proposal indicated that the Town might find that the exemption of property taxes is not an adequate enough incentive for residents to assume restrictions on the resale price and an additional subsidy might also be required to make this strategy viable. The resale restriction has the effect of ensuring that when the house is sold it will be affordable and sold to a buyer who has an income at or below 80% of area median income and includes the appropriate income and resale conditions to “count” as part of a community’s state-defined Subsidized Housing Inventory under Chapter 40B. In addition to property tax relief, the financial incentives might include funds for both building improvements, which would insure the physical viability of the property over time, plus an upfront grant or an annuity, which would provide the owner with a steady long-term income stream. The subsidy might come from CPA funds.

- *Incorporate Accessory Apartments in the Affordable Housing Inventory – Five-Year Plan*

Holliston allows accessory apartments as long as the units are rented to family members and are in compliance with a number of other requirements. However, none of these accessory units can be counted in the Town’s Subsidized Housing

Inventory at this time because they do not meet the state's Chapter 40B definition of affordable housing.

Other communities are looking for opportunities to insure that at least some portion of current accessory apartments or new accessory units created can be incorporated into the Subsidized Housing Inventory. For example, the Town of Barnstable has implemented a program to enable those with accessory units to come forward and receive necessary assistance to convert their units to legal use if necessary and be maintained, in the short-term at least, as affordable and eligible for inclusion in the town's Subsidized Housing Inventory. This program has processed more than 75 units in the last couple of years.

The Housing Committee, in tandem with the Town Planner and proposed Housing Coordinator (see Section VI.B.5 for details) as well as other appropriate Town boards and committees, should determine how best to adapt Barnstable's Accessory Apartment Program (or other model) to the Town of Holliston, develop an implementation plan, and initiate the program.

4. *Housing Preservation*

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

- *Monitor Affordability of Existing Subsidized Housing Inventory – Two-Year Plan*
Based on how housing was financed, how long the affordability requirements were established, and other stipulations in affordability agreements, the affordable status of housing units may be in jeopardy in many communities in the future. Holliston's existing affordable housing that is counted as part of the state-defined Subsidized Housing Inventory has use restrictions in place well into the future to maintain units as affordable. However, these use restrictions do have expiration dates. The Holliston Housing Committee should intervene if necessary to maintain the units as affordable through the courts or through purchase and refinancing if necessary. New affordable units that come into the Inventory should be designated as affordable for as long a period of time as possible and, in the case of homeownership, with resale restrictions indexed to changes in HUD's area median income as opposed to market value.
- *Access Housing Rehab Programs – Two-Year Plan*
There are state resources available that provide financial and technical support for qualifying owners of homes that need repair, upgrading and de-leading. Many seniors living on fixed incomes are finding it increasingly difficult to afford the costs associated with home improvements and as a result have deferred maintenance needs. Additionally, some seniors and those with special needs require special handicapped adaptations and repairs to help them remain in their homes. Holliston residents might also benefit from technical and financial support in the case of septic failures and Title V compliance issues. The Town might want to explore options for accessing funding to support home repair needs through a regional non-profit, special funding application to DHCD, through

MassHousing programs, or through a collaborative effort with nearby communities.

Through the community educational campaign recommended in Section VI.B.1 important information on housing improvement resources could be disseminated, both to real estate professionals, local organizations and community residents. The Council on Aging is also an important resource for providing seniors with information on available resources. The brochure that was prepared by the Housing Committee is also an excellent resource for distributing information on housing rehab resources.

F. Development of Use Restriction Program – *Five-Year Plan*

As has been indicated in various sections of this Housing Plan, the Town of Holliston is committed to maintaining its Subsidized Housing Inventory for as long a period as possible. Deed riders or affordable rental restrictions should assure continued affordability in perpetuity to the greatest extent possible. The resale prices included in homeownership projects should be indexed to HUD's area median income as opposed to market value to better assure this affordability over the long-term. The annual recertification in the case of rental agreements should be the responsibility of the project sponsor who must report annually to a housing entity approved by the Town through the Housing Committee, perhaps the Holliston Housing Authority. The responsibility for monitoring re-sales of affordable homeownership units could be assumed by Citizens Housing and Planning Association (CHAPA), which is performing this function for affordable developments throughout the state.

INTRODUCTION

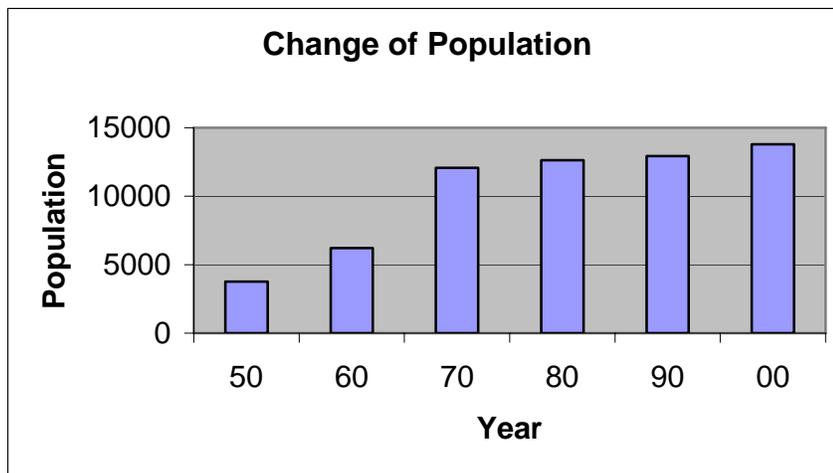
Holliston is a residential suburb located approximately 22 miles southwest of Boston in Middlesex County. The town comprises about twenty square miles and is bounded by the towns of Medway on the south, Millis on the southeast, Sherborn on the east, Ashland on the north, Hopkinton on the west and northwest, and Milford on the southwest and west. Holliston was incorporated on December 3, 1724 based on petition to the General Court that requested, “the western part of Sherborn be a Town.” The name was taken in honor of Thomas Hollis, Esq. who was a benefactor of Harvard College. During the last 280 years the town has grown from a rural community of a few hundred to almost 15,000 residents, which is four times the size of the population since only the mid-20th century. The Metropolitan Area Planning Commission (MAPC) has categorized Holliston as a maturing New England town in its “Developing Suburb” category.

**Change of Population
1940-2000
Increase From Previous Period**

Year	Population	Percent Change	Increase in Number of Residents
1940	3,000	-	-
1950	3,753	25.1%	753
1960	6,222	65.8%	2,469
1970	12,069	94%	5,847
1980	12,622	4.6%	553
1990	12,926	2.4%	304
2000	13,801	6.8%	875

Source: U.S. Census Bureau

This population growth over the past half century is graphically presented in the following chart.



The Town’s annual census indicates additional population growth since 2000, with a count of 14,996 by the end of January 2004 and 14,799 in 2009 (Note: The Town Clerk’s Office does not track percentage of response returns so we do not have a margin of error.). Population growth

has put enormous pressures on the housing market, especially between 1960 and 1970 when the population nearly doubled in size. The rate of growth has slowed down significantly since that time, but the town is still gaining new residents who have been accommodated through comparable growth in the housing stock. Holliston now has almost 5,000 housing units close to 90% of which are owner-occupied, single-family houses on lots that are at least 18,000 - 30,000 square feet with average price tags down from the close to \$500,000 documented by sales data in 2004 to an average assessed value of \$394,400 in FY10.

Undertaking a more proactive housing agenda to promote affordable housing will continue to be a significant challenge in Holliston. First, the town has no existing sewer services in place, making denser development more costly and difficult. Second, local zoning provides some obstacles to affordable housing development, and current regulations would have to be reformed and in many cases overridden through “friendly” comprehensive permits. Third, the town needs to build its capacity to create new units by aggressively reaching out for necessary technical and financial resources as well as political support to get the job done.

A. Purpose of Project

In March of 2004, the Holliston’s Housing Committee issued a Request for Quotes to solicit proposals from development consultants to assist the Committee in creating an Affordable Housing Master Plan for the Town of Holliston. This work was designed to provide the Committee with a production proposal to help the community expand its affordable housing stock “in an orderly process”. Given increasing housing prices and heightened interest from developers in producing housing in Holliston through the Chapter 40B comprehensive permit process at that time, Town leaders recognized the importance of becoming more proactive on the issue – to learn more about existing housing needs and to find strategies to meet these needs that would create new affordable housing opportunities more in line with community priorities.

The Holliston Housing Committee selected a consultant to help them prepare an Affordable Housing Master Plan that would involve the following key objectives:

- Prepare a *Housing Needs Assessment* including an analysis of housing market conditions, a housing survey conducted in 2003, existing data on housing, review of local bylaws and regulatory requirements pertaining to housing, and potential affordable housing sites.
- Prepare an *Affordable Housing Plan* that establishes housing goals and objectives, reviews impediments to new development and mitigation strategies, completes a build-out analysis, identifies and prioritizes potential development opportunities, and provides recommendations regarding available resources to support prescribed short and long-term actions.

This update in 2010 is also been done in recognition of the fact that the need for affordable housing has not gone away even though housing prices are not escalating as they were earlier in the decade and that recent housing development proposals that have emerged through the Chapter 40B comprehensive permit process are threatening local control of new housing development. The basics remain unchanged - If a municipality has less than 10% of its year-round housing set-aside for low- and moderate-income residents, according to Chapter 40B regulations, it is not meeting the regional and local need for affordable housing. Not meeting this affordability standard makes the town susceptible to a state override of local zoning if a

developer chooses to create affordable housing through the Chapter 40B comprehensive permit process.⁶

Based on the Massachusetts Department of Housing and Community Development's most recent data on the Chapter 40B subsidized housing inventory (April 2010), Holliston has 4,861 year-round housing units, of which 198 can be counted in the Subsidized Housing Inventory, representing 4.07% of the year-round housing stock. The Chapter 40B definition of affordable housing is as follows:

CHAPTER 40B: WHAT IS AFFORDABLE HOUSING?

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

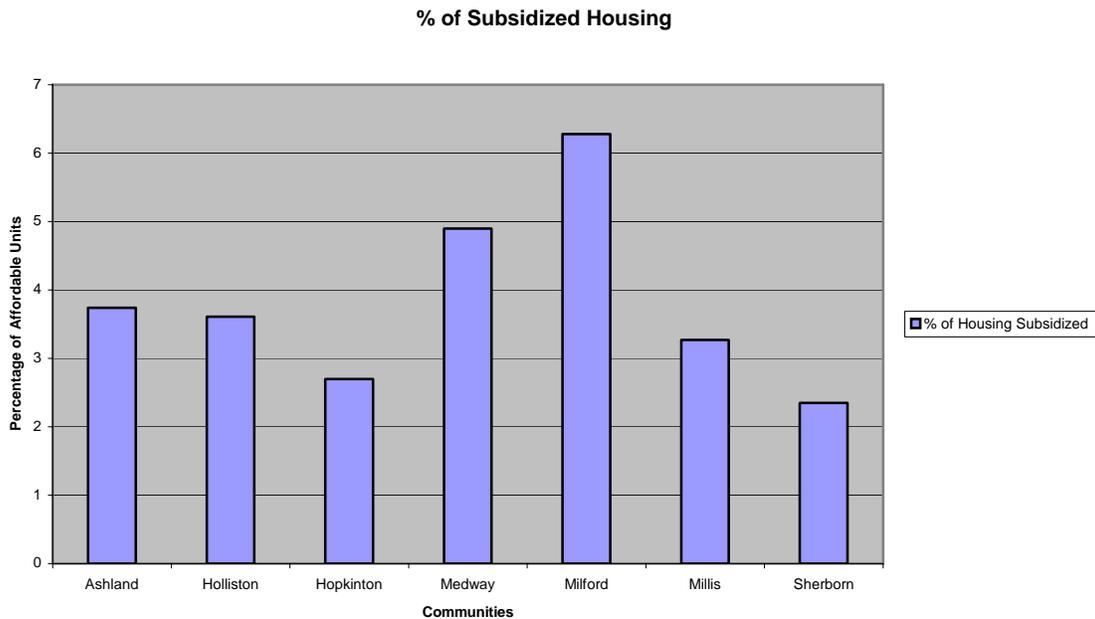
Source: CHAPA, February 2001

To meet the 10% standard, at least 486 of the existing units would have to be "affordable" based on the state's definition requiring at least another 288 more housing units to be converted to affordable units in Holliston to meet just the 10% standard. Assuming future housing growth, this 10% figure is a moving target and ultimately the required minimum number of year-round units will increase over time.

Most of Holliston's neighbors have affordable housing levels below the state target, and, most, like Holliston, face significant challenges in meeting the 10% state goal as demonstrated in the following chart that summarizes this information:

⁶ Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

1. Ashland – 4.2% (243 units)
2. Holliston – 4.07% (198 units)
3. Hopkinton – 3.3% (147 units)
4. Medway – 5.3% (279 units)
5. Milford – 6.8% (724 units)
6. Millis – 3.7% (131 units)
7. Sherborn – 2.3% (34 units)



Only Milford and Medway have produced affordable housing that total more than 5% of its year round housing stock and well over 200 units, 724 units in the case of Milford and 279 in Medway. With the exception of Sherborn with only 34 affordable units produced thus far, the other communities have produced fairly comparable amounts of affordable housing ranging from 113 units in Millis to 243 units in Ashland.

This Housing Plan suggests a range of opportunities to meet pressing local housing needs and to bring Holliston closer to the state 10% threshold by presenting a proactive housing agenda of Town-sponsored initiatives. Due to the rising costs of housing, many residents are finding it increasingly difficult to afford to remain in Holliston. Children who grew up in the town are now facing the possibility that they may not be able to return to raise their own families locally. Long-term residents, especially the elderly, are finding themselves less able to maintain their homes but unable to find alternative housing that better meets their current life styles. Families are finding it more difficult to “buy up,” purchasing larger homes as their families grow. Town employees and employees of local businesses are increasingly hard pressed to find housing that is affordable in Holliston. More housing options are required to meet these local needs and produce Holliston’s fair share of regional needs.

B. The Planning Process

The development of the Affordable Housing Master Plan is divided into two major phases. The first phase focuses on the Housing Needs Assessment – the review and assessment of

documentation and research already completed as well as the collection of new information to identify local housing needs, to determine what resources are available to meet these needs and to obtain a comprehensive understanding of the remaining gaps in housing services and programs. This information was collected through the following sources:

- Housing data, studies, reports and plans;
- Relevant bylaws, permitting and regulatory procedures;
- Housing market conditions;
- Current housing programs and services; and
- Inventories of Town-owned and privately owned vacant land and buildings that might be appropriate for housing development.

The second major phase provides specifics on how to preserve and create new affordable housing opportunities in Holliston. Guided by the context established in phase one, Two-Year and Five-Year Action Plans will be presented, each including the rationale for the strategy, next steps, the timetable for implementation, the resources required, the estimated costs involved, and the projected number of affordable units produced. These strategies will provide a blueprint to enable the Town Board of Selectmen, Housing Committee, Housing Trust Fund, Housing Authority, Planning Board, and other key committees to chart a course for the future with respect to making progress on the 10% state affordable housing threshold and local housing needs.

C. Housing Goal

The Holliston Housing Committee has adopted the following over-riding goal in its efforts to produce affordable housing:

Provide adequate and affordable housing for all residents in Holliston along the full range of incomes and needs.

Additional development objectives that serve as guiding principles in the development and implementation of specific affordable housing strategies will be included in the Housing Action Plan that will be developed as the second phase of this planning process.

D. Definition of Affordable Housing

There are a number of definitions of affordable housing, as federal and state programs offer various criteria. For example, the federal government identifies units as affordable if gross rent (including costs of utilities borne by the tenant) is no more than 30% of a household's net or adjusted income (with a small deduction per dependent, for child care, extraordinary medical expenses, etc.) or if the carrying costs of purchasing a home (mortgage, property taxes and insurance) is not more than 30% of gross income. If households are paying more than these thresholds, they are described as experiencing housing affordability problems; and if they are paying 50% or more for housing, they have severe housing affordability problems.

Affordable housing is also defined according to percentages of median income for the area, and most housing subsidy programs are targeted to particular income ranges depending upon programmatic goals. Extremely low-income housing is directed to those earning at or below 30% of area median income as defined by the U.S. Department of Housing and Urban Development (\$24,600 for a family of four for the Boston area) and very low-income is defined as households earning less than 50% of area median income (\$41,000 for a family of four). Sometimes 60% of area median income is used for particular low-income programs (\$49,200 for

a four person household). Low-income generally refers to the range between 51% and 80% of area median income (\$65,600 for a family of four at the 80% level), and moderate-income from 81% to 100%, and sometimes 110% and 120% of median income (\$82,000, \$90,200 and \$98,400, respectively, based on a family size of four). These income levels are summarized in the table below:

FY2009 TARGETED INCOME LEVELS FOR AFFORDABLE HOUSING IN THE COMMONWEALTH

# Persons in Household	30% of Median Income	Very Low Income	Low Income
1	\$17,200	28,700	44,800
2	19,700	32,800	51,200
3	22,150	36,900	57,600
4	24,600	41,000	64,000
5	26,550	44,300	69,100
6	28,850	47,500	74,250
7	30,500	50,850	79,350
8+	32,450	54,100	84,500

2009 Median Household Income for the Boston PMSA = \$88,100

In counting a community’s progress toward the 10% threshold, the state counts a housing unit as affordable if it is subsidized by state or federal programs that support low- and moderate-income households at or below 80% of area median income under Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B). Additionally, most state-supported housing assistance programs are targeted to households earning at or below 80% of area median income, as well as some at lower income thresholds. However, first-time homebuyer programs typically apply income limits of up to 80% of area median income. The Community Preservation Act allows resources to be directed to those within a somewhat higher income threshold – 100% of area median income.

It is worth noting that according to the 2000 census, at least 1,693 households or 35.3% -- more than a third of Holliston’s total households – are likely to be income-eligible for affordable housing using the 80% of area median income level; and more than half of Holliston’s households, 52.3% or 2,510 households, have incomes within the Boston area’s 2009 median income of \$88,100, These income thresholds are summarized in the following table derived from 2000 census data.

Number of Households by Income Category 1999

Income Level	# of Households	% of Households
Within 80% of AMI \$59,550 for a family of three	1,693	35.3
Within 100% of AMI \$82,600	2,510	52.3
Within town’s median income \$79,092	2,386	49.7
Within state’s definition of middle income \$111,300	3,347	69.8

III. HOUSING NEEDS ASSESSMENT

As housing values soar, it is becoming increasingly difficult for individuals and families to find affordable housing in the private market. And the private market, without subsidies or zoning relief, is neither able nor interested in producing housing that is affordable to low- and moderate-income households. As a result, it becomes necessary to increasingly rely on regulatory relief and housing subsidies in some form to preserve affordable housing and to produce enough units to meet existing affordable housing needs and demands. Escalating market prices for both the purchase and rental of housing have generated concerns that many long-term residents might be experiencing difficulties paying their taxes, maintaining their homes or affording market rentals. Children who grew up in town can no longer find suitable housing in which to raise their families. Town employees are confronted with longer commutes as the increasing affluence of the Boston area squeezes them out of the housing market. This Housing Needs Assessment presents an overview of the current housing situation in the Town of Holliston, providing the context within which a responsive set of strategies can be developed to address housing needs and meet production goals.

A. Housing Characteristics

1. Population and Housing Data

Population, Race and Household Type

The 2000 census data indicates that the town of Holliston had a total population of 13,801, an almost 7% increase over the 1990 population of 12,926 and a 9% increase since 1980 when the population was 12,662. Population projections issued in MAPC's MetroFuture planning documents for 2010 indicate a population growth in 2010 to 14,832, up 6.95% from 2000. This demonstrates only a moderate rate of growth over the past two decades and less than the approximately 15% growth rate experienced in the region.

The population has remained predominantly White. For example, in 2000 the census describes 455 persons or 3.3% of the population as minorities, up slightly from 2.3% in 1990 and 2.2% in 1980. Approximately one-third of the 2000 minority population identified themselves as Asians with another almost 30% as African American.

Demographic Characteristics 1990-2000

	1990		2000	
	#	%	#	%
Total Population	12,926	100	13,801	100
Minority Population*	291	2.3	455	3.3
Total Number Households	4,284	100.0	4,795	100
Family Households***	3,580	83.6	3,842	80.1
Female Heads of Households***	338	7.9	358	7.5
Non-family Households***	704	16.4	953	19.9
Pop. Age 65+	867	6.7	1,228	8.9
Population < or = 19	4,013**	31.0	4,373	31.7
Average Household Size	3.01		2.87	

Source of above table: 1990 and 2000 U.S. Census Bureau

*All non-White classifications, ** 1990 data for those 20 years and under, and

*** Percent of all households

Non-family households are becoming a more significant part of Holliston’s population. These households increased by 249 households, up from 16.4% to 19.9% of all households from 1990 to 2000. While family households increased by 262, they decreased as a proportion of all households from 1990 to 2000. An additional 20 female-headed households were added to the population from 1990 to 2000 but decreasing somewhat as a percentage of all households. The average number of persons per household declined somewhat from 3.01 persons in 1990 to 2.87 in 2000. This reduction is also likely to be related to the increasing numbers of non-family households in Holliston.

The town’s population is aging. In 2000 there were 1,228 seniors, 8.9% of the population, as compared to 867 or 6.7% of the total population in 1990. This population is lower than the 12.4% for the entire country but comparable to neighboring communities – 9.8% in Ashland, 9.1% in Medway, 6.9% in Hopkinton, and 9.3% in Medfield. MAPC population projections for 2010 indicate a growth in the senior population to 1,337 or 9% over 2000.

Those 19 years or younger comprised almost one-third of the 2000 population or 4,373 persons, only increasing somewhat from the 1990 figures that also included 20 year olds. Estimates indicate a growth to 4,008 or 27% of the estimated population. The median age was 38.2 years in 2000. Additional information on the distribution of ages is presented in the following table:

Age Distribution 1990-2000

Age Range	1990		2000	
	#	%	#	%
Under 5 Years	925	7.2	1,021	7.4
5 – 9 Years	1,007	7.8	1,262	9.1
10 – 14 Years	957	7.4	1,222	8.9
15 – 19 Years	965	7.5	868	6.3
20 – 24 Years	829	6.4	427	3.1
25 – 34 Years	1,962	15.2	1,282	9.3
35 – 44 Years	2,606	20.2	2,776	20.1
45 – 54 Years	1,727	13.4	2,341	17.0
55 – 59 Years	603	4.7	858	6.2
60 – 64 Years	478	3.7	516	3.7
65 – 74 Years	525	4.1	768	5.6
75 – 84 Years	256	2.0	361	2.6
85 Years and Over	86	0.7	99	0.7

Source: 1990 and 2000 U.S. Census Bureau

Demographic trends also suggest that escalating housing costs may be pricing younger individuals and families out of the housing market. Those entering the labor market and forming new families are dwindling in numbers reducing the pool of entry level workers and service employees as well as forcing the grown children who were raised in town to relocate outside of Holliston. For example, the numbers of baby boomers in the 45 to 59-age range have increased from 1990 to 2000 while those who are between 20 and 34 are decreasing in numbers. 2010

estimates would indicate that the trend has leveled off with both cohorts decreasing marginally in the past decade.

The Warren Group has published a 2007 median household income figure of \$94,622 for Holliston. Their data also suggest a slight reduction in population since 2000, an increase in the median age of a householder from 48.6 to 51.8, and a reduction in average household size from 2.87 in 2000 to 2.82 in 2007.

Income Distribution

Residents of Holliston are also becoming significantly more affluent. The median household income in 1999 was \$78,092, up 24.5% from the 1989 median income of \$62,712 and a huge increase of 202.4% over the median income in 1979 of \$25,822. Of the 4,803 total households in 1999, 189 or 3.9% had incomes of less than \$10,000 and another 363 or 7.6% had incomes between \$10,000 and \$24,999, representing extremely low-income levels at or below 30% of area median income. An additional 279 households had incomes within what public agencies would define as very low-income levels or within 50% of area median income. The total number of households within these income categories was 831 households in 2000 or 17.3% of all Holliston households, not an insignificant number given the general affluence of the community. A comparison of 1989 and 1999 income figures is presented in the following table:

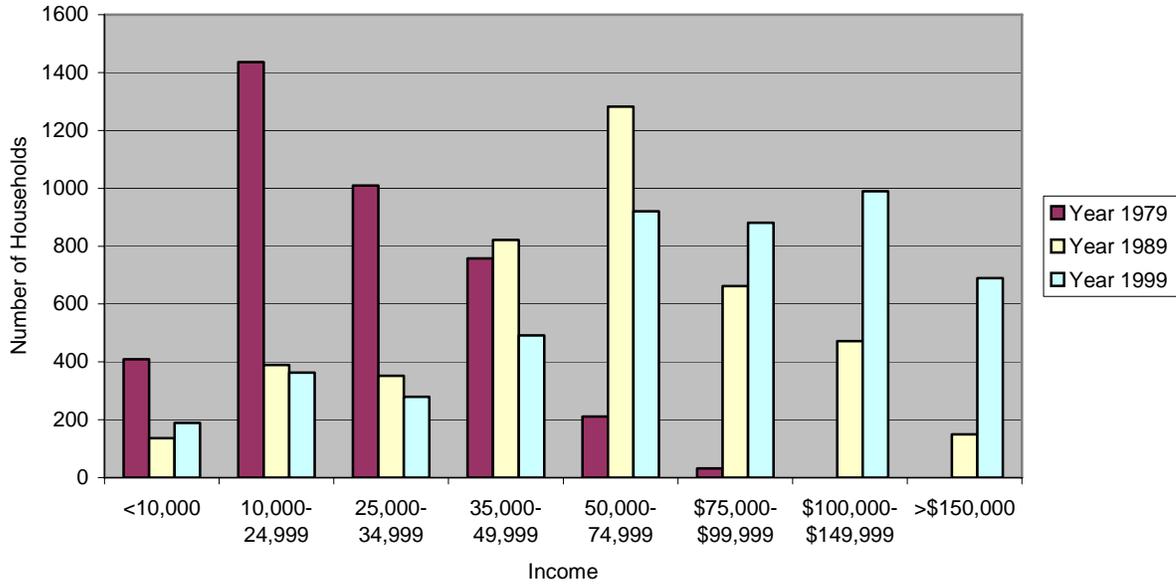
**Income Distribution by Household
1989-1999**

	1989		1999	
	#	%	#	%
Under \$10,000	136	3.2	189	3.9
10,000-24,999	389	9.1	363	7.6
25,000-34,999	352	8.3	279	5.8
35,000-49,999	821	19.3	491	10.2
50,000-74,999	1,282	30.1	920	19.2
75,000-99,999	662	15.5	881	18.3
100,000-149,999	472	11.1	990	20.6
150,000 or more	150	3.5	690	14.4
Median income	\$62,712		\$78,092	

Source: 1990 and 2000 U.S. Census Bureau

This table clearly demonstrates the increasing affluence of the community, with decreases in the numbers of households in all of the income ranges except for those earning \$10,000 or less and those earning more than \$75,000. While the numbers of households earning under \$74,999 decreased somewhat between 1989 and 1999 – from 2,980 to 2,242 – those earning more than \$75,000 doubled over the decade from 1,284 to 2,561 households, well over what would be expected under normal inflationary trends. This is also indicated in the 35.3% increase in median income over the decade. The income distribution for those households that include children – families – is somewhat higher with a median family income in 1999 of \$84,878, with 2,323 families or 60.5% of all families earning more than \$75,000, including 647 or 16.9% earning more than \$150,000.

Income Distribution by Census



The chart above clearly demonstrates the tremendous increase in income levels for households in Holliston over the past two decades. Despite inflation these figures are striking, as more recent data shows that those earning above \$75,000 are now in the majority of households residing in Holliston, while 20 years ago there were only 32 households in this income category.

These income levels are in striking contrast to those for Middlesex County when viewed proportionately as demonstrated in the following table:

Income Distribution by Household: Middlesex County vs. Holliston 1999

	Middlesex County		Holliston	
	#	%	#	%
Under \$10,000	35,322	6.3	189	3.9
10,000-24,999	70,085	12.5	363	7.6
25,000-34,999	49,056	8.7	279	5.8
35,000-49,999	74,183	13.2	491	10.2
50,000-74,999	111,358	19.8	920	19.2
75,000-99,999	81,462	14.5	881	18.3
100,000-149,999	81,558	14.5	990	20.6
150,000 or more	58,482	10.4	690	14.4
Median income	\$60,821		\$78,092	

Source: 2000 U.S. Census

The percentage of those earning less than \$75,000 is 60.6% for Middlesex County in contrast to 46.7% for the town of Holliston, whereas those earning above the \$75,000 threshold included 39.4% of households in Middlesex County versus more than half – 53.3% -- of the households in Holliston. *Holliston’s median income, while higher than the median for Middlesex County as a*

whole, is in the middle of the range in comparison to neighboring communities – Ashland with a 2000 median income of \$68,392, Medway with \$75,135, Hopkinton at \$89,281 and Medfield at \$97,748. While this likely holds true in 2010, the only income information available since 1999 is for Middlesex County from the American Community Survey. These results estimate the county median income for 2008 at \$78,202 (inflation-adjusted dollars).

Based on this information about 35.3% of Holliston households (or about 1,693 households) would likely qualify for housing assistance as their incomes are at or below 80% of area median income defined by the U.S. Department of Housing and Urban Development (HUD).⁷

Poverty

The 2000 census indicates that the absolute numbers of those with incomes below the poverty level (\$9,310 for an individual and \$15,670 for a family of three in 2004) increased significantly from 1989 to 1999 as the chart below indicates, however the 1999 levels were fairly similar to 1979 census figures. If this data is correct, it demonstrates contrasting trends as not only does it show large fluctuations in poverty, it also shows that while income levels for most town residents have increased substantially, there remains a growing population within the town of Holliston, almost 500 in 1999, with substantial income limitations who require public assistance to meet their housing needs. The following table presents this data.

Poverty Status 1989-1999

	1979		1989		1999	
	#	%	#	%	#	%
Individuals Below Poverty	483	3.8*	83	0.6*	471	3.4*
Families	79	2.4**	24	0.7**	96	2.5**
Related Children Under 18 Years (Under 17 Years for 1980 data)	69	1.5***	9	0.3***	64	1.5***
Individuals 65 and Over	37	5.2****	40	4.8****	111	9.0****

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

*Percentage of total population

**Percentage of all families

***Percentage of all related children under 18 years

****Percentage of all individuals age 65+

This data should also be viewed in light of the town’s limited affordable housing inventory including only 161 subsidized housing units and another 50 or so rental subsidies, the total of which is insufficient to cover the housing affordability issues most likely confronting this population.

⁷ While these households’ incomes might be at or below 80% of area median income, many households are likely to have assets that are more than the allowable state or federal standards that would disqualify them from housing assistance.

Education

In 2000, 96.9% of those 25 years and older had a high school diploma or higher, and 50.8% had a Bachelor's degree or higher, up from the 1990 figure of 41.1% with a college degree and higher than the 43.6% level for the county. Those enrolled in school (nursery through graduate school) totaled 4,069 or 29.5% of the population and those enrolled in nursery school through high school totaled 3,454, 84.9% of those who are enrolled in school and 25.0% of the total population.

Disability Status

Of the 2000 population age 5 to 20 years old, 213 or 6.3% had some disability, and of the population age 21 to 64, 752 or 9.2% claimed a disability, but 65.2% of this group was employed leaving another third that were unemployed, likely due to disability. In regard to the population 65 years of age or older, 405 or 34.6% claimed some type of disability.

Group Quarters Population

The 2000 census counted 41 residents living in group homes, 35 in institutional settings and six living outside of institutionalized group quarters. These numbers are up only a bit from the 39 individuals reported in 1990 living in institutionalized group quarters.

Residency in 1995

Almost one-third of the households in Holliston, or 3,754 persons, moved to a new residence from 1995 to 2000. Of these 17.9% came from the same county, 11.6% came from a different county, 5.6% came from the same state and 6.6% came from a different state or elsewhere, representing significant mobility of the town's population. It is important to note that housing turnover is the major precipitating factor in driving up housing prices in an escalating real estate market, and typically the buyers are more affluent than sellers, fueling demographic changes in the community over time.

Housing Characteristics

The 2000 census counted 4,868 total housing units in the town of Holliston, up 10.3% from 4,413 units in 1990 and a 21.1% increase from 4,020 units in 1980. Out of total housing units, Holliston has 4,795 occupied units, of which 4,140 or 86.3% were owner-occupied while the remaining 655 or 13.7%, were rental units. These figures represent a considerably higher level of owner-occupancy than that for Middlesex County as a whole of 61.7%. Total growth in the housing stock from 1990 to 2000 was 455 units, including an increase in the rental stock of 86 units. The 2000 census counted 1.5% of the housing stock, or 73 units, as vacant, of which seven units involved seasonable, recreational or occasional use. The homeowner vacancy rate was 0.4%, down from 0.9% in 1990, and the rental vacancy rate of 2.8% also represented a decline from 7.3% in 1990. The numbers involved in these vacancy statistics are very low as to be insignificant as any level below 5% is considered to represent tight market conditions. The following table includes a summary of these housing characteristics.

**Housing Characteristics
1990-2000**

	1990		2000	
	#	%	#	%
Total # Housing Units	4,413	100.0	4,868	100.0
Occupied Units	4,284	97.1*	4,795	98.5*
Occupied Owner Units	3,715	86.7**	4,140	86.3**
Occupied Rental Units	569	13.3**	655	13.7**
Owner Vacancy Rate		0.9		0.4
Rental Vacancy Rate		7.3		2.8
Total Vacant Units/Seasonal, Recreational or Occasional Use	129/10	3.0/0.2*	73/7	1.5/0.1*
Average Household Size of Owner-Occupied Unit	3.14	-	3.02	-
Average Household Size of Renter-Occupied Unit	2.17	-	1.89	-

Source: 1990 and 2000 U.S. Census Bureau

* Percentage of total housing units

** Percentage of occupied housing units

The 2000 census indicates that almost all of the existing housing units are in single-family detached structures, 4,178 or 85.8% of the housing stock, significantly higher than the 48.9% level for the county. Another 22 units are located in single-family attached dwellings, 90 in two-unit structures and 203 in three and four-unit buildings. Another 375 units are in multi-family structures with five or more units involving 7.7% of the town's total housing units. There were no mobile homes.

A substantial portion of Holliston's housing stock, almost 3,000 units or 61.2%, was built prior to 1970 with another 1,383 units or 28.4% of the units produced between 1970 and 1990. For the county as a whole, 83.1% of the units were built prior to 1970 suggesting that Holliston has demonstrated a higher level of housing growth over the last several decades than Middlesex County. However, a number of Holliston's neighbors have experienced fairly comparable rates of recent growth although Holliston had a greater number and percentage of units added to its housing stock since 1970 as indicated in the following table:

**Recent Housing Development
Holliston and Neighboring Communities**

Community	# Units Built Since 1970	% of Units Built Since 1970
Holliston	2,981	61.2%
Ashland	2,579	44.5%
Medfield	2,128	52.6%
Medway	2,137	50.3%
Hopkinton	1,641	36.1%

Source: 2000 US Census

The median number of rooms per housing unit was 7.2 indicating that the average home had three to four bedrooms, and dwelling size ranged from 656 or 13.5% of units with four rooms or less to 939 units or 19.3% of the housing stock with 9 rooms or more. Nine housing units involved single rooms and another 128 had two rooms. More than three-quarters of households had two or more vehicles.

Building Permit Data 1999-2010

Year	# Building Permits for New Units
1999	50
2000	28
2001	32
2003	30
2004	25
2005	49
2006	21
2007	20
2008	21
2009	18
Total	294
Average 1993-2003	41.4
Average 1993-1999	47.8
Average 2000-2003	30.0
Average 1999-2009	29.4

Source: Holliston Building Department

The building permit data summarized above indicates a fairly consistent rate of new home development from 1993 through 1999, averaging almost 48 new units annually. However, this level of new detached and attached single-family development has decreased somewhat over the last several years, reducing to an average of 30 units per year from 2000 through 2003 and 1999 to 2009 with a high of 49 units in 2005. In 2009, permits were granted for 7 single family detached and 11 senior dwellings (attached) units. Building permit trends assembled by CHAPA indicate an even steeper downward trend of -72% between 2005 – 2009 and -29% between 2008 and 2009 statewide.

2. Housing Market Conditions

Ownership

Census data also provides information on housing values for homeownership and rental. The census indicates that the 2000 median house value was \$237,100, up 23% from the median in 1990 of \$192,800 and up 269% from the median price of \$64,180 in 1980. In 2000, only four homes were valued at less than \$100,000 and another 163 were valued between \$100,000 and \$149,999. This relatively small number of affordable homes is in sharp contrast to the 1,047 homes valued at more than \$300,000 priced beyond the means of the average Holliston household including 136 homes valued at more than \$500,000. There were altogether 1,029 owner-occupied units or 21.5% of the housing stock valued between \$100,000 and \$199,999 that includes the bulk of the more affordable housing stock.⁸ Housing values are summarized in the following table:

FY05 – FY09 Profile of Single Family Residences

Sales Price	FY09	FY08	FY07	FY06	FY05
Under200K	12	3	3	18	36
200-299K	710	487	344	906	1600
300-399K	2098	2181	2058	1900	1402
400-499K	645	703	822	652	507
500K+	786	862	1001	732	645
TOTAL	4251	4236	4228	4209	4190
Average Value	\$398,244	\$414,223	\$435,173	\$391,981	\$364,500
Median Value	\$352,700	\$362,950	\$381,200	\$347,200	\$316,650

Source: Board of Assessor's Annual Classification Detail

The American Community Survey selected housing characteristics for Middlesex County in 2008 indicate a median value of owner-occupied single family homes to be \$423,700 with 44.5% valued between \$300,000 to \$499,999 and 35% being valued over \$500,000. Median selected monthly costs for units with a mortgage are \$2,356 with 65% paying \$2000 or more. These costs are estimated to represent an expense of 25% or more of income for 51% of households and 35% or more of income for 30% of the population.

While census data is derived primarily from responders (based on assessed values) that typically underestimates existing value, more updated market data is tracked by The Warren Group from Multiple Listing Service data derived through actual sales. This market information since 2000 is summarized in the following table:

Median Sales Prices 1999 - 2010

Year	Months	Single-famil	# SF Sales	Condo	# Condo Sal
2010	Jan – Apr	\$350,000	29	\$194,125	6
2009	Jan – Dec	\$357,000	131	\$110,000	20
2008	Jan – Dec	\$350,000	113	\$166,900	31
2007	Jan – Dec	\$398,200	180	\$199,500	30
2006	Jan – Dec	\$390,000	153	\$194,500	21
2005	Jan – Dec	\$447,500	148	\$137,000	22

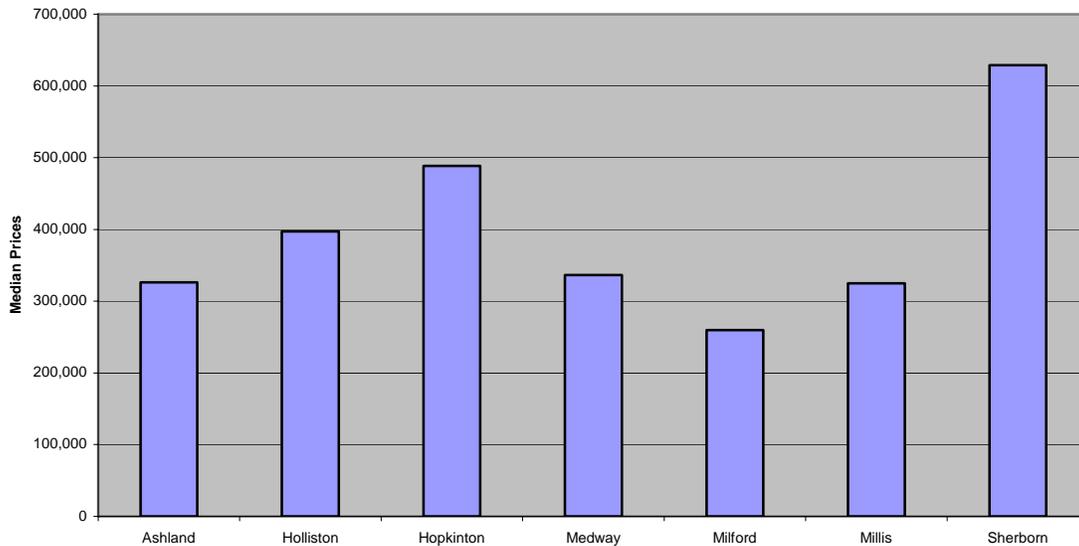
⁸ Census housing values are derived from Assessor's data.

2004	Jan – Dec	\$409,200	180	\$177,450	32
2003	Jan – Dec	\$351,750	180	\$127,000	31
2002	Jan – Dec	\$322,000	174	\$107,450	32
2001	Jan – Dec	\$320,500	158	\$100,000	27
2000	Jan – Dec	\$269,900	191	\$72,500	30

Source: The Warren Group, 5/10

In our initial analysis in 2004, sales ranged from a low of 204 sales in 1991 to a high of 312 in 1999. Since 2004, single family and condo sales both saw highs in 2007 with peak values for single families in 2005 and a moderate increase in condo values in 2007 and 2008.

Median Sales Prices



The chart above looks at the median sales data of neighboring communities for 2009. With the exception of higher market values in Sherborn and lower values in Milford, the other communities have median values that are within \$100,000 of Holliston's. These median sales prices are listed below.

- Ashland -- \$326,250
- Holliston -- \$357,000
- Hopkinton -- \$488,500
- Medway -- \$336,300
- Milford -- \$260,000
- Millis -- \$325,000
- Sherborn -- \$629,000

From this very small sample of communities, there appears to be some ongoing relationship between market values and the percentage of housing that is defined under Chapter 40B as affordable. For example, the towns with the highest market values, Sherborn and Hopkinton, have the lowest percentages of affordable units. This was also true in our 2004 analysis in the previous plan. Milford, the community with the lowest median house price, had the highest percentage and number of affordable units. The communities in the middle of these ranges were fairly comparable in median home prices and housing affordability.

The numbers of single family homes available in Holliston for under \$200,000 that would be affordable to low- and moderate-income households, has been dwindling over the past few years down to only three homes valued under \$200,000 in 2007 and 2008.

In 2004, just before prices reached their peak, an article in Banker & Tradesman entitled “2004 Market Defies Expectations As Home Prices Rise, Sales Soar” indicated that median home prices increased 11% in 2004 alone and sales activity increased 19% through May 2004 for the Boston area.⁹ Fast forward to an April 2010 Banker and Tradesman headline which states “Mass. Single-Family Home Sales up 28% in March; Condo Sales Soar 33% from a Year Ago.” The National Association of Realtors and American Community Survey report that the median home price change from 2006 to 2009 was -13% in the Boston area.

Some redevelopment of multi-family properties has occurred in Holliston including the transformation of mixed residential and commercial properties to full business uses as well as the conversion of multi-unit properties into individual condominiums. However, most of the listed multi-family properties have been purchased by investors and occupied as rentals. There is a precedent for combining commercial uses on the ground floor and apartments above in Holliston, and some of these mixed-use properties continue to exist in and near the center of town.

The average price of condominiums has more than doubled since 1999; and where all of the condominiums available were priced at less than \$100,000 in 1999, there were no units available in this price range in 2003 and only five units in 2002. However in the second half of the decade, there appear to be a number of affordable opportunities for condo ownership as many of Holliston’s foreclosures have occurred in this form of ownership, especially within the several hundred units at Turner Road. Currently there are two units listed as foreclosures with prices of \$34,000 and \$114,847 respectively. Condos remain a very affordable component of Holliston’s housing market and all of the units that are currently available with no age restriction are within the means of households earning at or below 80% of the area median income. The exception is the 80 age-restricted condos added to the mix in the past five years.

Rentals

The 2000 census indicated that there were 655 occupied rental units in Holliston and that the median gross rental was \$738, 23.4% higher than the 1990 median rent of \$598 and 141% higher than the 1980 rental of \$306. Data on the costs of rental units from 1980 through 2000 is included in the following table:

Rental Costs 1980-2000

Gross Rent	1980		1990		2000	
	#	%	#	%	#	%
Under \$200	106	16.0	51	9.4	26	4.0
200-299	200	30.3	27	5.0	84	13.0
300-499	302	45.7	39	7.2	72	11.1
500-749	46	7.0	255	46.9	149	23.1
750-999	0	0	78	14.3	197	30.5
1,000-1,499	0	0	75**	13.8	78	12.1
1,500 or more	0	0			30	4.6

⁹ The Warren Group, Banker & Tradesman, July 5, 2004.

No cash Rent	7	1.1	19	3.5	10	1.5
Total*	654/661	99.0/100.1	525/544	95.6/100.1	636/646	98.4/99.9

Source of above table: U.S. Census Bureau

* Number of rental units with data on gross rents/total number of rental units; percentage breakdowns exclude units counted without cash rent/all units counted

** Figures in 1990 census data are listed as \$1,000 or more and do not break numbers into the \$1,500 or more range.

In 2000, rental units comprised 13.7% of Holliston’s housing units, but were more than one-third, 38.3%, of the county’s housing stock; and the median rent for these units was \$835 in the county according to the 2000 census, 13.1% higher than the median gross rental in Holliston of \$738. These respective prices can also be seen in the values of owner-occupied housing in Holliston versus the county as a whole, \$237,100 versus \$247,900, a 4.6% difference. It should also be noted that housing values, both rental and ownership, tend to be underestimated in the census data, and actual market rents and sales prices are typically considerably higher as demonstrated by the Warren Group data and information from local realtors.

While most of the rental units in Holliston are marketed by the owners themselves, typically investor-owners, a local realtor indicated that current market rentals were typically \$750 for a one-bedroom unit or small two-bedroom and closer to \$850 for a larger two-bedroom apartment. Houses are being rented for \$1,500 and above, depending on the size of the home. Another local real estate professional stated that rents are still higher, going for well over \$1,000. Quite a few rental properties are in fact located in condominium developments and are placed on the market by investor-owners. Locations in Holliston with concentrations of rental units include Kathryn Dr., Burnap Rd, North Mill St., Cheryl Ln., Turner Rd., Jennings Rd., and Windsor Dr.

The US Census 2008 American Community Survey indicates that gross rent in 2008 for Middlesex County was a median of \$1,196. As a percentage of household income, 50.3% of renter households spent 25% or more of their income on rents per month, with 36.6% spending more than 35% or more.

B. Cost Analysis of Existing Market Conditions

As housing prices escalate, the affordability gap widens, defined as the gap between the cost of housing and the proportion of income that is reasonable to pay for housing, typically defined as 30% of gross income. To afford the median sales price of \$357,000 (based on Warren Group information for single-family home sales for 2003), a household would have to earn approximately \$109,003, significantly more than the 2000 median income of \$78,092 and still above the 2010 estimated median income for the Boston area of \$88,100.

The borrowing power of the average household, based on the median household income of \$88,100 is about \$293,000, somewhat higher than the median house value as reported in the 2000 census of \$237,100 but approximately \$56,700 lower than existing median sales prices for all single family sales of \$350,000 based on recent sales (2010) requiring an annual income of approximately \$109,000.¹⁰

¹⁰ Figures based on 95% financing, interest of 6.5%, 30-year term, annual property tax rate of \$14.83 per thousand, insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), and private mortgage insurance estimated at 0.3125 of loan amount, monthly condo fees of \$200, and rents for two-family homes of \$800.

The affordability gap is then about \$55,000 - the difference between the price of the median priced home and what a median income household can afford. The affordability gap doubles to \$160,000 if the analysis focuses on those low- and moderate-income households earning at or below 80% of area median income, or \$59,050 for a family of three (the average household size is 2.87 persons in Holliston), who are unable to afford a house costing more than \$180,000. In fact approximately two-thirds of Holliston households likely have insufficient income to afford the median sales price of \$357,000.

The following table presents a range of homes that sold recently from a small garden-style condominium to a two-family home to progressively more expensive homes that are priced well beyond the means of most existing year-round Holliston residents.

Affordability of Existing Housing Prices

House Type	Price	Annual Income Required
Garden-style condominium with 3 rooms, 1 bedroom, 1 bath and on Turner Road	\$105,000	\$32,330
Brick condominium townhouse with 3 rooms, 2 bedrooms, 1 bath, on 3 levels, located on Regency Drive	\$175,000	\$53,883
Four-family property with 15 total rooms, 8 total bedrooms, on Kathryn Lane	\$399,900	\$123,130
Ranch with 4 rooms, 2 bedroom on Lake Shore Drive	\$284,900	\$87,722
Ranch with 7 rooms, 3 bedrooms, a 2 baths on Prentice Street	\$569,900	\$175,475
Split-entry ranch with 8 rooms, 3 bedrooms and 2 baths on Chamberlain Street	\$349,000	\$107,460
Colonial with 8 rooms, 4 bedrooms 2.5 baths on Bogostow Brook Road	\$479,900	\$147,763
Colonial with 10 rooms, 4 bedrooms 3.5 baths on Constitution Circle	\$747,000	\$230,004

Source: Multiple Listing Service, 5/20/10

As is evident in the above table, with the exception of the condominium units, the other examples are beyond the means of not only those earning within 80% of area median income, a requirement of housing affordability under Chapter 40B, but are too expensive for households earning at or below the town's median income of \$88,100. Because multi-family properties provide an income stream, it is interesting to note the relative affordability of the above multi-family home versus the far more prevalent single-family alternative. As more homes emerge on the market with sale tags of \$500,000 and up, fewer existing residents will be able to afford them as only 690 households had incomes above \$150,000 in the last census. Additionally, the average single family tax bill has increased from \$3,962 in 2007 to \$4,250 in 2009. In 2009 the Dept. of Revenue reports that this is \$2,184 above the state average.

Over the years condos have represented about 15% of total annual residential sales and a largely affordable component of the existing housing market. The town had approximately 233 condo units as of January 1, 1003, and the average sales price of these units was \$139,771 in 2003 based on 31 sales and in 2009 there were 20 with a median sales price of \$110,000, still well within the means of households earning at or below 80% of area median income.

In regard to rentals, the median gross median rent of \$738 requires an income of about \$30,000, which is within HUD's current income limit for three-person households earning at 50% of area median income. Nevertheless, more than 600 Holliston households, or 14% of all households, would still be unable to afford to rent at this level. Local realtors indicate that market rents are actually somewhat higher, ranging from \$750 to \$850 for apartments and at least \$1,500 for houses. These prices limit affordability to those earning approximately \$34,000 for the higher priced apartments and \$60,000 for those interested in renting a house.

While current housing market data tells us that more than three-quarters of town residents, or 3,200 households, do not have sufficient incomes to afford the median sales price of \$339,900 and about 600 or 14% of town residents cannot afford the median rent of \$738 per month, it is also useful to identify numbers of residents who are currently living beyond their means due to their current housing costs. The 2000 census provides data on how much households spend on housing whether for ownership or rental. Such information is helpful in assessing how many households are overspending on housing or encountering housing affordability problems, defined as spending more than 30% of their income on housing. Based on 1999 data, the census indicated that 254 or 6.7% of the homeowners in Holliston are spending between 30% and 34% of their income on housing and another 613 or 16.2% are spending more than 35% of their income on housing expenses. In regard to renters, 84 renters or 13.0% are spending between 30% and 34% of their income on housing and 143 or 22.1% of renting households are allocating 35% or more for housing. This data suggests that 1,094 households or 22.8% of all Holliston households are currently living in housing that is by common definition beyond their means and unaffordable.

HUD provides additional data on housing affordability problems through its CHAS Report. While this data has not been updated for Holliston since the 2000 census, it offers some additional analysis. This report indicates the following:

- 28% of all households were spending too much for housing.
- 40% of elderly, 53.4% of small families (2 to 4 member households) and 59% of large families (5 or more related family members) who were renters were spending too much on housing.
- For owners, 23.3% of elders were spending too much of their income on housing.
- Two-thirds of elderly owners who earned within 30% of area median income were spending more than 50% of their income on housing.
- Almost one-third of elderly renters who earned within 30% of area median income spent more than 50% of their income on housing.
- Almost 40% of seniors earning between 31% and 50% of area median income were spending more than half of their income on housing.
- Approximately half of small families earning between 31% and 50% of area median income were spending more than half of their income on housing.

Information from the Assessor's Dept. indicates an average single family home value was \$394,400 in FY10 (average residential value was \$345,232) with an average tax bill of \$6,432 for 4,249 single family parcels. Home values were highest in FY07 with an average single family home value of \$435,200 (up 12% from the year before). Since FY2005, the Town's levy percentage increase has stayed steady at between 4 and 5%. Values decreased in FY08 and FY09 and remained at status quo in FY10.

C. Affordable Housing Inventory

The state lists 198 affordable housing units in the current state-approved Subsidized Housing Inventory, 4.07% of the total year-round housing stock in Holliston. Therefore the town needs to produce at least 288 more affordable units to reach the state's 10% goal based on the existing housing stock. Build-out projections estimate that Holliston can support another 2,365 units¹¹ of housing based on current zoning, which would require at least 236 of these units be affordable to comply with the Chapter 40B goal. Therefore, approximately 524 units of affordable housing will be required until build-out is achieved, a daunting task.

There has been a great debate waging on the need to reform Chapter 40B, and many recommendations have been translated into numerable bills before the State Legislature. In addition to a Task Force appointed by Governor Romney in 2003 to review Chapter 40B and issue recommendations, the State Legislature's Joint Committee on Housing and Urban Development supported compromise legislation that included the following proposed changes among others:

- Alter the numbers of "countable affordable units" by allowing communities to double count affordable units in a homeownership development (25 affordable units in a 100-unit development would count as 50 units in the Affordable Housing Inventory). This measure would at this point have no effect on Holliston's existing unit count in its Subsidized Housing Inventory but would affect pipeline projects.
- Limit the number of units reviewed at any one time such that a zoning board of appeals could deny (or condition) a comprehensive permit application if such permits are pending during the prior nine-month period that would represent affordable housing equal or greater than 2% of the total year-round housing stock. Therefore, Holliston would not be forced to review comprehensive permit applications at any time that totaled more than 97 units.

To be counted as affordable under Chapter 40B, housing must be dedicated to long-term occupancy of income-eligible households through resale or rental restrictions. The following table presents the income limits for the affordable units based on the 2009 HUD guidelines for the Boston area, including the town of Holliston, directed to those earning at or below 80% of area median income adjusted by family size.

¹¹ Figure based on MAPC projections of 7,354 total households at build-out, minus existing units including units produced since 2000 census based on local building permit data.

**Affordable Housing Income Limits for Boston PMSA
Based on 80% of Area Median Income**

Number of Persons in Household	Income Limit
1	\$46,300
2	52,950
3	59,550
4	66,150
5	71,450
6	76,750
7	82,050
8	87,350

Using these income guidelines a family of three (the average household size in Holliston is 2.87 persons) could afford to purchase a house for no more than approximately \$180,000. Based on housing market information described above, such purchase prices are dwindling in Holliston. The rental and condominium markets, however, remain quite affordable in relative terms.

1. **Current Inventory**

Of the 4,861 year-round housing units, the state currently counts 198 units, or 4.1%, as part of Holliston’s Subsidized Housing Inventory including the following three housing developments:

- *Cole Court*
The Holliston Housing Authority manages this 72-unit rental project that was financed by the state’s Chapter 667 Program to meet the housing needs of low-income seniors and disabled individuals. The first phase of the project was developed in 1977 and includes six, two-story buildings involving 48 units. A second phase was completed in 1990 with 24 more units in 3 additional buildings, also through the state’s 667 Program, for seniors and disabled. Approximately 13.5% of the current residents have some disability and four of the units are handicapped accessible. There is currently a waiting list of 45 seniors, most of whom are Holliston residents and would receive local preference for units that become available. Because turn-over is low, it is unlikely that an applicant from outside of Holliston would qualify for an available unit except in the case of an emergency, such as homelessness, which has occurred a couple of times over the last several years.

- *Cutler School – 59 Hollis Street*
The Holliston Housing Authority also manages this residential development that was created in 1990 under the state’s Chapter 705 Program to serve the needs of families. There are six units that were built onto the former Cutler School including 2 two-bedroom units, 2 three-bedroom units, and 2 four-bedroom units. Turnover has been minimal. However, the Housing Authority maintains a waiting list of 86 families.

- *Mission Springs*
Another 75 units for seniors opened in 1997 at Mission Springs through the conversion of a former Xaverian Foreign Mission Society site across from the Fatima Shrine on Summer Street. The Community Builders, Inc. developed this project in partnership with Bay Path Elder Services through the federal Section

202 Program to serve the housing needs of low-income seniors earning at or below 50% of area median income or \$28,950 for a single individual. All occupants also have Project-Based Section 8 rental subsidies that allow tenants to pay no more than 30% of their income on rent, the rental subsidies covering the difference between this tenant share and an allowable Fair Market Rent. There are four handicapped accessible units available to tenants with disabilities, and Bay Path Elder Services provides a part-time social service worker to support tenant needs. Turnover is typically limited to five to seven units per year, and the approximately 20 applicants on the waiting list can anticipate waits of at least six months. The complex involved the conversion of a former seminary and school building and is connected to ten acres of local recreational and land owned by the Upper Charles Conservation Trust. The affordability restriction on these units is noted as 2017.

- *Local Group Homes*

There are several single-family homes in town that are used as group homes by the Department of Mental Retardation (DMR) counted altogether as twelve rental units.

2. Proposed Projects

There are a number of sites that have been proposed for some amount of affordable housing development through several regulatory avenues. First, the Town enacted a Senior Residential Development Bylaw in the fall of 2001 to “satisfy the needs of the present and future inhabitants of the town for senior residential dwelling units while ensuring that such development and uses will not result in abuses detrimental to the health, comfort, safety and welfare of both the residents of the senior residential dwelling units and the Town as a whole.” Under this Bylaw multi-family dwelling units are permitted under Special Permit only within Senior Residential Districts that are created through zoning overlays. At least one member of the household must be at least 55 years of age, and the projects must incorporate some conservation of open space. While there were initially no requirements related to affordable housing in the Bylaw, the Town’s Planning Board successfully negotiated the inclusion of twelve affordable units (affordable in perpetuity to households earning no more than 80% of area median income following the state’s Local Initiative Program) in the three approved projects. With the enactment of the Town’s Inclusionary Housing By-Law in October 2005, projects with 8 or more units will be subject to provision of 10% of the units as affordable housing units.

- *Balancing Rock Village Development*

This 49-unit townhouse development off of Washington Street is being developed by Balancing Rock, LLC., incorporating three affordable units. The Planning Board approved the project in May 2004, the project is almost built out in 2010 and the Town successfully submitted a request to the state’s Department of Housing and Community Development’s Local Initiative Program to include these units as part of Holliston’s Subsidized Housing Inventory. Several of the units have been transferred from the original buyer using a Maximum Resale Price certificate and deed rider certified by DHCD.

- *Hollis Hills Preserve*
This project is located off of Hollis Street and includes 32 units, two of which will be affordable under the Local Initiative Program. The Planning Board approved the Special Permit application in September 2004. The project is currently moving into Phase II and 15 building permits have been issued.
- *Washington Hills*
The developer of this possible project, also located off of Washington Street, filed the Special Permit application for 66 units (7 of which would be affordable) and was approved in May 2007. The permits have subsequently expired.
- *Jasper Hill Road*
Approved as a senior residential overlay site in October 2003, this site is located behind Town Hall and involves the conversion of an existing home plus some additional “new” units to total up to 30 to 40 units of senior housing. No Special Permit application has been filed to date.
- *Brooksmont Realty Trust*
A former c. 61A parcel, this 20.7-acre site received approval as a senior residential overlay at the May 2006 Town Meeting. Conceptual plans called for construction of 100 units and a wastewater treatment plant as well as preservation of the existing barn and adjacent open space.

Second, the **Chapter 40B comprehensive permit process** has been used to develop the Holliston Housing Authority projects and Mission Springs, however the Town has not previously received 40B applications from “for profit” developers over the years until 2003 for the following projects:

- *Highland Meadows*
In February 2005 Ruping Builders (Highland Meadows LLC) was approved for 72 units of multi-family housing, 18 of which will be affordable to households earning at or below 80% of area median income as required under Chapter 40B regulations. The project involves 14.7 acres of land on the westerly side of Highland Street, approximately ½ mile from the Ashland Town line. To date, 15 units have been issued building permits. CHAPA’s website indicates that a 2-bedroom affordable unit is available for a sales price of \$166,500. Market rate units are advertised for between \$410,000 and \$449,000. SHI unit certification was completed for 2 units in September 2010.
- *Cedar Ridge Estates*
This proposal was submitted by Green View Realty, LLC and is located on the corner of Prentice and Marshall Streets on the 52-acre “Bird property”. The project received “project eligibility” from MassHousing in August 2004 for 200 townhouse condominium units, 50 of which would be affordable per the requirements of Chapter 40B. Because of the site’s past history and environmental contamination, project review was very lengthy and technical and the Zoning Board ultimately denied the application on September 11, 2006. The applicant appealed the denial to the Housing Appeals Committee and the Town subsequently appealed their ruling to the Land Court and is awaiting an outcome.

- *Winter Woods*
This proposal was submitted by Metro-West Housing Initiative, LLC for 76 garden-style condominium units, 19 of which would be affordable. The site includes almost 14 acres on Winter Street. This project received “project eligibility” from MassHousing in July 2004, and the comprehensive permit application was approved by the Zoning Board in August 2006. In 2009, another developer had the Planning Board approve a 4-lot open space residential subdivision on the same parcel although the comprehensive permit has not technically expired.

Third, the Town is also using Community Preservation funds to conduct environmental testing on **municipally owned properties** to preliminarily analyze feasibility for housing development, incorporating affordable housing. These projects will be described in more detail in the second phase of this project, the Affordable Housing Plan, and include the following:

- *Andrews School*
The Community Preservation Committee allocated \$22,250 in funding to support initial predevelopment work for the conversion of the Andrews School into senior housing. The Housing Committee was initially hoping to produce 16 units (15 two-bedroom units and 1, one-bedroom unit), at least four of which would be affordable to households earning at or below 80% of area median income. A Request for Proposals to solicit interest from developers was issued in early 2005 and a Comprehensive Permit was issued in April 2007 to Andrews School, LLC. Subsequently the agreement with the developer has expired. A title issue was discovered and is now going through Land court and state legislation. Anticipated release of clear title is December 2010. Due to the lack of funding for homeownership projects, the Andrews School project went back to town meeting and received approval for 16 senior affordable units. The Housing Committee is aiming to start the RFP process by the end of 2010. CPC has committed up to \$600,000 toward this project.
- *Pinecrest*
The Town also owns a significant amount of land in proximity to the Pinecrest Golf Club, which may be appropriate for some amount of affordable housing. The Community Preservation Committee made \$52,550 available for environmental testing to determine the extent of buildable area and to project the approximate numbers of units that can be built. Due to recent changes in the septic calculations, there may be potential for up to 90 units, increasing from 30-60 initially. The Housing Committee will be revisiting this project in 2011.

There are other Town-owned properties that are being discussed as potential sites for affordable housing but no specific action has occurred on these as of yet. More information on these possible properties will be included in the Housing Action Plan.

D. Gaps Between Existing Housing Needs and Current Supply

As the affordability analysis indicates in Section III.2.B. above, significant gaps remain between what most current residents can afford and the housing that is available. In fact the current homeownership market is becoming increasingly limited to those earning median income and low- and moderate-income households are virtually shut out of this market with the exception of condominiums and rental units.

The Build-out analysis that was performed by the Metropolitan Area Planning Council (MAPC) in 2000 projected that the town of Holliston could support at least another 2,365 housing units for a total build-out of 7,354 units, assuming current zoning.¹² The analysis projected approximately 1,500 additional school children. Infrastructure requirements to support these additional units include approximately 500,000 gallons of water per day and 3,500 tons of municipal solid waste per year including about 1,000 tons of non-recycled solid waste.

This analysis indicates that in order to meet the 10% state standard, the projected population growth would require at least an additional 236 units of affordable housing over and above the 325 units required based on the 2000 year-round housing unit count. Therefore, approximately 561 units of affordable housing will be required until build-out is obtained (once again this is based on current zoning). Based on past housing construction patterns, this goal would be remarkable and not likely achievable without a considerable investment of public and private resources and political will.

Based on this Housing Needs Assessment a number of indicators suggest significant local needs for affordable housing including:

Households with Limited Incomes

- In 2000 the census counted about 4.0% or 189 households with incomes below \$10,000, while another 363 or 7.6% had incomes between \$10,000 and \$24,999 representing extremely low-income levels at or below 30% of area median income.
- Approximately 630 total households had incomes within what public agencies would define as very low-income levels at or below 50% of area median income.
- More than one-third of Holliston's households or 1,693 households would likely qualify for housing assistance as incomes are at or below 80% of area median income defined by HUD.
- Those living in poverty remain a significant population within the town of Holliston comprising almost 475 individuals and approximately 100 families who have substantial income limitations and should have public assistance to meet their housing needs.
- Almost one-quarter of Holliston households, or about 1,100 households, are currently living in housing that is by common definition beyond their means and unaffordable.
- Approximately half of small families earning between 31% and 50% of area median income were spending more than half of their income on housing.

¹² Figure based on MAPC projections of 7,354 total households at build-out, minus existing units including units produced since 2000 census based on local building permit data.

Disabilities and Special Needs

- There are a number of residents who are disabled, including 213 or 6.3% of the school-age population, 752 or 9.2% of those 21 to 64 (262 of whom could not be employed), and 405 or 34.6% of those 65 years or older.
- Two-thirds of elderly owners who earned within 30% of area median income were spending more than 50% of their income on housing.
- Almost one-third of elderly renters earning within 30% of area median income spent more than 50% of their income on housing.
- Almost 40% of elderly renters earning between 31% and 50% of area median income were spending more than half of their income on housing.

Gaps in Affordability and Access to Affordable Housing

- Based on 2000 Census data, more than two-thirds of town residents do not have sufficient incomes to afford the median sales price of \$339,900 and about 600 or 14% of town households cannot afford the median rent of \$738 per month. In 2008 median home prices were slightly above the 2004 prices while median gross monthly rents increased significantly to approximately \$1,130 (Source: Housing Report Card 2009).
- The affordability gap is about \$55,000 - the difference between the price of the median priced home and what a median income household can afford. The affordability gap is as high as \$160,000 if the analysis focuses on those low- and moderate-income households earning at or below 80% of area median income.
- There are approximately 45 applicants on the Housing Authority's waiting list for the Cole Court project, most of whom are Holliston residents. The waiting list for the Housing Authority's Cutler School project has 86 families listed.
- There are approximately 20 applicants on the waiting list at any time for Mission Springs who must wait at least six months on average before a unit becomes available.
- There are no assisted living units available in Holliston.

A 2010 article titled "Is Housing in Mass. More Affordable? (Only for a Lucky Few)" by Lindsay Koshgarian of the UMass Donahue Institute notes that as prices fall, affordability remains a problem. While falling house prices have put homeownership within reach for potential homeowners with slightly lower incomes, prices remain high compared with incomes in most parts of the state. She notes that from 2006 to 2009, prices fell between 6 and 21 percent in the (commonwealth's) six metropolitan areas. In the Boston metropolitan area in 2009, the median household income was still only 81 percent of what was needed to afford the median home, despite an 18 percent decline in the median home price. While this represents an improvement in the affordability gap, affordable home are still in short supply.

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

Additionally, a local survey of Holliston residents over the age of 55 as well as municipal employees provided further perspectives on housing needs. Holliston's Housing Committee coordinated this survey in 2003, distributed through the Council on Aging and Town Hall. There were 84 respondents to the Over 55 Survey and key findings include the following:

- 87% of respondents lived in Holliston for more than 21 years, 71% were 65 years of age or older, 54% were married, and 94% were homeowners.
- 35% had incomes of less than \$30,000, 29% earned between \$30,000 and \$56,000, and another 36% had incomes of more than \$56,000.
- 65% of respondents stated that it was very important for them to continue living in Holliston.
- 43% answered that they might have to move out of Holliston due to problems associated with the lack of housing affordability.
- 39% indicated that they would move if they could find a more affordable alternative.
- 58% preferred a two-bedroom housing unit and 56% indicated that they preferred to live in an over 55 community.
- 86 % stated that they would not need any special accommodations.
- 78% indicated that they were aware of the Elderly and Disabled Taxation Fund.
- The results concerning what was considered a reasonable price range included –
 - 18% \$95,000 to \$125,000
 - 18% \$125,000 to \$175,000
 - 22% \$175,000 to \$225,000
 - 13% \$225,000 to \$250,000
 - 15% \$250,000 to \$275,000
 - 13% Over \$275,000

The results from the survey directed to municipal employees, who involved 83 respondents, are summarized below.

- Almost half of the respondents had been employed by the Town for less than five years.
- 61% of respondents were married with children.
- 94% already owned a home.
- 46% already lived in Holliston.
- 74% had a combined household income of more than \$56,000.
- 19% indicated that it was important for them to live in Holliston.
- 20% responded that they did not live in Holliston because of housing affordability.
- 9% stated that they would move to Holliston if affordable housing were made available.
- 68% preferred a single-family home as opposed to a townhouse, condo or rental; only 1 respondent stated a preference for a rental unit.
- The results concerning what was considered a reasonable price range included --
 - 3% \$95,000 to \$125,000
 - 19% \$125,000 to \$175,000
 - 18% \$175,000 to \$225,000
 - 17% \$225,000 to \$250,000
 - 15% \$250,000 to \$275,000
 - 28% Over \$275,000

It should be emphasized that these are *not* scientific surveys that involved random samples of target populations. Nevertheless, these limited results provide some insights into local housing needs. For example, more than half of those responding to the over 55 survey expressed an interest in downsizing and relocating into senior residential communities if given a preference. The majority had incomes within 80% of area median income and about one-third indicated that they would move if given an acceptable affordable alternative. In comparison, most municipal employees who responded live outside of Holliston, already own their own home, have incomes

above 80% of area median income, and expressed no great interest in moving to Holliston if affordable housing was made available. This would suggest that this population might not have significant affordable housing needs that would establish them as an important target market for any new affordable housing.

E. Obstacles to Development

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

1. Infrastructure

As mentioned earlier, a major constraint and cost factor for new development is the lack of sewer services throughout town and water services in some locations (higher elevations). Residents must rely solely on septic systems unless communal wastewater treatment facilities are integrated into the new development, a costly measure that requires a fairly large project to render feasible. Community residents have also voiced concerns over the availability of roads, police and fire protection, and other Town services to accommodate new development and the implications of increased costs associated with extending these services.

2. Zoning

As is the case in most American communities, a zoning bylaw or ordinance is enacted to control the use of land including the patterns of housing development. Like most localities in the Commonwealth, Holliston's Zoning Bylaw embraces large-lot zoning that maintains low housing densities and severely constrains the construction of affordable housing. Other provisions allow higher densities through accessory apartments or senior housing (Senior Residential Dwelling Development Bylaw) based on specific requirements. In Holliston, however, occupancy of accessory apartments is currently limited to relatives of the owners of the principal residences, reducing the potential effectiveness of this housing option. While the Bylaw does include Apartment District Requirements, there are no such overlay districts currently identified on the Zoning Map and the creation of an Apartment District requires Town Meeting approval. Additionally, Holliston's Zoning Bylaw currently allows open space residential (cluster) development with an affordable housing bonus to help preserve open space but restricts development to single-family detached homes (minimum lot sizes and frontage requirements are significantly reduced) thus limiting the potential for creating more efficient density and greater affordability on the part of the parcel to be developed. Another component of the Zoning Bylaw is a Village Center Commercial District that allows mixed commercial and residential properties including multi-family development above the first floor through a Special Permit, which should be promoted. Finally, a Special Permit process for low or moderate income housing was added to the Bylaw in 2001; and while minimum lot area, frontage and setback requirements are relaxed, the reductions are unlikely to provide sufficient incentives for the actual production of affordable housing unless significant subsidies can be secured to make the development feasible given the high cost of land.

3. School Enrollment

Build-out projections indicate that the school age population should increase by another 1,500 children. The Town's Master Plan states that based on build-out figures, Holliston's school capacity would have to increase beyond current facility expansion plans translating into one to three entirely new schools in the future. It should be noted, however, that communities have largely overestimated school enrollments and associated costs based on projected future housing growth. A recent study by the University of Massachusetts entitled, "The Fiscal Impact of New Housing Development in Massachusetts," found that "for many Massachusetts communities, population growth associated with new housing is not inevitably followed by increased demand for services and higher municipal costs. Many of our fastest growing communities experienced the slowest growth in per capita tax burden during the 1990's. In fact, there seems to be little correlation between increases in per capita costs and increases in population, and it seems that municipal services are generally increasing in cost regardless of growth. This strongly suggests that the standard models relied upon by cities and towns to estimate the fiscal impact of development may be systematically overestimating these costs in many communities. Specifically, it is evident that the population forecasting model commonly relied upon by many people to calculate the population impact of new housing does not fit well with the current reality of Massachusetts."¹³

4. Transportation

The 2000 census indicates that Holliston has 4,795 households and with an average of two cars per household this calculates into almost 10,000 local vehicles. And unlike many communities, Holliston is hampered by its lack of direct access to the state's major transportation networks and must share its main street, Washington Street, with through traffic. Not surprisingly, traffic congestion occurs along Washington Street during the morning and evening rush hours. Any new development, particularly in proximity of Washington Street, will have to address impacts on transportation.

The town does have some limited access to the MetroWest Regional Transit Authority's bus service (Route 6) that runs from downtown Framingham into Ashland on Route 126, passing through Holliston and ending in Milford. This route has repeatedly been threatened by funding cuts. Local officials have indicated that this bus route has been a big benefit to low-income commuters who do not have cars as well as seniors and disabled residents who have no other sources of available transportation.

5. Environmental Concerns

Holliston is the guardian of regionally significant natural resources such as the headwaters of the Charles River and three of its major tributaries, parts of the Bay Circuit Greenbelt, almost 100 ponds, several large lakes, and the habitat for several rare wildlife species. Additionally, most of the town's residents derive their water from seven public wells that require protection. Most residents are aware of the town's natural treasures and are rightly concerned about conserving them. The town has an active Conservation Commission to protect environmentally sensitive areas. The impacts of any new development must be identified as to how they affect the environment and what actions might be required to mitigate problems. While regulations to protect the environment

¹³ Nakosteen, Robert, Ph.D., Isenberg School of Management, and James Palma, MRP, AICP, Donahue Institute, University of Massachusetts, "The Fiscal Impact of New Housing Development in Massachusetts: A Critical Analysis," p. 150.

(e.g., wetlands, aquifers, septic systems) are important and essential, they present challenges to development by reducing the amount of buildable land and increasing the time and costs of developing new housing.

6. Availability of Subsidy Funds

Financial resources to subsidize affordable housing preservation and production as well as rental assistance have suffered budget cuts over the years making funding more limited and extremely competitive. Communities are finding it increasingly difficult to secure necessary funding and must be creative in determining how to finance projects and tenacious in securing these resources. In 2002, Holliston approved the creation of a Community Preservation Fund with funding support from the state to support open space preservation, historic preservation and affordable housing production. These funds will make approximately \$460,000 available per year, at least 10% of which must be directed to affordable housing activities. This funding will be helpful, but additional public and private technical and financial resources will be required to meet production goals.

7. Community Perceptions

Affordable housing, subsidized housing, low-income housing, projects, Section 8, etc. – these terms in the minds of some local residents can conjure thoughts of potential neglect that undermines property values, increased crime, and even tensions concerning class and race. If someone has not witnessed the benefits of affordable housing directly, images of the inner city may instead emerge. On the other hand, with soaring real estate prices, community perceptions are beginning to tilt towards the realization that affordable housing is needed in the community. More people are recognizing that the new kindergarten teacher, the waitress at their favorite restaurant, their grown children, or the elderly neighbor may not be able to afford to live or remain in the community. It is this growing awareness, as well as impending 40B developments, which is spurring communities such as Holliston to take a more proactive stance and sponsor or support affordable housing initiatives.

F. Local and Regional Organizations

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

1. Holliston Housing Committee

The Town of Holliston's Board of Selectmen formed the Holliston Housing Committee in 2001 to support local housing needs. The Committee oversaw the development of the 2004 Housing plan, is currently overseeing the preparation of this Housing Plan update and is exploring the feasibility of a number of housing strategies to increase the number of units in the town's Subsidized Housing Inventory.

2. Holliston Community Preservation Committee

The Holliston Community Preservation Committee (CPC) has been charged with the oversight of funds to be raised through Holliston's passage of the Community Preservation Act. In September of 2000 the Community Preservation Act was enacted to provide Massachusetts cities and towns with another tool to conserve open space, preserve historic properties and provide affordable housing. This enabling statute established the authority for municipalities in the Commonwealth to create a Community Preservation Fund derived from a surcharge of up to 3% of the property tax with a

corresponding state match of up to 100%. Once adopted the Act requires at least 10% of the monies raised to be distributed to each of the three categories (open space, historic preservation and affordable housing), allowing flexibility in distributing the majority of the money to any of the three uses as determined by the community. The Act further requires that a Community Preservation Committee of five to nine members be established, representing various boards or committees in the community, to recommend to the legislative body, in this case Town Meeting, how to spend the Community Preservation Fund.

In May 2002, the voters of Holliston adopted the CPA, approving a 1.5% surcharge on most property taxes paid by town residents. Holliston chose to exempt the first \$100,000 of property value, plus an exemption is also available for residential property owned and occupied by certain low-income residents and seniors.

Holliston's Community Preservation Committee is comprised of nine members including representatives of the Planning Board, Historic Commission, Conservation Commission, Park Commission, Housing Authority and four "Members at Large" appointed by the Board of Selectmen.

Thus far a total of \$949,600 has been appropriated for specific affordable housing activities including the following:

ANDREWS SCHOOL -- \$22,250

\$2,500 for an asbestos and lead paint analysis.

\$3,750 to evaluate the sewage disposal feasibility.

\$8,000 for the design of an engineering solution for a septic system that will meet Title V regulations.

\$8,000 for additional planning for the conversion of the Andrews School into senior housing including a perimeter/topographical survey, preliminary architectural plans and a 21E environmental Phase I analysis.

PINECREST COUNTRY CLUB -- \$52,550

\$4,200 to test the suitability of the soil of Town land by Pinecrest Country Club for sewage disposal.

\$13,350 to obtain data to determine if additional sites on Town-owned land adjacent to the Pinecrest Golf Club can support on-site sewerage for affordable housing units and to design a septic system that complies with Title V.

\$35,000 to undertake testing and predevelopment work for the construction of housing on Town-owned land surrounding the Pinecrest Golf Course including a perimeter and topographical survey, a 21E Phase I environmental report, a wetlands delineation study/engineering analysis and a preliminary architectural feasibility plan.

CUTLER HEIGHTS -- \$909,600

\$5,000 to study potential affordable housing development alternatives for the Holliston Housing Authority site by the Cutler School.

\$10,000 to develop an affordable housing plan into a feasible project for the site by the Cutler School and identify funding sources.

\$34,600 to undertake predevelopment work including the balance of the septic system design analysis, completion of a topographical survey, schematic architectural plans for housing, schematic analysis of multi-family housing feasibility, 21E environmental report and geotechnical/ledge analysis.
\$860,000 to help ensure affordability of the units. These funds were utilized in the overall financing package to leverage multiple funding sources, including MassHousing Affordable Trust Funds, CEDAC Community-Based Housing, DHCD Low-Income Housing Tax Credits, NeighborWorks America Funds, TCAP loan (DHCD/ARRA) and just over \$2,200,000 in loans for a total of \$8,752,100.

OTHER – \$25,200

\$1,200 for the preparation and mailing of a housing questionnaire and brochure to residents and Town employees.

\$24,000 to develop a comprehensive affordable housing master plan.

3. Holliston Housing Trust

The Housing Trust was established at Town Meeting in 2007. In Spring of 2010, the Selectmen appointed 9 members to be on this Trust including members from the Housing Committee, Housing Authority, CPC and Planning Board. By-laws went through public review at the end of May 2010 and have been recently executed.

4. Holliston Housing Authority

The Holliston Housing Authority was incorporated in December of 1968 and owns and manages two low-income housing developments in Holliston – Cole Court that provides 72 rental units for seniors and disabled tenants and Cutler School/59 Hollis Street that includes six units for qualifying families. The Housing Authority also manages 49 rental vouchers that subsidize the rents of low-income households living in private rental units.

In 1996, the Holliston Housing Authority created a subsidiary non-profit organization, the Holliston Housing Development Corporation, which is currently working with the Town of Holliston on a potential affordable housing development involving a swap of the Housing Authority's land on Marshall Street in exchange for a municipally owned parcel near the Cutler School. Environmental testing, funded through a Community Preservation allocation, has indicated preliminary feasibility of the site for development, and the Housing Authority is currently focusing on the site control issues hoping to resolve them this summer and be able to issue a Request for Proposals to select a developer for the project in the fall of 2004.

5. Holliston Council on Aging

According to their mission statement, the Holliston Council on Aging and Senior Center are committed to serving the needs of citizens who are 55 years and older and any disabled adult. "It is our goal to provide our members with healthy choices for their bodies, minds and spirits. Our programs revolve around many different interests, economic levels as well as physical capabilities. We offer a wide variety of programs, including exercise and yoga classes, computer training, cultural and educational sessions.

The Center provides seniors and disabled adults with outreach services. These include but are not limited to fuel assistance, mobility support and general outreach as well as a very active SHINE program. We also serve hot nutritious meals twice a week. The Center has created a model local transportation program by partnering with the MWRTA; we provide senior residents and ADA citizens with transportation for weekly grocery shopping and/or medical appointments as well as our twice weekly lunch program.

The Town of Holliston employs a part-time Director, Outreach Coordinator, Office Manager and two van drivers to oversee the Senior Center daily operations. The Center employs 12 consultants (instructors), who teach a variety of courses, from a chorus director to a painting instructor. The Center also prides itself with over 60 regular volunteers who help with everything from answering the phone, to serving on boards or serving meals.”

6. Bay Path Elder Services

Bay Path Elder Services is a non-profit community service organization dedicated to enabling seniors “to live independently and comfortably in the community for as long as possible while promoting their well-being and dignity”. Since 1977 this organization has been providing services in the Metro West area including to the Town of Holliston, based on a person’s ability to pay or on a fee-for-service basis. Services include care management, homemaking, home-delivered meals, health promotion activities, support to councils on aging and senior centers, legal help, senior employment, aid to the visually and hearing impaired, and mental health counseling. In cooperation with local housing authorities, Bay Path operates one congregate housing site in Natick and supportive housing in Framingham. Recognizing the growing need for more affordable housing options in the area, Bay Path co-sponsored the Mission Springs development in Holliston with The Community Builders, Inc. Bay Path provides an on-site coordinator for this project as well as supportive services, such as housekeeping and personal care. In fact at least half of Mission Spring’s 75 tenants need assistance in three or more daily living activities such as meal preparation, bathing and dressing.

7. South Middlesex Opportunity Council, Inc. (SMOC)

SMOC is a private, non-profit organization that serves as the area’s community action agency as well as regional housing agency providing a wide range of programs and services for the greater Metro West and Blackstone Valley areas. The corporation’s goal has been to improve the quality of life for low-income people by working with the community to affect social, individual and family change. Programs include day care and preschool education, employment training and placement, housing, addiction, mental health, women’s protective services, nutrition, energy and weatherization, legal services, services for the elderly, emergency shelter, as well as community organizing around health care, housing, rising energy cost and banking services.

As the regional housing agency SMOC provides housing and community services to low- and moderate-income individuals and families including rental assistance programs, loan programs to support home modifications to improve access for the disabled, de-leading, and weatherization improvements. Financial assistance is also provided to subsidize the costs of fuel, water and sewer costs to qualifying households.

In 1986, SMOC created a subsidiary non-profit development organization, South Middlesex Non-Profit Housing Corporation, to preserve, improve and develop new housing choices for low- and moderate-income residents, and integrating supportive services when appropriate. The Housing Corporation not only develops but owns and manages the agency's real estate as well, both residential and commercial properties including 600 units ranging from emergency shelters, special needs housing, Sober housing, transitional housing for individuals and families, affordable single and family rentals, and first-time homeownership opportunities.

8. Metro West Affordable Housing Coalition

The Metro West Affordable Housing Coalition was formed several years ago to provide a forum for communities in the Metro West area to come together for mutual support of avenues for producing affordable housing. The Coalition has reached out to Citizen's Housing and Planning Association (CHAPA) for support and has convened a number of meetings of representatives of Metro West towns and cities to discuss affordable housing issues, share information and rally support for new affordable housing initiatives.

9. 495/Metro West Corridor Partnership

The 495/Metro West Corridor Partnership was established in 2002 to promote economic development and preserve natural resources while enhancing the quality of life in communities in the 495/Metro West area. Its membership includes representatives from public and private businesses, education and local and state government.

The organization has recently entered into a partnership with Citizens Housing and Planning Association (CHAPA), a statewide organization that represents all interests in the housing field to promote affordable housing, and the Home Builders Association of Massachusetts to sponsor the [home@last](#) program to increase the production of high quality affordable housing in the communities of the 495/Metro West area. A major component of this initiative is to help these communities better understand the benefits that affordable housing can bring to their towns and the region as a whole.

10. Metro West/Greater Worcester Habitat for Humanity

Habitat for Humanity is an ecumenical, non-profit Christian ministry dedicated to building simple, decent homes in partnership with families in need that has grown over the past two decades into one of the largest private homebuilders in the world. The organization has almost 1,600 U.S. affiliates and over 2,000 affiliates worldwide, including one based in Worcester that serves a number of towns in the Metro West area. Affiliates are operated with multi-denominational and multi-racial local leadership and with community volunteers who construct or rehabilitate houses that are sold without profit and interest to selected families in the area. The organization has completed one house on Weld Street in Framingham and is searching for additional sites on which to build affordable homes.

IV. PROPERTY INVENTORY

The following information represents a work in progress that will be fine-tuned on an ongoing basis in coordination with other Town Boards and Committees. A map of the existing affordable housing stock and these potential affordable housing sites is included in Attachment 1.

A. Publicly-owned Properties

The Holliston Housing Committee in coordination with the Town Planner, Planning Board and Open Space Committee has identified a number of properties that are owned by the Town, which may be suitable for some amount of affordable housing development.

Town-owned Properties with Potential for Affordable Housing Development

Parcels	Map #/ Block/Lot	Total Parcel Acres	Buildable Housing Acres **	Projected Total # Units/ Affordable Units
Andrews School	8E/4/41 on School Street	.98	Renovation of existing building	16/16 (senior rentals)
Pinecrest	8/2/49	40 +	5	90/60 (condos)
Gorwin Drive	7/7/345	9.61 Site includes water tank	7	56/28
Chamberlain Street	7/7/366.2	6.47	2	16/8 (condos)
Fairlane Way	8/5/17	5.64	4	28/14
Central Street	8F/9/14	6.13 foundry building; water dept. offices; some excess land	3	24/12
Woodland Street	8A/5/18	4.7	To be evaluated	
Off Shaw Farm Road	9/5/98.A and 112A	6.5	To be evaluated	
Total				220/126

* It is anticipated that a number of these projects will involve rentals; 100% of units in rental developments count towards the state-defined Subsidized Housing Inventory.

** Very preliminary estimates without benefit of preliminary feasibility analyses.

The above projections were based on the following assumptions:

- Projections are based on eight (8) units per acre. However, given specific site conditions it may be appropriate to increase or lower density. Due to the lack of Town water and sewer services, density may have to be reduced closer to four (4) units per acre to accommodate wells and septic systems.
- The Town of Holliston has determined that it wants to maximize the number of affordable units per project, and depending upon the project location, site conditions and feasibility, 100% of the new units will be available as affordable to the greatest extent possible. To adequately address the range of local housing needs, efforts will be taken to incorporate those with incomes of less than 60% of area median income into rental developments as well as a small portion of units directed to households within 50% and 30% of area median income based on subsidy program requirements.
- Approximately 10% of new homeownership units will be targeted to more moderate and middle income households that will enable the Town to provide housing for those households earning above 80% of area median income and less than 150% of area median income but priced out of the current housing market. Additionally, market rate units will provide internal subsidies to help support project feasibility, which will be particularly important for sites that will incur high costs of infrastructure.
- The number of acres set-aside for housing involves a *very* preliminary estimate of the buildable area and in recognition of Town concerns for maintaining some amount of open space in most developments, including infrastructure requirements such as water and sewer treatment facilities, and in some cases accommodating other uses on site as well.

In addition to currently owned Town parcels, the Town of Holliston is likely to acquire privately owned sites over the next decade for the purposes of protecting open space and developing some amount of housing, including affordable housing, through cluster development on a portion of the sites. Community Preservation Funds would be one good source for such acquisition as the accommodation of both affordable housing and open space would serve two CPA goals. The Town is currently considering the acquisition of such a privately owned parcel.

B. Private Properties

The Holliston Housing Committee has also identified privately owned properties that might be appropriate for incorporating some affordable housing development. For example, there are a number of existing multi-family housing developments, most of which are investor-owned condominiums that are rented out. The condos sell at affordable prices when they become available on the market and are likely units for the Town to target for the conversion of market units to affordable (see Section IV.C.3 for a description of this conversion strategy). Some of these developments are listed in the following table:

Private Properties

Name of Development	Location	Total # Units	Sale Prices	Comments
Burnap Road	Near Pinecrest Golf Club	32 one- and two-bedroom units	\$160,000	Condos; many investor-owned and rented
North Mill/ Hargrave/ Kathryn Lane	Near Pinecrest Golf Club	36 units	\$320,000 to \$500,000 for each 4-unit building	Four-family units; most units are rentals
Crestview Condos Turner Road	Near Ashland line	120 one-bedroom units, 60 in each of 2 buildings	\$115,000 to \$130,000	Condos; many investor-owned and rented
Regency Park	Near Town Center	45 units	\$180,000 to \$190,000	Condos; many investor-owned and rented
Winthrop Street	Near Town Center	4 units		Condos
Windsor Drive	East Holliston	One brick building with 30 units	\$140,000	Condos; many investor-owned and rented

There is also a privately owned parcel that is currently being considered for acquisition by the Town, and there will likely be additional opportunities to purchase private land in the future. The Town plans to work cooperatively with existing owners or for profit and non-profit developers and organizations to develop these properties, incorporating affordable housing.

It is also likely that developers will continue to pursue comprehensive permit applications. In fact 153 of the current 161 affordable housing units in Holliston were developed through the comprehensive permit process to override zoning requirements. It will be incumbent on the Town, primarily through the Holliston Housing Committee and Zoning Board of Appeals, to negotiate with these developers to guide new development to more appropriately satisfy local needs and requirements, creating a higher percentage of affordable units where feasible with Town support.

Interest in the Town's Senior Residential Development Bylaw is also likely to continue, and the Planning Board should continue to negotiate with developers for the inclusion of affordable units until an inclusionary zoning bylaw is adopted that would require that a

specified percentage of the units be affordable and counted as part of the Town's Subsidized Housing Inventory.

V. AFFORDABLE HOUSING PLANNED PRODUCTION GOALS

The Massachusetts Department of Housing and Community Development (DHCD) is administering the Planned Production Program in accordance with regulations that enable cities and towns to prepare and adopt an affordable housing plan that demonstrates production of an increase of .50% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.¹⁴ Holliston will have to produce approximately 24 affordable units annually to meet these production goals through 2010. When the 2010 census figures become available in 2011, this number will be higher, most likely above 40 units. If DHCD certifies that the locality has complied with its annual production goals, the Town may, through its Zoning Board of Appeals, deny comprehensive permit applications.

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

- To the greatest extent possible, one hundred percent (100%) of the units that are developed on Town-owned parcels should be affordable to households earning at or below 80% of area median income and at least another 10% affordable to those earning up to 150% of area median income, depending on project feasibility. The rental projects will also target some households earning at or below 60% of area median income and lower depending upon subsidy program requirements.
- Projections are based on eight (8) units per acre. However, given specific site conditions it may be appropriate to lower density; and due to the lack of Town water and sewer services, density may have to be reduced closer to four (4) units per acre to accommodate wells and septic systems.
- Because housing strategies include some development on privately owned parcels, production will involve projects sponsored by private developers through the standard regulatory process or "friendly" comprehensive permit process. The Town will continue to work with these private developers to fine-tune proposals to maximize their responsiveness to community interests and compliance with Housing Guidelines. The Town plans to promote increased affordability in these projects, working with developers to incorporate at least one-third of the units as affordable.
- The projections involve a mix of rental and ownership opportunities, targeting rental or mixed rental and ownership closer to nonresidential uses, more remote areas and larger parcels and homeownership towards the smaller sites in residential areas. *The Town will work with private developers to promote a diversity of housing types directed to different populations with housing needs including families, seniors and other individuals with special needs to offer a wider range of housing options for residents.*

¹⁴ Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

PRODUCTION GOALS 2010 – 2020

Year 1 – 2010

Development of Town-owned property, Cutler Heights = 30 units

Subtotal = 30 units

Year 2 -- 2011

Development of Town-owned property

Andrews School (rental units for seniors) = 16 units

Private development = 9 units

Subtotal = 25 units

Year 3 -- 2012

Development of Town-owned property

Pinecrest (mixed-income condos) = 22 units

Scattered-site development = 2 units

Subtotal = 24 units

Year 4 -- 2013

Private development = 4 units

Conversion of existing housing stock = 5 units

Private development = 4 units

Accessory apartments = 2 units

Subtotal = 15 units

Year 5 -- 2014

Development of Town-owned property

Central St. = 20 units

Private development = 4 units

Accessory apartments = 2 units

Inclusionary zoning = 2 units

Subtotal = 28 units

Year 6 – 2015

Conversion of existing housing stock = 5 units

Accessory apartments = 2 units

Development through 40R = 10 units

Subtotal = 17 units

Year 7 -- 2016

Development of Town-owned property

Pinecrest = 22 units

Private development = 10

Conversion of existing housing stock = 5 units

Subtotal = 37 units

Year 8 -- 2017

Accessory apartments = 5 units
Scattered-site development = 2 units
Conversion of existing housing stock = 5 units
Subtotal = 12 units

Year 9 – 2018

Private development = 15 units
Accessory apartments = 2 units
Conversion of existing housing stock = 5 units
Subtotal = 22 units

Year 10 – 2019

Development of Town-owned property
 Pinecrest = 12 units
 Woodland = 8
Private development = 15 units
Affordable development on nonconforming lots = 4 units
Subtotal = 39 units

Total = 288 affordable units with a total projected number of housing units created of 488 units. A summary chart of these production goals is included as Attachment 2.

It is difficult to project which specific projects will involve ownership vs. rental beyond Year 4, and these projections are therefore conservative with totals assuming homeownership projects with at least 50% of the units affordable although a mix of rental and ownership is planned to meet local needs. The numbers would be higher in the case of rental projects with all units counting as part of the Subsidized Housing Inventory. Additionally, these estimates do not earmark particular projects as being directed to seniors, families, individuals or special needs populations, however, this Plan projects that all of these needs will be addressed through local development efforts during the next ten years.

VI. HOUSING ACTION PLAN

The strategies outlined below are based on previous plans, reports, studies, the Housing Needs Assessment, and the experience of other comparable localities in the Metro West area and throughout the Commonwealth. The strategies are grouped according to the type of action proposed – Planning and Regulatory Reform, Building Local Capacity, Housing Production, and Housing Preservation – and categorized by Two-Year and Five-Year Action Plans. Two-Year actions are those that will begin within the next two years, most of which will involve some immediate actions. Those strategies included in the Five-Year Action Plan involve focused attention after the next couple of years, working towards implementation after Year 2 but before Year 5. A summary of these Housing Actions is included as Attachment 3.

A. Planning and Regulatory Reform

Housing production is contingent not only on actual development projects but on the planning and regulatory tools that enable localities to make well informed decisions to strategically invest limited public and private resources on housing creation. To most effectively and efficiently execute the strategies included in this Plan and meet

production goals, greater flexibility will be needed in the Town's Zoning Bylaw and new tools will be required to capture more affordable units and expeditiously move development forward to completion.

The Zoning Bylaw includes a minimum lot requirement of at least 30,000 square feet as well as frontage and setback requirements are not conducive to affordable housing and create the need for regulatory relief on any residential development that includes affordable units. The minimum lot requirement for areas in Agricultural-Residential District A is two acres, one acre for areas in Agricultural-Residential District B. Given these zoning constraints, it will be necessary to seek regulatory relief, most likely through the "friendly" comprehensive permit process, to override local zoning and make affordable housing development possible in Holliston. Additionally, the Zoning Bylaw incorporates a number of provisions that while intended to encourage affordable housing, have not provided sufficient incentives to realize actual new affordable units and should be revisited and revised.

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

1. Adopt Affordable Housing Guidelines for Privately Sponsored Affordable Housing Development

Current Status: "Affordable Housing Guidelines" should be adopted as a means to promote greater cooperation with private for profit and non-profit developers on producing affordable housing in Holliston. This Housing Plan incorporates Planned Production goals that identify development opportunities leading to the production of at least .75% of the year-round housing stock per year of about 36 units. Legislation has been proposed to reduce this threshold to .5% or approximately 25 units, representing a more manageable target. However, given past production of only 161 total units, both goals are ambitious and will require the Town to work more effectively with developers to boost the level of affordable housing production. To this end the Holliston Housing Committee and Planning Board should consider affecting the types of housing proposals submitted through the creation of reasonable Affordable Housing Guidelines that provide guidance on the types of projects that will be acceptable to the community and therefore will more likely avoid prolonged and often litigious battles.

Affordable Housing Guidelines provide an aid to both non-profit and for profit housing developers to help them plan for residential development that will be in line with what the community seeks in affordable housing related to scale, siting, density, levels of affordability, location and design. Through such Guidelines the developer "wins" because there is greater predictability in what the Town is willing to approve, and the Town "wins" because it gets new affordable units that meet locally established development criteria that help it meet local needs and production goals. These Guidelines will contribute to a more open environment where developers who meet these development criteria can approach the Town

with the expectation that they will likely be able to pursue their project through a “friendly” Chapter 40B process, working with instead of against the Town on housing creation strategies.

The draft Affordable Housing Guidelines are included as Attachment 4.

Next Steps: The Holliston Housing Committee, working in coordination with the Planning Board, should revise the draft Affordable Housing Guidelines as needed and share them with the Board of Selectmen, Community Preservation Committee, Conservation Commission, Zoning Board of Appeals and other interested boards and committees for their review and comment. The Guidelines can then be finalized and brought before the Planning Board and Zoning Board of Appeals for approval.

Timeframe: Two-Year Plan

Resources Required: Donated time of members of various Town boards and committees.

Projected # Affordable Units Produced: 52 units through private development, most through the “friendly” Chapter 40B process.

2. Amend Accessory Apartment Bylaw

Current Status: The current Zoning Bylaw allows accessory apartments, however restricts them to single-family residences, allowed as-of-right in residential districts and through Special Permit in commercial districts “to assure that the single-family character of the neighborhood will be maintained and that the accessory unit remain subordinate to the principal use of the living quarters.” The occupancy of the accessory unit must also be limited to a family member “related by first degree of kinship, marriage or adoption to the owner of the premises.” There are currently only about ten accessory apartments in compliance with the Bylaw in Holliston.

The Zoning Bylaw also states that the occupancy permit for an accessory apartment remains in force for a period of two years and is terminated upon resale and change of occupancy by the owner and requires that the accessory units not change the single-family character of the dwelling, except for the provision of an additional access or egress. The maximum floor size for an accessory unit cannot be more than 600 square feet, representing a very small unit.

Accessory units are helpful in meeting a number of public policy objectives. First, they enable homeowners to capture additional income, which is particularly important for elderly homeowners or single parents where such income may be critical to remaining in their homes. Also, without the flow of income from an accessory apartment, some young families or moderate-income households might not be able to afford homeownership. Second they provide appropriately sized units for growing numbers of smaller households. Third, accessory units are inexpensive ways of increasing the rental housing stock at lower cost than new construction and without significant impact on the surrounding neighborhood, and the creation of accessory units does not require additional

Town services such as streets or utilities or typically involve the loss of open space. There are however, issues regarding the adequacy of the existing septic system when a new bedroom is added. Fourth, tenants in accessory apartments can also provide companionship, security and services for the homeowner, from shoveling the sidewalk for an elderly owner to babysitting for a single parent. Fifth, often referred to as “in-law” apartments, they have offered good opportunities for keeping extended families in closer contact as recognized by the current bylaw. Sixth, new accessory units typically generate tax revenue in a locality because accessory units add value to existing homes. Seventh, recently the Massachusetts House of Representatives allowed several new types of housing units to count toward a community’s 10% goal including accessory apartments constructed on or after July 1, 2002, pursuant to a local ordinance or bylaw, and “that is affordable to the occupant”. For an accessory apartment to “count” in the community’s Subsidized Housing Inventory, the Town will have to establish a special process and annually certify the affordability of each accessory unit to DHCD (see Section VI.D.4 for details).

It is also worth noting that the Zoning Bylaw addresses the conversion of single-family units into two-family units by-right as cited in Section III-A, #15 and Section IV-C #3 and #4. Specifically #3 states that modifications and exceptions to the intensity regulations (such as minimum lot dimensions, setbacks, height requirements, maximum percentage of coverage and floor area ratios), as listed in the Zoning Bylaw under Section IV, can be made “in all districts (except Village Center Commercial District, as provided in Section V-K), and 10,000 square feet of lot area shall be required for the second dwelling in a two-family dwelling, or a multi-family dwelling. This requirement shall be in addition to the area requirements of the district for any other use.” And in Section #4, “in all districts (except Village Center Commercial District, as provided in Section V-K), 5,000 square feet of lot area shall be required for all dwellings other than the first or second in multi-family dwellings.” No one has used this existing conversion provision legally to facilitate multiple units on a lot as of yet.

Next Steps: In order to promote new accessory units the Town should amend its Zoning Bylaw to extend permitted occupancy of the accessory units to those beyond family members, to enable investor-owned properties to include accessory units, to allow the development of separate additions or buildings on single lots, and to increase the allowable size of the units. There are many variations of accessory apartment bylaws that have been adopted in other communities. The Holliston Housing Committee and Planning Board can explore other bylaws and work on an amendment that will best meet the needs of the community.

The Housing Committee should also work with the Planning Board to determine how the existing language in Section III-A, # 15 and Section IV-C #3 and #4 can be better utilized to produce additional units in existing residences.

Timetable: Two-Year Plan

Resources Required: Time for the Planning Board to prepare the zoning amendment and coordinate the necessary approvals. Additional time will be needed from the proposed Housing Coordinator (see Section VI.B.5. for more information on the Housing Coordinator) to prepare the necessary implementation

plan to insure long-term affordability of at least some of the new accessory apartments (see strategy VI.C.4. for details).

Projected # Affordable Units Produced: 13 units (this unit count is also included under strategy VI.C.5. – Incorporate Accessory Apartments in the Subsidized Housing Inventory).

3. Explore Adoption of 40R

Current Status: In recognition of escalating housing prices that are beyond the reach of many state residents and are affecting a drain on the state’s human capital as graduates from area institutions of higher learning are forced to relocate to other areas of the country in search of greater affordability, the Commonwealth Housing Task Force, in concert with other organizations and institutions, developed a series of recommendations, most of which were enacted by the State Legislature last year as Chapter 40R of the Massachusetts General Laws. The key components of these regulations are that “the state provide financial and other incentives to local communities that pass Smart Growth Overlay Zoning Districts that allow the building of single-family homes on smaller lots and the construction of apartments for families at all income levels, and the state increase its commitment to fund affordable housing for families of low and moderate income”.¹⁵ The incentives prescribed by the Task Force and passed by the Legislature include density bonus payments upon passage of the Overlay Zoning Districts equal to \$2,000 for each apartment and \$3,000 for each single-family home and priority for receiving capital investments from the state for infrastructure improvements. To be eligible for these incentives the Overlay Districts need to allow mixed-use development and densities of 20 units per acre for apartment buildings and at least eight units per acre for single-family homes. The Zoning Districts would also encourage housing development on vacant infill lots and in underutilized nonresidential buildings. The Task Force emphasizes that Planning Boards, which would enact the Zoning Districts, would be “able to ensure that what is built in the District is compatible with and reflects the character of the immediate neighborhood.”¹⁶

Holliston’s Zoning Bylaw includes a Village Center Commercial District that allows mixed commercial and residential properties including multi-family development above the first floor through a Special Permit. Therefore, the town has already demonstrated an interest in pursuing higher density, mixed-use development in the Village Center, however, there has been no/little?? interest in this bylaw to date.

Next Steps: In an effort to promote smart growth and promote mixed-use, mixed-income development in the Town Center and potentially other areas of town including industrial zones, the Housing Committee should explore the adoption of 40R in Holliston and convene a forum to discuss these new regulations. Representatives from the Commonwealth Housing Task Force are available to

¹⁵ Edward Carman, Barry Bluestone, and Eleanor White for The Commonwealth Housing Task Force, “A Housing Strategy for Smart Growth and Economic Development: Executive Summary”, October 30, 2003, p. 3.

¹⁶ “A Housing Strategy for Smart Growth and Economic Development: Executive Summary,” p. 4.

make presentations to communities on 40R and answer questions. If there is general agreement to pursue the development of the Zoning Districts further, the Housing Committee can apply for funding from the state's Priority Development Fund to secure the necessary technical assistance to implement the rezoning. The Overlay Zoning Districts will require approval by the Planning Board and a two-thirds vote of Town Meeting.

Timetable: Two-Year Plan

Resources Required: The Housing Committee could apply to the state's Department of Housing and Community Development (DHCD) for funding through its Priority Development Fund (see Section VI.B.8 for details on this resource) to secure the necessary technical assistance to implement the adoption of 40R locally. Some staff time from the Town Planner and proposed Housing Coordinator (see Section VI.B.5 for information on this recommendation) will be needed as well as the donated time of local officials.

Projected # of Affordable Units Produced: 10 units

4. Allow Affordable Development on Nonconforming Lots

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

Next Steps: The Holliston Housing Committee might explore what other communities are doing with respect to these undersized lots and work with the Planning Board to prepare a zoning amendment to enable these lots to be developed based on specific criteria. One potential model is to allow such lots to be developed by Special Permit or through the state's Local Initiative Program¹⁷, restricting the development to affordable units that qualify for inclusion in the Town's state-defined Subsidized Housing Inventory.

Timetable: Five-Year Action Plan

Resources Required: Staff time of the proposed Housing Coordinator (see Section VI.B.5 for more information on the Housing Coordinator) to work with the Housing Committee, Planning Board, and other local officials in determining the

¹⁷ The Local Initiatives Program (LIP) is a state program under which communities may use local resources and DHCD technical assistance to develop affordable housing that is eligible for inclusion on the state-defined Affordable Housing Inventory. LIP is not a financing program, but the DHCD technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. At least 25% of the units must be set-aside as affordable to households earning at or below 80% of area median income.

feasibility of implementing this strategy in Holliston, drafting the zoning amendment and coordinating the necessary approvals towards implementation.

Projected # Affordable Units Produced: 4 units

5. Waive Permit Fees for Town-Supported Projects

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

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

Timetable: Two-Year Action Plan and Ongoing

Resources Required: Amount of fees waived in support of new affordable unit development.

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

6. Make Tax-Foreclosed Properties Available for Affordable Housing

Current Status: Holliston has effectively acquired properties, including land and buildings, for the development of affordable housing through the tax foreclosure process. Through a series of required notices to owners who are delinquent on their taxes and additional processing through the state's Land Court, municipalities can obtain title to these properties and choose to convey them via auction or special redevelopment initiatives.

Next Steps: The Housing Committee should work with the Town Treasurer and the Board of Selectmen to monitor properties through the tax title process and oversee the planning and development of tax-foreclosed properties for affordable housing.

Timetable: Two-Year Action Plan and Ongoing

Resources Required: Foregone value of property if it is conveyed at a nominal price for affordable housing.

Projected # Affordable Units Produced: These would become part of the count under the development of Town-owned properties.

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

Current Status: While the processing of building permits for single-family homes results in a relatively quick turn-around, regulatory approvals involving larger projects are likely to deserve greater scrutiny but frequently encounter substantial red tape and delays.

Next Steps: The Housing Committee should work closely with Town officials to determine how to expedite the review and approval of housing developments that involve affordable housing, including the approval of fee waivers, responsive inspections, and written materials that better clarify the regulatory process. It is essential that every locality have a local regulatory process that protects the town from development that is not in the best interest of the citizenry. A number of communities have attempted to make the regulatory permit process easier to navigate, providing greater guidance to applicants on requirements and more predictability in the process. The Board of Selectmen should consider designating an Ad Hoc Task Force to review the current process, explore what other towns are requiring as part of the permitting process, make recommendations on possible reforms to the system if and where appropriate, and create updated informational materials that will more clearly articulate the requirements involved in obtaining permit approvals. The Task Force will be created from representation of the Housing Committee as well as the involvement of all departments involved in the permitting process.

Timetable: Five-Year Plan

Resources Required: Donated time of volunteer board and committee members and staff time of proposed Housing Coordinator (see Section VI.B.5 for details on this recommended strategy).

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

8. Waive Property Taxes for Qualifying Households in Exchange for Deed Restrictions

Current Status: The average property tax bill is almost \$5,000, which is a considerable sum of money for low- and moderate-income households living on fixed incomes, including seniors and the disabled. In order to remain in their homes, these households may be willing to consider restricting the resale price of their homes through a deed rider for a period of time in exchange for an exemption from property taxes during that timeframe. These units could then be counted as part of the Town's Subsidized Housing Inventory through the state's

Local Initiative Program (LIP), and existing owners would have greater financial means to remain in their homes.

Next Steps: The Housing Committee could reach out to seniors through the Council on Aging or a notice in the tax bill to try to interest those over some specified age, such as 65, in this initiative. The proposed Housing Coordinator (see Section VI.B.5 for details on this strategy) would coordinate the paperwork that is necessary to execute the deed rider and the inclusion of the units in the state-approved Subsidized Housing Inventory, and the Town Treasurer would process the tax exemptions. If there is little or no interest in the program from residents, it may be necessary to offer some grant money (through an up-front subsidy or an annuity) or a deferred loan to be repaid when the house is finally sold as an additional incentive.

Timetable: Five-Year Plan

Resources Required: Foregone tax revenue of approximately \$5,000 per affordable home and time of the proposed Housing Coordinator (see Section VI.B.5 for details on this recommended strategy) and Town Treasurer to coordinate. If a subsidy is required, another \$25,000 per house may be needed, to be repaid upon resale.

Projected # Affordable Units Produced: See development of scattered-site properties for projected unit counts under Section VI.C.2.

B. Build Local Capacity to Promote Affordable Housing

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

1. Conduct an Educational Campaign for Affordable Housing – home@last

Current Status: Affordable housing has become a more visible issue in Holliston for a number of reasons. First, during the past five years or so developers have expressed an interest in developing new affordable housing through the Chapter 40B comprehensive permit process that enables them to override local zoning in exchange for producing affordable housing. Several of these projects have ignited local opposition, particularly from abutters. Second, the Housing Committee, with Community Preservation Funding, produced a brochure on affordable housing that provides information on housing resources, which was widely distributed. Third, many residents continue to encounter difficulties affording housing in Holliston, whether a factor of the general state of the economy of Holliston's housing supply. Fourth, new development is occurring through the Town's Senior Residential Development Bylaw. Prior to enactment of the inclusionary housing zoning provisions in October 2005, the Planning Board negotiated with several developers to include five affordable units. Fifth, the

Town passed the Community Preservation Act (CPA) that requires towns to spend at least 10% of its annual CPA funding on affordable housing initiatives. To do this the Town has had to be more proactive on the issue, trying to determine how best to invest this resource. Sixth, the Town's Housing Committee, through Community Preservation funding, has overseen this planning process, producing a Housing Needs Assessment, production goals and a number of short and longer-term strategies to promote affordable housing. Seventh, the Town is participating in the [home@last](#) program that will promote greater community awareness on the importance of affordable housing in Holliston for residents as well as employers.

On September 28, 2004, the Holliston Housing Committee sponsored a forum for local leaders and the public to hear the results of a Housing Needs Assessment that is a substantial component of this Housing Plan. During this meeting, updated information on the status of affordable housing in Holliston was presented highlighting the current gaps between the supply of housing and local needs. Another public forum was held on November 16, 2004, to provide information on the draft Housing Plan to not only get feedback on the Plan's strategies and goals, but also to offer another opportunity to showcase the issue of affordable housing in a light that demonstrates how the town can be proactive on the issue to better serve the wide range of local needs and control new development. Additional opportunities to engage the community in discussions on affordable housing and to present information on the issue are needed to dispel myths and help galvanize local support, political and financial, for new affordable housing production. These outreach efforts are mutually beneficial as they provide useful information to community residents and important feedback to local leaders on local concerns and suggestions.

The [home@last](#) program provides an excellent opportunity to draw local attention to the issue. The effort, sponsored by the 495/Metro West Corridor Partnership, was established in 2002 to promote economic development and preserve natural resources while enhancing the quality of life in communities in the 495/Metro West area. Its membership includes representatives from public and private businesses, education and local and state government. The organization recently entered into a partnership with Citizens Housing and Planning Association (CHAPA), a statewide organization that represents all interests in the housing field, to promote affordable housing, and the Home Builders Association of Massachusetts to sponsor the [home@last](#) program to increase the production of high quality affordable housing in the communities of the 495/Metro West area. A major component of this initiative is to help these communities better understand the benefits that affordable housing can bring to their towns and the region as a whole. To this end, [home@last](#) has prepared outreach materials that local leaders in the Metro West area can use to promote greater support for affordable housing initiatives asking local residents to do the following:

- Form and convene a local or regional housing partnership or committee;
- Develop and actively implement a local housing plan (needs and strategies);
- Determine areas that can be rezoned to accommodate more housing;

- Adopt the Community Preservation Act to raise revenues for affordable housing;
- Adopt a zoning bylaw, such as inclusionary zoning (with density bonus), to create affordable units in market-rate developments;
- Determine which Town-owned sites are appropriate for housing; and
- Work proactively with developers to create more housing.

[Home@last](#) also calls upon community residents to do the following in support of affordable housing:

- Prepare a proclamation for Town Meeting citing the five reasons why people who care about the town should support affordable housing initiatives;
- Call local Town officials and let them know about your support for affordable housing;
- Write a letter to the editor or the local newspaper supporting housing proposals;
- Visit www.chapa.org/home-at-last to learn more about housing initiatives; and
- Provide information to the program on those who could be counted on to be an active supporter of expanded housing choice by attending a [home@last](#) meeting in their community.

Next Steps: Members of the Housing Committee have already been active in the [home@last](#) program and have attended meetings.. The Housing Committee should continue to work with the program to promote program objectives and garner local support for affordable housing initiatives. The program provides outreach materials including a power point presentation that can be presented to local officials and committees as well as more formal public efforts directed to various local groups (e.g., churches, PTA's, women's clubs, fraternal organizations, realtors, hospitality organizations, Council on Aging, etc.).

The presentation of this Housing Plan also offers an opportunity to bring attention to the issue, offering information on housing needs and proposed strategies that can help attract community support for affordable housing initiatives. It may be useful for the Town to sponsor several forums to present the Housing Plan, opening these up to the public to better sensitize community residents and local leaders on the issue.

Timetable: Two-Year Plan

Resources Required: Staff support from the proposed Housing Coordinator (see Section VI.B.5. for more information on the Housing Coordinator) and involvement of the Holliston Housing Committee.

Projected # Affordable Units Produced: Unlikely to have a direct impact on actual unit production but can help create an environment where affordable housing initiatives will be more positively received and approved.

2. Provide Support to a Local Non-profit Organization

Current Status: It is unnecessary, and would in fact be extremely inefficient, for every suburban community to create an organization to undertake the actual development of affordable housing. Housing development, as well as housing management, are highly specialized activities requiring the oversight of skilled professionals who have experience in moving projects through the various stages of development – planning, feasibility analysis, creating the deal and securing financing, construction, and sale or management. There are a number of larger communities that do have existing non-profit development organizations, but most of these organizations also recognize that the pipeline of possible projects in their own communities is relatively limited over time, and they will have to look beyond their geographic boundaries if they hope to survive. The minimum a non-profit development organization needs to operate is now about \$100,000, requiring a critical mass of resources not readily available in every locality.

Nevertheless, in order to insure that new affordable housing is sensitive to local needs and gains the necessary political support, each community should consider having its own functioning non-profit entity with tax-exempt status to serve the community in a number of important capacities. First, such organizations can become effective brokers for housing resources, including donated land and money, to be dedicated to affordable housing initiatives and managed by the organization through an affordable housing support fund. Second, in addition to the local housing committee, they can serve as articulate advocates for affordable housing in the community, sponsoring events and special forums to bring attention to the issue and promote local support. This local outreach helps dispel negative stereotypes about affordable housing and establishes a more productive dialogue within the community. Third, the organizations can possibly joint venture with developers, for profit and non-profit, on actual development projects, to insure better compatibility with local concerns, needs and priorities. Fourth, at some time in the future a local non-profit could seek funding to manage special programs (e.g., employer-assisted housing, committed loan pools with area banks, outreach to seniors regarding reverse equity mortgages, research projects, regional partnership efforts). Fifth, these entities can be a vehicle for the community to expedite new production efforts such as acquiring property through the housing support fund, being the pass-through entity to which Town-owned properties are conveyed or leased, and working closely with the Housing Committee on the implementation of local housing strategies. Sixth, a local non-profit can serve as the marketing agent for new housing units and monitoring agent to insure long-term affordability.

It is important for the Town to be clear about respective roles and responsibilities of the Housing Committee and any new non-profit housing organization. The Housing Committee, as the municipally appointed entity for overseeing housing matters, should be the policy and planning body that defines policy issues that are in the public interest and establishes guidelines for housing efforts. The non-profit can serve as the implementing agent that works with the Housing Committee to execute various parts of the Housing Plan. To effectively and efficiently carry out these responsibilities the Housing Committee and non-profit organization need to work closely and should meet at regular intervals to formally share information on ongoing work and discuss new initiatives.

Next Steps: The Housing Committee should look at how other comparable communities have established non-profit housing organizations and adapt an approach to Holliston. For example, the Town of Bedford's Housing Partnership established such an organization with the same members belonging to both Board of Directors. The town of Belmont appointed new members to its non-profit housing organization making sure that there was some overlap in membership between the Trust and Housing Committee. The Housing Committee has a member chairing the new Housing Trust and is working with consultants on best use of town housing resources for Holliston.

Timetable: Two-Year Plan

Resources Required: Donated time of members of the Housing Committee and time from the proposed Housing Coordinator (see Section VI.B.5. for more information on the Housing Coordinator) to support the organization as well as CPA, HOME and other funds to support production efforts.

Projected # Affordable Units Produced: This action is key to housing production efforts in that the non-profit organization will oversee progress on a number of Town-initiated projects.

3. Create an Affordable Housing Support Fund

Current Status: In order to receive donations and avoid paying taxes, it is useful for each locality to have a dedicated housing fund that is managed by an entity that has received 501(c)(3) tax exemption or create a special municipally managed gift fund for affordable housing. The Town of Holliston has created a Housing Trust to serve this purpose.

Next Steps: The Holliston Housing Committee should work with the Housing Trust and explore a wide range of possible fundraising options to capitalize it. In addition to the resources mentioned above, the Committee should also consider private sector donations. This process of securing private support not only provides financial benefits to further capitalize the Affordable Housing Support Fund, but it is also a vehicle for raising awareness of the affordable housing issue and generating interest and political support for affordable housing initiatives.

Many communities are reaching out to residents for private donations of land or funds to promote housing affordability. Such contributions and the "bargain sale" of real estate could become a part of the Holliston land ethic, but donations need to be promoted, nurtured, and facilitated. For example, a resident of Winchester purchased a house that the local non-profit rehabilitated, subsidized and sold to a first-time homebuyer. The resident received reimbursement upon resale. This non-profit also coordinates an annual fund raising effort to solicit contributions to subsidize its purchase/rehab efforts from area residents. A Weston family donated a portion of their property for an affordable housing development, residents in other communities are donating land to Habitat for Humanity, and other communities are arranging for substantial federal and state tax benefits for benefactors. Bedford received an individual's donation of two prints that were sold at auction, with the proceeds made available to support affordable housing

initiatives in town. Additionally, inclusionary zoning, if passed, may also provide cash resources for a wider range of possible developments that can help capitalize the Affordable Housing Fund if the developer decides to pay cash in lieu of constructing actual affordable units. There are a number of communities – such as Lexington and Westwood – that have accumulated considerable cash resources through this strategy. Other towns, including Mansfield and Bedford for example, are receiving funds from developers through negotiations on comprehensive permit projects, or other local developments, that will capitalize housing support funds. Additionally, some of these developers have agreed to make additional contributions to these funds if the purchase prices for the market units are higher than the prices that were projected in their comprehensive permit applications.

Faith-based affordable housing initiatives are widely viewed as effective, as reported by the organization World Vision.¹⁸ The Holliston Housing Committee can work with the local churches on some additional activities that focus on affordable housing. For example, churches could be requested to contact the Housing Committee when considering the sale of any church-owned property prior to putting it on the market. Additional properties might be identified for Habitat for Humanity and special plate offerings might be considered for donation to the Housing Fund, perhaps during Fair Housing month.

Timetable: Two-Year Plan

Resources Required: Donated time of volunteers to coordinate fundraising activities with staff support from proposed Housing Coordinator (see Section VI.B.5. for more information on the Housing Coordinator).

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

4. Hire a Housing Coordinator

Current Status: If the Town of Holliston wants to assume a more proactive role in promoting affordable housing and effectively implement the range of actions included in this Housing Plan, it will have to augment its capacity to coordinate these activities. While most of the strategies that are included in this Plan do not by themselves involve substantial amounts of staff time from Town officials, when considered altogether they require a significant time commitment and involve some specialized expertise in housing programs, policy and development.

Next Steps: The Holliston Housing Committee should prepare a scope of services for the Housing Coordinator position and work with the Community Preservation Committee to insure that funds to cover the new position are included in the Committee's proposal for approval at Town Meeting. Once funding is in place, the Housing Committee should hire and supervise a Housing Coordinator.

¹⁸ Shabecoff, Alice. Rebuilding Our Communities: How Churches Can Provide, Support, and Finance Quality Housing for Low-Income Families, World Vision: Monrovia, California.

Various municipalities have handled this position differently. For example, the Town of Marshfield issued a Request for Proposals for a Housing Coordinator position and is about to hire a person. The Town of Sandwich is hoping that the Town will fund an Assistant Planner position that will attract someone with housing expertise to oversee the implementation of their Housing Plan. Bedford is sharing a housing consultant with the Town of Lincoln. Belmont is working with a non-profit development organization located in a nearby community to support their housing activities. The Holliston Housing Committee should work jointly with the Community Preservation Committee to determine how best to bring on the necessary skills and experience to effectively oversee the implementation of this Housing Plan.

Timeframe: Two-Year Plan.

Resources Required: Approximately \$60,000 annually, less for a more part-time position.

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

5. Establish Annual Housing Summits

Current Status: Most communities lack an effective mechanism for promoting regular communication between relevant Town boards and committees on issues related to affordable housing beyond the inclusion of representatives on the local Housing Partnership or Housing Committee. It is useful for each locality to determine how it might more effectively communicate on the issue of affordable housing to insure that local leaders remain apprised of housing activities and have an opportunity for input. The Town of Holliston orchestrated a Housing Summit in the spring of 2004 to bring together representatives of a number of local boards and committees to share information on affordable housing and to offer early input into preparations for a Housing Needs Assessment and Housing Plan. This event was well received and attended and could serve as a precedent for regularly scheduled Summits, held perhaps twice a year.

Next Steps: The Housing Committee should consider formalizing these Summits into regular annual meetings and work with the Board of Selectmen and Town Administrator to convene. Additionally, the Housing Committee should prepare an annual report to the Board of Selectmen on housing issues and progress towards implementing this Housing Plan

Timetable: Two-Year Plan

Resources Required: Donated time of local officials and staff time of Town Administrator and proposed Housing Coordinator (see Section VI.B.5. for more information on the Housing Coordinator) to organize.

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

6. Expand the Role of Holliston Housing Committee

Current Status: The Holliston Housing Committee includes representation from the, Housing Authority, real estate community, and other interested parties to fulfill its stated mission to “investigate the housing resources and needs within the town of Holliston and make recommendations which would increase the supply of housing affordable to families and individuals across a range of ages and incomes.” Since the Committee was formed in 2001, it has provided feedback to developers and Town boards and committees on housing development proposals, has coordinated preliminary feasibility testing on a number of Town-owned properties that are likely to be suitable for affordable housing, and has overseen the completion of a Housing Needs Assessment and Action Plan to develop strategies to produce additional affordable units in Holliston that are in line with local needs and priorities. To implement these new strategies, the Housing Committee will be involved in a wider range of activities that will require a broader mission statement and a greater level of support, including increased staff support, the availability of a local non-profit entity, and additional housing resources as prescribed in the strategies below.

Next Steps: The Housing Committee should review its existing mission statement and make appropriate revisions based on its expanded agenda for review and approval by the Board of Selectmen.

Timetable: Two-Year Plan

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

7. Access New Housing Resources

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

Next Steps: The Town of Holliston should reach out to private, public and non-profit entities to secure additional housing resources – technical and financial – in support of its efforts to produce new affordable housing. Additionally there are numerous public programs that can be helpful in supporting local housing efforts. For example, a relatively new state-funded initiative, the Priority Development Fund, provides planning assistance for housing production.

Another possible resource is HOME funding. HUD created the HOME Program in 1990 to provide grants to states, larger cities and consortia of smaller cities and towns to do the following:

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

Other resources are outlined under Section VI.C.1.

Timetable: Two-Year Plan and Ongoing

Resources Required: See list of resources under Section VI.C.1.

Projected # of Affordable Units Produced: Will be important for all most housing production projects described under the following section, Section VI.C.C.

C. Housing Production

To accomplish the actions included in this Housing Plan and meet production goals, it will be essential for the Town of Holliston to reach out to the development community and sources of public and private financing to secure the necessary technical and financial resources. While some of the units produced will rely on the participation of existing homeowners, most of the production will require joint ventures with developers – for profit and non-profit – to create affordable units. For example, competitive Requests for Proposals (RFP’s) are recommended for the selection of developers of Town-owned property, such as is being prepared for the development of the Andrews School. For profit developers continue to express interest in developing housing in Holliston, and there are numbers of non-profit organizations that have the capacity to undertake the development of affordable housing and have successfully completed affordable housing projects throughout the Metro West and Boston area.

In addition to the active participation of the development community, it will be important for Holliston to actively seek support from state and federal agencies as mentioned earlier. The production of a substantial number of new affordable units will require subsidies beyond what is available through the Community Preservation Fund. If affordable housing was allocated one-third of the existing CPA funding, it could expect approximately \$Not sure of this number annually including the state match. Beyond the support of the proposed Housing Coordinator, this amount is likely to support the creation of no more than a handful of affordable units per year, whereas the Planned Production goals project the production of at least 20 affordable units annually during the first few years. In addition to the state’s Department of Housing and Community Development (DHCD), other state and quasi-public agencies that have resources to support affordable and special needs housing include MassHousing, MassDevelopment, Department of Mental Retardation, Department of Mental Health, Community Economic Development Assistance Corp. (CEDAC), Massachusetts Housing Partnership Fund, and Massachusetts Housing Investment Corporation (MHIC). Because affordable housing is rarely developed without private financing, project developers will need to reach out to private lenders as well.

In addition to the overriding goal that is fundamental to the strategies included in this Housing Plan (see Section II.C.), development strategies are also based on important objectives that serve as guiding principles in selecting project sites, determining types of development, and identifying priorities. Whenever possible, the Town of Holliston will pursue development projects based on the following development objectives:

To Support Smart Growth

- Look to areas of town that could accommodate higher housing densities and mixed-uses such as sites that are closer to the Town Center and other areas with concentrations of nonresidential uses.
- Avoid targeting development projects to areas that are ecologically sensitive and will degrade nearby conservation land, however look to opportunities to combine open space preservation and housing development through cluster development.
- Look for affordable housing opportunities that will minimize impacts on the built or natural environment such as accessory apartments or buy-down/conversion initiatives.
- Preserve existing historic resources and integrate with affordable housing.

To Promote Affordability

- Leverage public and private resources to the greatest extent possible.
- Target development projects to Town-owned properties to take advantage of parcels that will have discounted or nominal acquisition costs to make affordable housing more financially feasible.
- Look for opportunities to obtain privately owned land or other resources for free or at below market values to promote greater financial feasibility.

To Distribute and Diversify New Production

- Spread the impacts of new housing development geographically throughout town to avoid substantial impacts in any one residential neighborhood.
- Develop a number of project alternatives in recognition of a range of housing needs in town including rental and homeownership options as well as housing for seniors, families and those with special needs.
- Encourage mixed-income development to minimize stigmas associated with concentrations of low-income units.

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

1. Make Town-Owned Land Available for Affordable Housing

Current Status: The contribution or “bargain sale” of land owned by the Town but not essential for municipal purposes is a substantial component of Planned Production goals and will enable Holliston to proactively launch its housing efforts. The Holliston Housing Committee and Planning Board have identified a sampling of Town-owned parcels that might potentially be developed as affordable housing (see Section IV.A. of this Plan for the list of properties under preliminary consideration). Final determination of the use of these parcels for affordable housing is subject to a more thorough feasibility analysis of site conditions and Town Meeting approval.

In addition to currently owned Town parcels, the Town of Holliston may decide that it will acquire privately owned sites over the next decade for the purposes of protecting open space and developing some amount of housing, including affordable housing, through cluster development on a portion of the sites. Community Preservation Funds would be one good source for such acquisition as the accommodation of both affordable housing and open space would serve two CPA goals.

Next Steps: The Housing Committee with support from the Community Preservation Committee and the Housing Trust should continue to conduct preliminary feasibility analyses on existing Town-owned parcels, including those listed in Section IV.A., or on sites identified at a later time that might potentially include some amount of affordable housing. If the analysis indicates that housing can likely be accommodated, the Housing Committee should request approval from the Board of Selectmen and Town Meeting to designate these identified parcels for affordable housing development and convey them to the proposed non-profit organization or the existing Holliston Housing Development Corporation to coordinate the development process.

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

The Housing Committee should consider the following process when planning for the development of Town-owned land:

- *Conduct preliminary feasibility analyses on potential development sites.* As has been the case with the Andrews School, Cutler Heights, and Pinecrest, the Housing Committee, with funding support from the Community Preservation Committee, will coordinate the necessary environmental testing and predevelopment analyses to determine whether it is likely that the site can accommodate some amount of affordable housing. Additionally, the Town might explore technical assistance funding from Massachusetts Housing Partnership or other entity to hire consultants to conduct preliminary feasibility analyses.
- *Secure approval from Town Meeting to convey parcel for development to incorporate affordable housing,*

The Housing Committee should prepare the necessary warrant article to make a request to Town Meeting to convey the property for the purpose of affordable housing and provide supportive documentation regarding the proposed project. The property can initially be conveyed to the proposed non-profit organization (see Section VI.B.3 for details) or the existing Holliston Housing Development Corp. and may ultimately be transferred to individual homebuyers or another entity that will own it in the long-term. The other alternative is for the Town to convey the property directly to the selected developer via a Land Disposition Agreement that includes the terms and conditions of the property transfer.

- *Prepare and issue a Request for Proposals (RFP) for developers.*
The Housing Committee should work with the Town Administrator and a consultant or the Housing Coordinator to prepare a Request for Proposals (RFP) that includes project guidelines (e.g., approximate size, density, ownership vs. rental, target market/income mix, level of affordability, design issues, community preference criteria, siting, financing available, ownership and management, other stipulations) and selection criteria.

- *Select developer.*
Once again the Housing Committee should work with the Town Administrator and a consultant or the proposed Housing Coordinator on this selection process. It will be important for the Town to conduct a fair and rigorous selection process for reviewing proposals to insure that it designates the most capable developer to sponsor the project. The Town might consider a selection process with two phases. First, all applicants must meet specific threshold requirements for their proposals to be considered competitive. These threshold criteria might include:
 - Successful construction experience as a developer of residential property of at least a certain specified number of units, based on size of the project in question, during the past five years.
 - Taking into account current workload, demonstrated borrowing capacity to carry private construction loans of a specified threshold based on the size of the particular project.
 - Taking into account current workload, ability to begin construction within a specified period following designation.

All respondents to the RFP who pass the threshold requirements would then be evaluated, scored and ranked according to competitive selection criteria such as:

- Level of construction experience and capacity.
- Level of financial ability and capacity.
- Cost and price projections (applicants are scored according to how the proposal strikes a balance between project quality and cost).
- Quality of the proposed design and product.

- Cost control ability and current capacity.
 - Experience working with government-assistance programs.
- *Prepare and finalize plans and budget.*
The designated developer is responsible for this task with guidance from the Housing Committee.
- *Secure regulatory approvals.*
The designated developer is responsible for obtaining regulatory approvals with guidance from the Housing Committee including the comprehensive permit if necessary. As the designated Town Committee responsible for housing, the Housing Committee can also be helpful in intervening, as appropriate, to expedite approvals and lend local support. It would be helpful at this point for the Town to waive permit fees to promote greater affordability and signal to other funders the Town's commitment to the project (see Section VI.A.6 for details on this recommended strategy).
- *Secure financing.*
The designated developer will ultimately be responsible for obtaining project financing, including both public and private sources. Support from the Housing Committee will be helpful, and letters of support from the Town, including the Board of Selectmen, will be critical in applying for many types of subsidies. Town Meeting approval will be required for any CPA funding.
- *Conduct closing including the disposition of the property to the developer.*
The Housing Committee should have some input into the terms and conditions of the conveyance, and a land disposition agreement should be executed to insure that the developer abides by the Town's requirements for project development.
- *Secure building permits.*
The designated developer will take the lead.
- *Start construction.*
The designated developer will be responsible.
- *Market and select tenants/owners for affordable units.*
The Housing Committee can assume these roles and might consider delegating some of these responsibilities to the proposed non-profit organization at some time in the future or the Holliston Housing Authority if they are interested in performing this function. Local realtors could be involved in marketing the market rate units.

It is important to recognize that Holliston can designate up to 70% of the available units in both rentals and ownership projects for those who meet community preference criteria as established by the Town. It is up to the Housing Committee to establish these criteria. Other communities have included existing residents, parents or children of residents, former

graduates of the school system, municipal employees or any Town employees in their definition for receiving priority consideration for new available units under community preference criteria. Nevertheless, all developments must be affirmatively marketed throughout the region to meet requirements under Chapter 40B and subsidy programs.

- *Complete construction.*
The developer will be responsible.
- *Occupy property*
The designated developer will be ultimately responsible with support from the marketing agent.
- *Manage property.*
The professional management of new rental housing is critical to the future viability of the development, and the management entity must have a proven track record and be approved by the Holliston Housing Committee. If the proposed project sponsor does not have the expertise to undertake project management functions, it should work with the Housing Committee to identify a private company, capable non-profit organization, or the Holliston Housing Authority to assume these important management functions.
- *Monitor affordability including annual income recertification of tenants in affordable units in the case of rentals and re-sales in affordable homeownership projects.*
The Housing Authority or proposed non-profit could assume these responsibilities for rental projects, and Citizens Housing and Planning Association (CHAPA) for ownership developments. CHAPA performs this monitoring role for many homeownership development projects throughout the state.

As indicated above, in addition to existing Town-owned parcels, the Town anticipates that it will acquire a number of privately owned properties over the next decade using CPA funding and other resources to preserve open space and accommodate some amount of housing, including affordable housing. As sites are identified, the Housing Committee should work cooperatively with the Conservation Commission, Community Preservation Committee and other entities to commit the needed resources to make the projects feasible. If any of the preliminarily identified existing Town-owned properties are finally determined infeasible or do not obtain approval from Town Meeting, it is anticipated that the projected numbers of affordable units would be met through this acquisition process.

Timetable: Two-Year Action Plan and ongoing

Resources Required: Staff time of the proposed Housing Coordinator to work with the Housing Committee and the Town Administrator to prepare Request for Proposals, coordinate the developer selection process and oversee development

and construction, marketing and tenant/owner selection and occupancy. In addition to costs of coordinating development, resources will be required to help subsidize the development. Comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units in fact subsidize the affordable ones. Many communities have used the “friendly” comprehensive permit process to take advantage of these internal subsidies, to create the necessary densities to make development feasible, and to make it easier to navigate the existing regulatory system. Other communities are finding that they require public subsidies to cover the costs of affordable or mixed-income residential development and need to access a range of programs through the state and federal government and other financial institutions to accomplish these objectives. Because the costs of development are typically significantly higher than the rents or purchase prices that low- and moderate-income tenants can afford, multiple layers of subsidies are often required to fill the gaps. Sometimes even Chapter 40B developments are finding it useful to apply for external subsidies to increase the numbers of affordable units, to target units to lower income or special needs populations, or to fill gaps that market rates cannot fully cover.

It is likely that a number of financial and technical resources will be required to produce affordable units in Holliston. Holliston is fortunate to have Community Preservation Act funding available to support affordable housing but will also need to explore the following resources to make affordable housing development feasible in addition to the Town-owned property conveyed or leased at a nominal price:

- Town-owned property conveyed at a nominal price. If the acquisition of private property is involved the gap is increased, requiring significantly greater amounts of subsidy. Donated property represents a substantial investment of the community into a Town-sponsored development.
- Community Preservation funding to support affordable housing, historic preservation, and open space preservation.
- Predevelopment funding from the Massachusetts Housing Partnership, DHCD’s Priority Development Fund, CEDAC, MHIC, Mass Development, Life Initiative, etc.
- Federal HOME Program financing of up to \$65,000 per unit administered through DHCD for a range of housing activities. These are competitive funding sources, and DHCD typically accepts proposals through two funding rounds per year.
- Possible federal financing through Low Income Housing Tax Credits to developers of affordable housing that provide significant equity into a development. The allocating agency is DHCD and there are typically two funding rounds per year. These funds are directed to rental properties solely and are extremely competitive.
- Section 202 federal financing to nonprofit organizations for the development of rental housing targeted to very low-income seniors or those with disabilities.
- Affordable Housing Program grant funding from the Federal Home Loan Bank Board, applied through participating banks.

- Rental subsidies through the Project Based Section 8 Program or individual Section 8 vouchers.
- A wide range of other state funding programs including the Affordable Housing Trust Fund, Housing Stabilization Fund, Housing Innovations Fund, etc.
- Affordable mortgage financing programs including the Soft Second Program, a range of programs offered by MassHousing, financing support from Southern Middlesex Opportunity Council (SMOC), etc.
- Rental subsidies through the Project Based Section 8 Program or individual Section 8 vouchers (this program is administered through the state, Housing Authorities and regional non-profit organizations, but the state issued too many Section 8 vouchers last year and there has been a moratorium on new vouchers. This is anticipated to be a temporary situation, however, HUD keeps cutting back on the funding for this important program.
- Section 8 to Homeownership Program, enabling Section 8 subsidy recipients to access homeownership – this program is beginning to be implemented in the state.
- Additional resources that are directed solely to first-time homebuyer projects to make homeownership more affordable including the Soft Second Loan Program, Purchaser-Based HOME Program and MassHousing First-Time Homebuyer financing.
- Financing from CEDAC to support innovative forms of affordable housing including SRO's, transitional housing, limited equity cooperatives, etc. and to preserve existing affordable housing developments.
- OneSource Loan Program is a streamlined financing program offered jointly by MHIC and Massachusetts Housing Partnership Fund offering construction and permanent financing in a single package.
- LISC, a national intermediary organization, is beginning to entertain financing proposals from organizations operating in the suburban ring of Boston to support new housing development.
- Other state and federal funding programs.

Projected # Affordable Units Produced: 83 units.

2. Support Scattered-Site Housing Development

Current Status: Many communities are looking for opportunities to create affordable housing through efforts that will spread the impacts of new housing production throughout the community so as not to overburden any particular neighborhood. There are smaller lots, both Town-owned and privately-owned, that are geographically distributed throughout Holliston that might accommodate more limited numbers of new housing units in support of Planned Production goals and local needs. In addition, the proposed strategy included under Section VI.A.5 would allow the development of one or two affordable units on small non-conforming lots, representing another opportunity to produce scattered infill housing.

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

Habitat for Humanity of Metro West has expressed an interest in developing new affordable homes in Holliston and is looking for donated public and private land on which to build. Organizations that support special needs housing are also available to produce affordable housing on a scattered-site basis, converting existing properties into group homes. There are also excellent models of small comprehensive permit projects in other communities that incorporate several income tiers to meet the housing needs of those within a wide range of incomes. For example, Junction Place is a relatively new condominium project in Needham comprised of five attached townhouse units. The project was developed on a site with less than 12,000 square feet by a private developer through the New England Fund Program of the Federal Home Loan Bank of Boston. All five of the townhouses were sold at below market prices to eligible families through a lottery system. Two of the homes were sold for \$165,000 to families earning up to 80% of the area median income with the remaining three sold for \$310,000 to families earning up to 150% of the area median income. Each of the units contains approximately 1,512 square feet including 3 bedrooms, 2 ½ bathrooms, a laundry room with a washer and dryer, a one-car garage and an outside parking space. All of the units were conveyed subject to a deed rider, containing restrictions that require affordability for a period of 99 years. A second phase is being developed that will include some market priced units to offset the higher price of land.

Timeframe: Five-Year Action Plan

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

Projected # Affordable Units Produced: 4 units

3. Convert Existing Housing Units to Affordability

Current Status: The Housing Needs Assessment indicated that while market prices for condominiums have increased substantially during the last few years, they largely are being sold within an affordable range and the means of those earning at or below 80% of area median income. In 2003, there were 30 sales of condominiums with the median sales price of \$127,000, requiring an income of approximately \$46,000, well within the affordable income threshold for a

household of three of \$59,550. Many of these condominiums are investor-owned and rented out and quite a few are crying out for improvements, not only to improve the living space, but to spruce up the exteriors as well.

During the last few years approximately 30 condo units have been turned-over through re-sales annually. This housing stock represents a significant opportunity for the Town to “buy-down” these properties or convert them to affordable housing – purchasing units that come on the market, making necessary improvements, and undertaking the process to insure their affordability well into the future, thus adding to Holliston’s Subsidized Housing Inventory.

Next Steps: The Housing Committee should look for opportunities to acquire property and sponsor new affordable housing. Working with the proposed new non-profit organization and/or the Holliston Housing Development Corp. (HHDC), a loan pool could be created to purchase units on the market, make the necessary repairs, and create either ownership or rental units.

Under the ownership option, the non-profit (either new housing trust or HHDC) could work with the Housing Committee as follows:

- Acquire the property through the Affordable Housing Fund that has been capitalized by a number of resources including CPA funds, low-interest rate financing from private lending institutions, and perhaps Community Development Block Grant funding or other subsidies from the state;
- Make the needed improvements using the Affordable Housing Fund as well bidding out work to local contractors;
- Undertake project marketing to locate qualified purchasers and conduct a lottery working with a participating lender to pre-approve applicants for mortgage financing;
- Select purchaser(s) through a lottery (if there is only a single unit involved it is difficult to justify using community preference, whereas doing several units would enable the Town to insure that up to 70% of the units go to applicants with a connection to Holliston);
- Prepare and complete an application to DHCD for the Local Initiative Program to get the unit(s) counted as part of the Town’s Subsidized Housing Inventory and to insure long-term affordability; and
- Close on project, executing the deed restrictions (to the greatest extent possible with restrictions in perpetuity and re-sales indexed to HUD area median income) and turning the deed over to qualifying homebuyer(s).

An example of how such a project might be financed is as follows:

- *Acquisition:* Acquire three two-bedroom condos for an average of \$130,000 each for a total of \$390,000.
- *Improvements:* Make needed improvements totaling \$60,000 for the three properties. This amount will also include the fee to the non-profit for marketing the units and coordinating the development process.

- *Resale:* Resell condos for an average of \$140,000 with deed restrictions and revolving \$420,000 into the Affordable Housing Fund and using \$30,000 or an average of \$10,000 as project subsidy supported by CPA funds.

If the three units were to be converted to rental units, the same acquisition and rehab process could be used as described under the homeownership model, however, the units would be marketed for rent and those with Section 8 rental subsidies could be encouraged to apply. This rental model may be of particular interest to the Housing Authority who could own and manage the units offering them to those on their waiting list. If each unit cost \$160,000 to acquire and rehab and project income from rents is expected to be \$33,228 annually, there will be \$18,828 available to support private debt after operating expenses of about \$250,000, requiring \$200,000 in total subsidies or \$66,667 per unit.

Another option for producing affordability through the existing housing stock was introduced under the strategy of waiving property taxes for qualifying households in exchange for deed restrictions as described in Section VI.A.9. The strategy suggested that the Town reach out to homeowners who are living on very limited incomes, the elderly in particular, to enable them to live in their homes for as long as they would like by offering sufficient financial incentives in exchange for a long-term affordability restriction (to the greatest extent possible with restrictions in perpetuity and re-sales indexed to HUD area median income). This proposal indicated that the Town might find that the exemption of property taxes is not an adequate enough incentive for residents to assume restrictions on the resale price and an additional subsidy might also be required to make this strategy viable. The resale restriction has the effect of ensuring that when the house is sold it will be affordable and sold to a buyer who has an income at or below 80% of area median income and includes the appropriate income and resale conditions to “count” as part of a community’s state-defined Subsidized Housing Inventory under Chapter 40B. In addition to property tax relief, the financial incentives might include funds for both building improvements, which would insure the physical viability of the property over time, plus an upfront grant or an annuity, which would provide the owner with a steady long-term income stream. The subsidy might come from CPA funds.

Timeframe: Five-Year Action Plan

Resources Required: Staff time from the proposed Housing Coordinator to work with the Housing Committee and the new non-profit project sponsor to develop projects including support for securing subsidy funds. See strategy VI.C.1. above for list of possible funding sources.

Projected # Affordable Units Produced: 20 affordable units

- 4. Incorporate Accessory Apartments in the Affordable Housing Inventory**
Current Status: Holliston allows accessory apartments as long as the units are rented to family members and are in compliance with a number of other requirements. However, none of these accessory units can be counted in the

Town's Subsidized Housing Inventory at this time because they do not meet the state's Chapter 40B definition of affordable housing.

Holliston's housing stock is conducive to the development of accessory apartments because so many of the houses are large. And the Housing Needs Assessment has identified that there are low-income Holliston households who are finding it difficult to pay their housing expenses. Having more options available in the housing market, such as small rental units, will serve unmet local needs (see strategy VI.A.3. for more information on accessory apartments).

Other communities are looking for opportunities to insure that at least some portion of current accessory apartments or new accessory units created can be incorporated into the Subsidized Housing Inventory. For example, the Town of Barnstable has implemented a program to enable those with illegal accessory units to come forward and receive necessary assistance to convert their units to legal use and be maintained, in the short-term at least, as affordable and eligible for inclusion in the town's Subsidized Housing Inventory. This program was created in recognition of the number of illegal accessory apartments that some estimated to be approximately 100 that the Town could not assess at market value and might involve health and safety hazards. Barnstable has processed more than 75 units through its program only in the last couple of years. Key features of Barnstable's Program include:

- The property is brought up to health and safety standards with subsidies available to assist owners with these improvements.
- Applicants may select their own tenant provided tenants meet program requirements (within 80% of area median income).
- Applicants receive approval for their accessory units through a comprehensive permit, which is not transferable without prior approval of the Hearing Officer or Zoning Board of Appeals.
- Leases have a minimum term of one year.
- Owners enter into a deed restriction on the affordability of the unit in perpetuity, but all participating owners can voluntarily choose to cancel the comprehensive permit, in which case the property must be brought into compliance with the underlying zoning and the Town can no longer count the unit as affordable as part of its state-defined Subsidized Housing Inventory.
- Each year the applicant files an affidavit with the Town listing the rent charged and the income level of the occupants to verify compliance with Program requirements.
- Barnstable now allows applicants to use a detached structure or build a new addition to their property for the purpose of creating an accessory unit.
- The average processing time of an application has been two and a half months.

Next Steps: The Housing Committee, in tandem with the Town Planner and proposed Housing Coordinator (see Section VI.B.5 for details) as well as other appropriate Town boards and committees, should determine how best to adapt Barnstable's Accessory Apartment Program to the town of Holliston, develop an implementation plan, and initiate the program.

Timeframe: Five-Year Action Plan

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

Resources Required: Staff time from the proposed Housing Coordinator to work with the Housing Committee to adapt Barnstable's Program to Holliston. Inspections and other costs related to Program administration could be covered by modest processing fees. Barnstable charges applicants \$160.00 to pay for the administrative costs and \$25.00 for each home inspection. Fees derived from participating homeowners; perhaps \$25.00 annually could support the costs of monitoring the Program.

Projected # Affordable Units Produced: 13 units (this unit count is also included under strategy VI.A.3.)

D. Housing Preservation

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

1. Monitor Affordability of Existing Subsidized Housing Inventory

Current Status: Based on how housing was financed, how long the affordability requirements were established, and other stipulations in affordability agreements, the affordable status of housing units may be in jeopardy in many communities in the future. Holliston's existing affordable housing that is counted as part of the state-defined Subsidized Housing Inventory has use restrictions in place well into the future to maintain units as affordable. However, these use restrictions do have expiration dates.

Next Steps: It is important to insure that all affordable housing units that are produced remain a part of the Town's Subsidized Housing Inventory, in perpetuity if possible. The Holliston Housing Committee should intervene if necessary to maintain the units as affordable through the courts or through purchase and refinancing if necessary. New affordable units that come into the Inventory should be designated as affordable for as long a period of time as possible and, in the case of homeownership, with resale restrictions indexed to changes in HUD's area median income as opposed to market value.

Timeframe: Two-Year Action Plan and Ongoing

Resources Required: Staff time from the proposed Housing Coordinator.

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

2. Access Housing Rehab Programs

Current Status: There are state resources available that provide financial and technical support for qualifying owners of homes that need repair, upgrading and de-leading. Many seniors living on fixed incomes are finding it increasingly difficult to afford the costs associated with home improvements and as a result have deferred maintenance needs. Additionally, some seniors and those with special needs require special handicapped adaptations and repairs to help them remain in their homes. Holliston residents might also benefit from technical and financial support in the case of septic failures and Title V compliance issues. The Town might want to explore options for accessing funding to support home repair needs through a regional non-profit, special funding application to DHCD, through MassHousing programs, or through a collaborative effort with nearby communities.

Next Steps: Through the community educational campaign recommended in Section VI.B.1. important information on housing improvement resources could be disseminated, both to real estate professionals, local organizations and community residents. The Council on Aging is also an important resource for providing seniors with information on available resources. The brochure that was prepared by the Housing Committee is also an excellent resource for distributing information on housing rehab resources.

Timeframe: Two-Year Action Plan and Ongoing

Resources Required: The Town, through its Housing Committee, Council on Aging and potentially the proposed non-profit organization, should provide the necessary education and referrals to programs sponsored by Southern Middlesex Opportunity Council (SMOC) and MassHousing for example, which provide low-cost financing for repair needs including de-leading, septic systems and other home improvements. The brochure prepared by the Housing Committee with Community Preservation funding, should continue to be distributed. The proposed Housing Coordinator would also be available to answer inquiries, make appropriate referrals and provide community outreach on available resources.

Projected # Affordable Units Produced: May not produce new affordable units but will be instrumental in helping seniors and others with special needs remain independent in their homes. There are housing rehab programs, such as the HOME Program, that do require a deed rider that would enable the rehabilitated unit to be counted under the Town's Subsidized Housing Inventory for a period of time.

VII. DESCRIPTION OF USE RESTRICTIONS

As has been indicated in various sections of this Housing Plan, the Town of Holliston is committed to maintaining its Subsidized Housing Inventory (SHI) for as long a period as possible. Deed riders or affordable rental restrictions should assure continued affordability in perpetuity to the greatest extent possible. The resale prices included in homeownership projects should be indexed to HUD's area median income as opposed to market value to better assure this affordability over the long-term. The annual recertification in the case of rental agreements should be the responsibility of the project sponsor who must report annually to a housing entity approved by the Town through the Housing Committee, perhaps the Holliston Housing Authority. The responsibility for monitoring re-sales of affordable homeownership units could be assumed by Citizens Housing and Planning Association (CHAPA), which is performing this function for affordable developments throughout the state.

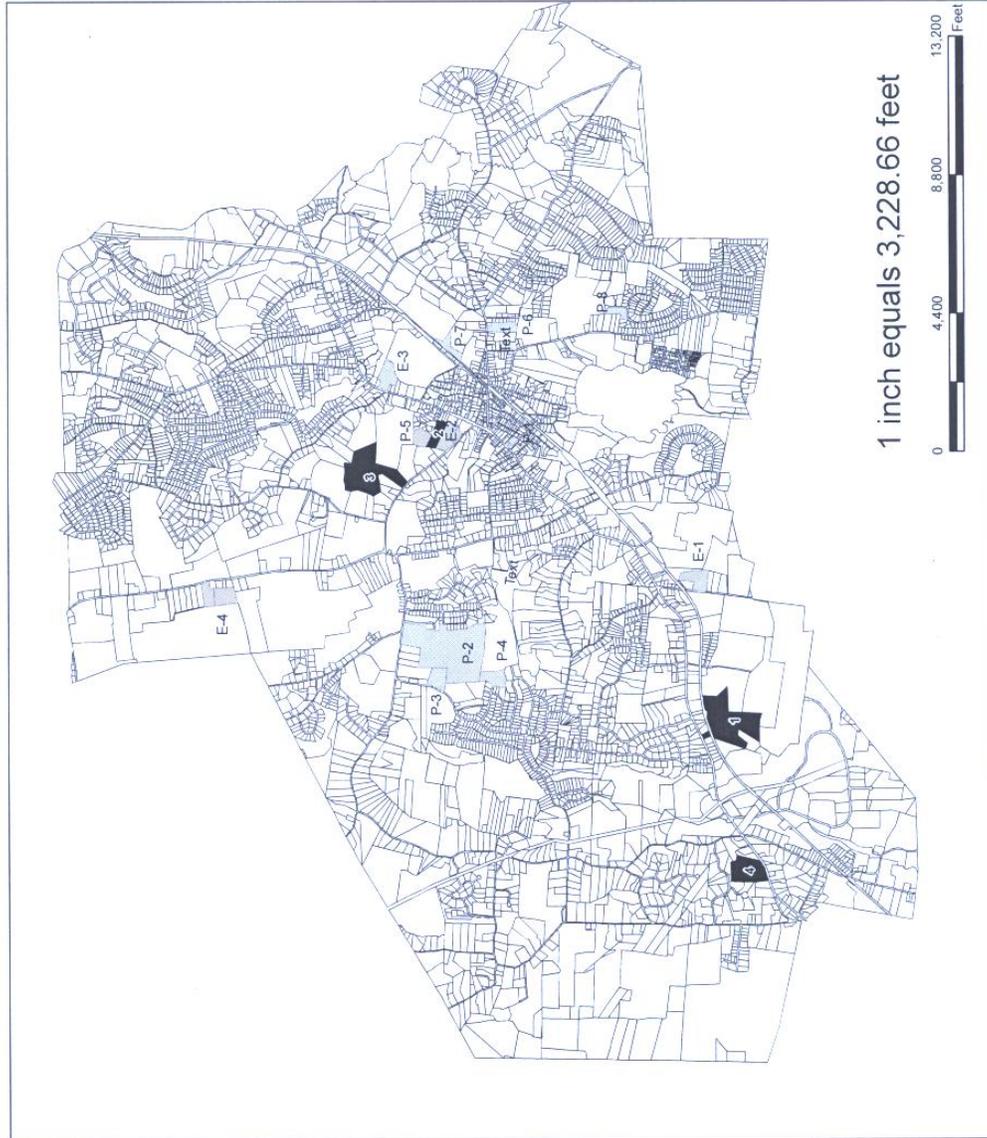
ATTACHMENT 1

Map of Existing and Potential Affordable Housing Sites

Town of Holliston Map of Existing and Potential Affordable Housing Sites

Legend

- | | |
|---|---------------------------|
| Site # | Site Name |
| Existing Sites | |
| E-1 | Mission Springs |
| E-2 | Cutter School and Heights |
| E-3 | Cole Court |
| E-4 | Highland Meadows |
| Potential Sites | |
| P-1 | Andrews School |
| P-2 | Pinecrest |
| P-3 | Gorwin Drive |
| P-4 | Chamberlain St |
| P-5 | Fairlane Way |
| P-6 | Central Street |
| P-7 | Woodland Street |
| P-8 | Off Shaw Farm |
| Senior Residential Overlay Districts | |
| 1 | Washington Heights* |
| 2 | Jasper Hill* |
| 3 | Hollis Hills |
| 4 | Balancing Rock |
| * | not built |



June 2010
Holliston Planning Board and Housing Committee
Parcel layer courtesy of Holliston Board of Assessors

ATTACHMENT 2
Holliston Planned Production Program

Strategies by Year	Units < 80% AMI	Units 80% - 150% AMI	Total
Year 1 – 2010			
Development of Town-owned property Cutler Heights	30	0	130
Subtotal	<i>30</i>	<i>0</i>	<i>30</i>
Year 2 – 2011			
Development of Town-owned property Andrews School	16	0	16
Private development	9	0	9
<i>Subtotal</i>	<i>25</i>	<i>0</i>	<i>25</i>
Year 3 – 2012			
Development of Town-owned property Pinecrest	20	2	22
Scattered-site	2	0	2
Subtotal	<i>22</i>	<i>2</i>	<i>24</i>
Year 4 – 2013			
Private development	4	0	4
Conversion of existing housing stock	5	0	5
Scattered-site development	4	0	4
Accessory apartments	2	0	2
Subtotal	<i>15</i>	<i>0</i>	<i>15</i>
Year 5 – 2014			
Development of Town-owned property Central St.	18	2	20
Private development	4	0	4
Accessory apartments	2	0	2
Inclusionary zoning	2	0	2
Subtotal	<i>26</i>	<i>2</i>	<i>28</i>
Year 6 – 2015			
Conversion of existing housing stock	5	0	5
Accessory apartments	2	0	2
Development through 40R	7	3	10
<i>Subtotal</i>	<i>14</i>	<i>3</i>	<i>17</i>

Strategies by Year	Units < 80% AMI	Units 80% - 150% AMI	Total
Year 7 – 2016			
Development of Town-owned property Pinecrest	17	5	22
Conversion of existing housing stock	5	0	5
Affordable development on nonconforming lots	4	0	4
Development through 40R	5	1	6
Subtotal	31	6	37
Year 8 – 2012			
Private development	20	2	60
Accessory apartments	5	0	5
Scattered-site development	2	0	2
Conversion of existing housing stock	5	0	5
<i>Subtotal</i>	<i>32</i>	<i>2</i>	<i>34</i>
Year 9– 2013			
Private development	15	0	15
Accessory apartments	2	0	2
Conversion of existing housing stock	5	0	5
Subtotal	22	0	22
Year 10 – 2014			
Development of Town-owned property Central Street	12	2	14
Woodland	8	0	8
Private development	15	0	15
Affordable development on nonconforming lots	4	0	4
Subtotal	39	2	41
TOTAL	271	17	288

ATTACHMENT 3
Summary of Housing Actions

Actions	Timeframe for Commencing Implementation		# Affordable Units
	Two-Year	Five-Year	
A. Planning and Regulatory Reform			
1. Amend inclusionary zoning	X		2
2. Adopt Housing Guidelines	X		91
3. Adopt accessory apartment bylaw	X		22
4. Explore Adoption of 40R	X		10
5. Allow development on nonconforming lots		X	4
6. Waive application fees	X		*
7. Make tax-foreclosed properties available for affordable housing	X		*
8. Explore streamlining the permit approval process		X	*
9. Waive property taxes in exchange for deed restrictions		X	*
B. Build Local Capacity			
1. Conduct educational campaign	X		*
2. Support non-profit organization	X		*
3. Create affordable housing fund	X		*
4. Hire Housing Coordinator	X		*
5. Establish annual Housing Summits	X		*
6. Expand role of Housing Committee	X		*
7. Access new housing resources	X		*
C. Housing Production			
1. Make Town-owned land available	X		120
2. Support scattered-site housing		X	4
3. Convert existing property to affordability		X	20
4. Incorporate accessory apartments in Affordable Housing Inventory		X	15

D. Housing Preservation	Two-Year Plan	Five-Year Plan	# Affordable Units
1. Monitor expiring-use properties	X		*
2. Access housing rehab programs	X		*
			288

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

ATTACHMENT 4

HOLLISTON HOUSING COMMITTEE

HOUSING DEVELOPMENT GUIDELINES

The following Housing Guidelines have been developed by the Holliston Housing Committee for inclusion in its Housing Plan. These Guidelines reflect project characteristics that are likely to be welcomed by the Housing Committee for further discussion and negotiation in regard to developments that incorporate affordable residential units.

- **Affordability**

The Housing Needs Assessment that is part of this Housing Plan indicates housing needs across the full range of incomes including families, seniors and others with special needs. Even households earning at the median income level are finding it difficult to afford housing in Holliston. While the actions in the Housing Plan focus housing production on those households with incomes at or below 80% of area median income, the Plan takes into consideration mixed-income developments for a number of reasons. First they minimize the stigma that can be identified with a housing development that is exclusively limited to low- and moderate-income units. Second, they allow for the creation of internal subsidies that cover at least some of the costs associated with producing the affordable units such that the market units cross subsidize the affordable ones. Consequently, Housing Guidelines incorporate different income tiers to better serve the diverse needs of the community.

Town-Owned Property

Homeownership Developments

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

Rental Developments

At least 50% of the units should be affordable to those earning at or below 80% of area median income with many of these units targeted to those earning less than 60% of median income, with even affordability reaching down to those with incomes of 50% or 30% of the area median to reach very low-income households. Another 10% of the units should be directed to those earning between 80% and 150% of area median income to address housing needs of those moderate- and middle-income households who are priced out of the current housing market.

Privately Owned Property

Homeownership Developments

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

Rental Developments

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

- **Unit Mix**

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

Elderly Housing:

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

Family Housing:

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

Special Needs Housing:

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

- **Design Criteria**

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

- **Location**

The Housing Plan emphasizes the distribution of affordable housing throughout the residential neighborhoods of Holliston in an attempt to avoid unnecessarily high impacts from new development in any one

neighborhood. Another objective is to look for affordable housing opportunities that will minimize impacts on the built or natural environment such as the refinancing and redevelopment of existing housing, the creation of accessory apartments, or the redevelopment of those areas of town most accessible to transportation, goods and services such as the Town Center and other commercial corridors and business areas. The Plan also acknowledges that growth will put greater burdens on limited public services, including schools, and future growth will most likely cause some schools to experience greater burdens than others.

- **Size and Density**
The density of a particular development should relate to its location in the community whether it is in a residential zoning district, a business district or in an area that is relatively separate from the surrounding neighborhood. In all residential districts the total number of proposed dwelling units within the development should not exceed eight units per upland acre to comply with these guidelines. In all other districts the number of proposed dwelling units within the development should not exceed twenty units per upland acre. Additionally, structures may be built up to three stories in all zoning districts. These Guidelines encourage the use of triplexes and quadraplexes and discourage structures with more than six units per building.
- **Open Space and Landscaping**
The project should incorporate open space of at least 15% of the parcel, and to the greatest extent possible based on the size of the parcel, this open space should be set aside as common land and maintained by a homeowners association or the owner of the property. All projects must also include proper landscaping such as grass, trees and shrubs, insuring the same number and quality of items for all units in the development, including the affordable units. Cluster development is encouraged for larger projects of more than 10 units.
- **Parking**
Each dwelling unit in a development targeted to seniors must include one parking space and in developments targeted to families, two parking spaces must be provided.
- **Environmental Concerns**
Avoid targeting development projects to areas that are ecologically sensitive and will degrade nearby conservation land. Developers should also be prepared to address the impact of the traffic created by the development.
- **Marketing**
Holliston needs to identify a marketing and monitoring agent for its affordable housing units.

- **Affordability Restrictions**
Deed riders or affordable rental restrictions should assure continued affordability in perpetuity to the greatest extent possible. The resale prices included in homeownership projects should be indexed to HUD's area median income as opposed to market value to better assure this affordability over the long-term. The monitoring of the resale restrictions and annual recertification in the case of rental agreements should be the responsibility of the project sponsor who must report annually to the Town's Housing Coordinator or other housing organization, such as perhaps the Housing Authority, approved by the Town.
- **Management**
The professional management of new rental housing is critical to the future viability of the development, and the management entity must have a proven track record and be approved by the Town of Holliston through its Housing Committee. If the proposed project sponsor does not have this expertise, it should contact the Holliston Housing Authority to undertake property management functions.