

Affordable Housing Plan

Town of Pepperell, Massachusetts



Prepared by
Town of Pepperell Affordable Housing Committee
and
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This report was prepared in accordance with 760 CMR 31.07(1)(i).

Town of Pepperell
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TABLE OF CONTENTS

	Page
Executive Summary	i
Introduction	1
Section I: Housing Inventory/Needs Assessment	2
Section II: Affordable Housing Vision/Goals	24
Section III: Affordable Housing Strategy	25
Planned Production Affordable Housing Action Plan	33
Section IV: Use Restriction Guidelines	34
Appendices	A-1
Appendix 1: Chapter 40B Guidelines for Planned Production Regulation (Summary)	A-1
Appendix 2: Local Initiative Program Guidelines	A-4
Appendix 3: Pepperell Zoning	A-6
Maps	
Regional Context	
Zoning	
Land Use	
Core Habitat Areas	
Sewer Infrastructure	
Water Infrastructure	
Land Use Suitability	
Growth Management Plan	
Proposed Zoning	

EXECUTIVE SUMMARY

INTRODUCTION

The Pepperell Affordable Housing Plan presents the Town's goals and strategies for the production of affordable housing. The goals of this plan are to demonstrate how Pepperell will develop a minimum of 29 subsidized housing units per year, enabling the Town to regulate future M.G.L. Chapter 40B developments, and to illustrate the housing needs of Pepperell residents. If a total of 58 subsidized units are constructed in a given year, Pepperell could deny permits for up to a two year period if the town felt the project was not consistent with its goals and plan.¹ Pepperell will have to demonstrate continued progress toward implementing the Housing Plan to maintain Plan Certification.

Given the 40B projects currently being considered, the Town of Pepperell has the opportunity to have a Plan certified in the coming year.

This Affordable Housing Plan Executive Summary addresses the following topics: 1) Housing Needs, 2) Affordable Housing Goals, 3) Affordable Housing Strategy, and 4) Use Restriction Guidelines. This plan has been prepared in accordance with 760 CMR 31.07(1)(i).

SECTION 1: HOUSING NEEDS ASSESSMENT

Pepperell needs 269 subsidized housing units to meet the 10% goal of 391 units. The town currently has 122 subsidized housing units that count toward its goal, placing it at 3.1%.

There is a need for a wider variety of affordable housing types to serve the needs of Pepperell's population.

- ❖ Pepperell has a relatively diverse housing stock, with 73% single family homes and the balance consisting of multifamily, two family and townhouse structures.
- ❖ However, there is a substantial gap between the number of houses available and the number of households with incomes large enough to pay for the available housing as either owners or renters.
- ❖ Existing demand is probably well served by the amount of multifamily that exists in the community, but there is a likely need for additional development of housing alternatives such as townhouses, condominiums and accessory apartments.
- ❖ Low income households comprise 20% of all households in Pepperell but only 4% of homes are valued in a price range that is affordable to this income level.

❖ 91% of local households cannot afford the average 2005 selling price of \$370,000 for a single family home in Pepperell.

There is a need for affordable housing options for the elderly.

- ❖ Over a quarter of elderly renters spend over 30% of their income on housing costs while 43% of renters aged 55 to 74 years spend 30% or more of their income on housing costs.

Many of Pepperell's essential residents, such as teachers and policemen, as well as the elderly would be eligible for subsidized housing as they earn less than \$58,000 per year.

¹ To meet Chapter 40B requirements a total of 391 subsidized units, or 10% of Pepperell's 2000 housing stock, must be developed. To be able to regulate 40B developments, 29 units (three-fourths of 1% of 3,905) must be constructed per year. The Town has 122 subsidized housing units; an additional 269 units are needed. The state only recognizes those units that have a recorded deed restriction that limits the occupancy of the unit to individuals or families that meet certain federal affordability criteria.

A wider variety of housing types is needed to serve the needs of Pepperell residents. An estimation of the demand for different housing types for various groups is given in the table below. Pepperell needs to add an additional 269 units to the Subsidized Housing Inventory (SHI) to be in conformity with 760 CMR 31.07(1)(i). The table proposes a total of 193 affordable units; 275 units will count on the SHI due to the presence of rental units.

Summary of Pepperell Housing Needs

Housing Type	SHI Units	Household Type	Location
Rental Units	188		
Higher Density Mixed Use	75	Young adults	Downtown
Proposed 40B Multifamily	8	Young adults, Elderly	Downtown & Inner Core
Two Family (40B)	40	Young adults, Older adults, Single Parents, Elderly	Downtown & Inner Core (Water & Sewer)
Multifamily (40B)	45	Young adults, Older adults, Single Parents, Elderly	Downtown & Inner Core (Water & Sewer)
In-law Apartment (LIP units)	20	Elderly Special Needs	Any (with conditions)
Ownership Units	101		
Proposed 40B	12		
Single Family	1	Families, Older adults	Outer Core & Rural
Two Family	11	Young adults, Single Parents, Older adults, Elderly	Rural
Inclusionary Zoning	21		
Single Family	12	Families, Older adults	Any except Downtown
Two Family/Multifamily	9	Elderly, Single Parents, Young adults, Older adults	Downtown & Inner Core (Water & Sewer)
Open Space Residential Development	30		
Single Family	22	Families	Outer Core & Rural
Two Family/Multifamily	8	Older adults, Single Parents	Outer Core
Other	38		
Higher Density Mixed Use	20	Young adults	Downtown
Other 40B	14	All	Any
Live/Work Space	4	Young adults	Downtown & Inner Core
Total affordable units	289	269 units would be on SHI	

Constraints

A significant portion of Pepperell is not developable because of natural resource areas, public ownership, and conservation and agricultural restrictions. Public water supplies are available to 80% of the Town; public sewer availability is restricted to the eastern part of Pepperell.

Opportunities

A Vision Map has been prepared based on an assessment of protection and development areas. This plan identifies four general subareas. Additional analysis and further public discussion will be needed to build public support for the zoning changes and staff support needed to carry out the plan.

1. Downtown Area
2. Inner Core Growth Management Area
3. Outer Core Growth Management Area
4. Rural Area

SECTION 2: HOUSING GOALS

- ❖ Provide a variety of housing opportunities that serve all segments of the community.
- ❖ Maintain the rural, residential, and historic character of town as more development occurs.
- ❖ Identify a range of public and private sector strategies to foster a needed additional 269 units of subsidized housing so that the Town can address the 40B requirement of 10% affordability.

SECTION 3: AFFORDABLE HOUSING STRATEGIES

Achieving an Affordable Housing Plan: Affordable Housing Units, Strategies and Locations

The Comprehensive Plan identified several strategies to address the Pepperell’s housing needs. These strategies, and others, are presented in the table below. The following steps need to be undertaken by the Committee and the consultant in order to facilitate identification and implementation of these strategies.

- | | |
|--|----------------------|
| 1. Evaluate and prioritize affordable housing strategies (see Table below) | Committee |
| 2. Undertake Town-Directed Affordable Housing Tasks | Committee/Consultant |
| 3. Undertake Zoning Strategies | Committee/Consultant |

The Housing Committee assigned a priority ranking to the strategies based upon the following criteria:

- Can this strategy be deemed a Positive Growth Management Tool?
- What is the degree of difficulty in implementing this strategy?
- What number of affordable units could potentially be developed upon this strategy’s implementation?

Affordable Housing Strategy Priority Implementation

Strategies	Priority		
	High	Moderate	Low
Town-Directed Affordable Housing Tasks			
Make Housing Committee permanent	X		
Pursue continuation of Pepperell Meadows as affordable housing (expires 2009)	X		
Create and approve criteria for acceptable 40B projects	X		
Consider other alternative development models		X	
Re-use or redevelopment of underutilized property	X		
Acquire Town-owned land for new affordable housing		X	
Work with Housing Authority			X
Consider passage of the Community Preservation Act			X
Zoning Strategies			
Smart Growth Overlay Zoning	X		
Inclusionary Zoning Bylaw		X	
Accessory Apartment Bylaw			X
Mixed Use Overlay District (Mill site)	X		
Open Space Residential Development Bylaw	X		
40R Smart Growth Overlay			X

SECTION 4: USE RESTRICTION GUIDELINES

This section of the Affordable Housing Plan states the Town’s agreement to adopt a variety of use restrictions and affirmative marketing strategies to ensure that the affordable housing meets the standards established by 760 CMR 31.07(1)(i). Families who earn 80% or less than the current area median income qualify for affordable housing. Affordable units must be marketed at levels affordable to buyers with a range of low/moderate incomes, retained for a long-term “lock in” period as affordable units, and sold/rented under an affirmative marketing plan.

Affordable Housing Action Plan

The Town of Pepperell's Planned Production Affordable Housing Action Plan must be designed to produce at least 29 units of subsidized housing annually beginning in 2006. Assuming broad support and funding, this plan will be updated as existing steps are refined and new action steps are identified until a total of 269 additional units of subsidized housing are developed. This will bring the total number of subsidized housing units in Pepperell to 391 units in the year 2010 as required under 760 CMR 31.07(1)(i).

Planned Production Affordable Housing Action Plan

	Action	Total Units	Market Rate Units	Affordable units	SHI Units*
Chapter 40B Units as of May 2005					122
Additional SHI Units Needed					269
2006	131 Lowell Street	4	3	1	1
	Bayberry Phase I	44	33	11	11
	42 Lowell Street (rentals)	8	6	2	8
Subtotal		56	42	14	20
Additional SHI Units Needed					249
2007 - 2010	Inclusionary Zoning	140	119	21	21
	Open Space Residential Development	200	170	30	30
	In-law apartments, other scattered units (LIP)	20	0	20	20
	Two Family & Multifamily rental units (40B)	85	64	21	85
	Live/Work Space	18	14	4	4
	Higher Density Mixed Use (Ownership)	100	80	20	20
	Higher Density Mixed Use (Rental)	75	60	15	75
	Other 40B (includes 196 Nashua Road)	56	41	14	14
Subtotal	694	548	145	269	
Total	750**	591	159	289	

*SHI units are units that will be counted on the 40B Subsidized Housing Inventory. These units count towards the 29 units Pepperell must produce each year to regulate affordable housing production.

**This number is a preliminary estimate based upon assumptions concerning the mix of housing.

INTRODUCTION

The Pepperell Affordable Housing Plan presents the Town's goals and strategies for the production of affordable housing. The requirements for a 40B Planned Production Affordable Housing Plan are detailed in M.G.L. 760 CMR 31.07(1)(i). This regulation stipulates that municipalities may adopt an affordable housing plan that is based upon a comprehensive housing needs assessment and includes strategies for the production of low- and moderate-income housing. To be eligible for housing certification by the Department of Housing & Community Development (DHCD), the plan must demonstrate how Pepperell will achieve the housing production required by the regulation, which is an increase of $\frac{3}{4}$ of 1% of total year round housing units reported in the 2000 U.S. Census.

Communities can use the development rate provision as a tool to encourage Chapter 40B development that meets stated planning objectives, while ensuring that they can reject more undesirable development proposals.

Once the plan is approved by DHCD, Pepperell may request certification of compliance with the plan by submitting proof that the required number of qualifying housing units has been produced during the current calendar year.² Pepperell must create at least 29 subsidized housing units per year until it achieves a total of 391 units, or 10% of its 2000 housing stock. Certification will enable the Board of Appeals to deny comprehensive permit applications for one year from the date of request for certification. If 58 subsidized units, or 1.5% of Pepperell's 2000 housing stock, are constructed in one year, the community may have a reprieve from granting comprehensive permits for two years. In subsequent years, Pepperell will have to demonstrate continued progress toward implementing the housing plan and continue creating at least 29 subsidized housing units per year.

This Affordable Housing Plan will address the following topics: 1) Housing Needs Assessment, 2) Affordable Housing Goals, 3) Affordable Housing Strategy, and 4) Use Restriction Guidelines. This plan has been prepared in accordance with 760 CMR 31.07(1)(i).

Preparing a Planned Production Affordable Housing Plan

The Affordable Housing Committee will review the first section of the report, Pepperell Housing Needs. This will be followed by the additional six tasks as identified below.

1. **Pepperell Housing Needs:** The Town needs a total of 269 units to meet the State's 10% affordability requirement. To meet the housing needs of Pepperell residents (as shown in Table 25 on p. 23, the Committee ascertained the needed number of rental and ownership affordable units and the type/size of units.
2. **Vision and Housing Goals:** A draft vision and goal statement is provided. This was edited by the Committee.
3. **Strategies for Affordable Housing:** Tasks/strategies were identified.
4. **Rank list of Potential Locations for Affordable Housing:** Possible locations were identified and ranked (See Table 27 on p. 27 and the Growth Management Plan Map).
5. **Prepare Action Plan:** Strategies were identified to allow Pepperell to attain 29 units of subsidized housing per year beginning in 2006.
6. **Photographs of Housing Developments we would like to see in Pepperell:** The Committee should identify examples of development which Pepperell would like to emulate.
7. **Identify Affordable Housing Committee Next Steps:** See the Action Plan.

² The state only recognizes those units that have a recorded deed restriction that limits the occupancy of the unit to individuals or families that meet certain federal affordability criteria.

SECTION I: HOUSING NEEDS ASSESSMENT

HOUSING INVENTORY

According to the U.S. Census, there were 3,917 housing units in Pepperell in 2000, an increase of 412 units since 1990. The distribution of units by types is shown in Figure 1.

- ◆ The town’s housing stock is relatively young; Over 60% of the homes were built after 1970.
- ◆ 79% of the units are owner-occupied, while 21% of the units are renter-occupied (2000 U.S. Census).

Figure 1, Housing Types, 2000

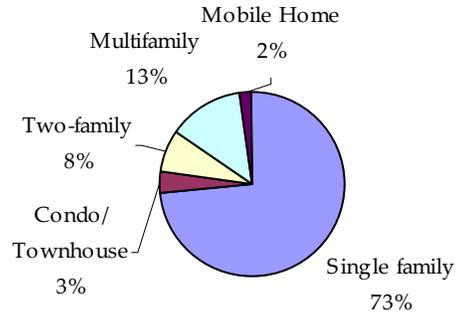
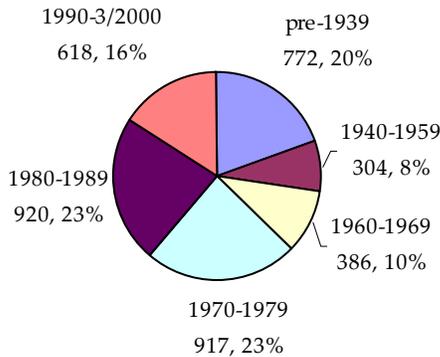


Figure 2, Homes by Year Built



- ◆ When compared to surrounding municipalities, Pepperell has experienced an average rate of construction in recent years. Westford, Tyngsborough, and Groton issued considerably higher numbers of building permits for single family homes. Ayer, Groton, and Tyngsborough constructed a greater number of multifamily units than Pepperell.

- ◆ Although Pepperell recently issued permits for two multifamily developments, the majority of building permits continue to be issued for single family homes. This is a pattern seen in Pepperell and in surrounding communities.
- ◆ Pepperell averaged only three multifamily units built per year; all of these units were part of two developments built in 2003 and 2004.

Table 1, Regional Housing Growth, 1995-2004

Municipality	Single Family Units/Year	Multifamily Units/Year
Ayer	24	9
Dunstable	28	0
Groton	79	9
Lunenburg	48	2
Pepperell	47	3
Shirley	32	<1
Townsend	29	<1
Tyngsborough	63	5
Westford	130	1

Table 2, Pepperell Housing Growth, 1995-2004

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Single Family Units	71	77	64	36	38	63	37	33	30	17
3- & 4-Family Units	-	-	-	-	-	-	-	-	16	15
Total Units	71	77	64	36	38	63	37	33	46	32

Source: SOCDS Building Permits Database

HOUSING COST

Housing Sales

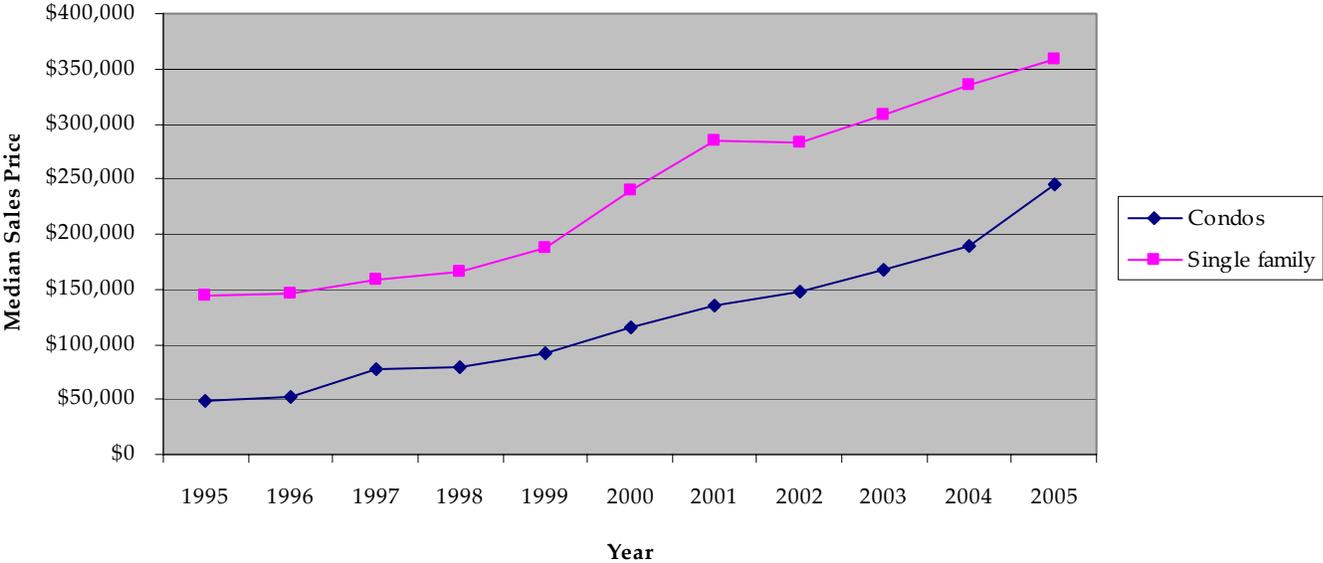
Home prices have soared in recent years, mirroring regional conditions. The average assessed value of all single family homes in Pepperell in FY 2005 was \$308,439, up 97% from \$156,708 in FY 2000. Between 1995 and 2005 the average selling price of a single family home in Pepperell increased by 148% from \$144,900 to \$359,450. From 2004 to 2005 alone, selling prices increased by 7.3%. Data for condominium sales revealed an even more extreme increase, with prices rising by 400% over the past decade (The Warren Group).

Table 3, Median Sales Price, 1995-2005

Year	Median Sales Price of Single Family Homes	% Increase
2005	\$359,450	7.3%
2004	\$335,000	8.4%
2003	\$308,950	9.4%
2002	\$282,500	-0.8%
2001	\$284,900	18.7%
2000	\$240,000	28.0%
1999	\$187,425	13.6%
1998	\$165,000	4.1%
1997	\$158,500	9.2%
1996	\$145,125	0.2%
1995	\$144,900	-

Source: The Warren Group

Figure 3, Median Sales Price of Single Family Homes and Condominiums, 1995-2005



In 2004 there were 216 properties sold in Pepperell, including 156 single family homes and 16 condominium residences (The Warren Group). Local realtors have estimated that the vacancy rate is low; at any given time, there is an average of 23 homes on the market, and homes stay on the

market for an average of 40 days. The 2000 U.S. Census reports the total vacancy rate to be 1.8%, 0.3% of which is for seasonal, recreation or occasional use. The homeowner vacancy rate is 0.3% and the rental vacancy rate is 2.3%.

There were 17 new single family homes permitted in 2004, 30 in 2003, and 33 in 2002; there were 15 multifamily units constructed in 2004 and 16 in 2003. Local realtors report the average selling price of a new single family home on the housing market starts at \$500,000, with a small number priced in the \$400,000 to \$500,000 range. The average price of all single family homes on the market starts at \$300,000. For condominiums, two bedroom townhouses typically sell in the low \$200,000s. A duplex, which is rare in Pepperell, may sell in the mid-\$300,000s. A new condominium development with units priced at \$235,000 has been struggling to sell due to the combination of a 55 and older age restriction and three-level units.

Pepperell ranks in the middle of the range in terms of the average price of single family homes. The average price for a single family home is \$335,000. Pepperell had fewer condominium sales than any other community in the region except for Dunstable.

Table 4, Regional Housing Market, 2004

Community	Single Family Homes		Condos	
	Average Selling Price	# of Sales	Average Selling Price	# of Sales
Ayer	\$272,000	67	\$203,450	40
Dunstable	\$395,000	39	\$0	0
Groton	\$447,500	156	\$260,000	20
Lunenburg	\$269,900	175	\$426,713	22
Pepperell	\$335,000	156	\$189,750	16
Shirley	\$314,950	68	\$222,500	18
Townsend	\$275,000	111	\$77,450	32
Tyngsborough	\$351,000	128	\$179,000	55
Westford	\$459,000	328	\$369,900	134

Source: The Warren Group

Rental Housing

Rental availability in Pepperell is almost nonexistent; realtors report that there are no vacancies. When rental units are available, they are usually quickly filled. The 2000 Census reported the average rent for all apartments was \$697. This figure is typically lower than the going rate, because it includes many households who pay below market rent. Currently, one bedroom apartments typically rent for \$600 per month; two bedroom apartments rent for approximately \$800 per month. These low rents are partly attributed to a decrease in demand for rental units caused by low interest rates which have allowed many renters to purchase homes. Newly constructed apartments rent for approximately \$1,000 to \$1,300 per month. The “fair market rent” that HUD currently allows for housing vouchers is \$856 for one bedroom units and \$1,102 for two bedroom units, including utilities.

Affordable/Subsidized Housing

- ◆ When compared to surrounding communities, Pepperell ranks fifth in terms of percentage of units on the subsidized housing inventory; Ayer, Tyngsborough, Groton, and Westford have higher percentages.

Table 5, Comparison of Subsidized Housing Availability*

	Ch. 40B Units	Total Units Developed	Total Year Round Units (2000 U.S. Census)	% Total Units
Ayer	254	281	3,141	8.1%
Dunstable	0	0	933	0.0%
Groton	182	241	3,339	5.5%
Lunenburg	66	66	3,605	1.8%
Pepperell	122	137	3,905	3.1%
Shirley	60	60	2,140	2.8%
Townsend	84	84	3,162	2.7%
Tyngsborough	276	476	3,784	7.3%
Westford	244	347	6,877	3.5%

*Does not include Section 8 Mobile Vouchers or Massachusetts MRVP vouchers
 Source: State Department of Housing and Community Development, as of 1/3/06

- ◆ Pepperell currently has an inventory of 122 subsidized housing units, or 3.1% of its total 2000 year-round housing inventory. To fulfill its requirements under Chapter 40B, Pepperell needs to increase its qualified affordable housing stock to 10%, or 391 units.³ Therefore, an additional 269 units need to be added to the inventory.
- ◆ Mayfield Park, the newest 40B development in Pepperell, was much in demand at its opening and very well-received by the original residents. Clearly there is a demand for affordable housing in Pepperell.

Table 6, Pepperell Chapter 40B Subsidized Housing Inventory

Name	Location	Type	Funding Agency	40B Units	Year End
				5	
	4 Foster Street	Rental	DHCD	51	Perp
	8 Foster Street	Rental	DHCD	12	Perp
	68 Groton Street	Rental	DHCD	5	Perp
	Cottage Street	Rental	DHCD	2	Perp
Mayfield Park	22-24 Tucker Street	Ownership	DHCD	7	2029
Pepperell Meadows	River Road	Rental	RHS	40	2009
Total				122	

Source: Massachusetts Department of Housing and Community Development, as of 1/3/06

³ The state only recognizes those units that have a recorded deed restriction that limits the occupancy of the unit to individuals or families that meet certain federal affordability criteria (in general occupancy costs are limited to 30% of income). Although there may be housing units available on the market which fall within affordable price guidelines, they are not included in the 40B inventory because they lack deed restrictions or other accepted long-term protection mechanisms.

The Pepperell Housing Authority administers low and moderate income housing units. Currently, Pepperell has 70 units, of which 63 are one-bedroom apartments for senior citizens and seven are for families of up to five people.

Pepperell also has three mobile home parks, one of which is limited to those aged 55 and older. All are in high demand, in particular the age-restricted park. This illustrates the demand for affordable housing in Pepperell, especially for the elderly.

Currently there are three Chapter 40B developments at various stages in the permitting process (see Table 7). If these developments are constructed, the number of Chapter 40B units in Pepperell would increase by 20 to 142 units.

Table 7, Proposed Chapter 40B Projects

40B Project: Name/Location	Approval Date	Types of Units	Total # Units	# Affordable Units*	# 40B Units
131 Lowell Road		Single family	4	1	1
Bayberry Phase I		Duplexes	44	11	11
42 Lowell Road		Apartments	8	8	8
Total			56	20	20

* In a rental development, 100% of the units are counted as affordable even though only 25% are rented as affordable.

Source: Town of Pepperell

REGULATORY AND PHYSICAL ENVIRONMENT

LAND USE PATTERNS

- ◆ The Town of Pepperell is a rural residential community. Approximately 23% of the land area is developed for single family homes, mostly on 20,000-80,000 square foot lots. Only 1% of the Town is developed for industrial and commercial uses.
- ◆ While Table 8 identifies 75% of the town land area as undeveloped, some of the area is not developable because of environmental constraints or restrictions. 2,072 acres (14%) of land are classified as open space; 1,716 (12%) of these acres are permanently protected while 342 have limited protection. 1,525 acres (10%) of agricultural land classified under Chapter 61, Chapter 61A or Chapter 61B are not permanently protected. Some open space parcels owned by private individuals or organizations may also be vulnerable to future development if they do not have permanent development restrictions, even if the owner currently intends to preserve them as open space.

Table 8, Existing Land Use

Land Use Category	Area (Acres)	% of Town Area	% of Dev. Area
Single Family Residential	3,354	22.6%	89.2%
Multifamily Residential	31	0.2%	0.8%
Commercial	67	0.5%	1.8%
Industrial	91	0.6%	2.4%
Public/Recreation	143	0.9%	3.8%
Transportation/Utilities	75	0.5%	2.0%
Total Developed	3,761	25.3%	100.0%
Agriculture	2,070	14.0%	
Vacant	8,606	58.0%	
Water	400	2.7%	
Total Undeveloped	11,076	74.7%	
Total Town Area	14,837	100.0%	

Source: MassGIS, from Aerial photography, 1999

Table 9, Change in Land Use, 1971–1999

Land Use	1971	1985	1999
Single Family Residential	1,155	2,094	3,354
Multifamily Residential	8	31	31
Commercial	50	62	67
Industrial	24	55	91
Public/Recreation	156	253	143
Transportation/Utilities	57	73	75
Total Developed Land	1,450	2,568	3,761
Agriculture	2,673	2,488	2,070
Vacant (Includes Forest & Wetlands)	10,337	9,405	8,606
Water	378	378	400
Total Undeveloped Land	13,388	12,271	11,076

Source: MassGIS, from Aerial photography, 1971, 1985, 1999

- ◆ Between 1971 and 1999, the amount of developed land in Pepperell has increased by 160%. Most of this growth is comprised of single family development. At the same time, the amount of land devoted to agricultural uses has decreased by 29%.

- ◆ Once a factory and farming town, Pepperell has become a mostly “bedroom community” with little commercial or industrial development. Only one factory remains open; the Bemis Bag and Pepperell Paper Mill closed their operations in 1997 and 2002, respectively.

ZONING

- ◆ The Town of Pepperell has five residential districts as well as a commercial and an industrial district. The residential districts cover 96.7% of the Town’s 14,829 acres. Nearly half of the Town (7,055 acres) is zoned as Rural Residence (RR). The Commercial (C) District, which comprises 0.5% of the Town’s land area, permits dwelling units above the first floor and boarding houses by right; multifamily dwellings are permitted by special permit. Residential uses are not permitted in the industrial district.

- ◆ Single family homes are permitted by right in all of the residential districts. Two family dwellings are permitted by right in the Urban Residence (UR) District and by special permit in the Suburban Residence (SR) District. Minimum lot sizes range from 80,000 square feet in the RR, Town Residence (TR) and Recreational Residence (RCR) districts to 40,000 square feet in the SR and UR districts.

- ◆ Multifamily units may be created by special permit in the UR and C districts with a minimum lot size of 10,000 square feet per dwelling unit. A maximum of four units is allowed per multifamily dwelling; in a multifamily development larger than eight units, only 20% of the units may contain three or more bedrooms.

- ◆ Accessory apartments are permitted by special permit.

- ◆ Within the WRPOD, single family and multifamily residences connected to the town sewer are permitted in the Well Protection Zone and the Aquifer-Watershed Protection Zone but not in the Water Source Protection Zone. Single family and multifamily residences serviced by septic systems must be on lots with a minimum size of 80,000 square feet.

- ◆ The zoning bylaw allows for an Open Space Residential Development (OSRD) in which residential dwellings may be constructed at greater densities provided the residences are grouped in clusters. The OSRD must be located on at least ten acres with a minimum lot size of 20,000 square feet when served by town sewer and 30,000 square feet when not served by town sewer. The bylaw has not been used often, partly due to the ten acre minimum.

Table 10, Pepperell Zoning Districts

Residential	
Rural Residence	RR
Town Residence	TR
Recreational Residence	RCR
Suburban Residence	SR
Urban Residence	UR
Nonresidential	
Commercial	C
Industrial	I
Overlay Districts	
Water Resource Protection	WRPOD
Wireless Communications	WCOD

See Appendix 3 for a more detailed summary of the Town's Zoning Bylaw.

BUILDOUT ANALYSIS

In 1999, EOEА oversaw the preparation of a buildout analysis for the Town of Pepperell. This exercise provides an estimate of what might result if all of the remaining land in town were developed under existing zoning regulations. The potential for redevelopment of underutilized properties or development that does not conform to zoning is not accounted for. The buildout analysis estimated that a total of 3,386 dwelling units could be created, assuming all single family. Given an average household size of 2.84, the population could grow by an additional 9,616 residents for a total population of at least 20,758 persons.

What is a Buildout Analysis?
A buildout analysis provides an estimate of what might result if all remaining land in town were developed under existing zoning regulations. The potential for redevelopment of underutilized properties or development that does not conform to zoning is not accounted for.

Is the Buildout Analysis Accurate?
The methodology for completing a buildout analysis is necessarily abstract.

- Land that could not support new development is often identified as developable.
- However, especially as communities approach their full development capacity, they often experience increases in density which are not accounted for in the buildout analysis, through infill development, Comprehensive Permits, and zoning changes.

Table 11, Summary of Buildout Capacity

Zoning District	New Dwelling Units	Water Use (GPD)	New Students	New Population	New Road Miles
Rural Residence	1,663	371,756	931.5	4,957	37.8
Town Residence	916	204,761	513.0	2,730	15.6
Recreational Residence	469	104,894	262.8	1,399	8.0
Suburban Residence	323	72,146	180.8	962	5.5
Urban Residence	15	3,341	8.4	45	0.3
Total	3,386	756,898	1,896.5	10,093	67.2

Source: EOEА Buildout Analysis, 1999

The buildout analysis also finds the potential for an additional 67.2 road miles and water use of 756,898 gallons per day within the residential districts.

This analysis does not give any indication of the rate of development or the time frame for reaching full buildout. It is likely that residential zoning districts will be built out in a much shorter time frame than commercial and industrial districts, especially given the strong housing market and the lack of economic development in recent years.

Table 12, Summary of Buildout

Buildout Impact	
Additional Residents	10,472
Additional Students (K-12)	1,968
Additional Residential Units	3,514
Additional Developable Land Area (acres)	7,999
Additional Commercial/Industrial Buildable Floor Space (sq. ft.)	12,981,377
Additional Water Demand (gallons/day)	1,759,026
<i>Residential</i>	785,400
<i>Commercial and Industrial</i>	973,626
Additional Solid Waste (tons/year)	6,315
<i>Recyclable</i>	2,650
<i>Non-recyclable</i>	3,665
Additional Roadway (miles)	70

Source: EOEА

FACTORS THAT CONSTRAIN AND PROMOTE GROWTH

Infrastructure

- ◆ The nearest commuter rail stations to Boston are located in Ayer and Littleton (See Regional Map). However, a lack of parking at the stations limits the feasibility of Pepperell residents utilizing the commuter rail.
- ◆ Major roads which run through Pepperell include Routes 111, 113, and 119. Additionally, Pepperell is served by the Lowell Regional Transit Authority (LRTA) which provides “Road Runner” service to the elderly and disabled.
- ◆ Approximately 80% of Pepperell is serviced by Town water. The remaining residents have private wells.
- ◆ Pepperell’s water system dates to 1907 (Pepperell Comprehensive Plan, p. 7-4). Water supply is provided by three wells, one on Bemis Road and two on Jersey Street (see Water and Sewer Infrastructure Map). The three wells have a combined storage capacity of approximately three million gallons per day. Current demand (2004) is 733,000 gallons per day; the maximum average permitted per day based on the year’s average is 1.25 gallons per day. Additionally, there is an emergency water connection with Townsend.
- ◆ The 1998 Pepperell Comprehensive Plan recommended that the Town undertake a plan to determine if additional wells are needed to satisfy Pepperell’s water demands. Subsequently, the Town determined that there is a need for a fourth well and is currently looking for an appropriate site.
- ◆ Approximately 35% of Pepperell households are served by public sewer. Pepperell households not on the sewer system are serviced by individual septic disposal systems.
- ◆ The Town has an agreement with Groton in which Groton discharges sewers serving its downtown area to the Pepperell system in return for payment. Pepperell recently upgraded its wastewater treatment plant to a design capacity of 1.1 million gallons per day. 25% of this capacity is reserve for Groton, leaving 825,000 gallons per day for Pepperell. The plant discharges treated wastewater into the Nashua River. Current daily flow demand averages 475,000 to 500,000 gallons per day.

Zoning

- ◆ Multifamily dwellings are permitted by special permit in only two zoning districts, Urban Residence and Commercial, both of which cover only 1.8% of the town’s land area. Multifamily residences are not permitted by right in any district.
- ◆ Current lot area requirements in the Urban Residence district limit the amount of multifamily housing that can be developed.
- ◆ There is no inclusionary housing requirement.

Economic Development/Tax Base

- ◆ Pepperell’s proximity to New Hampshire, which is tax-free, and in particular Nashua, which has a great deal of commercial establishments, has contributed to the decline of commercial development in town.
- ◆ Pepperell’s Town Center, where the majority of businesses are located, runs along Route 113. However, many people passing through Pepperell do so along Route 119; as a result, they never drive through Pepperell’s major commercial area.
- ◆ It is well understood in Pepperell that homeowners' property taxes do not cover educational costs. Other housing types, on the other hand, can generate a positive cash flow to the town.

As shown on Table 13, family housing is often a net loss to the Town as opposed, for example, to one and two bedroom garden condominiums.

Table 13, Cost of Services: Fiscal Impacts of Development

Type of Development	Revenue/General Govt.	Revenue/Education
Positive Revenue Benefits		
Research Office Parks	+	+
Office Parks	+	+
Industrial Development	+	+
High-Rise Garden Apartments (Studio/1BR)	+	+
Age-restricted Housing	+	+
Garden Condominiums (One/Two BR)	+	+
Open Space	+	+
Neutral Revenue Benefits		
Retail Facilities	-	+
Townhouses (2/3 Bedrooms)	-	+
Expensive Single family Homes (3-4 BR)	-	+
Negative Revenue Benefits		
Townhouses (3-4 BR)	-	-
Inexpensive Single family (3-4 BR)	-	-
Garden Apartments (3+ BR)	-	-
Mobile Homes (Unrestricted Occupancy)	-	-

Source: The Growth Impact Handbook, DHCD, p.10

AREAS FOR DEVELOPMENT

Despite the lack of viable public transit options and weak access to major highways, the rural setting, the large amount of land available for development, and a relatively affordable housing market make Pepperell an attractive location. The Land Use Suitability map identifies those areas of town which are best suited for various types of land uses. For purposes of analysis, the town can be divided into areas with development potential and areas with barriers to development. Areas with development limitations (barriers) include those natural resource areas with regulatory protection, i.e., wetlands, flood zones, Zone IIs, and potential high and medium yield aquifers. Resource areas with limited or no regulatory protection include BioMap habitat areas, priority habitats, and potential and certified vernal pools. Taken together with protected open space and surface water bodies, one can block out areas where development is unsuitable. The remainder of town can then be divided into distinct areas for potential development.

A preliminary Vision Plan map has been prepared based on this assessment of protection and development areas. For purposes of growth management planning, four areas have been identified. The characteristics of and the opportunities within these areas need to be further described by the Town.

1. Downtown Area

- ◆ Located along Main Street between River Road and Groton Street and along Lowell Road

2. Inner Core Growth Management Area

- ◆ Located west of the Downtown

3. Outer Core Growth Management Area

- ◆ Scattered throughout town; mainly located west of the Downtown and south of the Inner Core

4. Rural Area

- ◆ Located throughout Pepperell

Table 15, Population and Household Growth, 1970–2030

	Population	% Change	Households	% Change	Total Additional Households	Persons per Household
1970	5,887		1,738			3.39
1980	8,061	36.9%	2,653	52.6%	915	3.04
1990	10,098	25.3%	3,505	32.1%	852	2.88
2000	11,142	10.3%	3,917	11.8%	412	2.84
2010	11,924	7.0%	4,227	7.9%	310	2.82
2020	12,554	5.2%	4,527	7.0%	297	2.77
2030	13,062	4.0%	4,778	5.5%	251	2.73

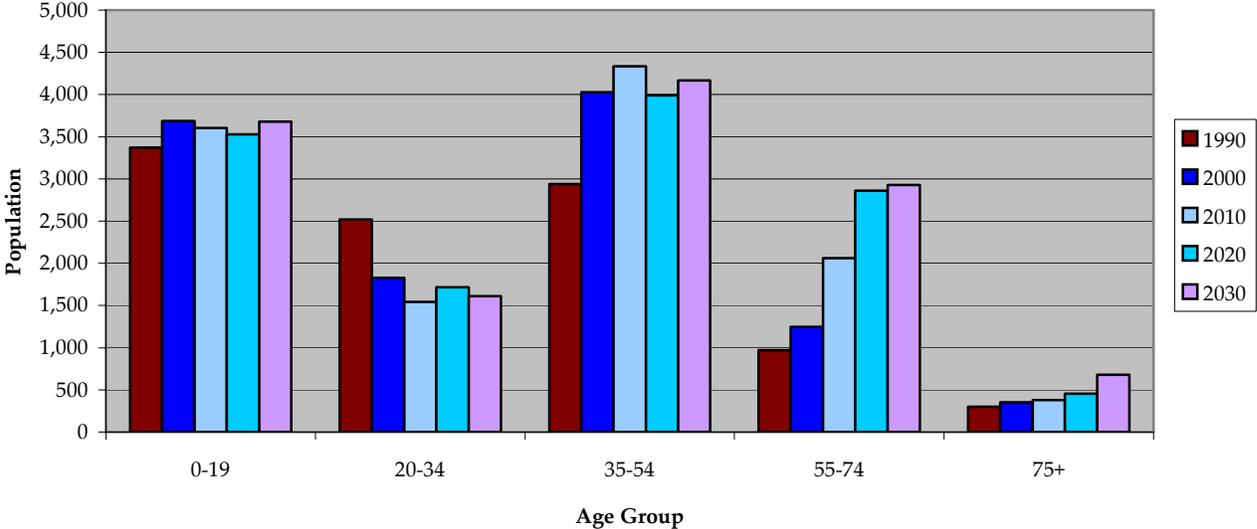
Source: U.S. Census, MAPC

Age

Between 1990 and 2000 significant changes in Pepperell’s population occurred.

- ◆ Young adults (aged 20-34) decreased significantly, by 27%
- ◆ Middle aged residents (35-54) increased by 37%
- ◆ Seniors (55-74) and the elderly (75+) increased by 28% and 18%, respectively

Figure 5, Population By Age Group, 1990-2030



By 2030, Pepperell’s population is projected to grow by 17%; considerable demographic changes are expected to occur.

- ◆ Pepperell’s young adult population is rapidly declining. 12% of Pepperell’s population will be between 20 and 34 in 2030, compared to 25% in 1990.
- ◆ Pepperell’s seniors will account for 22% of the total population by 2030 compared to 11% in 2000. This is an increase of 135%.
- ◆ The elderly population is predicted to almost double by 2030.

School Enrollment

- ◆ Although the data presented above shows a 9.4% increase in the number of residents aged 0-19 between 1990 and 2000, the school enrollment data presented below indicates that there has been a substantial increase in the number of school children in Pepperell over this period. Preprimary and kindergarten enrollment has increased by 223% and elementary and high school enrollment has increased by 105%. This discrepancy could be explained by a substantial influx of young families into town.
- ◆ The number of pupils enrolled in college has also increased significantly, by 130%.

Table 16, School Enrollment in Pepperell, 1990 and 2000

Grade Level	1990 Enrollment			2000 Enrollment			% change 1990-2000
	Public	Private	Total	Public	Private	Total	
Preprimary				425	290	715	
Kindergarten				242	16	258	
Preprimary/Kindergarten	149	152	301	667	306	973	223%
Grades 1-4				1,086	92	1,178	
Grades 5-8				1,158	273	1,431	
Grades 9-12				1,028	230	1,258	
Elementary/High School	1,789	98	1,887	3,272	595	3,867	105%
College Undergraduate				302	453	755	
Graduate/Professional School				173	519	692	
Post-High School Total	404	224	628	475	972	1,447	130%
Total	1,038	474	2,816	4,414	1,873	6,287	123%

Source: 1990, 2000 U.S. Census

Race

Pepperell's population is homogeneous, similar to the municipalities in the surrounding region. According to the 2000 Census, the community was 97.2% white, 0.5% African-American, 0.7% Asian and 0.1% American Indian. Only 1.0% of the population was considered Hispanic or Latino, which is considerably lower than the Lowell PMSA's 5.9%, the county's 4.6% and the state's 6.8%.

Table 17, Regional Population by Race

	White	Black	Asian	American Indian	Hawaiian	Hispanic
Ayer	85.9%	5.7%	2.9%	0.3%	0.1%	4.7%
Dunstable	97.5%	0.1%	1.5%	0.0%	0.0%	0.5%
Groton	97.2%	0.3%	1.0%	0.1%	0.0%	1.1%
Lunenburg	97.0%	0.7%	0.8%	0.2%	0.0%	1.1%
Pepperell	97.2%	0.5%	0.7%	0.1%	0.0%	1.0%
Shirley	83.9%	6.7%	2.1%	0.5%	0.1%	6.9%
Townsend	97.5%	0.7%	0.2%	0.2%	0.0%	1.2%
Tyngsborough	95.6%	0.5%	2.5%	0.2%	0.0%	1.1%
Westford	93.7%	0.3%	4.8%	0.1%	0.0%	1.1%
Lowell PMSA	87.0%	2.0%	7.8%	0.2%	0.0%	5.9%
County	85.9%	3.4%	6.3%	0.2%	0.0%	4.6%
State	84.5%	5.4%	3.8%	0.2%	0.0%	6.8%

Source: 2000 U.S. Census

Disabled Individuals

- ◆ There are 2,481 non-institutionalized individuals aged five and over (24% of total population over age five) that report to have a disability (2000 U.S. Census).⁴
- ◆ 91% of elderly residents (over age 65) report to have a disability.
- ◆ Of the reported disabilities, 9.8% are sensory in nature, 21.2% are physical, 18.0% are mental, 6.0% require assistance for self-care, 18.3% are unable to go outside of the home, and 26.9% impede employment.

Employment and Labor Force

- ◆ Businesses in Pepperell employed a total of 1,452 people in 2003. The jobs to labor force ratio shows that there is one job for every five Pepperell residents.
- ◆ The unemployment rate in Pepperell in 2004 was 4.7%, down from 6.4% in 2003. This compares with the statewide average of 5.1% in 2004, down from 5.8% in 2003.
- ◆ Pepperell jobs provided an average annual wage of \$32,604 in 2003. In all industry sectors, the average annual wage fell below the FY2004 moderate income level of \$57,500 (80% of median income) for the Lowell Primary Metropolitan Statistical Area (PMSA). Only three industries, Transportation & Warehousing, Information, and Professional & Technical Services, provided an average annual wage that exceeded the low income standard of \$40,000 (50% of median income). Many employees live in households with more than one income, thus they may fall in a higher income bracket, and/or residents may not be employees in the town.

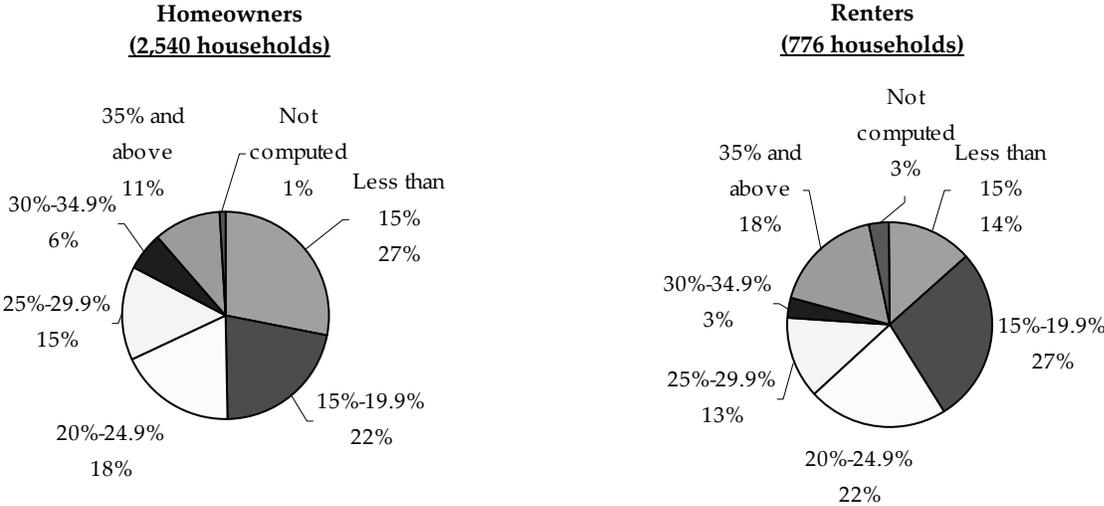
Table 18, Jobs to Labor Force Ratio, 2003

Pepperell jobs	1,452
Pepperell resident labor force	6,667
Jobs/Labor Force Ratio	0.22

⁴ The Census defines a disability as “A long-lasting physical, mental or emotional condition. This condition can make it difficult for a person to do activities such as walking, climbing stairs, dressing, bathing, learning, or remembering. This condition can also impede a person from being able to go outside the home alone or to work at a job or business”.

Housing affordability is measured by comparing monthly housing costs to the income of households. By affordable housing standards, households should spend no more than 30% of their income on housing-related expenses. Figure 7 illustrates the proportion of Pepperell homeowners and renters who are burdened by high housing costs.

Figure 7, Percent of income spent on housing cost for Pepperell Residents



Source: Income data is from 2000 U.S. Census.

For a housing unit to be affordable, a household should spend no more than 30% of its household income on housing costs. In Pepperell, over 17% of all households spend more than 30% of income on housing costs, making them technically unaffordable. Over 16% of households in owner-occupied housing units spend more than 30% of their incomes on housing, while 33% of households in renter-occupied housing units spend more than 30% of their household incomes on housing (U.S. Census).

Table 20, Housing Costs as Percent of Household Incomes in Pepperell

% of income spent on housing costs	Homeowners		Renters		Total	
	# of units	% of total units	# of units	% of total units	# of units	% of total units
Less than 15%	714	28.1	105	13.5	819	24.7
15.0-19.9%	548	21.6	215	27.7	763	23.0
20.0-24.9%	468	18.4	167	21.5	635	19.1
25.0-29.9%	373	14.7	101	13.0	474	14.3
30.0-34.9%	146	5.7	26	3.4	172	5.2
35.0 and above	272	10.7	139	17.9	411	12.4
Total Households with High Cost Burden	418	16.4	165	32.8%	583	17.6
Not computed	19	0.7	23	3.0	42	1.3
Median monthly costs	\$1,371		\$697			

Source: 2000 U.S. Census

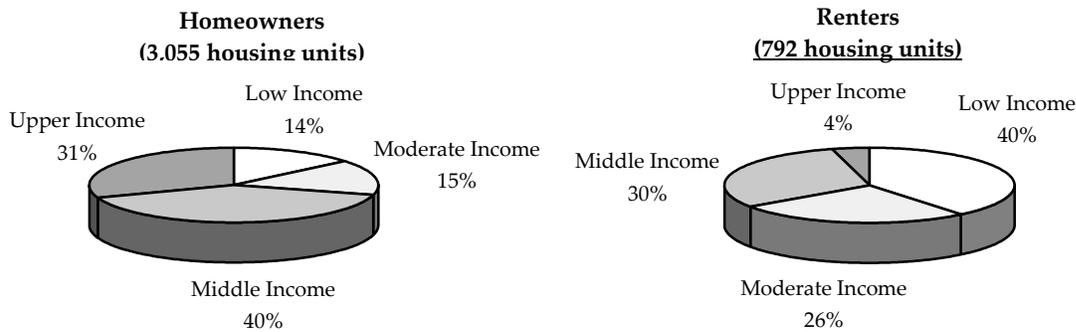
Another indicator of change in housing affordability is to compare the increase in average housing costs to the increase in median income. Between 1990 and 2000, the average price of single family homes rose by 26% (\$152,000 in 1990 to \$240,000 in 2000, Banker & Tradesman). Over this same period, the median household income in Pepperell increased by 46.5% (\$44,492 in 1990 to \$65,163 in 2000, U.S. Census). This indicates that homeowners enjoyed increased levels of affordability over that period. However, since 2000, prices of single family homes have risen to \$370,000 (average price for January-May 2005), a 54% increase. Comparatively, incomes in the Lowell PMSA have increased by only 24% since 2000.

Housing Gap

New two-bedroom apartments can rent for as high as \$1,300 per month while older units may rent for as low as \$800. Using an average market rent of \$1,000, a household must have an annual income of \$40,000. 26% of Pepperell households do not meet this threshold. To afford the average 2005 (January–May) selling price for a single family home of \$370,000, a household must have an annual income of \$110,000. 91% of Pepperell households do not meet this income threshold.

Gap Analysis
A gap analysis looks at what types of housing are available in Amesbury. It compares what the population can afford, based on median household incomes, and what types of housing might be desired, based on household types. The analysis considers both homeowners and renters.

Figure 8, Pepperell Residents by Income Level



Source: Income data is from 2000 U.S. Census.

Homeowners

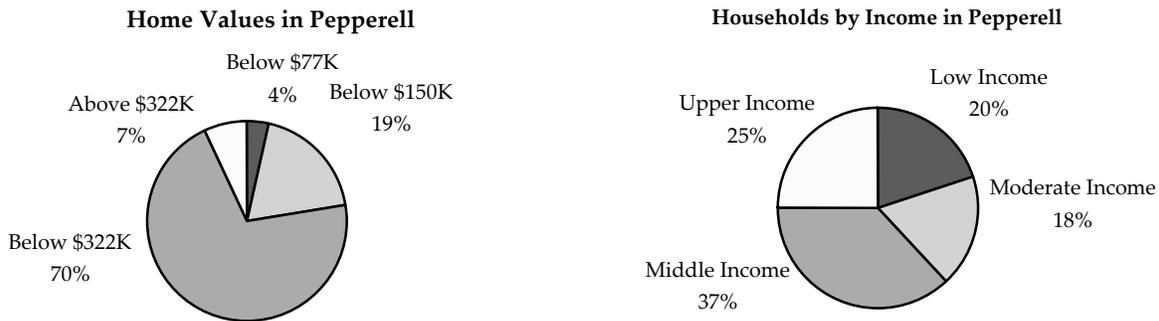
There is a housing gap between the number of houses available and the number of households with incomes large enough to pay for the available housing. The greatest deficit is in homes affordable to low income households, which comprise 20% of all households in Pepperell. At this income, households can afford the price of a house below \$77,000; however, almost none of the housing stock falls in this price range and not enough housing is being built at this price range. This results in many current homeowners facing high cost burdens (see Table 19 above) and would-be first-time homebuyers who cannot find affordable homes. Figure 9 illustrates the income thresholds for affordable living units based on household income levels.

Table 21, Affordable Home Prices, Town of Pepperell

Family of 3	2006 Affordable Home Values	2000 Affordable Home Values
Low Income (50% AMI)	106,000	75,000
Moderate Income (80% AMI)	177,000	115,000
Middle Income (100% AMI)	300,000	233,000
Upper Income (>100% AMI)	>300,000	>233,000

Price calculated for 30 year mortgage at 6.0% rate with 5% down payment and \$300/month for mortgage insurance and property taxes, such that monthly housing costs do not exceed 30% of income.

Figure 9, Homeowners Affordability Index



Source: 2000 US Census
 Calculated assuming 5% down, 6.0% APR mortgage for 30 years, 30% of income for housing costs and \$300/month for taxes and insurance

In fact, the number of low income renters who could potentially become first time homebuyers far exceeds the number of homes that are reported to fall within an affordable price range. Together with homeowners, low income households outnumber affordable housing units more than 8:1. Moderate income households are in a better position to find affordable housing, however the stock of housing affordable to both low and moderate income households still falls below what is needed. Meanwhile the number of homes that are affordable to middle and upper income households is more than adequate to serve the needs of households within the moderate income range. *This data most likely understates the lack of affordable ownership housing, as the home values reported to the Census were frequently below the potential selling price if the homes had been placed on the market.*

Table 22, Homeowners Housing Gap¹

Income Group	Maximum Affordable Home ²	Households in Income Range				Owner-Occupied Units in Price Range			
		Owners	Renters	Total	% of Households	Number	% of Owner Units	Cumulative	Cumulative %
Low Income 50% of median	\$77,000	424	311	735	19%	88	4%	88	4%
Moderate Income 80% of median	\$150,000	468	206	674	18%	486	19%	574	23%
Middle Income 150% of median	\$322,000	1,226	241	1,467	38%	1,777	70%	2,351	93%
Upper Income >150% of median	>\$322,000	937	34	971	25%	189	7%	2,540	100%
		3,055	792	3,847	100%	2,540	100%		

¹ Based on 2000 household income and home values, the last year for which town-level data is available. From 2000 to 2005, median sales price for single family homes in Pepperell rose by 54%, while incomes in the Lowell PMSA have risen by only 24%.

² Price calculated for 30 year mortgage at 6.25% rate with 5% down payment and \$200/month for mortgage insurance and property taxes, such that monthly housing costs do not exceed 30% of income.

Housing Gap: Renters

Currently market rate one-bedroom apartments rent for between \$600 and \$700/month and two bedrooms rent for about \$800/month. At these rates, older one- and two-bedroom apartments fall within the low-income affordability range defined for four-person households. However, rents for newly constructed two-bedroom apartments are considerably higher; to afford a \$1,300 monthly rental, a household must have an income of \$52,000. Additionally, over 64% of renter households in Pepperell have only one or two members, hence a lower standard for affordability should be considered, as shown in Table 22.

Table 23, Income and Rental Affordability¹

Family of 2	2006 Income	2006 Affordable Rent	2000 Income	2000 Affordable Rent	Households	Units ²
Very Low Income (30% AMI)	\$19,300	\$485	\$15,600	\$390	170	81
Low Income (50% AMI)	\$32,150	\$800	\$25,950	\$650	106	208
Moderate Income (80% AMI)	\$46,400	\$1,160	\$40,150	\$1,000	180	278
>80% AMI	\$64,300	\$1,600	\$51,900	\$1,300	345	741

¹ Note: Housing subsidy programs use their own eligibility standards.

² Reported in the U.S. Census by gross rent

There is a substantial shortage of rental housing affordable to two-person households with very low incomes, while low- and moderate-income households are apparently adequately served in the Pepperell rental market. According to the U.S. Census, 33% of renters (165 households) spent more than 30% of their income on housing in 2000. In addition, while many renters may currently be paying below-market rents for their apartments, such low rents are often not transferable to new tenants if the apartment turns over, so that the availability of apartments that are available to very low income households is probably less than indicated by Census data.

Housing Needs by Age

When these households are examined in terms of age, it is possible to determine which subsections of the population are carrying more of the burden. 17.6% of homeowners aged 35 to 54 years spend over 30% of their income on housing costs, the highest percentage of all age groups. This percentage decreases slightly for homeowners between the ages of 55 and 74 who face a high cost burden. 13.6% of elderly (75 years and older) homeowners spend over 30% of their incomes on housing.

Table 24, Homeowner Housing Costs as Percent of Household Income by Age

% of income spent on housing costs	15-34 years		35-54 years		55-74 years		75 years and older	
	Number	%	Number	%	Number	%	Number	%
Less than 20%	126	33.6	812	50.4	316	63.4	18	27.3
20.0-24.9%	105	28.0	280	17.4	52	10.4	31	47.0
25.0-29.9%	99	26.4	225	14.0	41	8.2	8	12.1
30.0-34.9%	17	4.5	112	7.0	17	3.4	0	0.0
35.0% and above	28	7.5	171	10.6	64	12.8	9	13.6
Total Homeowners with High Cost Burden	45	12.0	283	17.6	81	16.2	9	13.6
Not computed	0	0.0	10	0.6	9	1.8	0	0.0

Source: U.S. Census

For every age group, with the exception of 35 to 54 years, a higher percentage of renters than homeowners face a high cost burden. Over a quarter of elderly renters spend over 30% of their income on housing costs while 43% of renters aged 55 to 74 years spend 30% or more of their income on housing costs. In terms of percent income, rental costs are clearly much higher than housing costs in Pepperell. This illustrates the need for an increase in affordable rental stock in the Town, particularly for the elderly and young people.

Table 25, Renter Housing Costs as Percent of Household Income by Age

% of income spent on housing costs	15-34 years		35-54 years		55-74 years		75 years and older	
	# of units	% of units	# of units	% of units	# of units	% of units	# of units	% of units
Under 20%	142	47.0	143	47.5	35	34.3	0	0.0
20.0-24.9%	76	25.2	66	21.9	8	7.8	17	23.9
25.0-29.9%	23	7.6	43	14.3	8	7.8	27	38.0
30.0-34.9%	8	2.7	9	3.0	9	8.8	0	0.0
35.0% and above	46	15.2	40	13.3	35	34.3	18	25.4
Total Renters with High Cost Burden	54	17.9	49	16.3	44	43.1	18	25.4
Not computed	7	2.3	0	0.0	7	7.0	9	12.7

Source: U.S. Census

Housing Needs

A range of housing options is needed to serve Pepperell's households, both in terms of price and style of unit. Pepperell is fortunate to have a relatively diverse housing stock, with 73% single family homes and the balance consisting of multifamily, two family and townhouse structures. The town's historic development pattern provides for varying housing styles and densities in core villages and rural neighborhoods. Recent development, however, has contributed mostly single family homes on individual lots, which do not serve segments of the town's growing population.

If current trends continue, the town will have considerably less housing diversity in the future, and Pepperell's young adults, childless professionals and first-time homebuyers will find fewer suitable homes that allow them to stay in the community. More multifamily, townhouse, condominium and rental housing is needed to maintain a balanced housing stock. Desirable types of housing for these populations include:

- Smaller, two-three bedroom starter homes
- Two, three, and four family homes
- Garden-style condos
- Townhouses
- Rental units
- Community with a mix of housing types

There is also a need for housing suitable for small households (i.e., single individuals), elderly, and disabled persons. Types of housing that are suitable these populations include:

- Age-restricted alternatives such as garden-style rental units or condos
- Non age-restricted accessible housing
- Housing with services or assisted living facilities
- In-law apartments
- Community with a mix of housing types

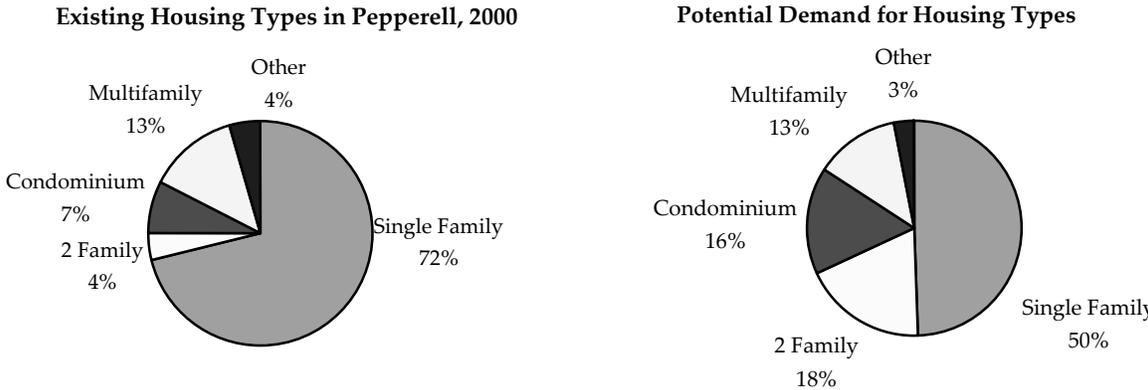
The Gap Analysis demonstrated that there is inadequate housing in the low and moderate price range to serve low- and moderate-income households (as of the 2000 Census)—660 housing units compared with 1,400 households. The town has a significant proportion of low income households who are not adequately served with the existing housing stock. There are 735 households in this income range (including homeowners and renters), and fewer than 90 homes affordable to these households. Rental housing for very low income households is needed, as well as homeownership opportunities for first time homebuyers in the low income range. The town has only 122 units of subsidized housing; moderate-income households may be priced out of the housing market as home prices inflate faster than incomes. An effort is needed to create more deed restricted housing in the moderate income price range to preserve the level of affordability that the town has traditionally offered.

Around 165 renters and 420 homeowners indicated a high cost burden. About two-thirds of households with a high cost burden are between the ages of 35 and 53, including renters and homeowners. A third of renters with a high cost burden are over age 55.

In particular, the needs of the elderly population are unmet. Of the three mobile home parks in Pepperell, the age-restricted development has the highest demand. 43% of renters aged 55-74 have a high cost burden, while over a quarter of renters over 75 years spend over 30% of their monthly incomes on housing. As the elderly population is projected to increase over the next 20 years, their need for housing will continue to rise.

The pie chart below depicts the percentages of existing housing types in Pepperell. An alternative vision which illustrates a mix of housing types more in line with Pepperell’s housing needs has been provided. **This diagram is intended to suggest the direction that the town needs to move in, in order to ensure that housing needs are addressed. This illustration is not intended to represent quantitative goals for the town’s future housing mix.**

Figure 10



Potential Demand for Housing Types in Figure 10 is derived from Table 25 which shows one possible estimate of needed housing types in Pepperell for different types of households.

Table 26, Housing Demand: Alternative Housing Types

Household Types	Total Households	Actual % of Households	Estimated Needed Housing Types ¹				
			Single Family	Two Family	Condo	Multi-family	Other ²
Elderly (Age 85+)	56	1.5%	6 10%	6 10%	6 10%	10 20%	28 50%
Older Adults (Age 65 – 84)	440	11.4%	176 40%	44 10%	44 10%	88 20%	88 20%
Middle-aged Without Children (Age 35 – 64)	893	23.2%	446 50%	179 20%	223 25%	45 5%	0 0%
Young Adults Without Children (Up to age 34)	724	18.8%	109 15%	181 25%	217 30%	217 30%	0 0%
Two-Parent Households	1,440	37.5%	1,080 75%	216 15%	72 5%	72 5%	0 0%
Single Parent Households	292	7.6%	88 30%	88 30%	58 20%	58 20%	0 0%
Total (% of total)	3,845	100.0%	1,905 50%	714 18%	620 16%	490 13%	116 3%

(1) Half of the two-family homes and all of the multifamily homes are assumed to be rentals. Condos and single family homes are assumed to be for ownership.
 (2) Includes mobile homes; may include assisted living or other group living arrangement.

SECTION II: AFFORDABLE HOUSING GOALS

HOUSING VISION

A family-oriented community with an abundance of open space and valuable natural resources, the Town of Pepperell maintains its small-town character, provides a wide variety of housing options for its population, and balances the preservation of its natural resources and historic areas with the housing and economic needs of the community.

HOUSING GOALS

- ❖ **Provide a variety of housing opportunities that serves all segments of the community**
 - Identify opportunities to develop housing units that are both affordable and desirable to young families, the elderly, and those with special needs
 - Modify land use regulations to accommodate a wider range of housing types
 - Expand availability of apartments and condominiums in the Center
 - Redevelop underutilized commercial and/or residential space
 - Explore zoning changes necessary to encourage development of accessory apartments
 - Promote assisted living opportunities and any land use regulations needed for such development
 - Encourage the construction of smaller, compact units suitable for the elderly and small households
 - Create incentives for developers to include affordable housing in their developments
 - Consider using Town-owned land for affordable elderly and assisted living housing
 - Work with local banks on a First Time Homebuyer Program
 - Participate in state grant programs
- ❖ **Maintain the rural, residential, and historic character of town as more development occurs**
 - Encourage appreciation of historic homes
 - Encourage preservation of architectural character and diversity of style
 - Promote the use of cluster zoning to create higher density subdivisions to protect open space and resource areas for conservation, recreation, and water supply
 - Manage housing development in environmentally sensitive areas to protect the Town's environmental assets
- ❖ **Identify a range of public and private sector strategies to foster a needed mix of an additional 269 units of housing so that the Town can address the 40B requirement of 10% affordability.**
 - Utilize Local Initiative and "friendly" 40B projects to create non-state and federal subsidized affordable units

SECTION III: AFFORDABLE HOUSING STRATEGIES

Achieving an Affordable Housing Plan: Affordable Housing Units, Strategies and Locations

Based on the gap analysis and discussion of development constraints, a plan detailing the location, type, and quantity of affordable and market-rate housing units that Pepperell should aim to develop is summarized below. An additional 269 units of subsidized housing are needed to attain a total of 10% subsidized housing. 40B projects currently being discussed will help close the housing gap, as shown in the table on page 7. If these developments are all permitted, the gap would be reduced to 249 subsidized units.

A Planned Production Action Plan has been recommended to attain the required 10%. Desirable alternative housing types, specific strategies, and locations for affordable housing have been identified. The following table suggests the number of needed affordable units for various household types, locations and strategies to address these needs. The estimation for various housing types most needed in Pepperell represents a reasonable scenario based on the Town’s demographics.

Priority strategies have been identified to assist the town in ensuring that additional affordable housing units are developed. To accommodate the types of housing needed by Pepperell residents, changes in the Town’s zoning are necessary. A number of zoning strategies are recommended that will promote affordable housing including the establishment of smart growth overlay districts with smaller lot requirements for affordable apartments, condos, and single family homes provided there is the provision of affordable housing, inclusionary housing, and in-law/accessory apartments. Locations where these strategies might best be adopted have also been identified. These locations include the Downtown, Inner Core, Outer Core and Rural Growth Management Areas.

A number of tasks under the direction of the Affordable Housing Committee have also been recommended to ensure that there is an ongoing commitment. Formalizing the role of the Housing Committee, working with the Housing Authority, nonprofit organizations, and the Planning Board and ZBA on project review for affordable housing commitments will facilitate planned production.

The following table shows a preliminary plan for developing additional affordable and market-rate housing in Pepperell. In order to obtain the needed 269 subsidized units, a combination of strategies was assumed. These include inclusionary zoning, OSRD, and the Local Initiative Program (LIP) to produce affordable units in various infill developments to generate a broader range of affordable and market units. Accordingly, it was assumed that it will take 750 market units to produce 289 subsidized units.

This is an ambitious plan. The schedule will need to be adjusted given the timeline of 40B developments, Town Meeting reaction to proposed zoning changes, and the leadership of the Housing Committee. The role of the Housing Committee will be essential in building support for zoning changes, assisting the Planning Board and ZBA in reviewing the affordability requirements of housing developments, and working with the Housing Authority and other nonprofit organizations.

Table 27, Allocating Future Growth, 2005-2010

	Market	Affordable	Total	SHI ¹	Household Type	Location ²
Rental Units Subtotal*	130	58	188	188		
Higher Density Mixed Use	60	15	75	75	Young adults	Downtown
Proposed 40B Multifamily	6	2	8	8	Young Adults Elderly	Downtown & Inner Core
Two Family (40B)	30	10	40	40	Young adults Older adults Single Parents Elderly	Downtown & Inner Core
Multifamily (40B)	34	11	45	45	Young adults Single Parents Elderly	Downtown & Inner Core (with water & sewer)
In-law Apartment (LIP units)	0	20	20	20	Elderly Special Needs	Any (with conditions)
Ownership Units Subtotal*	461	101	562	101		
Proposed 40B	36	12	48	12		
Single Family	3	1	4	1	Families Older adults	Outer Core & Rural
Two Family	33	11	44	11	Young adults Single Parents Older adults Elderly	Rural
Inclusionary Zoning	119	21	140	21		
Single Family	68	12	80	12	Families Older adults	Any except Downtown
Two Family/Multifamily	51	9	60	9	Elderly Single Parents Young adults Older adults	Downtown & Inner Core (with water & sewer)
Open Space Residential Development	170	30	200	30		
Single Family	128	22	150	22	Families	Outer Core & Rural
Two Family/Multifamily	42	8	50	8	Older adults Single Parents	Outer Core
Other	136	38	174	38		
Higher Density Mixed Use	80	20	100	20	Young adults	Downtown
Other 40B	42	14	56	14	All	Any
Live/Work Space	14	4	18	4	Young adults	Downtown & Inner Core
Total Units	591	159	750³	289	269 units SHI needed	

RR = Rural Residence; TR = Town Residence; RCR = Recreational Residence; SR = Suburban Residence; UR = Urban Residence; C = Commercial; I = Industrial

As indicated on the Vision Map, the following priority areas have been identified for locating affordable housing.

Table 28, Proposed Growth Management Areas

Growth Management Areas	Existing Zoning Districts Within Growth Management Area	Vision
Downtown	Industrial Commercial Urban Residence	Encourage affordable housing, infill housing, mixed use, greater densities
Inner Core	Suburban Residence Town Residence Recreation Residence Rural Residence	Because of the presence of infrastructure, municipal facilities, and existing neighborhood areas, encourage higher density to facilitate the preservation of large older homes, infill development, and the development of a variety of housing types
Outer Core	Town Residence Recreation Residence Rural Residence	Promote utilization of the Open Space Residential Development Bylaw to facilitate flexible, village type development*
Rural	Rural Residence Recreation Residence Town Residence	Promote utilization of the Open Space Residential Development Bylaw to facilitate cluster development*

*The Open Space Residential Development Bylaw was approved by Town Meeting on May 2, 2006.

AFFORDABLE HOUSING STRATEGIES

The Comprehensive Plan identified several strategies to address the Pepperell's housing needs. These strategies, and others, are presented in the table below. The following steps need to be undertaken by the Committee and the consultant in order to facilitate identification and implementation of these strategies.

- | | |
|---|----------------------|
| 1. Evaluate and prioritize affordable housing strategies
(see Table below) | Committee |
| 2. Undertake Town-Directed Affordable Housing Tasks | Committee/Consultant |
| 3. Undertake Zoning Strategies | Committee/Consultant |

The following table assigns each of the strategies listed below a priority ranking. When evaluating these strategies, Committee members assigned each strategy a priority ranking. This ranking may be used to determine a timeframe for their implementation. When determining whether a strategy was considered to be of low, moderate, or high priority, the following criteria were considered.

- *Can this strategy be deemed a Positive Growth Management Tool?*
- *What is the degree of difficulty in implementing this strategy?*
- *What number of affordable units could potentially be developed upon this strategy's implementation?*

Affordable Housing Strategy Priority Implementation

Strategies	Priority		
	High	Moderate	Low
Town-Directed Affordable Housing Tasks			
Make Housing Committee permanent	X		
Pursue continuation of Pepperell Meadows as affordable housing (expires 2009)	X		
Create and approve criteria for acceptable 40B projects	X		
Consider other alternative development models		X	
Re-use or redevelopment of underutilized property	X		
Acquire Town-owned land for new affordable housing		X	
Work with Housing Authority			X
Consider passage of the Community Preservation Act			X
Zoning Strategies			
Smart Growth Overlay Zoning	X		
Inclusionary Zoning Bylaw		X	
Accessory Apartment Bylaw			X
Mixed Use Overlay District (Mill site)	X		
Open Space Residential Development Bylaw	X		
40R Smart Growth Overlay			X

FACILITATE TOWN-DIRECTED AFFORDABLE HOUSING TASKS

1. Make Affordable Housing Committee permanent

- ❖ Selectmen and Town Meeting should establish the AHC as a standing committee

2. Pursue continuation of Pepperell Meadows as affordable housing

- ❖ Pepperell Meadows, 40 units of subsidized housing, is due to expire in 2009
- ❖ The AHC and the Planning Board need to take steps to ensure that these units are not lost and Pepperell's SHI count does not decrease
- ❖ Three possible strategies should be considered
 - ◆ Meet with the owner to explore his support for continuing affordability
 - ◆ Work with Common Ground Development Corporation (Community Teamwork, Inc., Lowell) on affordable housing strategies
 - ◆ Identify alternative developments

3. Create and approve criteria for acceptable 40B projects: Work with the Planning Board, the Selectmen, and the ZBA on criteria for acceptable 40B projects and other housing developments with an affordability component

- ❖ Vision: The Affordable Housing Committee will work to ensure that Pepperell has a variety of housing in price and type that allows for young families, the elderly, local employees and other long-term residents to live in the town.
- ❖ Recommend that private developers seeking zoning relief provide a percentage of affordable housing (10-15%) utilizing the Local Initiative Program (LIP) to ensure the units count on the Subsidized Housing Inventory
- ❖ Inclusionary Housing Guidelines for providing affordable housing and receiving a positive recommendation from the Housing Committee
 - ◆ Homeowner projects: Minimum 10% of units affordable to households earning at or below 80% area median income (AMI); Additional 5% of units affordable to households earning at or below 50% AMI
 - ◆ Rental projects: Utilize "friendly" 40B option so 25% of units will be affordable and therefore all units will be counted on inventory
- ❖ Siting Guidelines
 - ◆ Proximity to downtown
 - ◆ Located within boundaries of sewer district

4. Consider other alternative development models

- ❖ LIP: Affordable units dedicated through local zoning/development review approval process will count as affordable units as long as they meet income, marketing, and use restriction criteria comparable to 40B project units
- ❖ 40R (see page 11)
- ❖ Housing Authority/Housing Trust as developers of affordable housing
- ❖ Regional Nonprofit Housing Corporations

- ❖ Community Land Trust
- ❖ Local Housing Trust Fund

5. Re-use or redevelopment of underutilized residential and commercial space

- ❖ Identify State funding (Lowell Common Ground)

6. New construction on Town-owned Land

- ❖ Identify and dedicate municipally owned parcels to develop affordable housing
- ❖ Apply for grants through the Office for Commonwealth Development (OCD), Department of Housing and Community Development, or Housing Authority

7. Work with Housing Authority

- ❖ Organize a brainstorming workshop with a consultant who specializes in advising Housing Authorities
- ❖ The Housing Authority, possibly working with or as a local nonprofit Housing Trust organization, utilizes new strategies and funding in concert with the private sector to produce affordable housing

PURSUE ZONING STRATEGIES

1. Smart Growth Overlay Zoning

- ❖ Requirements for additional density within the proposed smart growth overlay areas may include:
 - ◆ Site Plan Review with design standards
 - ◆ Smaller minimum lot sizes with inclusion of affordable housing
 - ◆ Appropriate buffering from commercial and other residential uses
 - ◆ Preservation of historic homes
 - ◆ Infrastructure Improvements

Development Requirements

Growth Management Area	Existing Zoning	Proposed Overlay Zoning	
		With Water & Sewer and Affordable Housing	With Septic
Downtown			
Commercial	<ul style="list-style-type: none"> ◆ 1 dwelling unit / 10,000 sq. ft. for multifamily ◆ Multifamily allowed by SP ◆ Dwelling units above first floor commercial allowed by right 	<ul style="list-style-type: none"> ◆ Mixed Use by right ◆ 1 dwelling unit / 10,000 sq. ft. for two family with affordable housing inclusion ◆ 1 dwelling unit / 5,000 sq. ft. for multifamily with affordable housing inclusion ◆ Establish minimum lot size for commercial uses 	
Urban Residence	<ul style="list-style-type: none"> ◆ 1 dwelling unit / 40,000 sq. ft. ◆ 1 dwelling unit / 10,000 sq. ft. for multifamily ◆ Two family allowed by right ◆ Multifamily allowed by SP 		
Inner Core	<ul style="list-style-type: none"> ◆ 1 dwelling unit / 80,000 sq. ft. (TR) ◆ 1 dwelling unit / 40,000 sq. ft. (SR) 	<ul style="list-style-type: none"> ◆ 1 dwelling unit / 10,000 sq. ft. ◆ Allow two family and multifamily housing by SP 	<ul style="list-style-type: none"> ◆ 1 dwelling unit / 40,000 sq. ft.
Outer Core	<ul style="list-style-type: none"> ◆ 1 dwelling unit / 80,000 sq. ft. 	<ul style="list-style-type: none"> ◆ 1 dwelling unit / 30,000 sq. ft. 	<ul style="list-style-type: none"> ◆ With Flexible/Back Lot Development: 1 dwelling unit / 40,000 sq. ft.
Rural	<ul style="list-style-type: none"> ◆ 1 dwelling unit / 80,000 sq. ft. 	<ul style="list-style-type: none"> ◆ Monitor new OSRD Bylaw to ensure that incentives for affordable housing production are sufficient 	

2. Inclusionary Zoning

- ❖ Study alternatives for inclusionary zoning (mandatory and voluntary)
- ❖ Within the Inner Core Overlay District, allow an increase in density by special permit in exchange for the provision of affordable housing, historic preservation, public infrastructure, or mixed use
- ❖ In the Outer Core Overlay District, allow increased density (40,000 sq. ft. lot area unless sewerred; otherwise 30,000 sq. ft.) by special permit with OSRD, flexible or back lot development, and affordable housing inclusion

Total Housing Units	Required Affordable Units
6-10	1
11-16	2
17-23	3
24-30	4
31-36	5
37-40	6
Above 40	15% of total

3. Accessory Apartment Bylaw

- ❖ Units will have to be deed restricted, meet all codes and meet Title V requirements

4. Mixed Use Overlay District

- ❖ Pepperell adopted a Mixed Use Overlay District on May 1, 2006
 - ◆ Allows for a mix of commercial and residential uses
 - ◆ Includes a mandatory affordable housing component of 10%

5. Open Space Residential Development

- ❖ Pepperell adopted an Open Space Residential Development Bylaw on May 2, 2006. This bylaw allows for a percent increase in density in exchange for:
 - ◆ A density bonus for the provision of housing affordable to low-income and/or moderate-income households
 - ◆ The provision of open space beyond base requirement
 - ◆ The use of Low Impact Development/Better Site Design Practices for stormwater management
 - ◆ The connection of open space to existing conservation lands

6. 40R Smart Growth Overlay

- ❖ Overlay District must be an eligible location i.e. “Area of Concentrated Development” and a “Highly Suitable Location”
- ❖ Density requirements
 - ◆ Single Family = 8 dwelling units per acre
 - ◆ Two and Three Family = 12 dwelling units per acre
 - ◆ Multifamily = 20 dwelling units per acre
- ❖ Affordability requirement of 20% of which 10% of units must be 3 bedrooms
- ❖ Design Standards must be adopted; Site Plan Review cannot unduly restrict as of right development

AFFORDABLE HOUSING ACTION PLAN

The Town of Pepperell's Planned Production Affordable Housing Action Plan must be designed to produce at least 29 units of subsidized housing annually beginning in 2006. Assuming broad support and funding, this plan will be updated as existing steps are refined and new action steps are identified until a total of 269 additional units of subsidized housing are developed. This will bring the total number of subsidized housing units in Pepperell to 391 units in the year 2010 as required under 760 CMR 31.07(1)(i).

Planned Production Affordable Housing Action Plan

Action		Total Units	Market Rate Units	Affordable units	SHI Units*
Chapter 40B Units as of May 2005					122
Additional SHI Units Needed					269
2006	131 Lowell Street	4	3	1	1
	Bayberry Phase I	44	33	11	11
	42 Lowell Street (rentals)	8	6	2	8
Subtotal		56	42	14	20
Additional SHI Units Needed					249
2007 - 2010	Inclusionary Zoning	140	119	21	21
	Open Space Residential Development	200	170	30	30
	In-law apartments, other scattered units (LIP)	20	0	20	20
	Two Family & Multifamily rental units (40B)	85	64	21	85
	Live/Work Space	18	14	4	4
	Higher Density Mixed Use (Ownership)	100	80	20	20
	Higher Density Mixed Use (Rental)	75	60	15	75
	Other 40B (includes 196 Nashua Road)	56	41	14	14
Subtotal		694	548	145	269
Total		750**	591	159	289

*SHI units are units that will be counted on the 40B Subsidized Housing Inventory. These units count towards the 29 units Pepperell must produce each year to regulate affordable housing production.

**This number is a preliminary estimate based upon assumptions concerning the mix of housing.

SECTION IV: USE RESTRICTION GUIDELINES

This section of the Affordable Housing Plan states the Town's agreement to adopt a variety of use restrictions and affirmative marketing strategies to ensure that the affordable housing meets the standards established by 760 CMR 31.07(1)(i).

The Town of Pepperell is committed to maintaining its affordable housing inventory for as long a period as possible. Deed restrictions or affordable rental restrictions should guarantee affordability in perpetuity. 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 Pepperell Housing Authority or other housing organization approved by the Town.

Qualifying Families

Families who earn 80% or less than the current area median income qualify for affordable housing. Applicants must meet the program income limits in effect at the time they apply for a unit and must continue to meet the program income limits in effect at the time of all subsequent reviews.

Buyer/tenant selection process must be fair and equitable; a publicly advertised lottery is encouraged.

Determining Rental/Sales Prices

Affordable units must be priced at levels affordable to buyers with a range of incomes. Sale prices are based upon principal, interest, and insurance payments assuming a 5% down payment and the low or moderate families spending no more than 30% of their income on housing costs.

Marketing

Affirmative marketing to minority households whereby the percentage of minority ownership is equal to the greater of the percentage of income eligible minority households in the community *and* the percentage of income eligible minority households in the regional planning area.

An approved plan shall take effect only when the Department certifies that the municipality has approved permits resulting in an initial annual increase in its low or moderate income housing units of three-quarters of one percent of total housing units. In subsequent years the community will have to continue to demonstrate progress toward meeting this goal.

Approval of Affordable Housing Plan

All affordable housing plans must be submitted by the municipality’s chief elected official. DHCD will approve or disapprove the plan within 90 days of submission. If DHCD disapproves a plan, the notification will include a statement of reasons for disapproval. If a plan is disapproved, a municipality may submit a new or revised plan at any time. Communities may also amend a plan at any time if DHCD approves the amendment.

Certification of Compliance with Affordable Housing Plans

Communities with an approved affordable housing plan may request DHCD certification of compliances by submitting evidence that housing units have been produced in the calendar year for which certification is requested that are eligible to be counted on the Subsidized Housing Inventory and total at least ¾ of 1% of the total housing units in the community. DHCD will determine whether a community is in compliance with its plan within 30 days of receiving the request for certification.

An approved plan shall take effect only when DHCD certifies that the municipality has approved permits resulting in an initial annual increase in its low or moderate income housing units of ¾ of 1% of total housing units in accordance with its plan. In order for the units to be counted as part of the municipality’s affordable housing stock, the municipality must submit evidence and certify to DHCD that building permits have been issued for those units. Compliance will be determined based on production of qualifying housing units within the calendar year for which certification is requested.

Plan Submission

Communities should submit the plan to:	Jane Wallis Gumble, Director MA Department of Housing and Community Development Office of Sustainable Development 1 Congress Street Boston, MA 02114 MaryJane.Gandolfo@ocd.state.ma.us
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The Department would prefer an electronic copy of the plan for its review, submitted via e-mail attachment or on disc.

Sample Chronology

November 15, 2004

Step 1: Completion and submittal of affordable housing plan to DHCD.
Community X completes an affordable housing plan and submits it to DHCD for approval.

Prior to February 15, 2005 (within 90 days)

Step 2: DHCD review period.
DHCD determines that the plan is complete, reviews it and approves Community X’s housing plan and notifies the community.

April 15, 2005

Step 3: Municipal request for certification of compliance with plan for first year.
Community X requests DHCD certification of compliance with their plan based on permitting and/or production of units within calendar year 2005, that are:

- *Eligible to be counted on the Subsidized Housing Inventory*
- *In accordance with the approved plan, and*
- *Total more than ¾ of one percent of their total housing units.*

Prior to May 15, 2005 (within 30 days)

Step 4: DHCD certification review period for first year.

DHCD certifies that Community X is in compliance with its approved plan based on production of housing within calendar year 2005, retroactive to May 15, 2005 and effective until May 14, 2006.

October 2, 2005

The Zoning Board of Appeals in Community X denies an applicant for a comprehensive permit based upon their certification. If appealed, the HAC will uphold the denial.

February 11 and March 6, 2006

The ZBA in Community X approves two comprehensive permits for projects with units that are eligible for inclusion on the inventory and that total at least $\frac{3}{4}$ of one percent of their total housing units.

April 15, 2006

Step 5: Municipal request for certification of compliance with plan for second year.

Community X requests DHCD certification of compliance with their plan based on permitting and/or production of units within calendar year 2006 that are

- Eligible to be counted on the Subsidized Housing Inventory*
- In accordance with the approved plan, and*
- Total more than $\frac{3}{4}$ of one percent of their total housing units.*

Prior to May 15, 2006 (within 30 days)

Step 6: DHCD certification review for second year.

DHCD certifies that Community X is in compliance with its approved plan based on production of housing within calendar year 2006, retroactive to May 15, 2006 and effective until May 14, 2007.

Appendix 2: Local Initiative Program Guidelines⁷

The Local Initiative Program is a state housing program administered by the Department of Housing and Community Development (DHCD) that was established to give cities and towns more flexibility in their efforts to provide low and moderate income housing. The program provides technical and other non-financial assistance to cities and towns for the development of two types of housing: Local Initiative Units, which are developed through the conventional zoning process, and Comprehensive Permit Projects, which are developed according to Chapter 40B. All low and moderate income units developed through the Local Initiative Program are counted towards the town's affordable housing stock under Chapter 40B.

The Local Initiative Program allows most of the financing, design, and construction decisions to be made by local public officials. Only the incomes of housing residents, the quality of housing provided, fair marketing, and level of profit are subject to state review.

Local Initiative Units

To be eligible for inclusion on the Subsidized Housing Inventory, Local Initiative Units must the following requirements. These units do not have to be constructed as part of a development with 25% affordable housing.

1. The units must be for households at or below 80% of median household income.
2. The units are subject to Use Restrictions of a substantial duration to ensure that the units remain available exclusively to those with qualifying incomes. A use restriction is a legal document that guarantees that the housing units will remain affordable during a specified "lock-in" period; under the Local Initiative Program, this lock-in must be for the longest period feasible. The initial lock-in period must be no less than 30 years for new construction and 15 years for substantially rehabilitated units. Local Initiative Units must have been created or converted to affordable housing for the explicit purpose of serving low or moderate income people, and may not qualify unless there are income restrictions that resulted directly from municipal action. Local actions include:
 - Zoning-based approval (rezoning, special permits, density bonuses, site plan approval, subdivision approval)
 - Financial assistance from funds raised, appropriated, or administered by the community
 - Provision of land or buildings that are owned or acquired by the community and conveyed at a below-market cost
3. The units must be sold or rented on a fair and open basis. The owners of the units must execute an equal housing opportunity agreement with DHCD for existing units or adopt an affirmative fair marketing plan for new units.

Application Forms: Applications for approval of Local Initiative Units must be submitted in the form provided by DHCD. The application must include documentation of the local actions that created the affordable units, a copy of the use restriction, and executed equal opportunity agreement for existing units, and an affirmative marketing plan for new units developed after February 1, 1990.

Comprehensive Permit Projects

The purpose of allowing Comprehensive Permit Projects within the Local Initiative Program is to enable communities to develop low and moderate income housing through the flexible zoning and local approval process provided by Chapter 40B. These projects must meet the following requirements:

⁷ Local Initiative Program Guidelines. Department of Housing & Community Development. August 2002.

1. The Project must have the written support of the chief elected official and local housing partnership.
2. At least 25% of the units must be affordable to households at or below 80% of regional median household income.
3. The developer must agree to a long term lock-in period for the affordable units that is enforced by a regulatory agreement with DHCD. In a regulatory agreement, the developer agrees to construct and maintain the units in accordance with the requirements of the Local Initiative Program and be limited to a reasonable profit. The lock-in period must be for the longest period of time allowed by law.
A “reasonable profit” is defined as limits the distribution of return to all partners and owners to no more than 10% of equity per year during the lock- in period for rental and cooperative housing, and limits the profit and developer’s fees to all partners and owners to no more than 20% of total development costs for homeownership projects.
4. The project developer and/or owner(s) must agree to develop and implement an affirmative fair marketing plan in a form approved by DHCD.

Application Forms: Applications for approval of a Comprehensive Permit Project must be submitted in a form provided by DHCD. After an application is filed, a DHCD site visit and project evaluation will occur. Applications must be accompanied by the following:

- Documentation of the developer’s interest in the site (a deed, option, or purchase and sale agreement)
- A site plan showing the footprint of all proposed buildings, roads, parking, and other improvements
- Sample floor plans and elevations for each building and unit type
- A tabulation of the proposed units by size, type, number of bedrooms, location within the project, and proposed rent or sales price
- A financial pro forma
- A brief description of existing site conditions, any required permits, and proposed efforts to mitigate environmental impacts
- An appraisal of the site reflecting the site’s value under existing “by-right” zoning without a comprehensive permit
- Information regarding the relationship of the proposed project to local or regional growth management plans

Other Program Components

The Town should become familiar with the following components of the Local Initiative Program, described in detail in the Local Initiative Program Guidelines published by DHCD.

- Marketing and Buyer/Tenant Selection
 - ◆ Affirmative Marketing Plans
 - ◆ Local Preference
 - ◆ Lottery process
- Minimum Design and Construction Standards
- Consistency with Growth Planning Criteria
- Consistency with Critical Housing Needs
- Fees
- Monitoring and Oversight of units
- Subsidized Housing Inventory
- Qualified Housing Type

Appendix 3: Pepperell Zoning

Area Covered by Zoning Districts

Zoning District	% of Town Covered by District	Acres
Rural Residence	47.6%	7,055
Town Residence	27.6%	4,097
Recreational Residence	11.9%	1,756
Suburban Residence	8.3%	1,232
Urban Residence	1.3%	189
Commercial	0.5%	73
Industrial	2.8%	421
Total	100.0%	14,823

Principal Uses

Use	Zoning District						
	RR	TR	RCR	SR	UR	C	I
Residential Uses							
Single family dwelling	Y	Y	Y	Y	Y	N	N
Two family dwelling	N	N	N	PB	Y	N	N
Multifamily dwelling	N	N	N	N	PB	PB	N
Dwelling unit(s) above first floor	N	N	N	N	N	Y	N
Boarding house	BOS	BOS	BOS	BOS	Y	Y	N
Assisted living facility	PB	PB	PB	PB	PB	N	N
Trailer or mobile home park	N	N	N	N	N	N	N
Governmental or Institutional Uses							
Cemetery	BOS	BOS	BOS	BOS	BOS	N	N
Hospital	PB	PB	PB	PB	PB	PB	N
Airport, public or private	N	N	PB	N	N	PB	PB
Essential services	PB	PB	PB	PB	PB	PB	PB
Government administration building or fire or police station	Y	Y	Y	Y	Y	Y	Y
Public recreation or water supply	Y	Y	Y	Y	Y	Y	Y
Public garage, yard, or service area	BA	BA	BA	BA	BA	BA	BA
Public solid waste disposal facility	BA	BA	BA	BA	N	BA	BA
Community center	N	Y	N	N	Y	Y	N
Commercial Uses							
Nonexempt educational use	N	N	N	N	N	PB	PB
Nonexempt commercial greenhouse	Y	BOS	Y	BOS	N	Y	N
Nonexempt dairy, poultry, or livestock farm	Y	BOS	Y	BOS	N	N	N
Nonexempt farm or nursery	Y	Y	Y	BOS	BOS	N	N
Fur farm or piggery on nonexempt parcel	N	N	N	N	N	N	N
Nonexempt farm stand	BOS	BOS	BOS	BOS	BOS	BOS	N
Adult day care facility	PB	PB	PB	PB	PB	PB	PB

Use	Zoning District						
	RR	TR	RCR	SR	UR	C	I
Family day care, small	Y	Y	Y	Y	Y	Y	Y
Family day care, large	PB	PB	PB	PB	PB	PB	PB
Hotel, motel or inn	N	N	PB	N	PB	Y	N
Retail of building, plumbing or heating supplies	N	N	N	N	N	Y	Y
Retail stores and services not elsewhere set forth	N	N	N	N	N	Y	N
Retail sales where more than 50% of gross floor area devoted to sales is not within a building	N	N	N	N	N	Y	N
Business or professional office	N	N	N	N	N	Y	PB
Bank or financial institution	N	N	N	N	N	Y	BA
Radio or television transmission tower	N	N	N	N	N	N	BA
Restaurant	N	N	BOS	N	BOS	Y	Y
Restaurant, fast food	N	N	N	N	N	PB	PB
Indoor facility for the rental of equipment or goods	N	N	N	N	N	Y	N
Motor vehicle sales and rental	N	N	N	N	N	PB	N
Motor vehicle light service	N	BOS	BOS	BOS	N	BOS	BOS
Motor vehicle general and body repair	N	N	N	N	N	BOS	Y
Car wash	N	N	N	N	N	Y	N
Commercial kennel	N	N	N	N	N	BOS	BOS
Animal clinic or hospital	BOS	BOS	BOS	BOS	N	BOS	BOS
Nursing or convalescent home	Y	Y	Y	Y	Y	BOS	N
Funeral home	N	BOS	BOS	BOS	BOS	Y	N
Medical center or clinic, excluding methadone clinic	N	N	N	N	N	Y	Y
Nonprofit club or lodge	BOS	BOS	Y	BOS	BOS	Y	N
Personal service establishment	N	N	N	N	N	Y	N
General service establishment	N	N	N	N	N	Y	Y
Temporary outdoor shows or exhibitions	Y	Y	Y	Y	Y	Y	Y
Commercial parking facility	N	N	N	N	N	Y	N
Drive-in or drive-through facilities or windows	N	N	N	N	N	PB	PB
Body art or piercing	N	N	N	N	N	N	PB
Flea market	N	N	N	N	N	PB	PB
Wireless Communications Facility	PB	PB	PB	PB	PB	PB	PB
Industrial Uses							
Manufacturing, assembly or processing	N	N	N	N	N	PB	Y
Light manufacturing; research laboratory	N	N	N	N	N	Y	Y
Warehouse, wholesale or indoor storage facility	N	N	N	N	N	Y	Y
Rail or motor freight terminal; passenger terminal; bus storage yard	N	N	N	N	N	PB	Y
Commercial storage of fuel, sand, cement,	N	N	N	N	N	PB	PB

Use	Zoning District						
	RR	TR	RCR	SR	UR	C	I
lumber or other goods							
Sawmill	PB	PB	PB	N	N	N	Y
Contractor's yard or outdoor storage facility; landscaping yard	N	N	N	N	N	Y	Y
Junkyard or automobile graveyard	N	N	N	N	N	N	N
Earth removal	N	N	N	N	N	N	BOS
Commercial dumping ground	N	N	N	N	N	N	N
Composting facility	N	N	N	N	N	N	N
Self-storage facility	N	N	N	N	N	Y	Y
Fuel or hazardous material storage facility	N	N	N	N	N	N	PB
Recreational Uses							
Commercial ski grounds, picnic grounds, bathing beach or miniature golf course	PB	N	PB	N	N	Y	N
Commercial golf course	Y	PB	Y	N	N	N	N
Commercial recreation camp, boat or canoe livery, marina, riding academy	PB	PB	PB	N	N	Y	PB
Bowling alley or billiard parlor	N	N	N	N	N	Y	N
Theater or movie house	N	N	N	N	N	Y	N
Indoor/outdoor racquet sports facility	N	N	N	N	N	N	Y
Physical fitness training facility	N	N	N	N	N	Y	Y
Indoor soccer facility	N	N	N	N	N	N	Y
Martial arts instruction facility	N	N	N	N	N	Y	Y
Dance studio	N	N	N	N	N	Y	Y
Retail operations on premises of recreational use set forth herein	N	N	PB	N	N	Y	N
Other Uses							
Open air display of goods or merchandise accessory to principal use	N	N	N	N	N	BOS	N
The keeping of nondomestic animals for personal enjoyment or household use, accessory to a residential use	Y	Y	Y	Y	N	N	N
The keeping of domestic animals and a garden primarily intended for use and enjoyment of a household	Y	Y	Y	Y	Y	Y	Y
Exempt Uses							
Use of land for the primary purpose of agriculture, horticulture, floriculture, viticulture on a parcel of more than five acres in area	Y	Y	Y	Y	Y	Y	Y
Facilities for the sale of produce, and wine and dairy products, provided that during the months of June, July August and September of every year, or during the harvest season of the primary crop, the majority of such products for sale, based on either gross sales dollars or volume, have been produced by the owner of	Y	Y	Y	Y	Y	Y	Y

Use	Zoning District						
	RR	TR	RCR	SR	UR	C	I
the land containing more than five acres in area on which the facility is located							
Child care facility located in an existing structure	Y	Y	Y	Y	Y	Y	Y
Child care facility located in a new structure	PB	PB	PB	PB	PB	PB	PB
Use of land or structures for educational purposes on land owned or leased by the commonwealth or any of its agencies, subdivisions or bodies politic or by a religious sect or denomination, or by a nonprofit educational corporation	Y	Y	Y	Y	Y	Y	Y
Use of land or structures for religious purposes	Y	Y	Y	Y	Y	Y	Y

RR = Rural Residence; TR = Town Residence; RCR = Recreational Residence; SR = Suburban Residence; UR = Urban Residence; C = Commercial; I= Industrial
 Y = Permitted by right; N = Not permitted; PB = Permitted by special permit from the Planning Board; BOS = Permitted by special permit from the Board of Selectmen

Dimensional Regulations

Zoning District	Minimum Lot Area (sq. ft.)	Minimum Lot Frontage (ft.)	Minimum Front Yard (ft.)	Minimum Side Yard (ft.)	Minimum Rear Yard (ft.)
RR	80,000	200	50	30	75
TR	80,000	150	50	25	60
RCR	80,000	150	50	25	60
SR	40,000	150	30	15	45
UR	40,000	150	30	15	45
C	None	50	30	15	25
I	None	None	40	30	45

RR = Rural Residence; TR = Town Residence; RCR = Recreational Residence; SR = Suburban Residence; UR = Urban Residence; C = Commercial; I= Industrial

Accessory Apartments

Accessory apartments are allowed by special permit subject to the following criteria.

- Submission of a plot plan of the existing dwelling unit and proposed accessory apartment
- Owner occupation of one of the two dwelling units
- Limit of one accessory apartment per lot
- Accessory apartment may not exceed 800 sq. ft. in floor space
- Accessory apartment must be located in the principal residential structure
- At least one additional parking space must be provided

Open Space Residential Development

An Open Space Residential Development (OSRD) allows residential dwellings to be developed at greater densities as long as the residences are grouped in clusters and meet certain requirements. An OSRD may be located within a residential zoning district on a minimum area of ten acres. The parcel must not be located within a Water Resource Protection Overlay District, must contain at least 75% contiguous upland and must be served by town water. All land not devoted to residential lots must be set aside as common land and preserved in its natural condition. An OSRD is approved with a special permit from the Planning Board.

OSRD Minimum Requirements

Requirement	Served by Town Sewer	Not Served by Town Sewer
Minimum lot area	20,000 sq. ft.	30,000 sq. ft.
Minimum contiguous lot area exclusive of wetland, flood hazard and surface water areas	18,000 sq. ft.	25,000 sq. ft.
Minimum lot frontage	75 ft.	120 ft.
Minimum side yard	15 ft.	25 ft.
Minimum rear yard	25 ft.	25 ft.
Minimum front yard	25 ft.	25 ft.

Planned Unit Development

The Planning Board may allow a Planned Unit Development (PUD) by special permit on parcels of at least 120,000 sq. ft. The PUD may contain a mix of uses and a variety of building types as long as they are permitted by right or by special permit in the district.

Multifamily Residential Development

Multifamily Residential Development is allowed by special permit by the Planning Board in the Urban Residence and Commercial Districts. No more than four dwelling units per multifamily dwelling are permitted. Any multifamily development containing eight or more units may have no more than 20% of the total number of apartments contain three or more bedrooms. Developments must be served by the public water system or a private communal water system.

Requirement	
Minimum land area	10,000 sq. ft. per dwelling unit
Minimum distance between buildings	20 ft.
Minimum floor space area	480 sq. ft.

Water Resource Protection Overlay District (WRPOD)

The WRPOD consists of the Water Source Protection Zone (WSPZ), Well Protection Zone (WPZ) and Aquifer-Watershed Protection Zone (AWPZ). The WSPZ consists of a 400-foot radius around public wellhead/water sources and coincides with the Zone I area defined by state regulations. Uses other than as public water supply and accessory uses thereto are not permitted. The WPZ consists of the area adjacent to the WSPZ and coincides with the Zone II area as defined by state regulations. The AWPZ consists of the area that contributes to the groundwater recharge of the WSPZ and the WPZ and coincides with the Zone III area defined by state regulations.

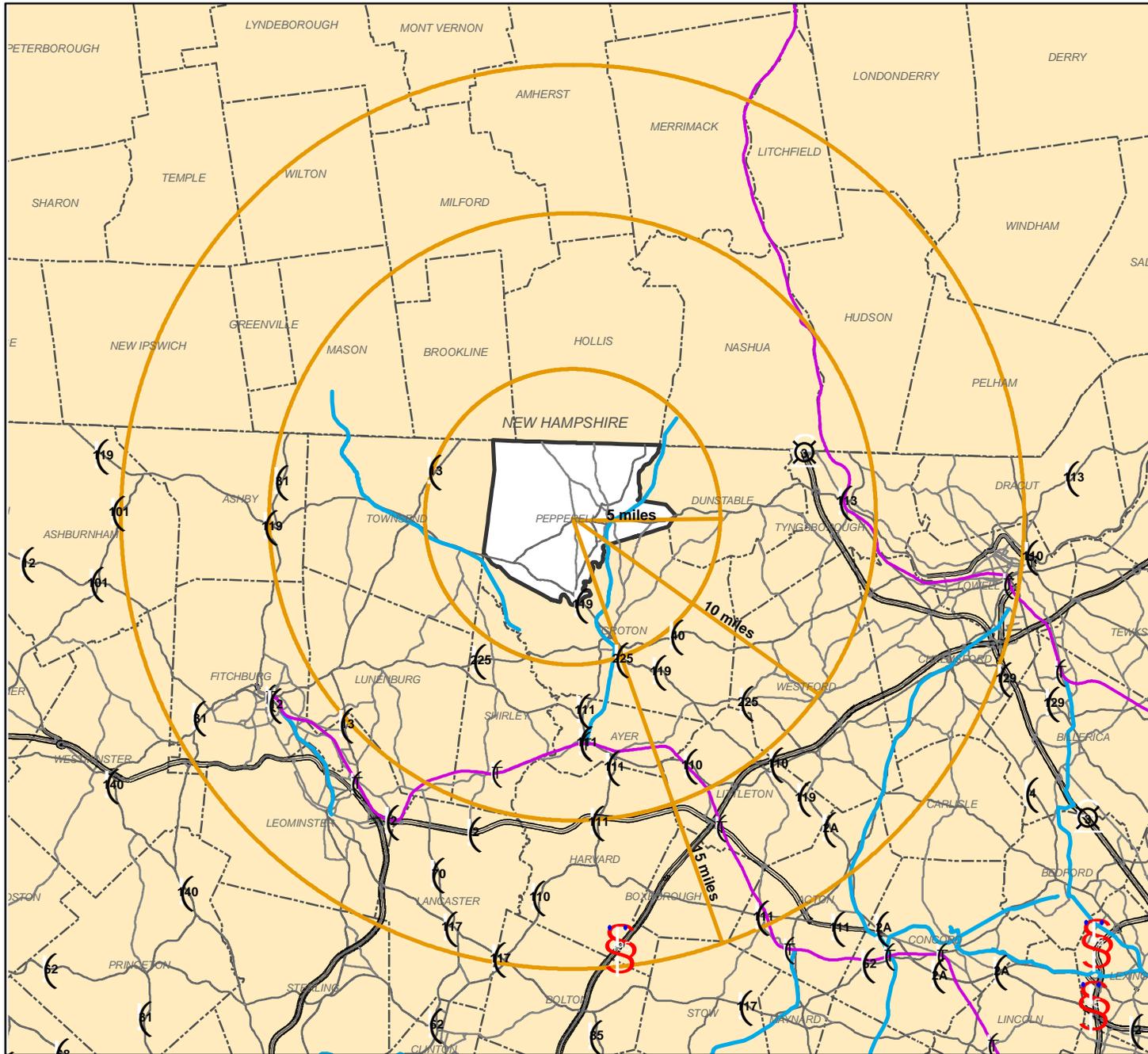
Use	WSPZ	WPZ	AWPZ
Construction of single family residences served by and connected to Town sewer	N	Y	Y
Construction of single family residences served by subsurface disposal systems in compliance with Title V on lots containing at least 80,000 sq. ft.	N	Y	Y
Construction of multifamily residences served by and connected to Town sewer	N	Y	Y
Construction of multifamily residences services by subsurface disposal systems in compliance with Title V on lots containing at least 80,000 sq. ft.	N	SP	SP

Site Plan Review

The Planning Board requires minor site plan review for construction or alteration of structures (other than single and two family dwellings and their accessory uses) that will have less than 3,000 sq. ft. of gross area.

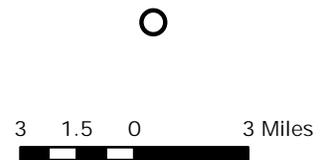
The Planning Board requires major site plan approval for the following:

- Construction or alteration of structures (other than single and two family dwellings and their accessory uses) that will have more than 3,000 sq. ft. of gross area and for buildings containing drive-through windows.
- Construction or expansion of six or more parking spaces (other than single or two family dwellings)
- Removal of more than 10% of the vegetation on a lot



REGIONAL

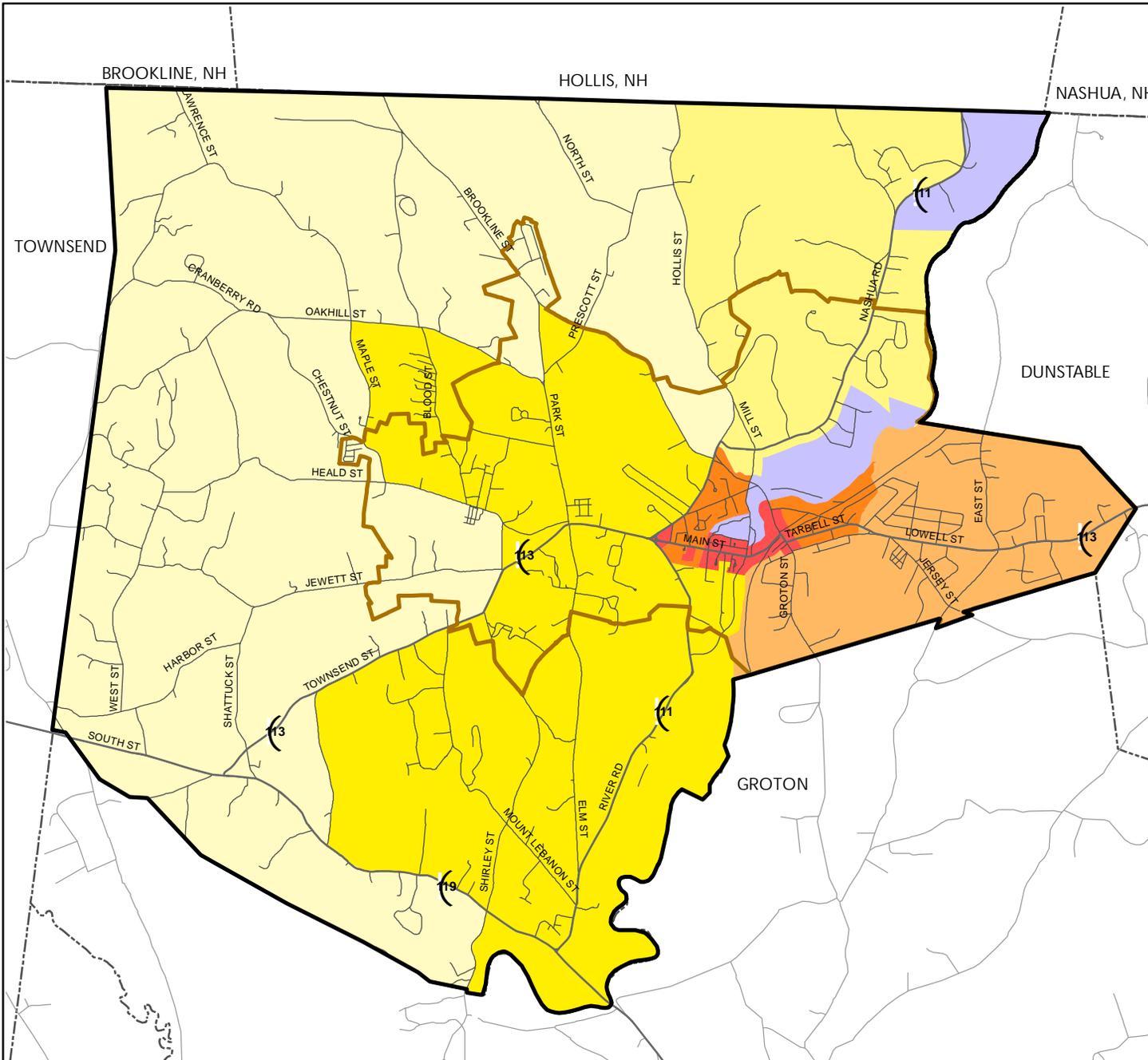
-  MBTA Commuter Rail Station
-  MBTA Rail Line
-  Bicycle Trail



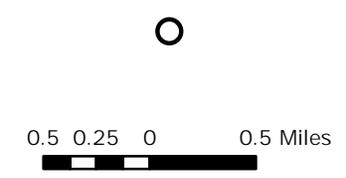
AFFORDABLE HOUSING PLAN PEPPERELL, MA

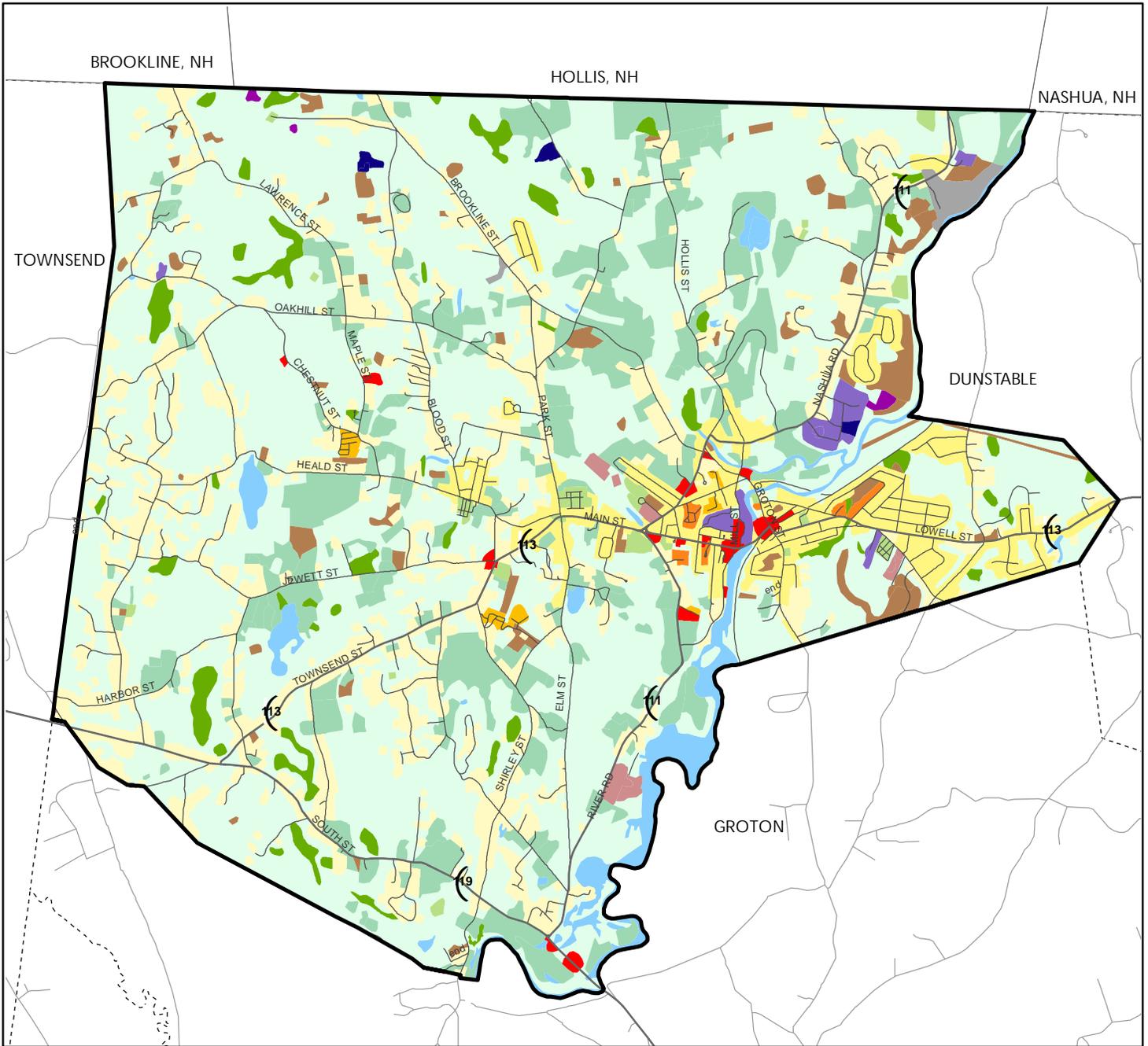
Larry Koff & Associates
June 26, 2006

ZONING



- Rural Residence
- Recreation Residence
- Town Residence
- Suburban Residence
- Urban Residence
- Commercial
- Industrial
- Sewer District

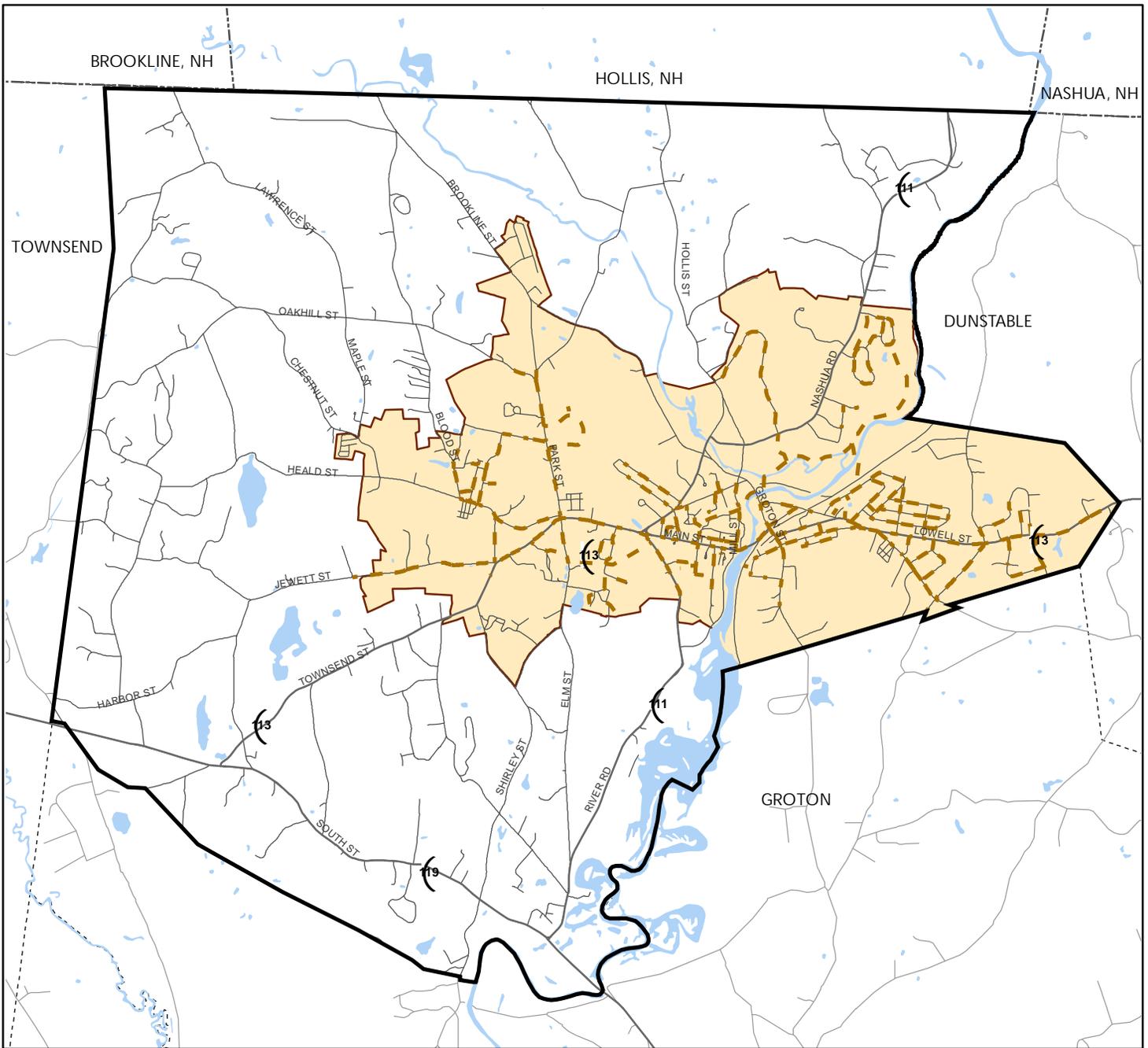




LAND USE

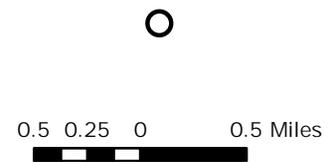
- Wetland
- Forest
- Agriculture
- Urban Open
- Open Land
- Recreation
- Low Density Single Family Residential
- Medium Density Single Family Residential
- High Density Single Family Residential
- Multifamily Residential
- Commercial
- Industrial
- Mining
- Transportation
- Waste Disposal
- Water



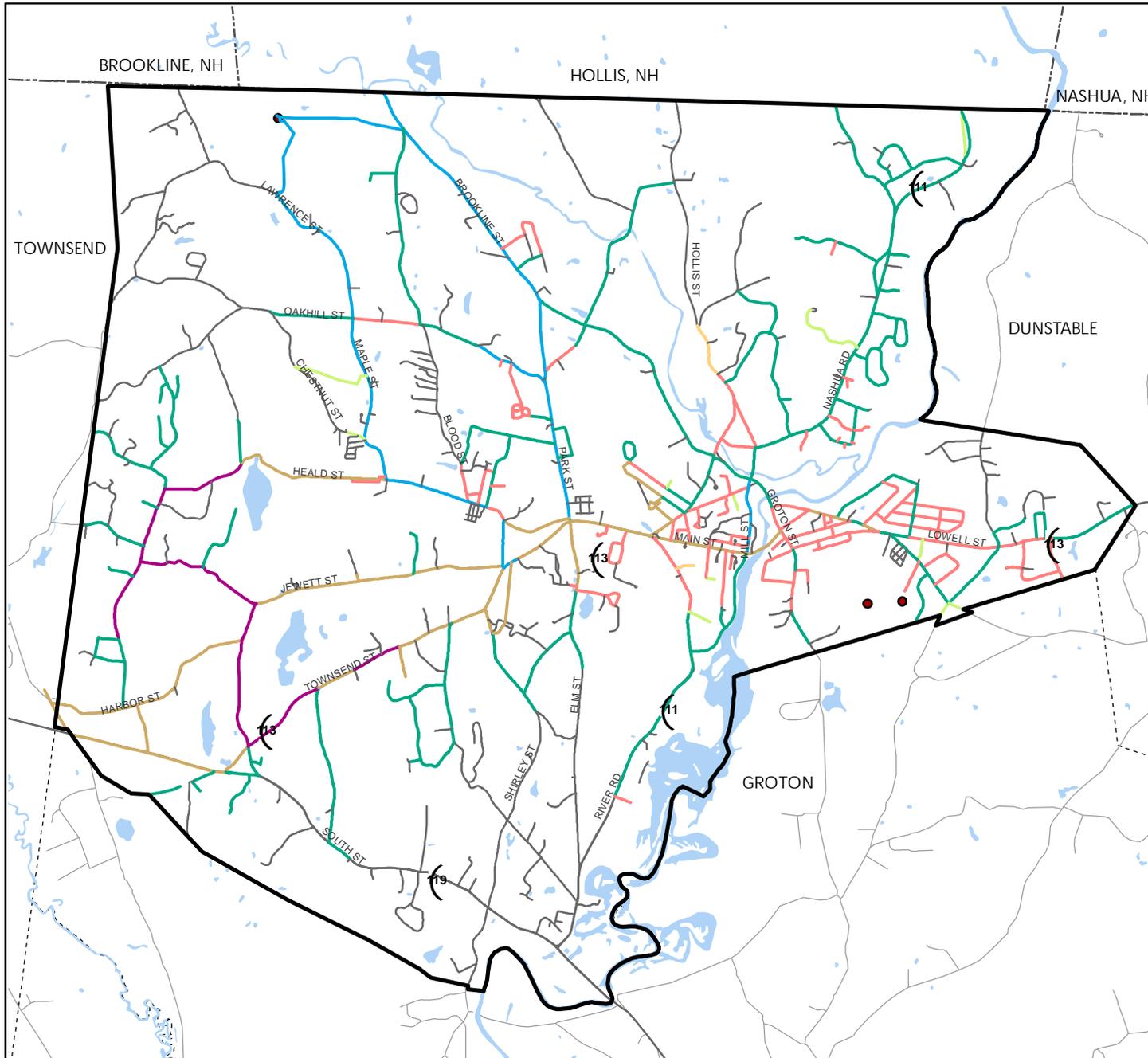


SEWER LINES

-  Existing Sewer Lines
-  Sewer Overlay
-  Water



WATER LINES



Water Supply Network

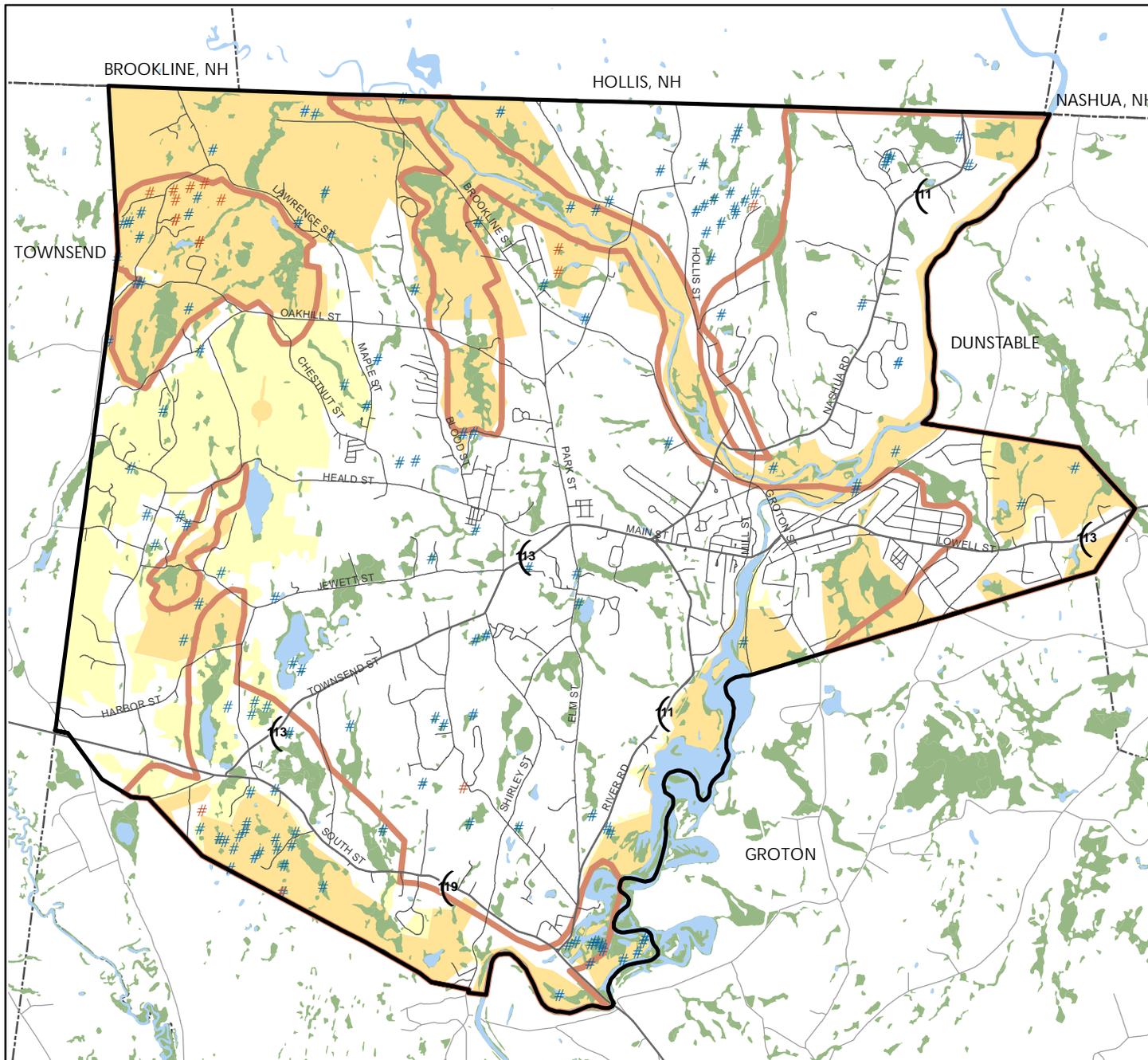
Pipe Diameter

- None
- 2 inch
- 4 inch
- 6 inch
- 8 inch
- 10 inch
- 12 inch
- 16 inch
- Wells
- Water



0.5 0.25 0 0.5 Miles

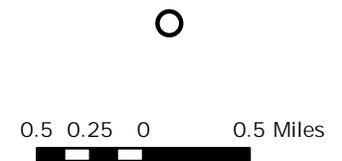


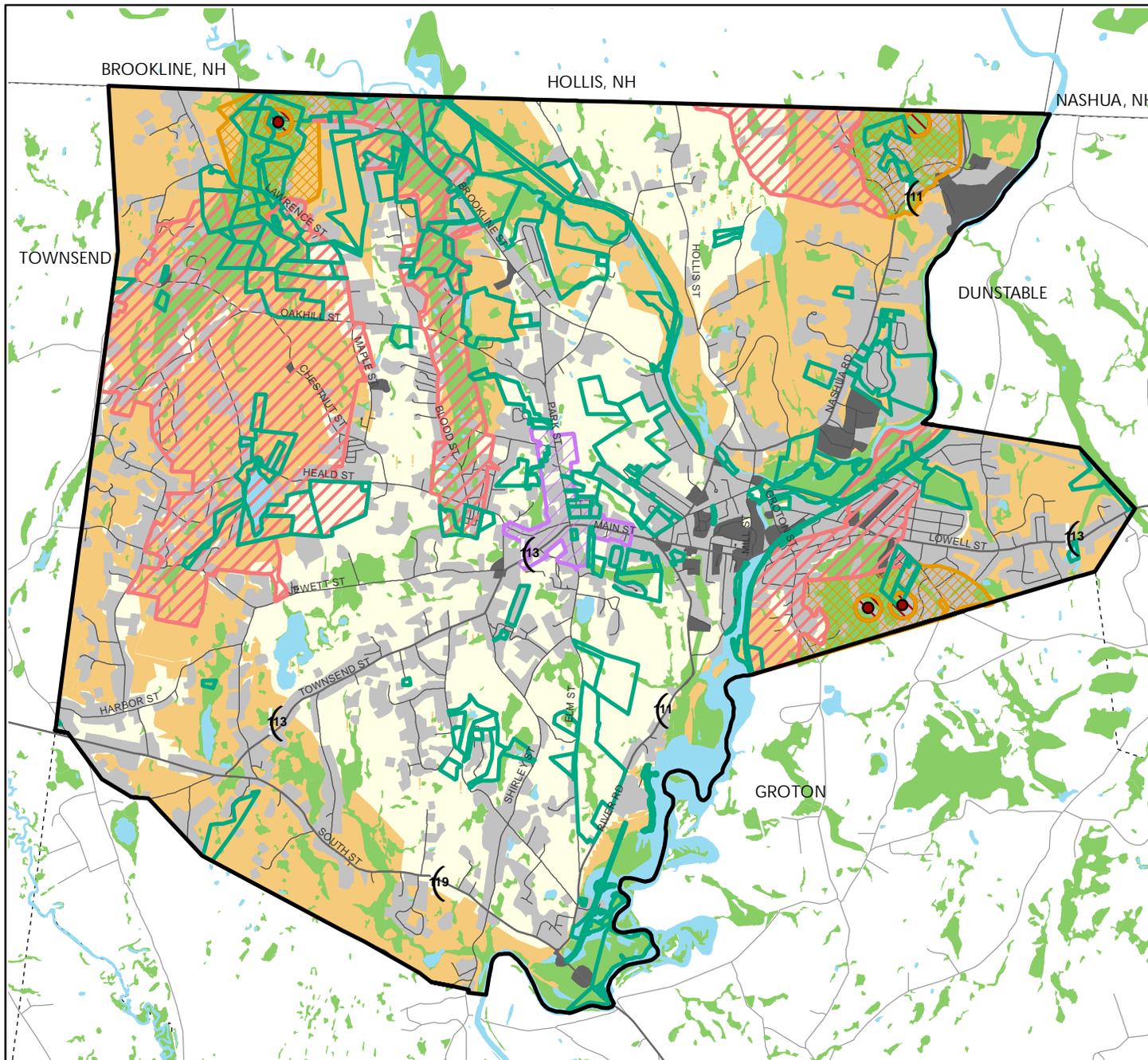


CORE HABITAT

- # Certified Vernal Pools
- # Potential Vernal Pools
- Priority Habitat for State-Protected Rare Species
- BioMap Core Habitat
- BioMap Supporting Natural Landscape
- Wetlands

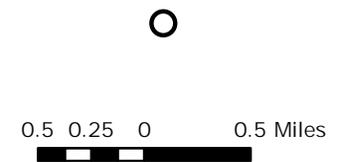
Source: National Heritage Endangered Species Program (NHESP)



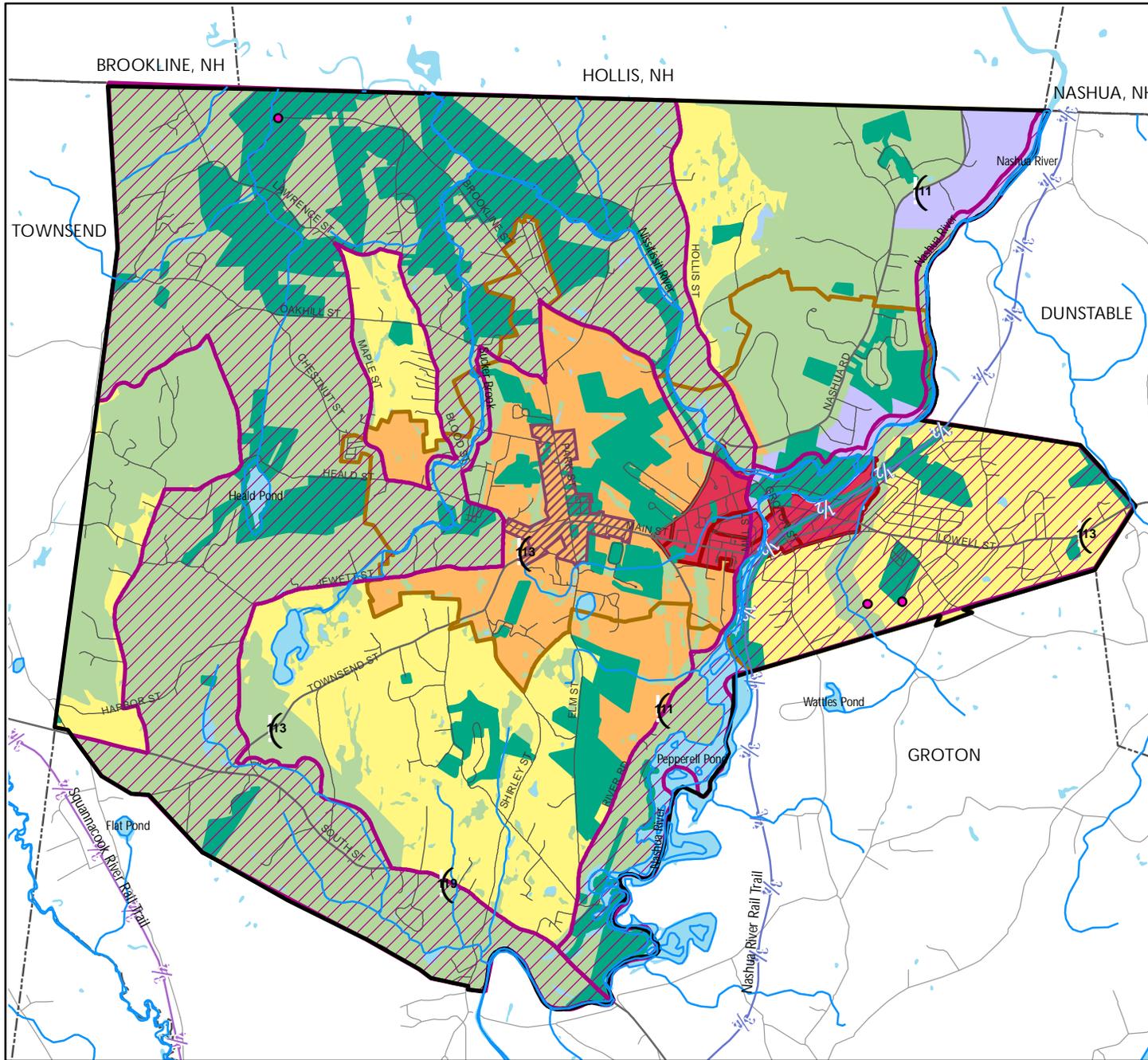


LAND USE SUITABILITY

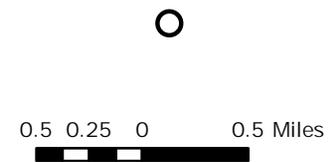
-  Areas with Development Potential
-  Low Density Existing Development
-  High Density Existing Development
-  Water
-  Natural Resources with Limited or No Regulatory Protection: NHESP BioMap, Priority Habitats, Potential and Certified Vernal Pools
-  Natural Resources with Regulatory Protection: Wetlands, Flood Zones, Zone IIs, Potential High and Medium Yield Aquifers
-  Protected Open Space
-  State Registry of Historic Places
-  Public Water Supply
-  Aquifer-Watershed Protection Zone (AWPZ): Zone III area
-  Well Protection Zone (WPZ): Zone II area
-  Water Source Protection Zone (WSPZ): 400 foot buffer around public wells



GROWTH MANAGEMENT PLAN

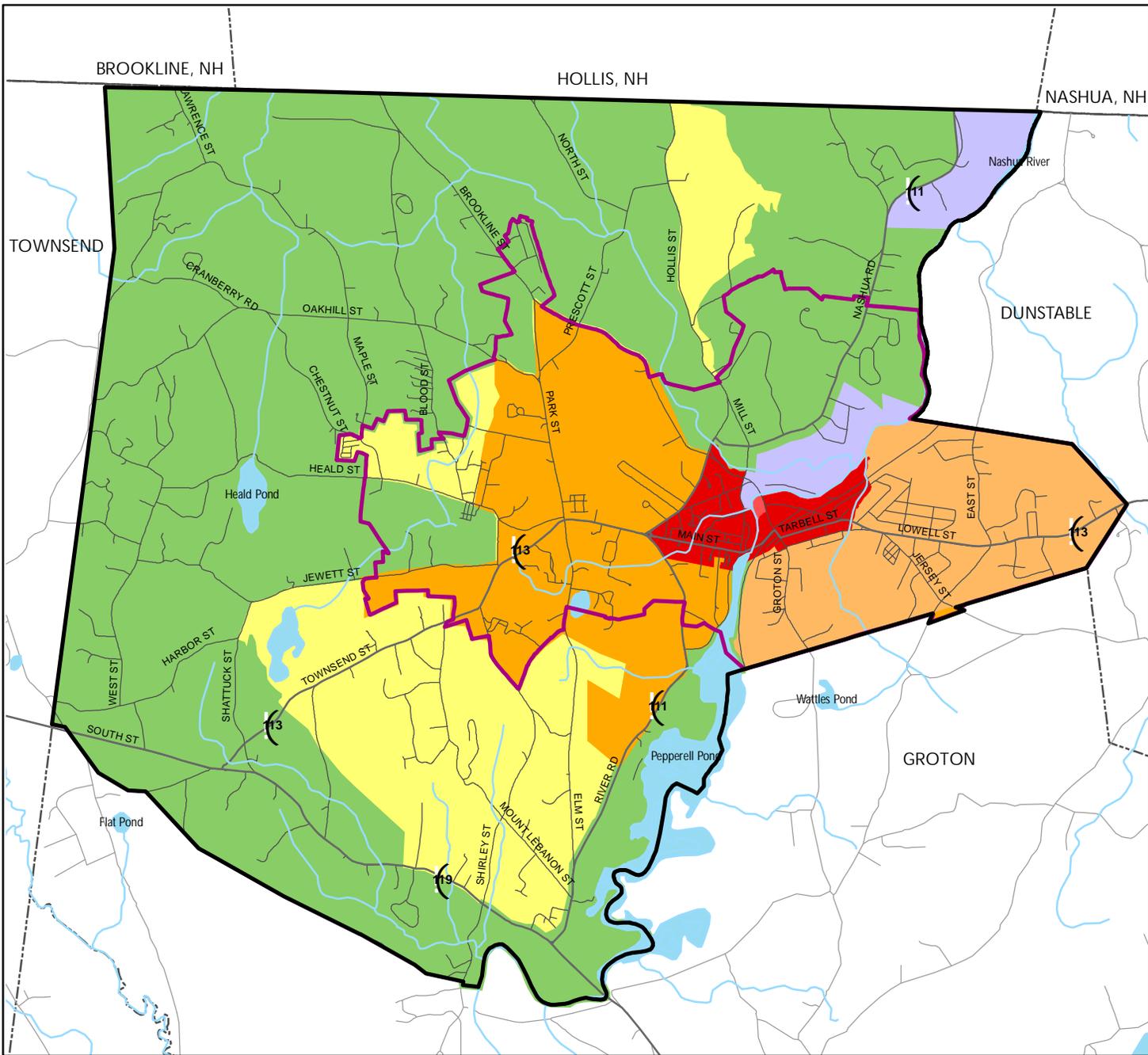


- Rural
- Outer Core
- Inner Core
- Downtown
- Light Industrial
- Town Wells
- State Registry of Historic Places
- Sewer Overlay District
- Area of Critical Environmental Concern
- Protected Open Space
- Water
- Rivers & Streams
- Bicycle Trails
3/4 Proposed
- Bicycle Trails
3/4 Existing



AFFORDABLE HOUSING PLAN PEPPERELL, MA

Larry Koff & Associates
June 26, 2006



PROPOSED ZONING OVERLAY

- Rural
- Outer Core Overlay
- Inner Core Overlay
- Downtown Overlay
- Industrial
- Sewer District
- Water Resources**
- Open Water
- Rivers & Streams

