

## ACTON COMMUNITY HOUSING CORPORATION

### ACTON'S AFFORDABLE HOUSING MILESTONES

- 1990 Annual Town Meeting adopts Master Plan vision statements, including "Promote a wide range of economic diversity in housing including low and moderate income housing."
- Fall Special Town Meeting adopts the Affordable Housing Overlay District.  
Sub-district A includes most sizeable vacant or underdeveloped parcels around Town: 25% density bonus for +/-10% affordable units. Preserves single-family neighborhood character, but allows some duplexes.  
Sub-district B comprises less acreage. Includes, most vacant and underdeveloped parcels near designated commercial growth centers – villages and Kelley's Corner, and other parcels near established commercial areas. Allows up to 5 multi-family units per acre for +/-30% affordable units.
- 1993 (2)\* Acorn Park PUD – 74 single-family units plus one commercial building. Planning Board negotiated two off-site affordable units using existing housing stock. Completed.
- 1994 New View PCRC - 24 units in single-, duplex-, and triplex buildings with one on-site affordable unit plus \$100,000 contribution to Town affordable housing fund, all under sub-district A zoning regulations. Completed.
- 1995 (6)\* Bellows Farm PCRC, 1995 – 114 single-family units. Planning Board negotiated six off-site affordable units using existing housing stock. Completed.
- 1998 (4)\* Westside Village **40B project** - Westside Drive off Sudbury Road. 16 single-family units, four affordable, on 5.25 acres. Completed. Base zoning was General Industrial, now Powder Mill Affordable Housing Overlay Sub-District B applies. Within walking distance are Powder Mill Plaza (Stop&Shop, CVS, banks, restaurants) and other restaurants, and stores in Acton and Maynard.
- 1999 (4)\* Harris Street Place Major Affordable Housing project (local sub-district B zoning with variance for 25% affordable units) - Jennifer Path & Samantha Way off Harris Street. 16 single-family units, four affordable, on 3.3 acres. Completed Base zoning is Residence 10/8. Affordable Housing Overlay Sub-District B applies. Adjacent to Great Road commercial area – convenience store, liquor store, clothing store, restaurant, etc.
- 1999 Annual Town Meeting confirms affordable housing goals in 1998 Master Plan Update.
- 2001 (1)\* Dunham Lane OSD – 10 single-family homes plus one on-site affordable unit rehabbing existing home. Lottery held March 2005.

- 2002 Acton adopts the Community Preservation Act. A minimum of 10% of the Community Preservation Funds will be used annually for the acquisition, creation, preservation, and support of community housing.
- 2002 (3)\* Crossroads Condominium **40B project** - At 248 Main Street. 12 townhouse units, three affordable. Completed in 2004. Abutting and within walking distance to Kelley's Corner commercial area
- 2002 Robbins Mill PCRC – 90 single-family homes. The Planning Board negotiated a \$400,000 donation to the affordable housing fund. Approved. Construction underway in 2005. Town received funds, retained in housing gift fund under control of Selectmen.
- 2002 Colonial Acres IV PCRC – 23 single-family homes. The Planning Board negotiated a \$300,000 contribution for affordable housing to the Acton Housing Authority. Approved. Construction completed.
- 2003 (3)\* Inn at Robbins Brook – Selectmen negotiated 3 rental units at the Assisted Living facility for low income seniors. Local preference is given to 2 of the 3 units.
- 2003 Affordable Housing Plan prepared with State funds. State approved the project. \$30K from the Executive Order 418 funding of Community Development Plans. By State requirements, the project completed 6/30/04.
- 2004 (3)\* Franklin Place Ch. **40B project** located at 520 Main St. adjacent to Acton Center. Originally proposed at 32 units. ZBA approved a smaller project of 12 units of Cape-style duplexes. Occupancy September 2005.
- 2005 (2)\* Fort Pond Brook Place Ch. **40B project** located at 68 River St. 8 units in 4, 2 unit townhouses in farmhouse design, with 2 affordable units. Occupancy January 2006.
- 2004-5 (296)\* The Woodlands at Laurel Hill Ch. **40B rental project** located at 80-82 Nagog Park. Proposed to be 296 rental units, 1 and 2 bedrooms, located in Acton. Became Avalon Acton in December 2006. An additional 64 2-BR condo units for 55+ housing. (phase cancelled by developer) ZBA approved December 2005. Under construction 2007. Occupancy began October 2007.
- 2006 (3)\* Blanchard Place Ch. **40B project** for 139 Prospect St. 12 units of 2 and 3 BR condo units, with 3 affordable units. Approved by ZBA September 2006. Occupancy Spring 2008.
- 2006 (2)\* Davis Place **40B project** at 159 Prospect St. 8 units of 3BR condo units with 2 affordable units. ZBA approved September 2006. Completed October, 2007.
- 2006 (4)\* Robbins Brook. Townhouse development as part of Robbins Brook assisted and independent living complex in North Acton. Approved by Selectmen 2003 & 2006.

4 units to be sold to income eligible elderly households of age 55+. Occupancy expected by late 2007. One unit occupied in 2007.

2005 (2)\* Madison Place located in North Acton. **40B project.** Proposed to be 8 units in 3 BR duplexes, similar in design to Franklin Place. Approved by ZBA, February 2007. Construction 2008.

2007 (3)\* Willow/Central Residences. **40B project** being developed through ACHC on town-owned land in West Acton. A duplex built on Central St. and a bungalow on Willow St. Project approved by ZBA December 2006. RFP to find developer in March 2007. Developer selected, April 2007. Construction began October 2007. Occupancy in Spring 2008.

2007 (4)\* Somerset Hills located on Wampus Ave. Condo conversion project approved by BOS June 2005. 2, 2-BR and 1, 1-BR units available for sale to first time homebuyers at reduced price. Two units sold to first time homebuyers, 2 units acquired by Aacton Housing Authority.

2007 (3)\* Ellsworth Village. 33 unit age-restricted development (55+) approved by Planning Board under Senior Residency zoning bylaw. 3 units to be sold to income eligible elderly households. Occupancy expected by Spring 2008. One unit built and occupied in 2008.

2007 (1)\* Condo buydown unit at Parker Village. Occupied 2007.

2008 (17)\* Towne School building conversion to 17 affordable rental units. **40B project.** Abutting and within walking distance of Kelley's Corner commercial district. Delayed due to procurement process question at state level. Developer selected May 2006. Lease signed by Selectmen December 2006. Comp Permit granted in 2008. Occupancy expected Spring 2011.

2008 (3)\* Lalli Terrace. **40B project.** Small 4 unit development in Kelley's Corner, 1 existing 4BR home and 3 new 2BR townhouses. Non-profit charitable developer providing funding for project with three affordable units. Comp Permit granted in 2008. Construction and occupancy in 2009.

\* Number of affordable units in project

12/9/08

**B. HOUSING PRODUCTION TIMELINE**

Like most municipalities, Acton is not in the position, financially or otherwise, to actually *build* affordable housing. Acton can, and has, worked with private developers to facilitate the construction of affordable housing, and has provided incentives within its Zoning Bylaw for the private sector to build affordable housing. Acton’s E.O. 418 Plan proposed additional actions the Town could take to further encourage the creation of affordable housing, and the Board of Selectmen has incorporated those recommendations by reference in this Plan, pages 55-62.

Notwithstanding this inherent constraint on the Town’s ability to effectuate the production of affordable housing, Acton will encourage and facilitate development of the types of housing identified in Section III.A above at least until the Town’s percentage of “low or moderate income housing” exceeds the housing unit minimum under Chapter 40B. Consistent with the priorities determined under Section III.A, the Town will strive to meet the following production goals:

| <b>Type of Housing</b>   | <b>Time Frame<sup>30</sup></b>   |
|--|--|
| Affordable rental housing  | Goal of 296 “40B units” to be permitted in 2005, and constructed and occupied over the following two years (2006 – 2007). <sup>31</sup><br><br>Goal of 25 units per year thereafter. |
| Affordable rental housing for seniors and disabled individuals at low- and moderate-income levels. <sup>32</sup> | Goal of 30 “40B units” per year. <sup>33</sup>   |
| Affordable homeownership opportunities for low- and moderate-income families.                                    | Goal of 16 “40B units” to be permitted in 2005.  |

<sup>30</sup> For purposes of this Plan, specific housing unit targets are provided for only those units that will qualify for certification under the planned production regulations (i.e., units that are restricted to households earning no greater than 80% of area median income).

<sup>31</sup> The Town anticipates the approval with conditions of a comprehensive permit for 296 rental units by the end of 2005. The developer has not settled on a public subsidy program for this project at this time. The Town anticipates that the affordable units will be made available to either “low-income” or “low- to moderate-income” households, and that the market-rate units may attract holders of so-called “Section 8” vouchers. All 296 units in this development will qualify toward the Town’s Subsidized Housing Inventory under DHCD’s Chapter 40B policies and regulations.

<sup>32</sup> The Town anticipates that the rental units in the 296-unit project, as well as those proposed in a redevelopment of a former school building in Acton, will appeal to local seniors.

<sup>33</sup> These units may include some of the affordable rental housing expected to be produced in the 296-unit development between 2005 and 2007.

| Type of Housing  | Time Frame <sup>30</sup>                            |
|--|---|
|  | Goal of 15 units per year thereafter. <sup>34</sup> |
| Affordable home ownership units for moderate- and middle-income seniors. | Goal of 15 non-40B units per year.                  |
| Home ownership opportunities for middle-income households.               | Goal of 15 non-40B units per year.                  |

**C. EXISTING HOUSING PRODUCTION STRATEGIES**

Acton has one of the most innovative, thoughtfully conceived zoning bylaws in Massachusetts. The town encourages a variety of residential uses, including density incentives by special permit for clustered residential development, senior housing and provision of affordable housing. Acton also allows accessory dwellings by right in all residential districts, multi-family housing by right in four zoning districts and by special permit in two zoning districts, and single-family to multi-family conversions by special permit in all residential and village districts. In addition, Acton promotes small assisted living facilities by allowing them as of right, and larger ones by special permit, in all residential districts. Moreover, Acton provides incentives for transfer of development rights to encourage compact physical form in the town's four village centers. Since the early 1990s, Acton officials have used zoning and small comprehensive permits to approve about 30 affordable housing units that are or will be eligible for listing on the Subsidized Housing Inventory, and to negotiate cash contributions from developers to the town's own affordable housing efforts.

In addition to using its regulatory powers to provide for a mix of homes, Acton has a very active Housing Authority and the town has sustained a committed corps of affordable housing advocates for nearly two decades: first as an independent non-profit organization and later, as a local initiative corporation operating under the aegis of a special act of the legislature. The Acton Community Housing Corporation (ACHC) functions more as a local housing partnership than as a developer, although its legislative charter allows the ACHC to engage in affordable housing development much like other special-act non-profits around the state, such as LexHAB and the Belmont Housing Trust. Recently, the ACHC spearheaded a plan for the town to lease the historic Towne School to a private developer for an 18-unit affordable rental project. The ACHC has worked tirelessly on behalf of Acton's affordable housing needs, even when local housing partnership committees in many towns lost energy after the state reduced its financial support for affordable housing development several years ago. Acton voters have also agreed to adopt the

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<sup>34</sup> The Town expects the approval of a comprehensive permit application for 64 condominium units by the end of 2005, which will produce 48 market-rate units that may be affordable to moderate-income households.

Community Preservation Act (CPA), a move that could mean a significant infusion of new resources into affordable housing production.

Despite these actions, Acton remains one of the state's most expensive towns to live in and its housing, while diverse, is out of reach for 71% of all households in the Boston metropolitan area. Wetlands and Title V constraints are significant development barriers in some parts of town, and the reality is that Acton does not have many large tracts of land left to support new homes. As Acton neighborhoods "fill in" with additional housing, the town will probably experience more intense opposition to new development simply because the loss of vacant land pockets will be visible to so many people. Together, the environmental, open space and fiscal implications of more homes do not bode well for Acton's ability to make substantial gains in affordable housing. Furthermore, while Acton's zoning is creative, it is also very complicated. Many of the density incentives seem generous compared to the restrictive regulations in most suburbs, but they may not be enough to persuade risk-conscious developers to apply for a special permit.

## **D. NEW HOUSING PRODUCTION STRATEGIES**

### **1. DEFINING "AFFORDABILITY"**

Although local officials are understandably concerned about Chapter 40B, there are compelling housing issues in Acton and Chapter 40B does not guarantee that they will be addressed: variety, predictability and affordability in rental housing, and housing cost barriers to middle-class homeownership.

In 1990, 29.5% of Acton's housing stock was occupied by renters, yet by 2000, the number of rental units had declined by 7.9%. Of the 1,946 units that housed tenants in 1990, 225 were detached single-family homes – a condition that helps to explain the slightly larger average household size in Acton's rental units a decade ago. After the recession lifted, 45 of these single-family homes were eventually sold to homebuyers and the units converted from renter- to owner-occupancy. Most of the remaining 108 "lost" rental units stemmed from condominium conversions and the sale of renter-occupied condominiums to homebuyers.<sup>35</sup> Market forces have an enormous impact on the occupancy characteristics of residential property, and Acton's experience illustrates how vulnerable renters can be to conditions in the real estate market. Within the 12-town comparison area, the total housing inventory increased by 6,079 dwelling units (11.2%), but the number of ownership units rose by 7,498 (18.5%) while the renter-occupied inventory decreased by 876 units.<sup>36</sup> At the same time, the vacancy rates in all 12 communities dropped significantly as the rate of household formation surpassed the rate of housing production. These kinds of conditions form the backdrop for the dramatic growth that has occurred in housing sale prices and rents throughout the Boston metropolitan area.

Housing costs usually exceed ability to pay for the elderly, young adults and low- or moderate-income households, and renters are more likely to be affected than homeowners. For the most

<sup>35</sup> The loss of 18 units at the Village Arms Apartments also contributed to the 1990-2000 reduction in renter occupancies reported by the Census Bureau.

<sup>36</sup> 1990 Census of Population and Housing, Summary File 1 Tables H-1, H-2, H-3, H-5, and H-43; Census 2000, Summary File 1 Tables H-1, H-2, H-3 and H-5, and Summary File 3 Table H-32.

part, Acton conforms to this pattern. However, the high percentage of cost-burdened homeowners in the 24-34 year age group in some parts of town suggests that at times, families are buying homes at prices they can barely afford and their ability to pay erodes when a parent is laid off or leaves the labor force to care for an infant. Low-income senior citizens are also affected, but in Acton the incidence of housing cost burden disproportionately affects two groups of homeowners: younger couples and single-parent families. Of course, Acton needs to plan carefully for housing that is affordable to moderate- and middle-income families because the negative fiscal impact of new residential development will simply aggravate the incidence of housing cost burden. Acton's challenge will be to provide for below-market family housing – both ownership and rental – at a pace the town can absorb.

## 2. HOUSING PRESERVATION

Two obvious housing preservation concerns exist in Acton: the affordability of its condominiums and the “informal” supply of affordable single-family and two-family dwellings in older neighborhoods.

A review of parcel data supplied by the Acton Assessor's Office and a windshield survey of several neighborhoods suggest that Acton has about 300 older single-family and two-family homes that are “informally” affordable: units not subject to any deed restrictions, but due to their size, condition and age, they are of lower value and therefore at risk of redevelopment and conversion to expensive housing stock. Overall, these units are fairly small compared to new homes in Acton, and they share two noteworthy characteristics: virtually all of them were built between 1920-1950, and the ratio of building to land value is very low, i.e., the land is worth considerably more than the homes themselves.<sup>37</sup> Conditions such as these provide an economic basis for major alterations investments and demolition-rebuild projects – and ultimately, the loss of “market” affordable homes.

Expansions of existing homes and demolition-rebuild attract new wealth into a community. They also contribute some “new growth” tax revenue under Proposition 2 ½. However, as these activities cause older homes to appreciate in value, they remove lower-cost housing from the market. Strategies to secure the affordability of older homes would help Acton cultivate a small base of Chapter 40B-eligible units for low- or moderate-income homebuyers or renters, avoid the environmental costs of new development, and preserve design traditions that pre-date the modern conventional subdivision. In addition to acquiring these homes when the owners are ready to sell and placing deed restrictions on the units before selling or renting them as affordable housing, Acton could consider a demolition delay bylaw that applies to all demolition activity and provides incentives to preserve lower-value homes in-place or on relocation sites, including on lots with an existing structure. Similar techniques can be used to acquire condominiums and protect their affordability as well.

Preservation strategies are very difficult to implement. They require dedicated community involvement and considerable staff and volunteer time. However, capitalizing on the established base of homes in Acton is more prudent than encouraging new construction and will probably be

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<sup>37</sup> Acton Assessor's Office, FY03 Parcel Database. Statistics by author; windshield surveys of selected addresses completed in March-April 2004.