

Town of Athol

Housing Action Plan: 2014



Submitted to the Town of Athol

Prepared by
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Town of Athol

Housing Action Plan

I. Introduction and Executive Summary

Purpose of Housing Action Plan

The purpose of this Housing Action Plan is to enable the Town of Athol to maintain and improve its housing stock while adding to the overall supply of affordable housing in the community. Given the community's current housing market, there is a substantial supply of housing that would meet the cost and affordability standards of the Commonwealth of Massachusetts Affordable Housing Statute (MGL Chapter 40B, Sections 20-23) and related regulations (760 CMR 31.07). Furthermore, there has been little pressure to build new and "affordable" housing in the community as specified under the Chapter 40B statute. As a result, rather than presenting a housing plan that would serve as a "Housing Production Plan" in conformance with Chapter 40B, the following plan has been developed to support the preservation, rehabilitation, and expansion of the Town's existing housing stock and provide a framework by which the community can support the housing needs of its current residents and enhance the desirability of the community to attract new residents.

Previous Athol Housing & Economic Development Strategy (June 2004)

Athol previously had a Housing Action Plan that was included in the Town's June 2004 Housing & Economic Development Strategy. Many of the recommendations in the 2004 Plan have been implemented, while other recommendations are still being pursued. Where appropriate, some of these recommendations are incorporated into this new Housing Action Plan. The recommended strategies and actions contained in the 2004 Housing Action Plan and their current status are as follows:

Strategy 1: Create a Local Housing Partnership for the promotion, ownership or management of affordable housing opportunities in Athol.

- Appoint members to the new Housing Partnership Committee – No progress
- Seek Technical Assistance – In progress
- Consider regional approaches to meeting affordable housing needs – No progress
- Create a Comprehensive Permit (Chapter 40B) Subcommittee – In progress

Strategy 2: Work cooperatively with local housing ownership and management organizations

- Expand the role of the Athol Housing Authority – No progress
- Create a CDC or Non-Profit Housing Corporation – No progress
- Community Land Trust (CLT) for Housing – No progress
- Local Housing Trust – No progress

Strategy 3: Carry out a plan to convert existing housing units into affordable housing units

- Establish an Affordable Housing Purchase/Resale Program – In progress
- Establish an Affordable Accessory Apartment Amnesty Program – No progress
- Establish a Tax Forgiveness Program for Affordable Housing – No progress

Strategy 4: Identify appropriate areas in Athol for new affordable housing development

- Evaluate Potential New Development Sites on Town-Owned Land – In progress
 - Tax Title Properties – In progress
 - Chapter 61 Properties – In progress

Strategy 5: Provide for housing rehabilitation and expansion in established neighborhoods while maintaining traditional design characteristics

- Encourage housing and live-work units in commercial areas – No progress
- Encourage single-family homes for moderate-income households – No progress

Strategy 6: Revise zoning, subdivision and building regulations to ensure overall residential quality, desired design and character, and affordable housing opportunities for all income groups

- Establish provisions for accessory apartments in all residential districts – Complete
- Provide for the careful conversion of larger homes to multifamily housing – No progress
- Encourage residential construction that is cost effective while providing open space and natural resource protection opportunities – In progress
- A demolition delay ordinance – In progress
- Inclusionary Zoning – No progress
- Incentive Zoning – In progress
- Overlay Zoning District – No progress
- Development on Substandard Lots – No progress
- Home-sharing, Cooperatives, Co-Housing and Congregate Housing – No progress

Athol's Housing Needs

A comprehensive assessment of community housing needs is presented in the Athol Housing Action Plan. The following summarizes some of the primary findings and needs identified through this assessment.

- **Growth in Population and Households**

Athol's population and growth rate is relatively low compared to surrounding communities, the State, and the Montachusett Region as a whole. By 2035, the Town's population is forecasted to grow by slightly more than 900 residents over the population counted in the 2010 U.S. Census.

- **Age of Town Residents**

The median age of the Town has increased between 2000 and 2010 to 40.6 years. This corresponds to the overall increase in median age of the State (to 39.1), although Athol's median age is older by comparison.

- **Income and Poverty**

Median household income in Athol, based on data from the American Community Survey (ACS) conducted by the U.S. Census, was \$42,920 in 2013. By comparison, median household income of Worcester County was \$61,483 during the same period. Of all households in Athol, 22.4 percent had annual household incomes of less than \$25,000 (the household income cohort calculated by the U.S. Census, closest to the average poverty threshold of \$23,835 for a family of four in 2013).

- **Housing Stock**

As of 2010, there were 5,231 housing units in Athol, of which 4,656 were occupied. 11.0 percent of the Town's housing stock was vacant. While this seems like a substantial share of the total housing stock, it is comparable or even less than the vacancy rate of adjacent communities. Of the occupied units, approximately 71 percent were owner-occupied and 29 percent were renter-occupied. In terms of age, nearly half of Athol's housing units were built in 1939 or earlier. Only 12.4 percent of the town's housing stock was constructed after 1990 when much of Massachusetts elsewhere was experiencing a housing boom. The proportion of pre-1940 housing in Athol is more than Worcester County, the State, and the Nation as a whole.

- **Housing Affordability**

Housing is generally considered affordable when a household pays no more than 30 percent of its annual income for rent or mortgage. Although Athol's median monthly housing costs for both units with a mortgage and rental units is lower than Worcester County and the State, nearly 40 percent of Athol's residents who own a home and over 50 percent of Athol's residents who rent their home are paying more than 30 percent of their income for their housing costs.

- **Athol's Housing Market**

Athol issued only one permit for new residential construction in 2013 and only 22 new units were constructed in total over the past five years. Athol has also experienced a substantial number of foreclosures beginning in 2010. This appears to be a continuing problem into 2014. According to the Foreclosures Monitor published by the Massachusetts Housing Partnership, Athol is the most housing distressed municipality out of the top 30 most distressed suburban

and rural municipalities in Massachusetts and ranked second of all Massachusetts municipalities.¹

- **Home Values in Athol**

The median sale price of a home in Athol peaked in 2005, and declined thereafter with the collapse of the mortgage market. Median sales price for a single-family home in 2013 was approximately 66 percent of the 2005 median sales price. However the median sales price of all types of housing was higher in 2013 than in the preceding three years, indicating a possible rebound in the Town's housing market.

Athol Housing Goals and Objectives

The following is a statement of housing goals and objectives intended to address identified housing needs within the Town of Athol.

Overall Goal: To provide safe, comfortable, and affordable housing for current and future residents of Athol.

Objectives:

1. Preserve and enhance the Town's existing housing stock
2. Encourage the development of new and affordable housing to supplement the town's housing stock and replace or rehabilitate units which may no longer be adequate to meet contemporary standards
3. Facilitate the diversification of housing to provide a range of choices and opportunities to meet the various and changing needs of current and future town residents and to stabilize the town's population while attracting new residents to the community
4. Provide support to low and moderate income homeowners and renters who are struggling to pay housing costs and maintain their property
5. Provide diverse housing options across a range of incomes
6. Maintain and protect the character of the community and its environmental assets

Summary of Recommended Athol Housing Strategies

Based on the identified housing needs of the community and the housing goals and objectives described above, the following is a summary of recommended strategies to achieve the goals and objectives of the Athol Housing Plan.

¹ "Distressed properties" are defined as all those properties where a foreclosure petition has been filed or an auction scheduled, or is bank held.

A. General Strategies

1. Establish an Athol Housing Partnership
2. Consider participation in the Massachusetts Community Preservation Act (CPA)
3. Establish and capitalize a Municipal Affordable Housing Trust
4. Collaborate with Private Non-Profit Organizations (e.g., Habitat for Humanity and MEC)

B. Preservation and Enhancement of the Town's Housing Stock

1. Continue to Monitor Foreclosures
2. Work with Court-appointed receivers to rehabilitate and resell foreclosed properties
3. Provide financial support for septic system repairs
4. Provide Homeowner Education to Reduce Likelihood of Foreclosure
5. Continue participation in current CDBG and Neighborhood Stabilization Loan Fund (NSLF) housing assistance programs
6. Utilize available financial assistance for home repair and rehabilitation

C. Encourage Development of New and Affordable Housing

1. Identify and evaluate potential new development sites on privately- and town-owned land and properties
2. Leverage available funding and loans from Federal and State programs
3. Incorporate density bonuses into zoning bylaws

D. Facilitate Diversification of Housing

1. Adopt an inclusionary zoning bylaw
2. Establish partnerships with developers
3. Promote development of non-traditional housing
4. Establish overlay districts under the Town's zoning bylaws for appropriate residential uses in appropriate locations



E. Maintain and protect the character of the community and its environmental assets

1. Enforce and apply the Open Space Residential Design (OSRD) bylaw
2. Consider a Natural Resource Protection bylaw
3. Continue implementation of 2008 Open Space and Recreation Plan

II. Comprehensive Housing Needs Assessment

A. Athol Demographics

According to the United States Census Bureau, the Town of Athol has a total area of 33.4 square miles (86.5 km²), of which 32.6 square miles (84.4 km²) is land and 0.8 square miles (2.1 km²), or 2.5%, is water. Athol is located in Worcester County and is bordered by the Towns of Royalston to the north, Phillipston to the east, Petersham to the south and Orange and New Salem to the west.

1. Population Characteristics

a) Historic Population Data

Athol's population was 11,299 in 2000 and 11,584 in 2010. The town's population grew by 285 residents between 2000 and 2010, an increase of 2.52 percent. Comparison of population growth of communities surrounding Athol along with the Montachusett Region and Massachusetts as a whole, shown in Table 1, indicates that Athol grew at a slower rate than all of these divisions over this 10-year period, with the exception of the Town of Royalston.

Table 1: Population Growth (2000-2010)

Town	2000	2010	% Change
<i>Athol</i>	11,299	11,584	2.52%
<i>Orange</i>	7,518	7,839	4.27%
<i>New Salem</i>	929	990	6.57%
<i>Petersham</i>	1,180	1,234	4.58%
<i>Phillipston</i>	1,621	1,682	3.76%
<i>Royalston</i>	1,254	1,258	0.32%
<i>MRPC</i>	228,005	236,475	3.71%
<i>Massachusetts</i>	6,349,097	6,547,629	3.13%

Source: U.S. Census, 2000 and 2010 Census

Table 2, below, shows Athol's historical population figures over the 50-year period from 1960 to 2010.

Table 3, which follows, shows the percentage increase over this same period.

Table 2: Historical Population Growth

Year	1960	1970	1980	1990	2000	2010
Athol	11,637	11,185	10,634	11,541	11,299	11,584
Massachusetts	5,148,578	5,689,170	5,737,093	6,016,425	6,349,097	6,547,629
US	179,323,175	203,302,031	226,542,199	248,709,873	281,421,906	308,745,538

Table 3: Population Percentage Change

Years Compared	'80-'90 %	'90-'00 %	'00-'10 %
Athol	8.53%	-2.10%	2.52%
Massachusetts	4.87%	5.53%	3.13%
US	9.79%	13.15%	9.71%

As shown in Table 3, Athol's population increased from 1980 to 1990, declined from 1990 to 2000, then increased slightly from 2000 to 2010. Although the Town's rate of increase was greater than the State's from 1980 to 1990, its percentage change from 1990 to 2000 and from 2000 to 2010 was less than the State's and the US as a whole for these periods.

b) Projected Population Growth

Table 4 presents projected population for the Town of Athol and the Montachusett Region out to 2035 according to the 2012 Montachusett Regional Transportation Plan (RTP).

Table 4: Projected Population

	2000	2010	2016	2020	2025	2030	2035
Athol	11,299	11,584	11,760	11,900	12,100	12,300	12,490
Montachusett	228,005	236,475	240,000	243,000	247,000	251,000	255,000

This forecast was developed by the MassDOT Office of Transportation Planning (OTP). OTP used a "top down" approach to develop these forecasts, taking into account state and national trends combined with analyses of regional shares. The overriding factor in determining these forecasts is that statewide population and employment have entered a period of slow growth. Forecasts were completed for the years 2016, 2020, 2025, 2030, and 2035. Forecasts were not completed for 2015 but instead were developed for 2016 because the statewide air quality conformity determination must be completed for that year.

As shown in the table, population estimates begin with the latest estimates from the U.S. Census. Since U.S. Census forecasts extend only to 2030, OTP developed the 2035 forecast based on estimated population growth between 2020 and 2030. Athol's population is estimated to be 11,760 in 2016, which is the closest projection available during the 5-year period that this Housing Production Plan will cover (2015-2020). This represents a population increase of only 176 people or approximately 1.5 percent from 2010.

c) Household Growth

The household forecasts for Athol are also taken from the 2012 Montachusett Regional Transportation Plan and are based on U.S. Census data beginning from 1970, accounting for changes in group quarters population, population in households and average household size. The trend of decreasing household size is expected to continue but not at the dramatic rates experienced between 1970 through 2000. The trend is tempered by the 2008 Massachusetts average household size of 2.53 (Source: American

Community Survey) which is a slight increase from 2.51 in the 2000 U.S. Census. This is a result of factors such as instability in the housing market and the recent recession.

The region's slowing population growth is also reflected in forecasted slowing growth in the number of households for the region. Over the next 25 years, the number of households is expected to grow from 92,500 to 102,600 which is a net increase of approximately 10,100 households, an increase of about 11 percent over the number of households in 2010 or an average annual growth rate (AAGR) of about .41 percent.

Athol's projections show a projected growth in the number of households to 4,750 in 2016 (based on a projected average household size of 2.42 and the projected population of 11,760).

e) Minorities

Based on 2010 Census information, compared to Worcester County, statewide and national averages, Athol has a proportionately lower black population than Worcester County and the State of Massachusetts as well as a lower proportion of other minority populations other than Asian, compared to Worcester County. However, compared to data from 2000, there has been nearly an 86 percent increase in the Town's population of both Black residents and Hispanic residents.

Table 5: Race by Geographic Place

Race	# Athol	Athol %	Worcester Co %	Massachusetts %	U.S. %
White	11,040	92.1%	85.6%	80.4%	72.4%
Black/African American	113	0.9%	4.2%	6.6%	12.6%
Asian	84	0.7%	0.4%	5.3%	4.8%
Hispanic/Latino	413	3.4%	9.4%	9.6%	16.3%
American Indian/Alaska Native	23	0.2%	0.2%	0.3%	0.9%
Two of more	204	1.7%	2.3%	2.6%	2.9%
Other	114	1.0%	3.6%	4.7%	6.2%
Total	11,991 ²				

Source: 2010 U.S. Census (American Community Survey)

f) Disabled and Special Needs and Group Quarters Populations

Unfortunately no new information is available on Disabled and Special Needs Populations within the 2008-2012 five-year ACS (American Community Survey) estimates or the 2010 Census data. According to the ACS: *"...the Census Bureau introduced a new set of disability questions in the 2008 ACS questionnaire. Because of contextual differences between the 2008-2009 disability data and disability data collected in prior years, the Census Bureau is unable to combine the 5 years of disability data in*

² Note: Discrepancy with 2010 Census likely due to possible double reporting and variations between decennial census and 5-year ACS averaging.

order to produce the multi-year estimate that would appear in this table. Multi-year estimates of disability status will become available once five consecutive years of data are collected.”

Group quarters have been defined by the U.S. Census as population including all people not living in households. Two generalized categories of people in group quarters are recognized: 1) the institutionalized population and 2) the non-institutionalized population.³ Within Athol, according to the 2010 Census, there were 127 people living in group quarters, representing approximately 1.1 percent of the Town’s population. Nearly all of this population is institutionalized and approximately three-quarters are female.

g) Population by Age of Residents

In the ten-year time span from 2000 to 2010, Athol lost a total of 184 persons between the ages of 20 and 44, even though the overall population of the Town has increased. During the same period, the Town also lost 237 residents in the age group of 5 to 19. This decrease is a likely reflection a decline in local jobs available in the community, resulting in younger residents moving elsewhere for employment.

Table 6: Age Distribution

Age Bracket	2000	2010	% Change
<i>Under 5 years</i>	648	646	-0.31%
<i>5 to 19 years</i>	2,514	2,279	-9.35%
<i>20 to 34 years</i>	1,877	2,049	9.16%
<i>35 to 44 years</i>	1,881	1,525	-18.93%
<i>45 to 54 years</i>	1,487	1,876	26.16%
<i>55 to 64 years</i>	952	1,446	51.89%
<i>65 to 85 years</i>	1,605	-	
<i>65 to 79 years</i>	-	1,152	
<i>80 years and over</i>	-	611	
<i>85 years and over</i>	335	-	
<i>Total Population</i>	11,299	11,584	
<i>Median Age</i>	38.6	40.6	
<i>16 years and over</i>	-	9,267	
<i>18 years and over</i>	8,424	8,934	6.05%

³ According to the Census Bureau definition of group quarters: “A group quarters is a place where people live or stay, in a group living arrangement, that is owned or managed by an entity or organization providing housing and/or services for the residents. This is not a typical household-type living arrangement. These services may include custodial or medical care as well as other types of assistance, and residency is commonly restricted to those receiving these services. People living in group quarters are usually not related to each other. Group quarters include such places as college residence halls, residential treatment centers, skilled nursing facilities, group homes, military barracks, correctional facilities, and workers’ dormitories.” “Household” data reported by the U.S. Census does not include statistics for individuals living in group quarters.

<i>21 years and over</i>	8,012	8,527	6.43%
<i>62 years and over</i>	2,180	2,150	-1.38%
<i>65 years and over</i>	1,940	1,763	-9.12%
Source: U.S. Census Bureau, 2000 and 2010 Census			

The continued aging of the baby boomers is reflected in the growth of 883 residents between the ages of 45 to 64 years old. The median age of the Town increased from 38.6 to 40.6 over this period. This roughly corresponds to the change in median age in Massachusetts over the same period, from 36.5 to 39.1 although Athol's median age is older than the State's.

h) Education Level

For details on the education level of residents, the most current information available is the American Community Survey (ACS) 5-year estimates for the period between 2008 and 2012.⁴ Athol has a slightly lower proportion of residents (84.2%) with a high school diploma than the County (89.1%) and State (89.1%) as well as the U.S. (85.7%). Athol also has a lower percentage of residents with a bachelor's degree or higher than the County, the U.S., and the State.

Table 7: Educational Attainment

	# Athol	% Athol	% Worcester County	% Massachusetts	% U.S.
Population 25 years and over	7,801	100.0%	535,755	4,465,898	204,336,017
Less than 9th grade	499	6.4%	4.2%	4.9%	6.0%
9th to 12th grade, no diploma	725	9.3%	6.8%	6.0%	8.2%
High school graduate (includes equivalency)	3175	40.7%	28.4%	25.9%	28.2%
Some college, no degree	1584	20.3%	17.8%	16.6%	21.3%
Associate's degree	710	9.1%	9.1%	7.7%	7.7%
Bachelor's degree	804	10.3%	20.7%	22.2%	17.9%
Graduate or professional degree	289	3.7%	13.0%	16.8%	10.6%
Percent high school graduate or higher	6568	84.2%	89.1%	89.1%	85.7%
Percent bachelor's degree or higher	1100	14.1%	33.8%	39.0%	28.5%

Source: ACS 2007-2011 Five-Year Estimates

⁴ The American Community Survey (ACS) is a division of the U.S. Census Bureau and is an ongoing survey that provides data every year, giving communities the current information they need to plan investments and services. Information from the survey generates data that help determine how more the \$400 billion in federal and state funds are distributed annually. Note that as a result of sampling protocols, results may fluctuate from year to year and vary from decennial U.S. Census statistics.

i) Income and Poverty

The most current available data obtained from ESRI BAO⁵ indicates that the median household income for Athol in 2013 was \$42,920 and the average household income was \$57,842. In comparison, the median housing income for Worcester County in 2012, as reported through BAO, was \$61,483 and the average household income was \$80,551. As defined by the U.S. Department of Commerce, the estimate of weighted average poverty threshold for a family of four in 2013 was \$23,836. Of the 4,759 households in Athol in 2013, 1,068 households or 22.4 percent of the Town had annual household incomes less than \$25,000 (the household income cohort closest to the poverty level), indicating that nearly a quarter of the Town's households are living at or below poverty status.

B. Housing Characteristics

1. Household Composition

As of 2010, Athol had a total of 4,656 occupied households out of a total of 5,231 housing units. Of these households, 2,989 or 64.2 percent were family households and 1,667 households or 35.8 percent were non-family households. The 2010 figure represents an increase of 169 households (or 3.8%) since 2000.

a) Family Households

The proportion of family households, families with own children under 18, husband-wife family, and husband-wife family with own children under 18 years is lower in Athol than in the County, State, and U.S. as a whole. The proportion of female householders with no husband present and with children under 18 years is higher than in the County and State. This is also true for male householders with no wife present and with children under 18 years.

Table 8: Family Households

	# Athol	% Athol	% Worcester County	% Massachusetts	U.S. %
Total households	4,656	100.0%	-	-	
Family households (families)	2,989	64.2%	66.8%	66.4%	66.4%
With own children under 18	1,303	28.0%	31.1%	29.8%	29.8%
Husband-wife family	2,092	44.9%	50.0%	48.4%	48.4%
With own children under 18 years	770	16.5%	21.9%	19.7%	20.2%
Female householder, no husband present	604	13.0%	12.2%	12.5%	13.1%
With own children under 18 years	384	8.2%	7.1%	6.8%	7.2%
Male household, no wife present	293	6.3%	4.7%	4.2%	4.6%

⁵ ESRI Business Analyst Online (BAO) utilizes census, consumer spending, and business data to report and analyze population, consumer, and business data.

With own children under 18 years	149	3.2%	2.2%	1.8%	2.3%
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Source: 2010 U.S. Census

b) Non-Family Households

Athol has a higher proportion of non-family households when compared with the County and U.S. but less than the State. Athol also has a larger percentage of householders living alone than the County and U.S. but a slightly smaller percentage than the State. The number of females living alone is greater than the number of males living alone, and more than half of these females are 65 years of age or older.

Table 14 shows non-family households by type by geographic place.

Table 9: Non-Family Households

	# Athol	% Athol	% Worcester County	% Massachusetts	U.S. %
Non-Family Households	1,667	35.8%	33.2%	37.0%	33.6%
Householder living alone	1,323	28.4%	26.2%	28.7%	26.7%
Male	583	12.5%	11.7%	12.1%	11.9%
Householder 65 years and older	149	3.2%	2.8%	10.7%	2.7%
Female	740	15.9%	14.6%	16.7%	14.8%
Householder 65 years and older	375	8.1%	7.1%	7.7%	6.7%

Source: 2010 U.S. Census

c) Households with Individuals 18 Years and Younger and 65 Years and Older

Athol's percent of households with individuals 18 years and younger is 31.4 percent. This is less than Worcester County and the Nation but more than the state as a whole. Athol also has a higher proportion of households with individuals 65 years of age than the County, the State and the Nation.

Table 10: Households with Individuals 18 Years and Younger and 65 Years and Older

	# Athol	% Athol	% Worcester County	% Massachusetts	U.S. %
Households with individuals under 18	1,463	31.4%	33.7%	30.8%	33.4%
Households with individuals 65 years and older	1,246	26.8%	24.1%	25.6%	24.9%

Source 2010 U.S. Census

d) Household Size

Athol's average household size is smaller than the County, State, and Nation while its average family size is also smaller than the County, the State, and the Nation. Table 10 presents the data for average household and family size by geographic place.

Table 11: Average Household and Family Size by Geographic Place

	Athol	Worcester County	State	U.S.
Average Household Size	2.46	2.55	2.48	2.58
Average Family Size	3.00	3.09	3.08	3.14

Source: 2010 U.S. Census

2. Housing Stock Inventory

a) Housing Units

Table 12 provides the status of housing units within the Town of Athol as of the 2010 Census. In 2010 there were a total of 5,231 housing units within the Town with occupied units comprising 89.0 percent (4,656 units) of the housing stock. 11.0 percent of the Town's housing stock was vacant. Of the occupied housing units, 71.2 percent (3,315 units) were owner-occupied while 28.8 percent (1,341 units) were renter occupied. The average household size of the owner-occupied units was 2.57 persons per unit (ppu) while the average household size of renter-occupied units was smaller at 2.19 ppu.

Table 12: Housing Stock Inventory

Housing Occupancy	Stock	Percent
Total housing units	5,231	100.0%
Occupied housing units	4,656	89.0%
Vacant housing units	575	11.0%
For rent	154	2.9%
Rented, not occupied	7	0.1%
For sale only	125	2.4%
Sold, not occupied	17	0.3%
For seasonal, recreation, or occasional use	83	1.6%
All other vacant	189	3.6%
Homeowner vacancy rate (percent)	-	3.6%
Rental vacancy rate (percent)	-	10.3%
Housing Tenure		
Occupied Housing Units	4,656	100.0%
Owner-occupied housing units	3,315	71.2%
Population in owner-occupied housing units	8,514	73.5%
Average household size of owner-occupied units	2.57	-
Renter-occupied units	1,341	28.8%
Population in renter-occupied housing units	2,943	25.4%
Average household size of renter-occupied units	2.19	-

Source: 2010 U.S. Census

b) Total Housing Units 2000-2010 and Homeownership

A comparison of total, occupied, and vacant housing units in Athol and surrounding communities is shown in Table 13. The number of housing units in Athol increased by 407 units from 2000 to 2010, to 2614 total units in 2010. However, 575 units or 11.0 percent were vacant in 2010, an increase of 238 vacant units over 2000 (or 58.5 percent of the units produced), in part reflecting the housing boom gone bust that includes increased numbers of foreclosures (discussed in the following section) but also a substantial number of rental, seasonal and recreational units that could be in transitional status. Nevertheless, this vacancy rate is *lower* than that of all comparison communities with the exception of Petersham despite the fact that the largest number of total vacant units among the comparison communities was located in Athol.

Table 13: Housing Units by Community

Town	Housing Unit 2000					Housing Units 2010				
	Occupied	%	Vacant	%	Total	Occupied	%	Vacant	%	Total
<i>Athol</i>	4,487	93.0%	337	7.0%	4,824	4,656	89.0%	575	11.0%	5,231
<i>Orange</i>	3,045	92.2%	258	7.8%	3,303	3,172	88.3%	421	11.7%	3,593
<i>New Salem</i>	379	89.8%	43	10.2%	422	404	86.9%	61	13.1%	465
<i>Petersham</i>	438	92.4%	36	7.6%	474	493	90.3%	53	9.7%	546
<i>Phillipston</i>	580	78.5%	159	21.5%	739	633	78.9%	169	21.1%	802
<i>Royalston</i>	449	85.4%	77	14.6%	526	498	86.8%	76	13.2%	574

Source: U.S. Census

c) Age of Housing Stock

In terms of age, the highest percentages of units in Athol, 49.8 percent, were built in 1939 or earlier. Only 12.4 percent of the town's housing stock was constructed after 1990, a period when much of Massachusetts was experiencing a housing boom. The current percentage of pre-1940 housing stock is more than Worcester County, Massachusetts and the Nation as a whole.

Table 14: Age of Housing Stock

Year Structure Built	Athol		Worcester County	State Average	National Average
	Estimate	Percent	Percent	Percent	Percent
Total housing units	5,319	100.0%	326,345	2,804,206	131,642,457
Built 2010 or later	24	0.5%	0.2%	0.2%	2.9%
Built 2000 to 2009	346	6.5%	8.4%	7.0%	14.2%
Built 1990 to 1999	285	5.4%	9.5%	7.3%	14.0%
Built 1980 to 1989	495	9.3%	12.3%	10.8%	39.9%
Built 1970 to 1979	317	6.0%	11.1%	11.8%	16.1%
Built 1960 to 1969	276	5.2%	8.3%	10.4%	11.2%
Built 1950 to 1959	525	9.9%	10.9%	11.6%	11.1%
Built 1940 to 1949	400	7.5%	6.3%	6.0%	5.6%
Built 1939 or earlier	2,651	49.8%	33.2%	35.0%	13.7%

Source: 2008-2012 ACS 5-year Estimates

d) Housing Units by Number of Units in Structure

Data on housing units by the number of units in the structure is only available through the 2008-2012 ACS 5-year estimate data. As shown in Table 15, nearly 70 percent of housing units within the Town of Athol consist of a single-family detached housing unit.

Table 15: Units in Structure

Units in structure	Number	Percent
Total housing units	5,319	100
1 unit, detached	3,636	68.4%
1 unit, attached	97	1.8%
2 units	558	10.5%
3 or 4 units	524	9.9%
5 to 9 units	223	4.2%
10 to 19 units	65	1.2%
20 to 49 units	0	0.0%
50 or more units	112	2.1%
Mobile home	104	2.0%
Boat, RV, van, etc.	0	0.0%

Source: 2008-2012 ACS 5-year Estimates

e) Mechanical Systems

According to the ACS, Athol households have a substantially higher proportion of households which lack complete plumbing facilities and complete kitchen facilities than the County, State, and Nation as well as a higher proportion of households without telephone service.

Table 16: Mechanical Systems

	# Athol	% Athol	% Worcester County	% Massachusetts	% U.S.
Occupied housing units	4,506	100.0%	299,350	2,252,694	115,226,802
Lacking complete plumbing facilities	180	4.0%	0.6%	0.5%	0.5%
Lacking complete kitchen facilities	167	3.7%	0.9%	0.8%	0.9%
No telephone service available	216	4.8%	1.8%	1.6%	2.5%

Source: 2008-2012 ACS 5-year Estimates

3. Income and Housing Costs

a) Household Income and Median Household Income

By definition, based on five-year ACS data for the 2008-2012 period, 50 percent of Athol's residents were earning less than the Town's median income of \$42,920. Consistent with the findings relevant to income and poverty discussed above, Athol's median household income of \$42,920 is lower in comparison to the County (\$65,968), the State (\$66,658), and the Nation (\$53,046).

In 2000, based on the 2000 U.S. Census, the median household income for Athol was \$31,630. Therefore, the median household income of \$42,920 in 2010 represents an increase of just over 35 percent. Household income and Median Household income data by geographic place are shown in the following table:

Table 17: Household Income

Income Range	Number	Percent	% Worcester County	% Massachusetts	% U.S.
Total Households	4,759	100.0%	299,350	2,525,694	115,226,802
<\$15,000	563	11.80%	10.5%	11.5%	12.6%
\$15,000-\$24,999	505	10.60%	8.9%	8.5%	10.7%
\$25,000-\$34,999	743	15.60%	8.0%	7.7%	10.4%
\$35,000-\$49,999	921	19.40%	11.5%	11.0%	13.7%
\$50,000-\$74,999	941	19.80%	171.0%	16.3%	18.2%
\$75,000-\$99,999	530	11.10%	13.9%	13.0%	12.2%
\$100,000-\$149,999	398	8.40%	17.1%	16.7%	12.8%
\$150,000-\$199,999	46	1.00%	7.4%	7.5%	4.8%
\$200,000+	112	2.40%	5.6%	7.6%	4.6%
Median Household Income	\$42,920	-	\$65,968	\$66,658	\$53,046

Source: 2008-2012 ACS Data and 2010 U.S. Census

b) Housing Affordability

What is "affordable housing" and why should the issue of housing affordability be so important to local officials and residents of Athol? The generally accepted definition of affordable housing is that housing is considered affordable when "a household pays no more than 30 percent of its annual income for rent or mortgage." Multiple sources and organizations agree with this definition. These include the American Planning Association, the Massachusetts Department of Housing and Community Development (DHCD), the 2012 Greater Boston Housing Report Card, and the Citizens' Housing and Planning Association (CHAPA). Households paying in excess of 50 percent of their annual income are considered severely cost burdened and, comparing statistics from the 2000 and 2010 U.S. Census, these households represent a growing share of households in Massachusetts.

As reported by the ACS 2008-2012 5-year estimates, Table 18 shows selected monthly owner costs for those Athol housing units with a mortgage. The median monthly housing cost for units with a mortgage is \$1,526. Table 19 shows the range of rent prices paid by Athol's residents. The median monthly rent for Athol renters is \$678. Athol's median monthly housing costs for units with a mortgage is about \$33 less than the U.S. cost of \$1,559, about \$430 less than Worcester County (\$1,956) and about \$619 less than the State (\$2,145).

Table 18: Selected Monthly Owner Costs (With Mortgage)

	# Athol	% Athol	% Worcester County	% Massachusetts	% U.S.
Housing units with a mortgage	2,306	100.0%	147,842	1,150,701	50,671,257
Less than \$300	32	1.4%	0.1%	0.0%	0.2%
\$300-\$499	9	0.4%	0.6%	0.4%	1.6%
\$500 to \$699	150	6.5%	1.7%	1.3%	4.9%
\$700 to \$999	314	13.6%	4.9%	4.5%	13.7%
\$1,000 to \$1,499	602	26.1%	17.9%	15.6%	27.0%
\$1,500 to \$1,999	726	31.5%	27.1%	22.1%	20.3%
\$2,000 or more	473	20.5%	47.6%	56.0%	32.3%
Median (dollars)	\$1,526	-	\$1,956	\$2,145	\$1,559

Source: ACS 2008-2012 5-year estimates

Table 19: Gross Rents

	# Athol	% Athol	% Worcester County	% Massachusetts	% U.S.
Occupied units paying rent	1,105	100.00%	100,625	929,735	0
Less than \$200	8	0.7%	2.0%	1.1%	1.7%
\$200 to \$299	110	10.0%	5.5%	5.9%	3.1%
\$300 to \$399	141	12.8%	4.2%	4.1%	3.0%
\$400 to \$499	62	5.6%	3.8%	3.3%	4.7%
\$500 to \$599	144	13.0%	4.4%	3.7%	7.3%
\$600 to \$699	112	10.1%	4.4%	4.7%	9.1%
\$700 to \$799	179	16.2%	10.0%	6.1%	9.8%
\$800 to \$899	167	15.1%	11.2%	7.0%	9.5%
\$900 to \$999	20	1.8%	11.8%	7.4%	8.5%
\$1,000 to \$1,249	74	6.7%	19.5%	17.4%	15.3%
\$1,250 to \$1,500	21	1.9%	8.7%	12.9%	9.0%
\$1,500 or \$2,000	34	3.1%	6.0%	14.3%	8.4%
\$2,000 or more	12	1.1%	2.0%	7.5%	5.0%
No rent paid	21	1.9%	4.2%	3.5%	5.5%

Median (dollars)	\$678		\$900	\$1,056	\$889
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Source: ACS 2008-2012 5-year estimates

For rental units housing costs, Athol's median gross rent of \$678 is lower than the median rent values for the U.S. (\$889), Worcester County (\$900), and the State (\$1,056).

Despite Athol's relatively low housing costs, residents are paying a significant share of their income for housing. Table 20 indicates that nearly 40 percent of Athol's residents (38.7%) who own a home and have a mortgage are paying more than 30 percent of their income towards monthly mortgage payments and other selected housing costs. As discussed above, housing is generally considered affordable when it requires no more than 30 percent of its occupants' income. The percentage of residents exceeding the 30 percent level is greater in Athol compared to Worcester County (35.6%) and the U.S. (36.6%), but slightly less than the State (38.9%).

Table 21 shows similar information for renters, indicating that over 50 percent of Athol's residents (53.3%) who rent their home are paying more than 30 percent of their income for rent. The percentage of residents exceeding the 30 percent level is more in Athol than Worcester County (45.2%), the U.S. (48.0%) and the State (47.4%).

Table 20: Selected Monthly Owner Costs (as a % of Household Income)

	# Athol	% Athol	% Worcester Co.	% Massachusetts	% U.S.
Housing units with a mortgage	2,306	100.0%	147,842	1,150,701	50,671,257
less than 15.0	352	15.3%	15.5%	14.8%	17.5%
15.0-19.9	435	18.9%	17.1%	16.0%	17.2%
20.0-24.9	373	16.2%	18.2%	16.5%	16.0%
25.0-29.9	254	11.0%	13.5%	13.3%	12.2%
30.0-34.9	166	7.2%	9.5%	9.4%	8.7%
35.0 to 39.9	238	10.3%	6.2%	6.6%	6.1%
40.0-49.9	83	3.6%	7.0%	7.7%	7.4%
50.0 or more	405	17.6%	12.9%	15.2%	14.4%
Not Computed	0	0.0%	0.3%	0.4%	0.5%

Source: ACS 2008-2012 5-year estimates

Table 21: Gross Rent as a Percentage of Monthly Income

	# Athol	% Athol	% Worcester Co.	% Massachusetts	% U.S.
Occupied units paying rent	1,105	100.0%	100,625	929,735	39,742,141
Less than 14.9 percent	169	15.3%	11.8%	11.2%	10.8%
15.0 to 19.9 percent	50	4.5%	12.8%	11.6%	11.2%

20.0 to 24.9 percent	150	13.6%	12.1%	11.9%	11.6%
25.0 to 29.9 percent	102	9.2%	12.5%	12.4%	10.7%
30.0 to 34.9 percent	115	10.4%	9.3%	9.3%	8.4%
35.0 to 39.9 percent	55	5.0%	5.6%	6.0%	6.2%
40.0 to 49.9 percent	47	4.3%	8.0%	7.7%	8.6%
50.0 percent or more	371	33.6%	22.3%	24.4%	24.8%
Not computed	46	4.2%	5.6%	5.4%	7.6%

Source: ACS 2008-2012 5-year estimates

c) MGL Chapter 40B Definition of Households Meeting Affordable Housing Requirements and Income Levels

The State statute concerning affordable housing development (MGL Ch. 40B, Sections 20-23) cites that affordably-produced and priced homes must be available to households where the incomes do not exceed 80 percent of the median family income (MFI) for the region in which the community is located. The U.S. Department of Housing and Urban Development (HUD) calculates the income limits for local areas on an annual basis, based on median income by metropolitan and nonmetropolitan area. It should be noted that HUD's calculation of income limits does not always equal a strict calculation of 80 percent of the MFI due to adjustments for high housing costs relative to income, application of state nonmetropolitan income limits in low-income areas, and national maximums in high income areas.

Based on HUD's designation, Athol is part of the Western Worcester County, MA HUD Metro Fair Market Rents (FMR) area. The median family income for this area in FY2014, calculated on the basis of a 4-person family, is \$75,300. Based on this and HUD's adjustments discussed above, for FY2014, adjusted low income limits for family sizes ranging from 1 to 8 persons are shown in Table 22.

Table 22: Income Limits by Household Size (August 2013)

Household Size	Very Low: 50% of Median Income	Extremely Low: 30% of Median Income	Low: 80% of Median Income
1	\$30,100	\$18,050	\$44,750
2	\$34,400	\$20,600	51,150
3	\$38,700	\$23,200	\$57,550
4	\$42,950	\$25,750	\$63,900
5	\$46,400	27,850	\$69,050
6	\$49,850	\$29,900	\$74,150
7	\$53,300	\$31,950	\$79,250
8	\$56,700	\$34,000	\$84,350

Source: U.S. Department of Housing and Urban Development (HUD)

It should be noted that there is a discrepancy between HUD's calculation of areawide median household income of \$75,300 and Athol's median household income as calculated by ACS at \$42,920 in 2013. Applying the 80 percent factor to the ACS value to estimate the low income limit for a family of four

results in an income level of \$34,336, approximately 54 percent of the HUD low income limit of \$63,900. (This discrepancy with HUD's higher "low income limit" would presumably expand eligibility for "affordable" housing for a greater portion of Athol's population.)

For the purposes of Chapter 40B, affordable housing is generally defined as housing units that are:

1. Subsidized by an eligible state or federal program.
2. Subject to a long-term deed restriction limiting occupancy to income eligible households for a specified period of time (at least 30 years or longer for newly created affordable units, and at least 15 years for rehabilitated units).
3. Subject to an Affirmative Fair Marketing Plan.⁶

The Chapter 40B threshold for affordable housing is that every community must have 10 percent of their housing meet the 80 percent median household income figure discussed above. If a Town or City does not have 10 percent of their year-round housing units on the State's affordable housing inventory, then a developer can file a plan in their application for a comprehensive permit under the provisions of MGL Chapter 40B that can have greater development density allowed under the Town's zoning bylaw. If the application is denied by the Zoning Board of Appeals, the developer can appeal to the Massachusetts Housing Appeals Committee.

Forty-one (41) communities in Massachusetts have met the 10 percent threshold, based on the updated Subsidized Housing Inventory (SHI) released by DHCD in April 2013. This



means that 11.7 percent of Massachusetts' 351 municipalities have achieved the Chapter 40B target. Given that less than 12 percent of the State's communities have reached this threshold, DHCD developed the Housing Planned Production Program in 2003 (renamed Housing Production Plan or HPP in 2008). Based on the principles of this program, by taking a proactive approach in the adoption of an HPP, cities and towns are more likely to achieve both their affordable housing and community planning goals. HPPs give communities that are under the 10 percent threshold but are making steady progress in producing affordable housing on an annual basis, more control over comprehensive permit applications.

If a community has a DHCD approved HPP and is granted certification of compliance with the plan, a decision by the Zoning Board of Appeals (ZBA) relative to a comprehensive permit application will be

⁶ The Commonwealth of Massachusetts' Affirmative Fair Housing Marketing Plan Guidelines are included as an appendix to this Housing Production Plan. The Guidelines also contain the current State requirements for local preference.

deemed “consistent with local needs” under MGL Chapter 40B and ZBA decisions will be upheld by the Housing Appeals Committee.

d) The Supply-Demand Housing Gap

MRPC Staff obtained the MLS (Multiple Listing Service) inventory of homes for sale in Athol in April, 2014. As of the first week of April, a total of 65 single-family homes, 11 multi-family and one condominium unit were listed for sale in Athol. Using conventional financing, a family with an estimated median family income of \$42,290, as estimated for Athol by ACS based on 2008-2012 data, can afford a single family home with a maximum sales price of \$165,366. This assumes a \$20,000 down payment and a mortgage loan amount of \$145,366 with an interest rate of 4.135 percent (current rate) for a 30-year fixed rate mortgage. Based on these terms, a single family home sold for \$165,366 would require a monthly mortgage payment of \$1,019 for principal and interest or a total housing payment of \$1,086 including estimated property taxes and insurance. This is less than the most recent estimate of median housing costs for Athol homeowners with mortgages estimated by ACS (2008-2012 5-year estimates) of \$1,526. With \$165,366 as an affordability threshold for families with an estimated median income of \$42,290, 43 of the 65 single-family homes and 9 of the multi-family and condominium units for sale in April would be considered affordable.

However, the income level for any housing unit to qualify for the MGL Chapter 40B Subsidized Housing Inventory is based on a minimum of 80 percent of the Median Income for the Western Worcester County, MA HUD Metro Fair Market Rents (FMR) area. According to HUD, the median family income for this area in FY2013, calculated on the basis of a 4-person family, is \$75,300. Based on the HUD calculation of low income for this area, the annual income threshold to qualify for low income housing for a family of four would be \$63,900. This is significantly more than the ACS estimate of Athol’s median income of \$42,290. Based on this annual income, the maximum sales price of an affordable home would be \$261,757 (again, assuming a \$20,000 down payment and an interest rate of 4.135 percent). This would allow for a monthly mortgage payment of \$1,667 for principal and interest or a total monthly housing cost of \$1,734 including estimated property taxes and insurance. This amount is actually more than the most recent estimate of median housing costs for Athol homeowners. Based on a maximum sales price of \$261,757, 56 of the 65 single family homes and all except 3 of the multi-family and townhouse homes for sale in town would qualify as affordable. (It should also be noted however, based on a qualitative review of the general characteristics of the properties listed in the MLS including length of time on the market, that a number of these homes, particularly those available at the low end of the market, may not be adequate in terms of size and/or condition for a typical family of four.)

For rental units, the Median Monthly Rental Unit price of \$678 equals a yearly rental housing cost of \$8,136. At this rate, median rate rental housing in Athol would be available to a 4-person household earning \$27,129 (based on housing costs equal to 30 percent of annual income). This is well below the 80 percent of area wide median income level for a family of four set by HUD defining low income (see Table 22). However, it should be noted, as indicated in Table 21, that approximately 53 percent of the rental households in Athol are spending 30 percent or more of their income in rent. This indicates a significant disparity between rental costs and income of renters in Athol.

Fair Market Rents (FMR) are calculated annually for the Town of Athol (which, as indicated above, is part of the Western Worcester County, MA HUD Metro FMR Area). A two-bedroom FMR apartment for FY2014 is calculated to be at \$760. This FMR value is approximately 12 percent higher than Athol's Median Monthly Rental price of \$678. At this rate, rent would represent substantially more than 30 percent of household income for most Athol renters.

As indicted previously in Table 17, over 70 percent of Athol's housing stock consists of owner-occupied units. In addition, just over 68 percent of the Town's housing stock, or about 7 out of every 10 housing units, is a single-family detached housing unit. However, with Athol's growing senior population and as well as growth of younger families struggling to earn sufficient income to own their own home, more rental units will be needed. Demographic trends indicate a demand for smaller units for those who would like to remain living in the Town of Athol, but find it more difficult either to own a single-family home in the case of younger families, or maintain their single-family home, in the case of seniors. The Implementation Strategies section, later in this Plan, discusses how Athol will strive toward making more rental units available to this segment of the population.

4. Housing Market – Current Development Trends

The Athol Building Department has provided figures for building permits issued in Athol for new single- and multi-family housing for the past 5 years. As indicted in Table 23, Athol issued only one permit last year and only one permit in the previous year, indicating a stagnant market for new construction. In total, only 22 new housing units were constructed in the past 5 years. As indicated in the table, none of these units were constructed as housing for multiple families, which would likely be more affordable.

Table 23: Athol Building Permits

Year	Single-Family	2 Family	3 or more Family	Total
2013	1	0	0	1
2012	1	0	0	1
2011	4	0	0	4
2010	8	0	0	8
2009	8	0	0	8

Source: Athol Building Department

The housing downturn which significantly impeded the housing market since 2006 not only led to a decrease in new building activity, but also led to an increased rate of foreclosures during this period across the Country, the Commonwealth of Massachusetts, and the Montachusett Region. Based on information provided by the Warren Group and presented in Table 24, Athol experienced a substantial number of foreclosures or petitions to foreclose. This appears to be a continuing problem for the community.

Table 24: Number of Foreclosure Deeds by Calendar Year

	Auctioned Foreclosure	Petition to Foreclosure	Total
2014 (to date)	0	13	13
2013	2	27	29
2012	3	29	32
2011	4	17	21
2010	3	15	18
2009	0	0	0
2008	0	0	0
2007	0	0	0
Total	12	101	113

Source: The Warren Group (Copyright 2014)

In general, according to the Foreclosures Monitor published by the Mass. Housing Partnership on February 4, 2014, overall foreclosure distress in Massachusetts declined 53.4 percent from January 2013 to January 2014, from 9.5 units per 1,000 housing units to 4.4 units per 1,000 housing units. Distressed properties are all those properties where a foreclosure petition has been filed or an auction scheduled in the previous year, or is bank held. The number of distressed units also declined in Athol during this period from 21.2 units per 1,000 units to 13.4 units. This is a percent change of -36.9 percent. However, Athol is still ranked as the most distressed municipality out of the top 30 most distressed suburban and rural municipalities in Massachusetts and #2 of all Massachusetts municipalities (Brockton is #1 and Fitchburg is #3).⁷ (Of these 30 municipalities, 22 are located in the central Massachusetts' Worcester County, or are immediately adjacent to Worcester County. While the Massachusetts sales prices recovery began in 2009, these communities have only seen recovery since 2011 or 2012, and single-family sales prices, are, on average, 25.6 percent below their pre-recession peaks, compared to 9.9 percent for Massachusetts as a whole.)

Another important factor which should be considered relevant to the current status of housing in Athol is the number of empty and/or vacated homes. According to the 2010 U.S. Census, there were 575 vacant housing units in Athol in 2010. This included 83 seasonal units, 125 units for sale, and 7 vacant rental units as well as 189 "all other vacant" units. This finding would appear to have implications for the housing market in Athol, relevant to overall demand and the feasibility of developing "new" units to add to the community's housing stock. Map 1 illustrates the location of recently inventoried vacant and abandoned properties in Athol. An Implementation Strategy will be included within this housing plan to review this list of properties and determine if some of these foreclosed or vacant housing units can be made available as affordable housing.

⁷ Massachusetts Housing Partnership, Foreclosure Monitor, February 4, 2014

5. Home Values

Table 25 shows the number of single family homes and condominiums sold from the period between 2004 and 2013 and the median sale prices for each type of unit. The median sale price of a home in Athol peaked in 2005, declining afterwards as a result of the housing bubble and the collapse of the mortgage market. Median sales price for a single-family home in 2013 was approximately 66 percent of the 2005 median sales price. Yet, based on the median sales price of a single-family home in 2013, prices appear to be recovering. During the same period, the median sales price for a condominium was \$105,750, which was the highest median price since 2008. Despite this apparent price trend, the 92 single family homes sold in Athol in 2013 was the lowest number of units sold annually since 1995. Also, the low number of condominium units sold in 2013 does not appear to be indicative of a trend, either positive or negative.

Table 25: Home Sales and Median Sales Price

Year	1-Fam	Price	Condo	Price	All	Price
2013	92	\$118,450	4	\$105,750	132	\$111,000
2012	120	\$77,750	1		151	\$71,000
2011	113	\$77,500	3	\$45,000	158	\$74,000
2010	134	\$99,450	4	\$62,450	186	\$84,500
2009	125	\$110,000	2		177	\$103,500
2008	114	\$127,250	3	\$115,000	172	\$115,000
2007	116	\$165,500	13	\$144,900	193	\$160,000
2006	156	\$172,900	8	\$92,750	241	\$167,621
2005	199	\$179,900	18	\$89,000	302	\$173,000
2004	207	\$157,900	18	\$105,450	336	\$155,000

Source: The Warren Group, 2014

6. Subsidized Housing Inventory

The Massachusetts Department of Housing and Community Development's (DHCD) most recent data (April, 2013) for the Town of Athol which documents the Town's Chapter 40B Subsidized Housing Inventory (SHI) shows that Athol has 5,148 year-round housing units, of which 246 units are counted in the DHCD SHI inventory, representing 4.8 percent of Athol's housing stock. Table 26 provides the detailed SHI for the Town.

Table 26: Subsidized Housing Inventory

Project Name	Address	Type	Total SHI	Comp Permit	Subsidizing Agency
Lakeside Apartments	Gibson Drive	Rental	50	No	DHCD
Morton Meadow	Bickford Drive	Rental	28	No	DHCD
n/a	Park St., Kennebunk St.	Rental	5	No	DHCD
n/a	Partridgeville Road	Rental	3	No	DHCD
Ferron Circle	Partridgeville Road	Rental	8	No	DHCD
Cottage St. Development	Cottage St./Harrington	Rental	30	No	DHCD, MHP, RHS
Hapgood Apts.	Cheney St.	Rental	5	No	DHCD, MHP, RHS
DDS Group Homes	Confidential	Rental	18	No	DDS
Athol Home Ownership Rehabilitation Program (HOR)	Various Locations (1-2 units apiece)	Ownership	49	No	DHCD

Source: DHCD Chapter 40B Subsidized Housing Inventory (April, 2014)

Note that DHCD's official inventory of specific SHI units in Athol shows a total of 196 units, rather than the 246 units shown in its 2013 inventory. This is because Pequig House, with 53 units, was previously on DHCD's list but lost its certification in 2013. A recertification application is currently being processed by DHCD. If confirmed by DHCD, this would bring the total number of SHI units in Athol back to 246. More information about additional affordable housing development is presented in the Goals chapter of this Plan.

C. Development Conditions and Constraints

1. Absolute and Partial Development Constraints

MRPC's GIS Department has mapped out partial and absolute development constraints and limitations within the Town of Athol which are shown on Map 2. The map also includes DEP Tier Classified Chapter 21E sites.

a) Absolute Development Constraints

Absolute Development Constraints are such constraints where no building is allowed due to regulatory or ownership restrictions (e.g. protected open space land). The data layers that comprise the set of absolute development constraints are quantified in the table below:

Table 27: Absolute Development Constraints

Protected Open Space by Owner	Acres
State Parks and Recreation	1211.23
Department of Fish and Game	3864.82

DEP Data	Acres
DEP Zone1	42.84
DEP River Protection Act Buffers 100ft	1286.33

DEP Wetlands by Type	Acres
BOG	52.64
DEEP MARSH	279.86
SHALLOW MARSH MEADOW OR FEN	71.08
SHRUB SWAMP	306.89
WOODED SWAMP CONIFEROUS	187.33
WOODED SWAMP DECIDUOUS	150.51
WOODED SWAMP MIXED TREES	202.32

FEMA Flood Zone Data	Acres
FEMA Flood Zones 100 Year	1299.58

Source: MRPC GIS

Land within Athol with Absolute Development Constraints amounts to 24.77% of the Town's total land area.

b) Partial Development Constraints

Partial Development Constraints are such constraints where building would be allowed, but may be subject to additional regulatory review (e.g. the 200-foot Rivers Protection Act buffer), or where such development would be occurring within identified environmental resources (e.g. BioMap 2 Core Habitat and Supporting Natural Landscapes under the Massachusetts Natural Heritage and Endangered Species Program or NHESP). The data layers that make up the set of partial development constraints are shown in the table below and in Map 2. The total land area covered by Partial Development Constraints consists of approximately 9181 acres, amounting to 43.0% of Athol's total land area. Note that lands covered by Absolute and Partial Development Constraints are not mutually exclusive and certain properties may be covered by multiple constraints.

Table 28: Partial Development Constraints

NHESP Data	Acres
BioMap2 Critical Natural Landscape	5359.92
BioMap2 Core Habitat	3234.83

DEP Data	Acres
DEP IWPA by Supplier	
MORGAN MEMORIAL FRESH AIR CAMP	18.01
MORGAN MEMORIAL FRESH AIR CAMP	12.83
SMALL WONDERS PRESCHOOL CENTER	11.54

DEP Zone 2	1026.07
DEP River Protection Act Buffers 200ft	1108.74

Wetlands Protection Act Buffer 50ft	2249.07
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FEMA Flood Zone Data	Acres
FEMA Flood Zones 500 Year	347.38

Slope by Percentage	Acres
16 - 20%	361.38
21 - 25%	51.40
26+%	9.05

Source: MRPC GIS

Partial constraints include lands that have slopes greater than 15 percent, BioMap 2 Core Habitat and supporting Natural Landscapes, FEMA 100-year Flood Zones, Wetlands Protection Act wetland resource areas and (some of) their buffer zones, Watershed Protection Act (WsPA) buffer zone (200-400 feet), DEP Zone B, DEP Zone C, DEP Zone II and DEP IWPA (Interim Wellhead Protection Area). A summary of each of these partial constraints is provided below:

- **Steep Slopes:** Given the hilly topography in some parts of Athol, there are locations of land that have a steep slope (greater than 15 percent), which can be cost prohibitive for developers. Although the presence of steep slopes along will not determine the development potential of a site, the combination of steep slopes and shallow soil on top of bedrock could influence the type of development which would be suitable for the site.
- BioMap2 Core Habitat identifies specific areas necessary to promote the long-term persistence of Species of Conservation Concern (those listed under the Massachusetts Endangered Species

Act as well as additional species identified in the State Wildlife Action Plan), exemplary natural communities, and intact ecosystems.

- BioMap2 Critical Natural Landscape was created to identify and prioritize intact landscapes in Massachusetts that are better able to support ecological processes and disturbance regimes, and a wide array of species and habitats over long time frames.
- Wetlands, as mapped by MassGIS for DEP for wetlands under the Wetlands Protection Act. Wetlands Protection Act regulations severely constrain development within 100-foot buffer zones around certain types of wetland resource areas known as Outstanding Resource Waters, which include surface drinking water supplies and vernal pools. The Rivers Protection Act of the 1990s, which has since been incorporated into the Wetlands Protection Act, provided additional protection by creating a 200-foot buffer zone along rivers, known as Riverfront Areas, in which development is constrained.
- FEMA 100-year Flood Zone: Areas identified by FEMA that are subject to be inundated by 100-year flood levels. Development proposed within a 100-year Flood Zone must replace any lost flood storage capacity.
- Buffers for wetlands (50 feet), Rivers Protection (200 feet) and the WsPA at a 400-buffer for regulatory areas have been mapped as partial development constraints.
- DEP Zone B, Zone C, Zone II and IWPA relate to Drinking Water Protection. Zones B and C are for the Surface Water Supply. Zone II and the IWPA are for groundwater drinking water wells.

c) Total Constrained and Unconstrained Land Area

The following table accounts for total constrained and unconstrained land area in Athol. As discussed above, some areas may be affected by multiple absolute and/or partial constraints. In total, approximately 50 percent of Athol's land area is unaffected by any of the constraints described above.

Table 29: Athol Total Constrained/Unconstrained Land Area

	Acres	Percentage
Total Town of Athol	21352.00	100.00%
Total Absolute Constraints	5288.41	24.77%
Total Partial Constraints	9181.08	43.00%
Total All Constraints (Absolute and Partial)	10576.37	49.53%
Total Non-Constraints	10775.64	50.47%

d) DEP Tier Classified Chapter 21E Sites

Not classified under either absolute or partial constraints, but still posing a challenge to development, are Massachusetts Department of Environmental Protection (DEP) Tier Classified Chapter 21E Sites. Chapter 21E sites are contaminated by oil or other hazardous material and are subject to special restrictions for redevelopment. Such sites are classified by tiers based on their level of contamination

and their owner's compliance with regulation. According to a search of Mass. DEP's website (<http://db.state.ma.us/dep/cleanup/sites/search.asp>), Athol has two active Tier Classified Chapter 21E sites which are indicated on Map 2 and described below:

Table 30: DEP Tier Classified Chapter 21E Sites

Site Name	Address	Zoning	Tier	Acres
RESIDENCE	65 SMITH ST	RA	1C	0.20
24-36 MAIN ST PROPERTY	24-36 MAIN ST	G	1D	0.23

Tier 1C sites require a permit but any person undertaking response actions may do so without the DEP's approval after a Tier 1 Permit is issued. Tier 1D sites are sites where the responsible party has failed to provide a required submittal to MassDEP by a specified deadline. In general, Chapter 21E sites are also known as "Brownfield" sites and the U.S. Environmental Protection Agency has potential funding available for the site assessment phase through site clean-up. Note that there may be additional brownfield sites in Athol that are not "Tier Classified" sites.

Besides any mitigation as noted above and allowed under relevant Massachusetts (or any Federal or Local) laws and regulations, it is the intention under this Plan to direct any new housing production to land areas that do not have absolute development constraints, minimize such housing production in areas with partial development constraints (and mitigate such housing development as economically feasible to allow such construction to remain affordable) and prioritize housing production in areas that have no development constraints.

e) Local Zoning Constraints

While local zoning imposes some constraints to the production of new housing in Athol, a review of the Athol zoning bylaws indicates that the community has adopted some reasonably progressive provisions in recent years which can help facilitate production of additional housing units. In terms of constraints, the Medium Single-Family Residential (RB) district, which essentially surrounds the downtown core area of the community, is essentially limited to single family dwellings. Two- and multi-family dwellings are prohibited and conversions to multi-family and development of assisted living facilities are also prohibited. It is also noted that the minimum lot size in the Rural Single-Family Residential (RC) district is one acre, a relatively large land area required per unit which adds to the cost of new construction. Much of Athol outside of the central core RA and RC districts is zoned as RC. However, multi-family housing is allowed by special permit in the RC district.

Despite these constraints, the zoning bylaw includes a provision for accessory dwelling units within existing or new owner-occupied, single-family dwellings by special permit (attached or detached unit) or through a permit issued by the Building Commissioner (interior unit) in any of the three residential districts. Athol also has an Open Space Residential Design (OSRD) bylaw which is applicable to the RC district and allows for greater flexibility in the design of residential developments while encouraging preservation of open space and agricultural land. Through a special permit granted by the Planning Board, with acceptable plans and documentation, lot size can be modified to a minimum of 10,000

square feet (from the 44,000 square foot minimum) as long as fifty percent (50%) of the site is dedicated to open space. This reduced lot size requirement can reduce the cost of housing and act as an incentive for the production of additional units while preserving valuable open space resources.

2. Local Capacity

The total approved Town of Athol operating budget for FY 2014 is \$16,479,916. This budget funds the Town's Finance, Public Safety, Public Services, and Public Works services. It also covers the Town's assessments for the Athol-Royalston school district and Montachusett Vocational Technical School. According to the recent Massachusetts Department of Revenue's Financial Management Report for the Town of Athol, based on the Town's FY 2013 budget, "roughly 52 percent of [the Town's budget was] funded through the tax levy, 29 from local receipts, and 7 from other sources. Only about 13 percent of the budget came from state aid because Chapter 70 education funds are distributed directly to the regional school district. Annually, the town tends to appropriate about two-thirds of its budget almost equally on three major categories: education, fixed costs, and public safety, in FY2012 spending approximately \$3.5 million on each. The remaining third of the budget is typically spent toward public works (10 percent), general government (8), human service, cultural, and recreational programs (6), debt service (4), and other costs (4)." As discussed below, the Town is experiencing serious financial challenges affecting, among other things, funding of local schools and maintenance of transportation infrastructure.

3. State Owned Land

The Commonwealth of Massachusetts owns approximately 2526.8 acres in Athol, as shown in Map 3. This comprises approximately 11.8 percent of the Town's area and includes:

- Lawton State Forest
- Millers River Wildlife Management Area
- Petersham State Forest
- Tully Brook Access
- Tully Mountain Wildlife Management Area

4. Capacity of Municipal Infrastructure

a) Water and Sewers

The Town of Athol has four groundwater sources located in the downtown area. Water is pumped from three of these sources to the Public Works facility for treatment before distribution to residences. The fourth groundwater source has a treatment facility located off of Jones Street. According to the Town's 2002 Master Plan, at that time, the Town had adequate water capacity to accommodate growth in significantly higher population than what was projected. And according to the Town of Athol's Water Division 2013 Water Quality Report, the Town has an adequate supply of water.

Available information on the Town's wastewater treatment capacity is limited. Athol's central core has long been served by a sewer system that has allowed development of a compact town center.

According to the 2002 Master Plan, the Town has a single wastewater treatment facility. As of 2001, the plant had an average flow of 1.43 million gallons per day (MGD) with a design capacity of 1.75 MGD, with 18 percent of design capacity remaining. However, substantial repairs were made to the sewer system in 2011 and 2012 to replace aging pipes, repair holes, and remediate inflow/infiltration problems. As a result, daily flow was reduced to .738 MGD, indicating that there is sufficient capacity to accommodate increased demand on the wastewater treatment facility.

b) Roads and Transportation

For the 2002 Athol Master Plan, MRPC assisted the Town in the preparation of the Transportation Resources chapter. This discussion noted that “Transportation resources provide people with the means to access jobs, markets and community activities. They also affect the growth and character of local communities and the greater region. When these resources are neglected or modified without consideration of the community needs or environmental consequences, the results can be negative, such as lost opportunities for pedestrian traffic, serious safety issues, or pollution of water resources.”

The Master Plan notes that there are three state highways in Athol (Route 2, Route 2A, and Route 32) as well as a network of roads serving the town center and rural residential areas. Cars and trucks are the primary mode of transportation for people and goods although limited public transportation is provided by G-Link which connects to fixed route service in Gardner. In addition to scheduled service, MART and FRTA offer dial-a-ride service for the elderly and handicapped. Of the transportation issues facing the Town, the Master Plan cites the challenge of having sufficient funds to maintain its infrastructure and that many of the Town’s roads and sidewalks are in a state of disrepair and that some bridges are structurally deficient and/or functionally obsolete.

In 2008, MRPC analyzed roadway safety conditions in the Montachusett Region over a 4-year period from 2002-2005. The Equivalent Property Damage Only (EPDO) crash severity rating system was used to determine dangerous intersections and interchanges. EPDO rates a crash based on crash severity, giving one (1) point to a PDO crash; five (5) points for a crash involving at least one non-fatal injury; and ten (10) points to a crash that involves at least one fatal injury. After determining each crash EPDO rate, the rates for crashes for each intersection and interchange are totaled. A high EPDO indicates a dangerous location where crashes have the most severe consequences. Of the top 50 ranked intersections and interchanges in the Montachusett Region, Athol had no ranked locations, although it has three locations in the top 100 ranked intersections. These locations and the report’s comments on each intersection were as follow:

Table 31: Regionally Ranked Crash Locations in Athol

Location	Community Rank	Regional Rank	Project Development Status for 2012 RTP
Main St. (Rte. 2A)/Exchange St.	1	91	Needs Study
Rte. 2 (Exit 17)/Rte. 2/Rte. 31	2	95	Needs Study
Main St. (Rte. 32)/Chestnut St.	3	99	Improvements completed; needs follow-up

Source: MRPC

In addition to these safety concerns, MRPC's 2012 Regional Transportation Plan identifies eight bridges in Athol which are rated as "structurally deficient" and three bridges which are "functionally obsolete." A structurally deficient bridge is not necessarily unsafe but is deteriorated to a point where it must be closely monitored and inspected or repaired. Functionally obsolete bridges may not have a safety issue per se but may not comply with federal regulations in some other aspect, such as slope, sight distance, or width relative to that of the road.

The eight structurally deficient bridges are:

- Washington Avenue over south Athol Pond Outlet
- Exchange Street over the Millers River
- Crescent Street over the Millers River
- Route 32 Chestnut Hill Avenue over the Millers River
- Pinedale Avenue over the Tully River
- Route 2A/Main Street over West Brook
- Route 2 over White Pond Road
- Route 2 over South Athol Road

The three functionally obsolete bridges are:

- Morgan Avenue over South Athol Pond Outlet
- Route 32/Main Street over the B&M Railroad
- Route 2A/East Main Street over the B&M Railroad

c) Schools

Athol is a member of the Athol-Royalston Regional School District along with the town of Royalston. Athol students can also attend the Montachusett Regional Vocational School in Fitchburg. Currently, there are six schools within Athol:

- Athol High School (Grades 9-12)
- Athol-Royalston Middle School (Grades 5-8)
- Pleasant Street School (Grades PK-4)
- Riverbend School (Grades K-4)
- Ellen Bigelow School (Grades PreK-12)
- Sanders Street School (Grades K-3)

A new Athol Elementary School (PreK-4) is under construction adjacent to the Athol-Royalston Middle School and is scheduled to be completed in August 2016. . The new elementary school is anticipated to meet the Massachusetts School Building Authority's 10-year enrollment projections for the Town of Athol. This facility will replace the Riverbend, Sanders Street, and Pleasant Street Schools. Plans are currently under discussion regarding the reuse of the older schools.

Overall enrollment in the Athol-Royalston Regional School District has declined steadily since 2010 according to the Massachusetts Department of Education. Athol High School has experienced a steady decline in enrollment over the past 10 years. While facility capacity does not appear to be an issue, as noted in the Athol-Royalston Regional School District Annual Report for the 2012-2013 school year, "the district continues to find it difficult to provide funding for the needed resources to operate." This has prevented the District from replacing staff which have left the system due to attrition. The Annual

Report attributes the District's financial problems to 1) exhausting of all District-funded resources; 2) school "choice-out" (which sends financial resources to districts outside of Athol); 3) limited increases in State aid; and 4) costs of special education tuition.



III. Housing Goals, Objectives and Strategies

Based on an analysis of current conditions and discussions with public officials in the Town of Athol, an overall housing goal and a set of housing objectives and strategies to achieve those objectives have been identified to guide efforts to achieve safe, comfortable, and affordable housing for current and future residents of the community.

Athol Housing Goals and Objectives

Overall Goal: To provide safe, comfortable, and affordable housing for current and future residents of Athol.

Objectives:

7. Preserve and enhance the Town's existing housing stock
8. Encourage the development of new and affordable housing to supplement the town's housing stock and replace or rehabilitate units which may no longer be adequate to meet contemporary standards
9. Facilitate the diversification of housing to provide a range of choices and opportunities to meet the various and changing needs of current and future town residents and to stabilize the town's population while attracting new residents to the community
10. Provide support to low and moderate income homeowners and renters who are struggling to pay housing costs and maintain their property
11. Provide diverse housing options across a range of incomes
12. Maintain and protect the character of the community and its environmental assets

Athol Housing Strategies

A. General Strategies

1. Establish an Athol Housing Partnership

A Housing Partnership can provide essential leadership in support of housing production to serve low and moderate income individuals as well as seniors. Participants can help implement the strategies recommended in the Housing Action Plan by doing the following:

- Work in cooperation with other local boards such as the Board of Selectmen and Planning Board on housing issues;
- Advocate locally for affordable housing by providing education to residents and town officials;
- Serve as representatives of the Town on housing issues to State and regional agencies;
- Identify appropriate sites and provide proactive planning for strategic site acquisitions;
- Obtain technical assistance for planning efforts, grant assistance, monitoring services, and zoning strategies;
- Monitor and pursue funding opportunities

In addition to these activities, the partnership can recommend overall strategies and specific proposals for the development and rehabilitation of affordable housing and applications for, and allocation of, federal and state housing development subsidies and grants, and review and make recommendations on the inclusion of affordable housing in proposals for privately financed multiple-unit developments.

To be effective in obtaining support from community officials, in addition to representation from the general public, the partnership should include representation from:

- Board of Selectmen
- Conservation Commission
- Planning Board
- Council on Aging
- Athol Housing Authority

Furthermore, a partnership does not need to be limited to the Town of Athol only. Consideration



should be given to entering into partnerships with adjacent communities which are struggling to address many of the same housing issues as Athol. Collaboration with other communities to provide regional housing services could also strengthen eligibility for various grant programs and allow for a pooling of resources that could more effectively facilitate housing production and rehabilitation. As a regional endeavor, depending on available funding, a multi-community partnership could be facilitated through MRPC which could provide

assistance in project coordination and development.

2. Consider participation in the Massachusetts Community Preservation Act (CPA)

CPA is a smart growth tool that helps communities preserve open space and historic sites, create affordable housing, and develop outdoor recreational facilities. CPA can also strengthen the local economy by expanding housing opportunities and construction jobs for Athol's workforce.

CPA allows communities to create a local Community Preservation Fund for open space protection, historic preservation, affordable housing and outdoor recreation. Community preservation monies are raised locally through the imposition of a surcharge of not more than 3% of the tax levy against real property. Municipalities must adopt CPA by ballot referendum. The CPA statute also creates a statewide Community Preservation Trust Fund, administered by the Department of Revenue (DOR), which provides distributions each year to communities that have adopted CPA. These annual disbursements supplement community funds and serve as an incentive for communities to pass CPA. While the issue of additional taxation is certainly significant in Athol given the community's

economic issues, CPA could provide substantive benefits to the community which, in the long run, could offset its costs.

Eligible uses of CPA for affordable housing are as follows:

- Property acquisition
- Housing creation
- Property preservation
- Provision of grants, loans, rental assistance, security deposits, interest-rate write downs or other forms of assistance directly to individuals and families who are eligible for community housing, or to an entity that owns, operates or manages such housing, for the purpose of making housing affordable
- Rehabilitation and restoration of properties acquired with CPA money

Some communities have utilized CPA funding for projects which accomplish multiple objectives, such as combining affordable housing with open space and/or historic preservation. CPA funding can also leverage financing for initiatives carried out by nonprofit and private development partners (see below). CPA funds have also been used to purchase deed restrictions, rehabilitate existing affordable housing, obtain planning and professional services, to fund staffing for support of affordable housing, and to prepare grant applications. Communities have also pooled CPA funds to support regional entities that provide affordable housing services.

Current economic considerations and the prospect of additional taxes which would result from participation in CPA may limit the feasibility of Athol's participation in CPA at this time. However, should conditions change and a definitive strategy for the potential use of CPA funds be developed that clearly defines the benefits which might accrue, the community may wish to give CPA active consideration.

3. Establish and Capitalize a Municipal Affordable Housing Trust Fund⁸

In 2005, the Commonwealth of Massachusetts enacted the Municipal Affordable Housing Trust Fund, which simplified the process of establishing housing funds dedicated to subsidizing affordable housing. The law provides guidelines on what trusts can do and allows communities to collect funds for housing and segregate them out of the general budget into an affordable housing trust fund. These funds can then be used without going back to Town Meeting for approval. It also enables trusts to own and manage real estate, not just receive and disburse funds. The law further requires that local housing trusts be governed by at least a five-member board of trustees, appointed by the Board of Selectmen. This function could be served by a Housing Partnership as described above. While new trusts must be in compliance with Chapter 30B, the law governing public procurement as well as public bidding and construction, most trusts opt to dispose of property through a sale or long-term lease to a developer to clearly differentiate any affordable housing development project

⁸ Information on Housing Trust Fund concept summarized from Town of Amherst MA Housing Production Plan, March 2013

from a public construction project. Some communities have committed CPA funding (see above) on an annual basis to Housing Trust Funds without targeting the funding to specific initiatives. Inclusionary zoning, discussed below, may also provide cash resources for a wider range of possible developments to help capitalize the Affordable Housing Trust Fund. Developers may also contribute to the Housing Fund through negotiations on local developments.

While some communities have separate Housing Trust Funds as well as a Housing Committee or Housing Partnership, others have the Housing Trust function as both the fiscal agent of the Housing Trust Fund and also the municipality's permanent committee for overseeing housing issues, serving as the Town's development review committee for affordable housing projects and working with the Planning Board to establish new zoning to promote affordable housing. However, this responsibility could also be assigned to the Housing Production Partnership if one is established in Athol.

4. Collaborate with Private Non-Profit Organizations (e.g., Habitat for Humanity and MEC)

Habitat for Humanity (HFH) is a well-known nonprofit, Christian housing ministry that believes that all people should have a decent, safe and affordable place to live. Habitat builds and repairs houses throughout the world using volunteer labor and donations. Partner families then purchase these houses through no-profit mortgage loans or innovative financing methods. Currently, there is no Habitat for Humanity affiliate in Athol although there are near-by affiliates in Fitchburg (North Central Massachusetts) and Florence (Pioneer Valley). Given the proximity of these affiliates, it is unlikely that Habitat for Humanity International would support a separate new affiliate being established in the Athol. However, it might be possible to align with either the North Central Massachusetts or Pioneer Valley chapters if there were sufficient interest within Athol. According to the Executive Director of the North Central Massachusetts affiliate, if there is strong interest in working on a Habitat for Humanity project in Athol, the following steps should be undertaken:⁹

- Call for a public meeting of anyone interested in pursuing the possibility of working with Habitat for Humanity in Athol.
- Identify property or properties that could be built on or renovated
- Identify funding sources in Athol. In the end, all sources of funding from individuals, corporations, grants, etc., would need to come from people in Athol or the town or others interested in supporting the work. (HFH is a grassroots organization; therefore all funding is typically raised locally.)
- Once there is a sense of interest, possible funding sources, and a project, representatives from the community should approach North Central Mass HFH or Pioneer Valley HFH and ask to create a "Local Project Committee." This group would then act as a subcommittee of the affiliate with non-profit status and a good deal of autonomy, but the finances would be managed through the affiliate's accounts.

⁹ E-mail from Maggie Monroe-Cassel, Executive Director, Habitat for Humanity North Central Massachusetts, Fitchburg MA, July 7, 2014.

- Finally, it would be necessary to have a local construction manager given that Athol would be too far away to send the affiliate's regular construction manager. This person could be a volunteer or paid position if funds are available.

Another non-profit organization that supports housing development and rehabilitation that the Town of Athol is already working with is the Montachusett Enterprise Center, Inc. (MEC). MEC is a non-profit affiliate of MRPC. MEC operates exclusively for the charitable and educational purposes of management and program direction for projects designed to alleviate socioeconomic problems in the Montachusett Region. Since its inception in 2003, MEC in partnership with Montachusett Regional Vocational Technical High School (Monty Tech) has built three homes in Fitchburg which were sold at affordable prices to lower income individuals. Funding for these projects was provided to MEC from the City of Fitchburg HOME Program and Enterprise Bank and Trust Company, Leominster. MEC built a fourth, affordably-priced home in Athol in partnership with a modular home construction firm. MEC's Board of Directors is comprised of public officials and members of the moderate income community.

B. Preservation and Enhancement of the Town's Housing Stock

1. Continue to Monitor Foreclosures

Efforts should be made initially to assist property owners to avoid foreclosure on their property. However, should a property be foreclosed, the Town needs to know the location, specifications, and condition of the property to plan how to address it. The Town currently maintains an inventory of vacant and foreclosed



properties through the Town's Vacant and Abandoned Building Committee in collaboration with the Montachusett Regional Planning Commission and should continue to do so. A map showing current locations of vacant properties based on this inventory is presented in this plan as Map 1. MRPC created an app for mobile devices to enable the Vacant and Abandoned Building Committee to update this inventory in real time and maintain a complete and current database of distressed properties. This inventory should continue to be used to prioritize properties for rehabilitation and resale and to monitor progress toward reduction and elimination of foreclosure activity within the community. The inventory should also be used to identify "hot spots" within the community with higher densities of foreclosures to assess their causes and determine possible means of mitigation.¹⁰

¹⁰ The Vacant and Abandoned Building Committee also works with the owners of tax delinquent properties to obtain owed taxes, providing the Town with tax revenue it otherwise might not be able to recover.

2. Work with Court-appointed Receivers to Rehabilitate and Resell Foreclosed Properties

The Town has continued to work with court-appointed receivers under the Massachusetts Attorney General's Abandoned Housing Initiative (AHI) Program to remediate vacant, abandoned and/or foreclosed homes throughout the community. A \$150,000 HomeCorps Partnership grant was made to the Town through the Attorney General's Office "to address a certain number of distressed properties, stabilize neighborhoods, provide housing opportunities for the workforce, mitigate disinvestment in the community, and maximize property tax revenues to the Town."¹¹ The grant provides seed money to support a revolving loan fund for the rehabilitation of affordable housing in Athol.

Receivership involves the use of statutory power authorized in M.G.L. Chapter 11, Section 1271, to temporarily seize buildings to ensure enforcement of the state sanitary code.¹² The law provides for property to be placed under the control of a judicially supervised receiver who has the power to collect rents, make repairs, and borrow money when necessary. Receivership can expedite a community's intervention when a property poses a hazard because it has been abandoned or when tenants are at risk.

Typically, to initiate the receivership process, the Board of Health petitions the housing court for the appointment of a receiver after having exhausted all other remedies to secure a property's compliance with health and safety codes. If the court deems the municipality's request valid, it appoints a receiver to step in to stabilize and manage the distressed property. The receiver arranges for repairs and management of the property and funds this through rents or borrowing based on a lien on the property. (A lien may be assigned to the receiver as collateral for the purpose of securing loans for repair, operation, maintenance or property management.) Receivers may be property management firms, community development corporations (CDCs), lawyers or other responsible parties qualified by the court. Currently, MEC, described above, is acting as receiver for a number of properties in Athol.

To complete necessary work to bring a property up to code, the receiver is responsible for sending out a bid for contractors. The receiver must compile a scope of services and choose a contractor that will do the best job for the most reasonable price. The receiver must remain in contact with the housing court throughout the receivership. Community Development Block Grant (CDBG) funds are a potential source of funding to support repairs to properties (see below).

Termination of a receivership is typically through the sale of the property by a court-ordered foreclosure sale. In this case, the receiver or municipality petitions the court for a foreclosure sale. Bidder requirements can be imposed at this time such as priority for first-time homebuyers and residency requirements. The receiver files documentation of their expenses and projected expenses

¹¹ This grant is currently managed by Carol Ambrozy as consultant to the Vacant and Abandoned Building Committee.

¹² Information obtained from "How to Use Receivership to Stabilize Abandoned and Foreclosed Properties," Massachusetts Housing Partnership, Boston MA, May 2009.

through the proposed auction date. If approved by the court, the court will then order sale of the property to satisfy the receiver's lien, and the receiver will utilize attorneys and an auctioneer to provide notice and conduct the auction sale.

To support the receivership effort, Town officials have noted that there needs to be a system to efficiently prioritize which foreclosed properties in Athol should be targeted for rehabilitation. Criteria needs to be defined that can be applied as a basis for prioritization. These criteria could be developed by the Vacant and Abandoned Building Committee or a Housing Production Partnership if one is established.

3. Provide Homeowner Education to Reduce Likelihood of Foreclosure

Connecting homeowners with assistance from a housing counselor, mediator or lawyer can help prevent foreclosures by providing information and resources on foreclosure alternatives, offering legal expertise, acting as advocates that help navigate the loan modification process, and catalyzing negotiations between homeowners and mortgage servicers. Housing counselors and lawyers help homeowners understand their rights and assess their options for avoiding foreclosure, and mediators can assist both parties in reaching an acceptable outcome. As discussed above, this could be another function of an Athol Housing Partnership.

4. Provide Financial Support for Septic System Repairs

A major expense which could affect the ability of the homeowner to make mortgage payments is the need to repair a failed septic system. Septic system failures can be sudden and can be very costly. Much of Athol relies on private septic and most systems are quite dated. Below-market-rate loans are available through MassHousing (the Massachusetts Housing Finance Agency) to repair a failed septic system to meet the State's Title V requirements. Owner-occupants of 1-4 family homes and condominium associations are eligible for low interest loans up to a maximum of \$25,000 depending on income.

Other sources of funding for septic system repairs are CDGB funds and the Massachusetts Water Pollution Abatement Trust. The Trust was established in 1989 pursuant to Title VI of the Federal Clean Water Act. It was later amended in 1998 to encompass the provisions of Title XIV of the Federal Safe Drinking Water Act. The Massachusetts Water Pollution Abatement Trust improves the water quality in the Commonwealth through the provision of low cost capital financing to cities, towns, and other eligible entities. Title V Betterment Loans for septic repairs supported by the Trust in Athol can be obtained through the Athol Board of Health.¹³ These loans can be 5, 10, or 15 years and generally carry a 5 percent interest rate.

¹³ The Athol Board of Health has received confirmation that grant application materials for the most recent round of funding under the Trust have been received but is waiting to get confirmation that they will be receiving funding from the state.

5. Continue Participation in Current CDBG and Neighborhood Stabilization Loan Fund (NSLF) Housing Assistance Programs

Although not an Entitlement Community which would enable the community to apply directly to the U.S. Department of Housing and Urban Development (HUD) for Community Development Block Grant (CDBG) funding, Athol has continued to receive CDBG funding through the Commonwealth of Massachusetts to support a variety of housing services including the receivership program. Since 1995, there have been 174 CDBG-funded housing rehab projects within the Town of Athol with a value of \$3,579,698.

Another program which is available to address foreclosure problems is the Neighborhood Stabilization Loan Fund (NSLF) program, available through the Massachusetts Housing Investment Corporation (MHIC). MHIC is a leading private investor and lender specializing in financing affordable housing and community development throughout New England. MHIC was founded in 1990 as a private non-profit by a consortium of banks to fill a critical gap in meeting the credit needs of affordable housing developers at a time when the real estate market was in turmoil. The NSLF program provides revolving acquisition/construction loans and lines of credit to approved non-profit and for-profit sponsors for the acquisition and rehabilitation of foreclosed and abandoned properties (typically 2-4 family). MHIC also helps finance redevelopment of properties under court-supervised receivership due to serious code violations. MHIC coordinates its efforts with local officials to ensure that NSLF loans are aligned with community development plans and have maximum impact. MHIC financing was used to rehabilitate the Hapgood and Cottage Apartments (34 units) in Athol under the sponsorship of RCAP Solutions, Inc. (a 501(c)(3) non-profit corporation based in Worcester, MA).

6. Utilize Available Financial Assistance for Home Repair and Rehabilitation

Because of the relative age of Athol's housing stock, many units have remnants of lead-based paint and deferred housing maintenance needs. Low- and moderate-income homeowners lack sufficient resources to properly maintain their homes and address substandard housing conditions. Athol has been proactive in rehabbing existing homes through the town's Vacant and Abandoned Building Committee. The receivership program and CDBG funding, discussed above, have been used to support these efforts. For example, depending on income, MassHousing's home improvement program can provide low interest loans of up to \$50,000 for eligible properties including 1-4 unit buildings and condominiums lenders to provide financial assistance for home repair and renovation. This program offers a number of protections for homeowners as opposed to "predatory" lenders that may charge higher interest rates, impose unnecessary prepayment penalties, and threaten homeowner equity.

The US Department of Agriculture's Office of Rural Development supports a Very Low-Income Housing Repair program which provides grants and loans to very low-income homeowners to repair, improve, or modernize their dwellings or to remove health and safety hazards. Rural Housing Repair and Rehabilitation Grants are funded directly by the government. Grants are available to dwelling

owners or occupants who are 62 years of age or older. Funds may only be used for repairs or improvements to remove health and safety hazards, or to complete repairs to make the dwelling accessible for household members with disabilities.

Other programs are also available such as Get the Lead Out to remove lead paint (administered by MRPC in the Montachusett Region, but dependent on availability of funds) and the Home Modification Loan Program which provides loans to make modifications to the primary, permanent residence of elders, adults with disabilities, and families with children with disabilities (administered by RCAP Solutions Inc., with corporate offices in Gardner). Details of many of these programs are provided in Appendix A.

C. Encourage Development of New and Affordable Housing

1. Identify and Evaluate Potential New Development Sites on Privately – and Town-Owned Land and Properties

The Town should assess available municipal properties to determine development potential and



constraints and prioritize sites based on location, access, and available infrastructure. The Town should then market the sites and offer the opportunity to partner with qualified developers to develop the property for affordable housing. This can include currently vacant land or properties such as vacant schools and/or Town buildings which could

be converted to housing.

Privately-owned vacant or underutilized mill structures in Athol also offer excellent opportunities for redevelopment as housing. Various state funding programs are available to assist in the financing of redevelopment (see Appendix A). The Town may also consider partnering with a developer and assisting with permitting and infrastructure improvements to the extent feasible. There are numerous examples of mill conversions to housing or mixed-use development throughout Massachusetts. The Riverside Commons development in Fitchburg involves the adaptive reuse of an historic mill building into 105 rental units, including 27 units designated as affordable. The Massachusetts Housing Partnership committed \$9.35 million in mortgage financing to support this conversion. And a \$4.25 million subsidy was recently awarded through the Massachusetts Department of Housing and Community Development to Boston-based developer Winn Companies to develop 96 housing units in a former yarn mill in Fitchburg. 38 of these units will be “affordable” with 10 units reserved for households earning less than 30 percent of the area median income.

A preliminary inventory of properties owned by the Town of Athol is shown in Map 4.

With either of these approaches, current zoning regulations may limit the reuse or conversion of existing properties. In those cases, consideration should be given to the establishment of an overlay district which would allow more flexibility in the types of development that could be permitted while retaining the requirements of the underlying district.

2. Leverage available funding and loans from Federal and State Programs

Information on available funding programs is provided in Appendix A. Athol is already participating in some of the programs identified in this Appendix. Other programs offer possible opportunities to further strengthen the community's housing stock and should be considered if appropriate for specific applications and/or circumstances.

3. Incorporate density bonuses into zoning bylaws

In conjunction with inclusionary zoning (described below), Athol should consider incorporating density bonuses into its zoning bylaws as an incentive to the creation of affordable housing. A density bonus allows the maximum density of a residential or mixed-use development to be increased by a number of affordable units up to a specified maximum above what would otherwise be allowed if the development only included market rate units. Apart from offering developers an incentive to build affordable housing, density bonuses reduce the risk of litigation from developers who might claim that the mandatory inclusion of affordable units involves a "taking" of their property rights.

As examples, the Town of Amherst allows the maximum density of a development to be increased by the number of affordable units not to exceed 20 percent of the maximum otherwise permitted. The City of Melrose allows the developer to build another market unit for every affordable unit regardless of minimum lot area. The Town of Marshfield, which has voluntary rather than mandatory provisions, specifies that the density bonus units must be equal to the number of As of Right (AOR) units multiplied by 25% and rounded up to the next even number divided by 2.

D. Facilitate Diversification of Housing

1. Adopt an Inclusionary Zoning Bylaw

Inclusionary zoning has been adopted by approximately one-third of all communities in Massachusetts and can be a viable tool for promoting affordable housing as part of future developments. Inclusionary zoning can:

- Ensure that new residential development generates affordable housing;
- Ensure that affordable housing created remains affordable over the long term;
- Maintain a full mix of housing types and unrestricted geographic distribution of affordable housing opportunities throughout the community;
- To the extent allowed by law, ensure that preference for new affordable housing is given to eligible persons who live or work in Athol.

The inclusionary zoning bylaw drafted for the Town of Amherst was designed to encourage flexibility and actual unit production. Among its provisions, any project of more than nine (9) units that involves a Special Permit must include at least one (1) affordable unit, with the numbers of units required increasing with the size of the project. For developments of 21 units or more, 12 percent of the units must be affordable. The bylaw also requires that the affordable units be dispersed throughout the project and indistinguishable (at least from the exterior) for the market units. Given current market conditions in Athol, this strategy may not be particularly effective. However, should the market change creating a growth in demand, then inclusionary zoning may be feasible.

2. Establish Partnerships with Developers

The Town can partner with developers of privately-owned properties in support of different types of housing to meet diverse housing needs in the community. Housing which may qualify for these partnerships could include:

- Multi-family housing
- Mixed-use development
- Cohousing
- Live/work units
- Adaptive reuse
- Cluster development
- Congregate housing
- Group homes
- Service-enriched housing for seniors

These partnerships could involve the following:

- Rezoning: The town could support zoning changes to encourage the development of these housing models, incorporating affordability. Zoning amendments to better promote infill housing could help diversify the housing stock in locations that are most appropriate.
- Predevelopment funding: CDBG funding could provide resources to support preliminary feasibility analyses for new developments. Such funds could be offered as a grant if it is ultimately found that the project is infeasible and as a loan to be repaid if the project is developed. State assistance under the new PATH (Planning Assistance Toward Housing) program through the Executive Office of Housing and Development might also be accessed in support of predevelopment funding.
- Establishment of DIF or TIF districts: District Improvement Financing (DIF) and Tax Increment Financing (TIF) are economic tools established under Massachusetts General Laws that promote redevelopment through public/private partnerships. The use of tax increments is central to both of these tools. DIF can support a project by providing a means of financing infrastructure and surrounding amenities, taking a burden off of the developer and minimizing their risk. With a DIF, municipalities can pledge all or a portion of tax increments to fund district improvements. (Athol used a DIF to support the development of

the North Quabbin Business Park.) TIF offers tax breaks to developers who develop projects in areas “presenting exceptional opportunities for economic development. Money saved on taxes can then help pay for construction costs. With TIF, municipalities can grant property tax exemptions to land owners of up to 100 percent of the tax increment for a fixed period. Consideration of DIF or TIF financing may be particularly appropriate in Athol with potential application to redevelopment of underutilized mill properties.

- Community outreach and advocacy: Efforts will need to be made to provide information to the community, abutters in particular, on proposed developments to help bolster local support. Also, it will be important for local leaders, including members of Board of Selectmen and Planning Board to get behind affordable housing developments, to help fine-tune development proposals to best meet local needs and address community concerns, to advocate for their support, and to ultimately insure sufficient funding and necessary regulatory approvals.
- Gap financing: Local funding – including CDBG funding and, potentially, Housing Trust Funds – would also be needed as “gap fillers” to help reduce the gap between the total costs of development and the affordable rent or purchase price of the units. This local commitment is often critical to leveraging other public and private funding.
- Supportive services: To meet the needs of special populations – including seniors, the disabled, and chronically homeless – housing is not enough. Supportive services are also required to allow occupants to remain safe, independent and thrive as contributing members of the community. Town funding to continue to support such services such as the Athol Senior Center is essential.

3. Promote development of Non-Traditional Housing

A possible outcome from establishing partnerships with developers as described above could be consideration of innovative housing opportunities that could provide affordable options to expand the range of housing opportunities in Athol. Depending on their design and financing, the ability to permit these types of non-traditional development could provide an incentive for developers to pursue a project in Athol. Some of these options include:

- Cohousing: The cohousing concept originated in Denmark and emphasizes knowing one’s neighbors and providing a safe, nurturing environment for children. It has similarities to the “intentional communities” concept, going back to the mid-19th century. These developments involve cooperative neighborhoods, typically with home clustered around a common building with facilities (dining room, kitchen, play rooms, library, etc.) that are shared by all residents. According to the cohousing directory is maintained by the Fellowship of Intentional Communities, there are currently 12 cohousing developments in Massachusetts, one under construction, and another one looking for an appropriate site.
- Co-operative Housing (co-ops): Co-operative housing is a form of shared ownership where all residents own shares in the property which entitles them to a long-term lease and a vote in the governance of the property. Limited equity co-ops are a form of affordable, resident-

controlled homeownership in which individual share purchase prices are set low so residents do not need mortgage financing to buy in.

- **Congregate housing:** Congregate housing can take many forms and other names for it include supported housing, life-care homes, congregate retirement housing, congregate senior communities, residential care, sheltered housing, and assisted living. Congregate housing can serve as a valuable source of affordable housing for low-income individuals.
- **Micro- or Small-Housing:** The small house movement is a return to houses less than 1,000 square feet, some as small as 80 square feet. With the financial crisis of 2007–2010, the small house movement attracted more attention as it offers housing that is more affordable in acquisition and maintenance and ecologically friendly. Smaller homes are also less expensive than larger ones in terms of taxes and building, heating, maintenance, and repair costs. In addition to costing less, small houses may encourage a less cluttered and simpler lifestyle and reduce ecological impacts for their residents. Small houses may emphasize design over size, utilize dual purpose features and multi-functional furniture, and incorporate technological advances of space saving equipment and appliances. Vertical space optimization is also a common feature of small houses and apartments.

In the case of each of these housing concepts, zoning requirements are likely to have a significant bearing on permitting and will require possible revisions to local zoning bylaws, depending on regulations in the targeted areas.

4. Promote “Adaptive Reuse” of Appropriate Properties

Adaptive reuse involves the conversion of nonresidential properties such as institutional, commercial, and industrial properties into housing. Examples include conversion of schools and vacant mill facilities into multi-family housing. There are numerous examples of adaptive reuse in Massachusetts and various opportunities exist in Athol, particularly with regard to vacant mill structures. While the concept has been proven to be feasible, one challenge may be current zoning restrictions which limit residential development in areas zoned for non-residential uses. Some communities have overcome this problem with the establishment of zoning overlay districts (see below).¹⁴

5. Establish Overlay Districts under the Town’s zoning bylaws for appropriate residential uses in appropriate locations

The advantage of an overlay district is that it preserves the existing uses and requirements in areas in which it is applied but provides an additional layer of uses that can be targeted toward achieving

¹⁴ MRPC is currently exploring the possibility of applying for funding under the state’s new Planning Assistance Toward Housing (PATH) program to address zoning issues related to conversion of elementary schools and other municipal properties to residential uses. The PATH program has a total of \$600,000 in funds available to assist communities expand housing opportunities by undertaking a broad range of planning activities, including community initiated activities on municipally-owned sites; changes to land use and zoning; planning for housing/mixed-use development in specific geographic areas; and the implementation of strategies identified in DHCD-approved Housing Production Plans (HPP).

specific planning and development objectives for designated areas. Furthermore, an overlay district can be targeted to specific subareas with common characteristics rather than an entire district. Overlay districts are in common use throughout Massachusetts and, in a number of cases, were established to achieve specific Smart Growth development and affordable housing.

Overlay districts may be appropriate in Athol as a means of encouraging non-traditional housing and enabling adaptive reuse of non-residential properties such as vacant mills and schools for residential use.

Following the initiation of the development of this Housing Action Plan, the Town of Athol passed an Adaptive Reuse Overlay Bylaw through a unanimous vote of the town meeting on October 10, 2014.¹⁵ This bylaw targets certain non-residential buildings within existing residential neighborhoods (Residential A, Residential B, and Residential C zoning districts) that may no longer be suitable for their original use, allowing greater flexibility for building reuse and redevelopment for uses permitted by the underlying zoning (with certain additional uses also permitted).

E. Maintain and protect the character of the community and its environmental assets

Athol's current zoning bylaws provide a primary means of maintaining and protecting the character of the community and its environmental assets. In addition to the more conventional provisions, one particularly significant bylaw which can help maintain valuable open space within the community is the Town's existing Open Space Residential Design (OSRD) bylaw. The OSRD bylaw allows for greater flexibility and creativity in the design of residential developments while encouraging permanent preservation of open space, agricultural land, forests, wildlife habitat and other natural resources. By allowing modification of lot sizes while requiring dedication of a minimum area of open space, OSRD allows for a less sprawling and more efficient form of development which consumes less open land than conventional subdivisions. The Town is also considering a Natural Resources Protection Bylaw, which could provide added protection of open space and natural resources. A Natural Resources Protection Bylaw is a low-density approach where 65-90 percent of the land must be permanently preserved; it complements the work of land trusts, freeing them to focus funds on lands where no amount of development is appropriate. Consideration is also being given to amending the OSRD bylaw to include density bonuses, slightly higher portion of open space, and making the OSRD by right and conventional special permit. While some further enhancements to the Town's bylaws might be considered, the application and enforcement of current bylaws appears to be effective, particularly given the limited development pressure currently being experienced within the community.

Another tool which the community has available to assist in maintaining its character is its Open Space and Recreation Plan (2008) which identifies and promotes distinctive features that help define the community, encourages smart growth development, and presents a five-year action strategy with specific actions to preserve open space. While the Plan may somewhat out of date, it still provides important guidance for development efforts within the community and should continue to be utilized until the plan is updated.

¹⁵ Section 3.27 Adaptive Reuse Overlay District (of the Town of Athol, Massachusetts Zoning Bylaws)

Summary of Recommended Athol Housing Strategies

A. General Strategies

1. Establish a Housing Partnership
2. Consider participation in the Massachusetts Community Preservation Act (CPA)
3. Establish and capitalize a Municipal Affordable Housing Trust
4. Collaborate with Private Non-Profit Organizations (e.g., Habitat for Humanity and MEC)

B. Preservation and Enhancement of the Town's Housing Stock

1. Continue to Monitor Foreclosures
2. Work with Court-appointed receivers to rehabilitate and resell foreclosed properties
3. Provide Homeowner Education to Reduce Likelihood of Foreclosure
4. Provide financial support for septic system repairs
5. Continue participation in current CDBG and Neighborhood Stabilization Loan Fund (NSLF) housing assistance programs
6. Utilize available financial assistance for home repair and rehabilitation

C. Encourage Development of New and Affordable Housing

1. Identify and evaluate potential new development sites on privately- and town-owned land
2. Leverage available funding and loans from Federal and State programs
3. Incorporate density bonuses into zoning bylaws

D. Facilitate Diversification of Housing

1. Adopt an inclusionary zoning bylaw
2. Establish partnerships with developers
3. Promote development of non-traditional housing
4. Establish overlay districts under the Town's zoning bylaws for appropriate residential uses in appropriate locations

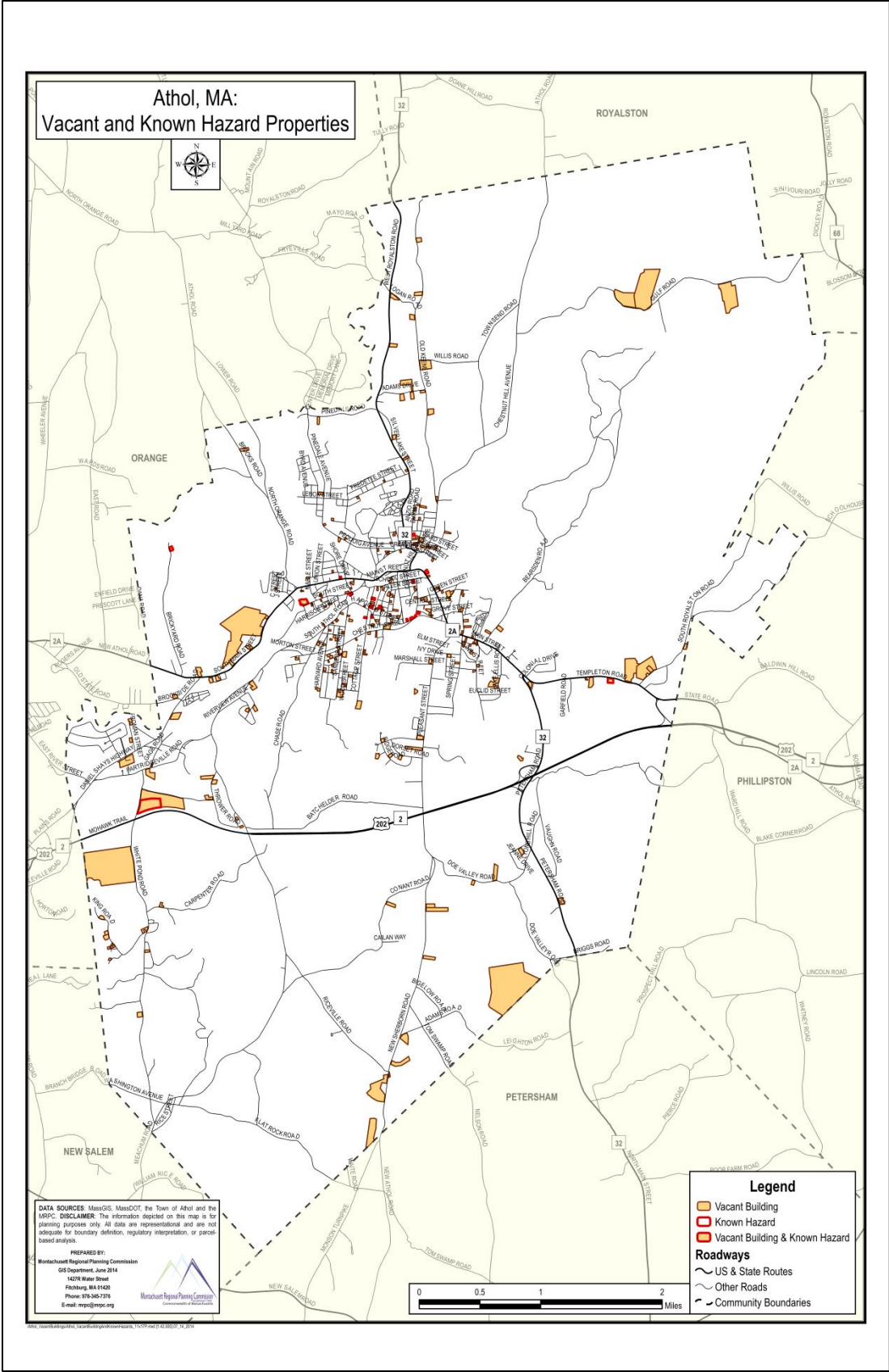


E. Maintain and protect the character of the community and its environmental assets

4. Enforce and apply the Open Space Residential Design (OSRD) bylaw
5. Consider a Natural Resource Protection bylaw
6. Continue implementation of 2008 Open Space and Recreation Plan

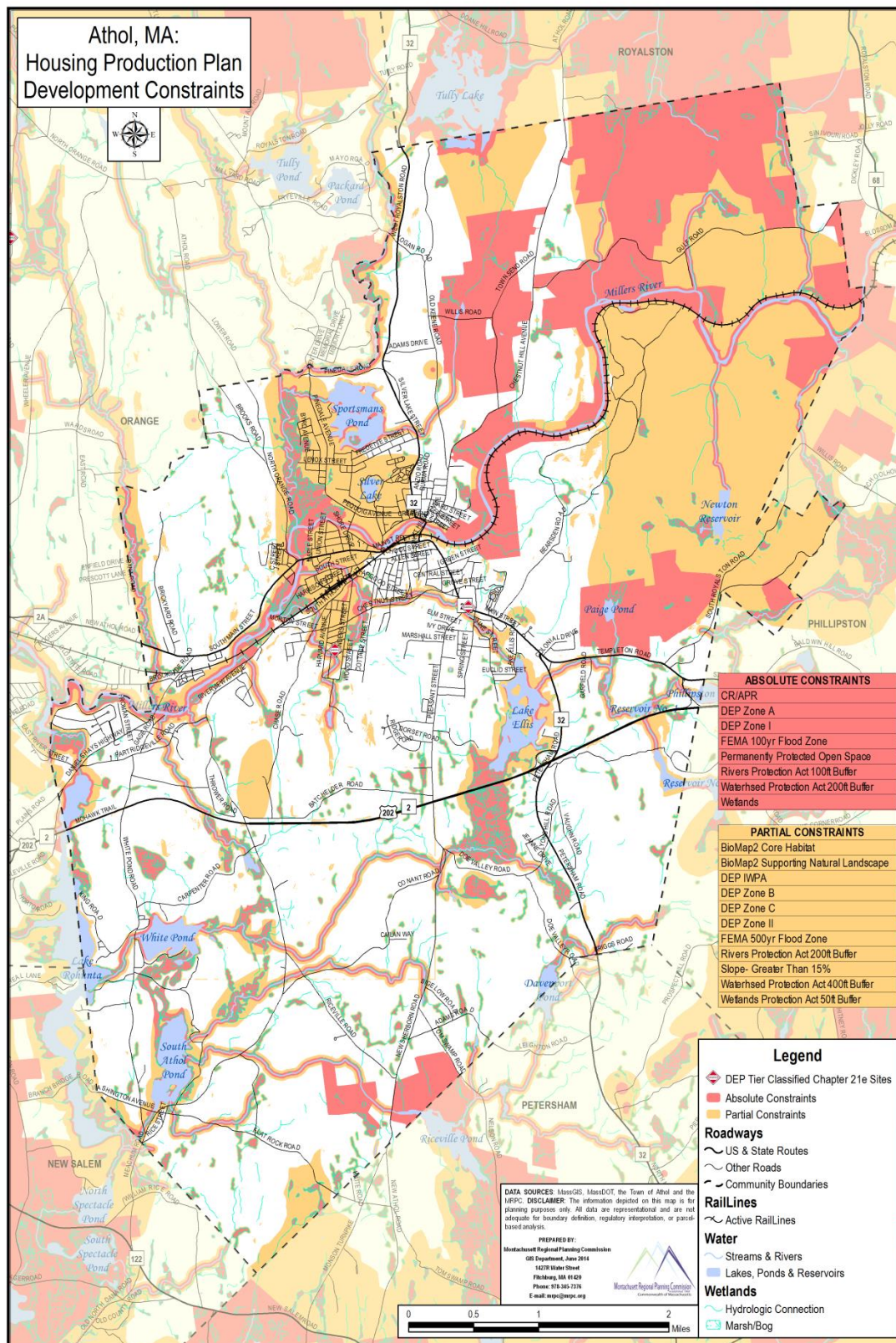
MAP 1

**VACANT AND KNOWN
HAZARD PROPERTIES**



MAP 2

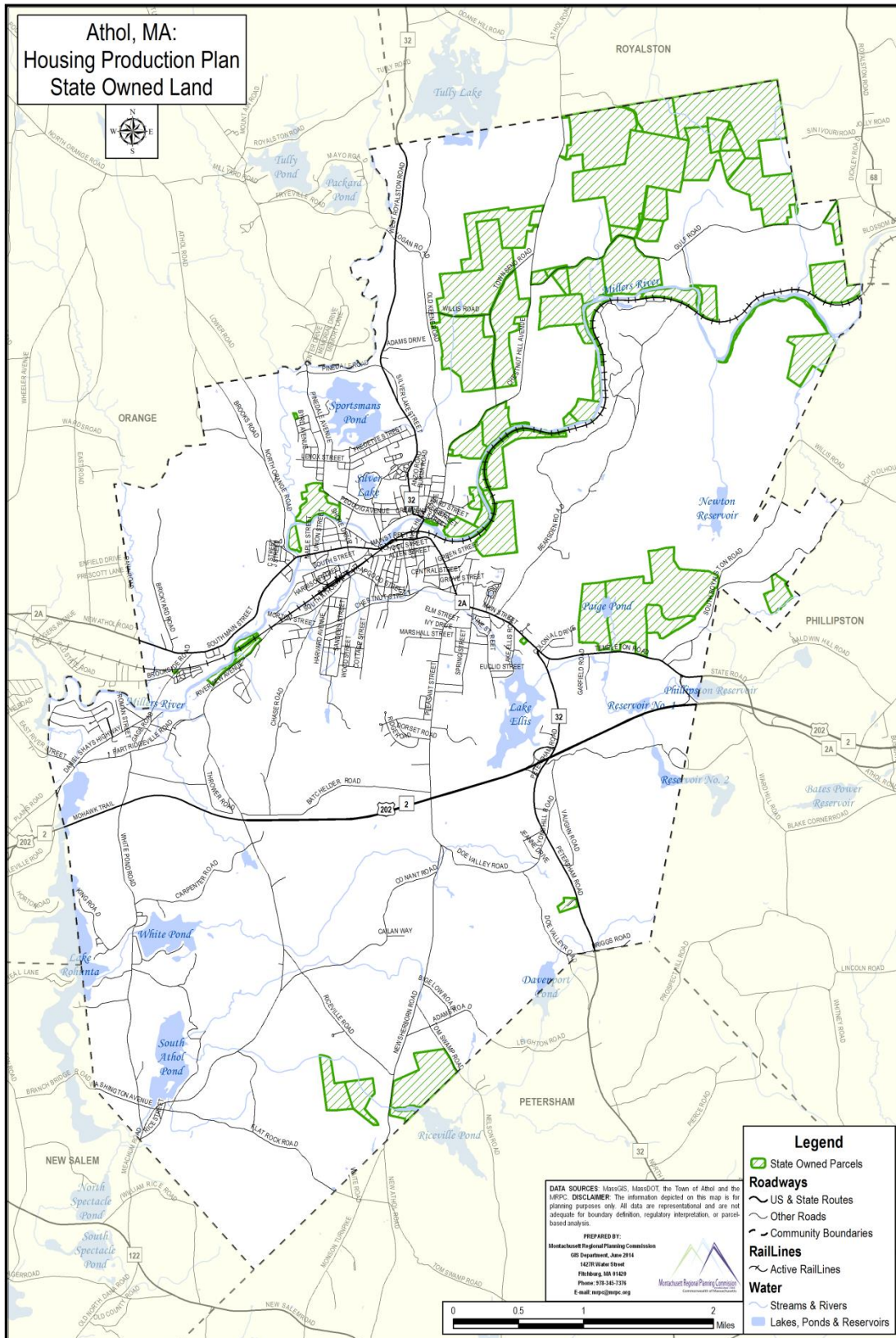
DEVELOPMENT CONSTRAINTS



MAP 3

STATE OWNED LAND IN ATHOL

Athol, MA: Housing Production Plan State Owned Land

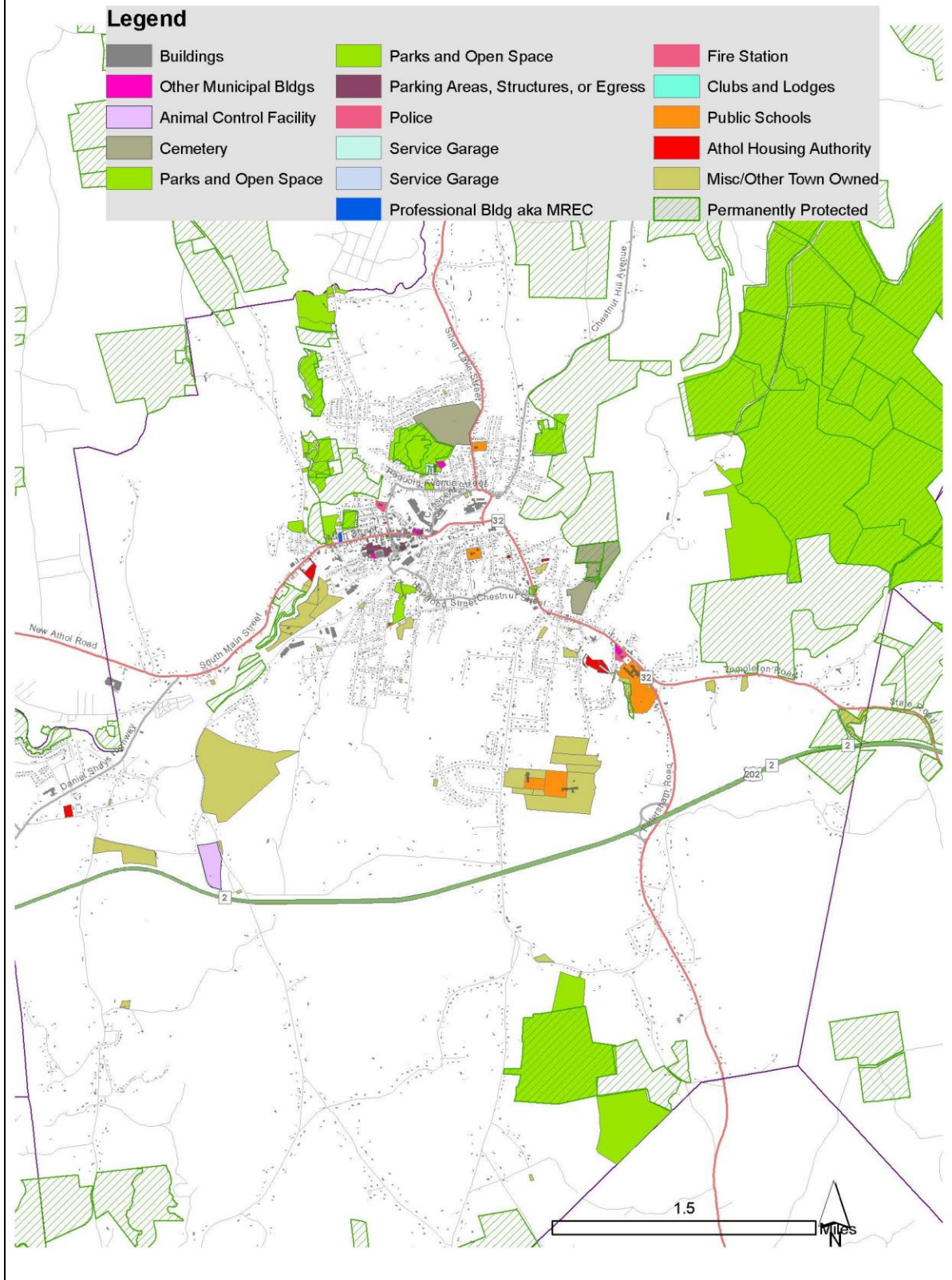


MAP 4

TOWN OWNED LAND IN

ATHOL

Town of Athol - Town Owned Land



APPENDIX A

Summary of Affordable Housing Funding Resources

Summary of Affordable Housing Funding Resources

Those programs that may be appropriate to support affordable housing development activity in the Town of Athol are described below.

Introduction

While comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units in fact subsidize the affordable ones, communities are finding that they also require public subsidies to cover the costs of affordable or mixed-income residential development and need to access a range of programs through the state and federal government and other financial institutions to accomplish their objectives and meet affordable housing goals. Because the costs of development are typically significantly higher than the rents or purchase prices that low-and moderate-income tenants can afford, multiple layers of subsidies are often required to fill the gaps. Sometimes even Chapter 40B developments are finding it useful to apply for external subsidies to increase the numbers of affordable units, to target units to lower income or special needs populations, or to fill gaps that market rates cannot fully cover.

It is likely that a number of financial and technical resources will be required to produce affordable units in Athol. The following material describes some of the programs that may be applicable. However, it should be noted that all of these programs are subject to change and new programs can also become available. Therefore, further research and verification of availability should be conducted once the community has decided how it would like to proceed.

The state requires applicants to submit a One Stop Application for most of its housing subsidy programs in an effort to standardize the application process across agencies and programs. A Notice of Funding Availability (NOFA) is issued by the state usually twice annually for its rental programs and homeownership initiatives. Using the One Stop Application, applicants can apply to several programs simultaneously to support the funding needs of a particular project.

1. Community Preservation Act (CPA)

A minimum of 10% of funds collected by communities that adopt the Community Preservation Act (CPA) must be expended for affordable housing purposes. The housing is to be for low and moderate income individuals and families, including low and moderate income seniors. Under CPA's definition of affordable housing moderate income is less than 100%, and low income is less than 80% of U.S. HUD Area Wide Median Income. As indicated within this Housing Production Plan, for a family of four in Athol the low-income limit is \$64,400.

The CPA law allows for funds to be used for the *"acquisition, creation, preservation and support of community housing; and for the rehabilitation and restoration of...community housing that is acquired or created"* under CPA funding. It is important to highlight that CPA funds can be used for housing rehabilitation and restoration, but **only if the housing unit(s) were acquired or created with CPA funds** (emphasis added).

The Massachusetts Housing Partnership (MHP) and the Citizens' Housing and Planning Association (CHAPA) have prepared "A Guidebook for CPA and Affordable Housing" that has detailed information on

how the Town of Athol can use CPA funds to support local housing efforts. The Guidebook can be downloaded from MHP's website for CPA resources at: http://www.mhp.net/community_initiatives/resources.php?page_function=list&resource_category_id=51. The Guidebook is the last document posted on this webpage. Other CPA housing-related resources are also available from MHP under the resources webpage.

The Community Preservation Coalition (CPC) is another excellent resource for the Town of Athol. CPC's website provides general information about the CPA at <http://www.communitypreservation.org/>. In addition, CPC has provided examples of how other communities have utilized CPA towards the development of affordable housing at their "Community Housing Success Stories" website at: <http://www.communitypreservation.org/success-stories-type/7/Community%20Housing>.

2. HOME Program

HUD created the HOME Program in 1990 to provide grants to states, larger cities and consortia of smaller cities and towns to do the following:

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

The HOME Program funding is targeted to homebuyers or homeowners earning no more than 80% of median income, and to rental units where at least 90% of the units must be affordable and occupied by households earning no more than 60% of median income, the balance to those earning within 80% of median. Moreover, for those rental projects with five or more units, at least 20% of the units must be reserved for households earning less than 50% of median income.

In addition to income guidelines, the HOME Program specifies the need for deed restrictions, resale requirements, and maximum sales prices or rentals.

Because Athol is not an entitlement community, meaning that it is not automatically entitled to receive HOME funding based on HUD's funding formula, the Town would need to join a consortium of other smaller towns and cities to receive funding or submit funding applications to DHCD on a project by project basis through its One Stop Application. The benefit of joining a consortium is that funding is provided by formula on an annual basis, assuring Athol of a steady flow of this flexible funding source.

The HOME Rental Program is targeted to the acquisition and rehabilitation of multifamily distressed properties or new construction of multi-family rental housing from five to fifty units. Once again, the maximum subsidy per project is \$750,000 and the maximum subsidy per unit in localities that receive HOME or CDBG funds directly from HUD is \$50,000 (these communities should also include a commitment of local funds in the project). Those communities that do not receive HOME or CDBG funds directly from HUD, like Athol, can apply for up to \$65,000 per unit. Subsidies are in the form of deferred loans at 0% interest for 30 years. State HOME funding cannot be combined with another state subsidy program with several exceptions including the Low Income Housing Tax Credits, HIF and the Soft Second Program.

3. Community Development Block Grant Program (CDBG)

The **Massachusetts Small Cities Program** that has a set-aside of Community Development Block Grant (CDBG) funds to support a range of eligible activities including housing development. However, at least 70% of the money must provide benefits to households earning within 80% of median income. This money is for those non-entitlement localities that do not receive CDBG funds directly from HUD. Funds are awarded on a competitive basis through Notices of Funding Availability with specific due dates or through applications reviewed on a rolling basis throughout the year, depending on the specific program. This funding supports a variety of specific programs.

There are other programs funded through the Community Development Block Grant Small Cities Program for both homeownership and rental projects. A number of the special initiatives are directed to communities with high-statistical community-wide needs; however, the **Community Development Fund II** is targeted to communities with lower needs scores that have not received CDBG funds in recent years. This may be the source of CDBG funding for Athol to explore besides HDSP described above. Funding is also awarded competitively through an annual Notice of Funding Availability. DHCD also has a **Reserve Fund** for CDBG-eligible projects that did not receive funding from other CDBG funded programs or for innovative projects.

4. Housing Stabilization Fund (HSF)

The State's Housing Stabilization Fund (HSF) was established in 1993 through a Housing Bond bill to support housing rehabilitation through a variety of housing activities including homeownership (most of this funding has been allocated for the MHP Soft Second Program) and rental project development. The state subsequently issued additional bond bills to provide more funding. The HSF Rehabilitation Initiative is targeted to households with incomes within 80% of median income, with resale or subsequent tenancy for households within 100% of median income. The funds can be used for grants or loans through state and local agencies, housing authorities and community development corporations with the ability to subcontract to other entities.

The funds have been used to match local HOME program funding, to fund demolition, and to support the acquisition and rehabilitation of affordable housing. In addition to a program directed to the rehabilitation of abandoned, distressed or foreclosed properties, the HSF provides funds to municipalities for local revitalization programs directed to the creation or preservation of rental projects. As with HOME, the maximum amount available per project is \$750,000 and the maximum per unit is \$65,000 for communities that do not receive HOME or CDBG funds directly from HUD, and \$50,000 for those that do. Communities can apply for HSF funding biannually through the One Stop Application.

5. Low Income Housing Tax Credit Program

The Low Income Housing Tax Credit Program was created in 1986 by the Federal Government to offer tax credits to investors in housing development projects that include some low-income units. The tax credit program is often the centerpiece program in any affordable rental project because it brings in valuable equity funds. Tax credits are either for 4% or 9% of the development or rehab costs for each affordable unit for a ten-year period. The 4% credits have a present value of 30% of the development costs, except for the costs of land, and the 9% credit have a present value equal to 70% of the costs of

developing the affordable units, with the exception of land. Both the 4% and 9% credits can be sold to investors for close to their present values.

The Federal Government limits the 9% credits and consequently there is some competition for them, nevertheless, most tax credit projects in Massachusetts are financed through the 9% credit. Private investors, such as banks or corporations, purchase the tax credits for about 80 cents on the dollar, and their money serves as equity in a project, reducing the amount of the debt service and consequently the rents. The program mandates that at least 20% of the units must be made affordable to households earning within 50% of median income or 40% of the units must be affordable to households earning up to 60% of median income. Those projects that receive the 9% tax credits must produce much higher percentages of affordable units.

The Massachusetts Legislature has enacted a comparable state tax credit program, modeled after the federal tax credit program. The One Stop Application is also used to apply for this source of funding.

6. Affordable Housing Trust Fund

The Affordable Housing Trust Fund (AHTF) was established by an act of the State Legislature and is codified under Chapter 121-D of the Massachusetts General Laws. The AHTF operates out of DHCD and is administered by MassHousing with guidance provided by an Advisory Committee of housing advocates. The purpose of the fund is to support the creation/preservation of housing that is affordable to people with incomes that do not exceed 110% of the area median income. The AHTF can be used to support the acquisition, development and/or preservation of affordable housing units.

AHTF assistance can include:

- Deferred payment loans, low/no-interest amortizing loans.
- Down payment and closing cost assistance for first-time homebuyers.
- Credit enhancements and mortgage insurance guarantees.
- Matching funds for municipalities that sponsor affordable housing projects.
- Matching funds for employer-based housing and capital grants for public housing.

Funds can be used to build or renovate new affordable housing, preserve the affordability of subsidized expiring use housing, and renovate public housing. While the fund has the flexibility of serving households with incomes up to 110%, preferences for funding will be directed to projects involving the production of new affordable units for families earning below 80% of median income. The program also includes a set-aside for projects that serve homeless households or those earning below 30% of median income. Once again, the One Stop Application is used to apply for funding, typically through the availability of two funding rounds per year.

7. Housing Innovations Fund (HIF)

The State also administers the Housing Innovations Fund (HIF) that was created by a 1987 bond bill and expanded under two subsequent bond bills to provide a 5% deferred loan to non-profit organizations for no more than \$500,000 per project or up to 30% of the costs associated with developing alternative forms of housing including limited equity coops, mutual housing, single-room occupancy housing, special needs housing, transitional housing, domestic violence shelters and congregate housing. At least 25% of the units must be reserved for households earning less than 80% of median income and another 25% for those earning within 50% of area median income. HIF can also be used with other state subsidy

programs including HOME, HSF and Low Income Housing Tax Credits. The Community Economic Development Assistance Corporation (CEDAC) administers this program. Applicants are required to complete the One-Stop Application.

8. Federal Home Loan Bank Board's Affordable Housing Program (AHP)

Another potential source of funding for both homeownership and rental projects is the Federal Home Loan Bank Board's Affordable Housing Program (AHP) that provides subsidies to projects targeted to households earning between 50% and 80% of median income, with up to \$300,000 available per project. This funding is directed to filling existing financial gaps in low- and moderate-income affordable housing projects. There are typically two competitive funding rounds per year for this program.

9. MHP Permanent Rental Financing Program

The State also provides several financing programs for rental projects through the Massachusetts Housing Partnership Fund. The Permanent Rental Financing Program provides long-term, fixed-rate permanent financing for rental projects of five or more units from \$100,000 loans to amounts of \$2 million. At least 20% of the units must be affordable to households earning less than 50% of median income or at least 40% of the units must be affordable to households earning less than 60% of median income or at least 50% of the units must be affordable to households earning less than 80% of median income. MHP also administers the Permanent Plus Program targeted to multi-family housing or SRO properties with five or more units where at least 20% of the units are affordable to households earning less than 50% of median income. The program combines MHP's permanent financing with a 0% deferred loan of up to \$40,000 per affordable unit up to a maximum of \$500,000 per project. No other subsidy funds are allowed in this program. The Bridge Financing Program offers bridge loans of up to eight years ranging from \$250,000 to \$5 million to projects involving Low Income Housing Tax Credits. Applicants should contact MHP directly to obtain additional information on the program and how to apply.

10. OneSource Program

The Massachusetts Housing Investment Corporation (MHIC) is a private, non-profit corporation that since 1991 has provided financing for affordable housing developments and equity for projects that involve the federal Low Income Housing Tax Credit Program. MHIC raises money from area banks to fund its loan pool and invest in the tax credits. In order to qualify for MHIC's OneSource financing, the project must include a significant number of affordable units, such that 20% to 25% of the units are affordable to households earning within 80% of median income. Interest rates are typically one point over prime and there is a 1% commitment fee. MHIC loans range from \$250,000 to several million, with a minimum project size of six units. Financing can be used for both rental and homeownership projects, for rehab and new construction, also covering acquisition costs with quick turn-around times for applications of less than a month (an appraisal is required). The MHIC and MHP work closely together to coordinate MHIC's construction financing with MHP's permanent take-out through the OneSource Program, making their forms compatible and utilizing the same attorneys to expedite and reduce costs associated with obtaining financing.

11. Section 8 Rental Assistance

An important low-income housing resource is the Section 8 Program that provides rental assistance to help low- and moderate-income households pay their rent. In addition to the federal Section 8 Program, the state also provides rental subsidies through the Massachusetts Rental Voucher Program as well as three smaller programs directed to those with special needs. These rental subsidy programs are administered by the state or through local housing authorities and regional non-profit housing organizations. Rent subsidies take two basic forms: either granted directly to tenants or committed to specific projects through special Project-based rental assistance. Most programs require households to pay a minimum percentage of their adjusted income (typically 30%) for housing (rent and utilities) with the government paying the difference between the household's contribution and the actual rent.

12. District Improvement Financing Program (DIF)

The District Improvement Financing Program (DIF) is administered by the state's Office of Business Development to enable municipalities to finance public works and infrastructure by pledging future incremental taxes resulting from growth within a designated area to service financing obligations. This Program, in combination with others, can be helpful in developing or redeveloping target areas of a community, including the promotion of mixed-uses and smart growth. Municipalities submit a standard application and follow a prescribed application process directed by the Office of Business Development in coordination with the Economic Assistance Coordinating Council.

13. Urban Center Housing Tax Increment Financing Zone (UCH-TIF)

The Urban Center Housing Tax Increment Financing Zone Program (UCH-TIF) is a relatively new state initiative designed to give cities and towns the ability to promote residential and commercial development in commercial centers through tax increment financing that provides a real estate tax exemption on all or part of the increased value (the "increment") of the improved real estate. The development must be primarily residential and this program can be combined with grants and loans from other local, state and federal development programs. An important purpose of the program is to increase the amount of affordable housing for households earning at or below 80% of area median income and requires that 25% of new housing to be built in the zone be affordable, although the Department of Housing and Community Development may approve a lesser percentage where necessary to insure financial feasibility. In order to take advantage of the program, a municipality needs to adopt a detailed UCH-TIF Plan and submit it to DHCD for approval.

14. Elder Mixed-Income

Managed through MassHousing, developments financed through the Elder Mixed-Income program serve elders who wish to live in independent rental apartments with on-site access to supportive services. It is intended to assist developers of rental housing to fill a niche between conventional elderly housing without services and full-service personal care programs. At least 20% of the units must be reserved for households earning less than 50% of the area median income. The remaining units may be rented at market rates.

For more information on the Elder Mixed-Income program, visit MassHousing's Elder Mixed-Income program website at <https://www.masshousing.com/portal/server.pt?open=514&objID=232&qid=13344326&rank=2&parent>

[name=SearchResult&parentid=2&mode=2&in_hi_userid=2&cached=true](#) or contact Charles Gladstone in MassHousing's Rental Lending Division at 617.854.1362.

15. U.S. HUD Section 202 Supportive Housing for the Elderly Program

HUD provides capital advances to finance the construction, rehabilitation or acquisition with or without rehabilitation of structures that will serve as supportive housing for very low-income elderly persons, including the frail elderly, and provides rent subsidies for the projects to help make them affordable. The Section 202 program helps expand the supply of affordable housing with supportive services for the elderly. It provides very low-income elderly with options that allow them to live independently but in an environment that provides support activities such as cleaning, cooking, transportation, etc. The program is similar to Supportive Housing for Persons with Disabilities (Section 811).

Private nonprofit organizations can apply to develop a Section 202 project if they can, among other requirements, submit a resolution that they will provide a minimum capital investment equal to 0.5 percent of the HUD-approved capital advance, up to a maximum of \$25,000 for national sponsors or \$10,000 for other sponsors. Public entities are not eligible for funding under this program. As the Town would not be eligible it can partner with a private nonprofit organization. One example is the Gardner-based RCAP Solutions. RCAP Solutions has developed elderly housing under the HUD 202 Program for the towns of Bolton and Townsend. For Townsend, RCAP Solutions recently completed a 36-unit HUD 202 Affordable Elderly Housing Development called "Townsend Woods". Occupancy in Section 202 housing is open to any very low-income household comprised of at least one person who is at least 62 years old at the time of initial occupancy.

Development of elderly housing under the Section 202 program can take multiple years from project conception to construction to occupancy. In addition to the program being very competitive, recent Federal budget cuts have led to a decrease in available funding. For more information on the Section 202 Supportive Housing for the Elderly Program, visit HUD's Section 202 Program website at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/progdesc/eld202.