

# CHAPTER 3

## HOUSING

Affordable, secure housing is important for communities. After paying for housing costs, residents need adequate remaining income to cover other basic expenditures including food, utilities, health care, and transportation. It is essential for communities to offer a diverse housing stock that provides affordable housing options for all, especially those with low or moderate incomes and those with fixed incomes such as the elderly.

Housing is generally considered to be “affordable” when households spend no more than thirty percent (30%) of their gross income on housing costs. In 1969, the Massachusetts legislature established the goal of making ten percent (10%) of the housing units in a community affordable for low and moderate-income families, and provided incentives to towns to expand their affordable housing stock to the 10 percent level. However, the Commonwealth’s definition of “affordable housing” which counts towards its 10 percent goal is more restrictive than the general definition above. In determining the total number of affordable housing units within a community, the State has generally included only units that receive direct subsidies from State or Federal housing assistance programs, and excluded all unsubsidized units even when their monthly costs are less than 30 percent of median household income.

Since 1969 and the passage of the Comprehensive Permit Law (M.G.L. Chapter 40B, Sections 20-23), communities with less than 10 percent affordable housing, according to the State’s narrow definition given above, may face new housing development that conflicts with local zoning. In such communities, developers seeking to build affordable housing may receive waivers of local zoning rules, including density and setback guidelines, for their projects. Communities are therefore advised to take a proactive approach in increasing their supply of affordable housing to the 10 percent level. Doing so will allow them to maintain more control over future residential development within their towns. Communities are also urged to encourage the Massachusetts legislature to expand its definition of affordable housing to include more housing options that do not receive direct subsidies, but that have costs which are affordable for median and below median income households.

Athol currently has a fairly diverse set of housing choices for families, from apartments to single-family homes. According to 2000 U.S. Census data,<sup>1</sup> close to 30 percent (28%) of Athol housing units are occupied by renters. Further, the Athol Housing Authority provides affordable housing options for a number of low-income and moderate-income residents. It currently (Fiscal Year (FY) 1999) operates 77 units of elderly and handicapped housing and

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<sup>1</sup>This document used 2000 U.S. Census data to the extent possible. When 2000 U.S. Census information was yet not available for a particular topic, such as household income, this report relied on 1990 data for the latest socioeconomic figures and trends.

16 units of family housing. It also administers housing subsidies through State and Federal rental voucher programs for 103 families (Athol Annual Report, FY 1999).

In spite of some housing diversity, Athol may still need additional affordable housing options. The 1990 U.S. Census indicates that more than 1,300 Athol residents (11% of the total population) are living below the poverty level. Some of these residents may not be served by the current housing choices. The 1990 Census also shows that 42 percent of renter households and 21 percent of households living in their own homes spend more than 30 percent of their income on housing costs, above the general affordability threshold.

Furthermore, the issue of affordable housing may worsen in future years. From FY 1990 to FY 1999, no building permits were issued in Athol for new construction of multi-unit residences. All the new construction permits (192 total) issued during that period were for single-family homes. Duplexes and other multiple-unit structures often offer less expensive housing options than single-family homes. Therefore, the absence of new construction of multiple-unit buildings suggests that there may be a growing shortage of affordable housing in Athol over the next few decades.

In addition to affordability concerns and Chapter 40B requirements, communities also face a range of other important housing issues, including complying with the State's Title 5 septic system guidelines, managing residential development to protect natural resources, and providing and developing a housing stock to meet the needs of current and future residents.

The Housing chapter of the Athol Master Plan opens by listing the primary housing-related goals and objectives that have been identified by the Master Planning Committee. It then assesses the Town's present housing stock, and discusses current population figures and future trends and their impacts on housing needs. Next, the Housing chapter reviews the status of housing affordability in Athol and State affordable housing guidelines, and briefly overviews other significant housing issues. The chapter then closes by issuing recommendations regarding Athol's housing and residential development policies.

The Housing chapter's direction and discussion are governed by the key housing goals and objectives expressed and developed during the Master Planning process. These goals and objectives are listed below:

**Goals:**

- To encourage a mix of housing types, densities, prices, and ownership patterns that serve diverse households while maintaining the community's character.
- To balance residential development with the provision of municipal services and protection of natural resources.

## Objectives:

- Preserve the existing affordable housing stock.
- Increase outreach efforts to homeowners to help them access programs that offer financial assistance for construction and rehabilitation projects, septic system upgrades, and lead paint mitigation.
- Pursue public grants and other sources of funding to enhance the financial feasibility of affordable housing development, both rental and owner occupied, for the elderly and young families.
- Promote the development of more small-scale rental housing to stem the apparent out-migration of young workers and elders.
- Support and initiate grants for rehabilitation of vacant or underutilized buildings for residential use.
- Encourage the creation of new housing units in and near the Town center over housing growth in open space or minimally developed areas on the Town's periphery, particularly areas that could be incorporated into a regional greenway.

## Assessment of Current Housing Conditions

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This section summarizes Athol's current housing characteristics. It also compares housing statistics for Athol to those for the nearby communities of Gardner and Orange, and for Franklin County, Worcester County, and the Commonwealth of Massachusetts.

### Housing Supply

Data from the 2000 U.S. Census indicate that Athol has 4,824 housing units town-wide, for a population of 11,299 people.<sup>2</sup> From 1980 to 2000, the number of housing units in Athol increased 13 percent (*see Table 3-1*). However, most of the growth occurred during the 1980s. From 1990 to 2000, the number of residences decreased modestly by 0.3 percent (16 units). The slight decline in the number of housing units during the 1990s reflects the fact that there was a fair amount of residential unit demolition during the 1990s, and not all of the demolished structures were replaced with new construction.

Table 3-1 shows that, in contrast to Athol, Gardner and Orange both experienced growth in their housing supplies over the last decade (2% and 6% respectively). During the longer time frame of 1980 to 2000, the number of housing units in Orange expanded by 12 percent, and the number in Gardner by 18 percent. The housing supply at the County level grew

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<sup>2</sup> Currently, only Summary File 1 data for the 2000 U.S. Census has been released at the town level. This data is preliminary and the current figures may be revised as the U.S. Census Bureau reviews the data before releasing the final numbers over the next few years.

significantly as well in the past 20 years, with the number of housing units in Franklin County increasing by almost one-fifth (19%) and the number in Worcester County growing by almost one-fourth (24%). Together, these statistics suggest that in recent years, Athol has not experienced as much new development and residential construction as has occurred both in nearby towns such as Gardner and Orange and in the region as a whole.

**Table 3-1: Housing Units in Athol, 1980-2000, Comparison to Other Areas**

Area	Number of Housing Units			% Change	% Change
	1980	1990	2000	1990-2000	1980-2000
<b>Athol</b>	<b>4,269</b>	<b>4,840</b>	<b>4,824</b>	<b>-0.3%</b>	<b>+13.0%</b>
Gardner	7,477	8,654	8,838	+2.1%	+18.2%
Orange	2,957	3,106	3,303	+6.3%	+11.7%
Franklin County	26,832	30,394	31,939	+5.1%	+19.0%
Worcester County	239,835	279,428	298,159	+6.7%	+24.3%
Massachusetts	2,208,146	2,472,711	2,621,989	+6.0%	+18.7%

Source: U.S. Census Bureau, Census of Population & Housing, 1980, 1990, and 2000.

### Types of Housing

Housing in Athol primarily consists of compact single-family structures, with some two-family homes and other small multiple-unit structures also in the housing mix (see Table 3-2). According to the U.S. Census Bureau, in both 1980 and 1990, over 60 percent of Athol's housing units were in single-family residences. In 1990, single-family residences accounted for two-thirds (66%) of the total housing supply. Duplexes (11% of the total units), 3-4 units (10%), and buildings with 5 or more units (11%) made up most of the rest of the housing stock. Together, the multi-unit structures contained 1,566 (or 32%) of Athol's 4,840 housing units at the time.

**Table 3-2: Types of Housing Structures in Athol, 1980 and 1990**

Structure Type	1980		1990	
	Number of Units	Percent of Total	Number of Units	Percent of Total
Single Unit Building	2,620	61.4%	3,199	66.1%
Two Units Building	581	13.6%	537	11.1%
3-4 Unit Building	543	12.7%	487	10.1%
5 or More Unit Building	433	10.1%	542	11.2%
Mobile Home	12	0.3%	39	0.8%
Other/Unknown	80	1.9%	36	0.7%
<b>Total Units</b>	<b>4,269</b>	<b>100.0%</b>	<b>4,840</b>	<b>100.0%</b>

Source: U.S. Census Bureau, Census of Population and Housing, 1980 and 1990.

### Housing Occupancy and Tenancy Patterns

Over the last twenty years, the number of occupied housing units in Athol grew 16 percent, from 3,857 units in 1980 to 4,487 units in 2000 (U.S. Census). During the same time period, Athol's occupancy rate increased from 90 percent to 93 percent. Based on the 2000 U.S. Census data, only 7 percent of Athol's housing units (377) are currently considered to be

vacant. The Census Bureau characterizes as “vacant” any residence without a full-time occupant, even if it used as a second home or as a vacation home. In Athol, 13 percent (or 49) of the vacant housing units fall into this category and have seasonal or occasional residents.

**Table 3-3: Housing Vacancy Levels and Tenancy in Athol, 1980-2000**

	1980		1990		2000	
	Number of Units	Percent of Total	Number of Units	Percent of Total	Number of Units	Percent of Total
<b>Total Units</b>	<b>4,269</b>		<b>4,840</b>		<b>4,824</b>	
Vacant Units	412	9.7%	461	9.5%	337	7.0%
Occupied Units	3,857	90.3%	4,379	90.5%	4,487	93.0%
		<b>Percent of Occupied</b>		<b>Percent of Occupied</b>		<b>Percent of Occupied</b>
-- Owner-Occupied	2,737	71.0%	3,053	69.7%	3,156	70.3%
-- Renter-Occupied	1,120	29.0%	1,326	30.3%	1,331	29.7%

Source: U.S. Census Bureau, *Census of Population & Housing, 1980, 1990, and 2000.*

Table 3-3 summarizes the level of owner and renter-occupied housing in Athol in the last three decennial U.S. Censuses. From 1980 to 2000, although the number of housing units for both owners and renters increased by 15 percent and 19 percent respectively, the proportions of renter and owner-occupied housing remained virtually constant. In each of the last three decennial Censuses (1980, 1990, 2000), owners accounted for roughly 70 percent of the occupied units and renters for approximately 30 percent.

Athol’s 30 percent level of renter-occupancy is lower than that for Gardner and Orange, and for Franklin and Worcester Counties. As Table 3-4 shows, in each of those areas, renters occupy at least a third of all the non-vacant residences, according to the 2000 U.S. Census. Gardner has the highest level of renter-occupancy at 45 percent, and Worcester County overall has the second highest, at 36 percent. Athol’s relatively low level of renters and high number of owner-occupants reflects the fact that home ownership is affordable for many Athol residents. The affordability level of homes is good for Athol. It enables many residents to become homeowners, which can encourage them to stay in the community and can increase their commitment to Athol and to its future.

**Table 3-4: Occupancy and Tenancy in Athol, 2000, Comparison to Other Areas**

Area	Total Housing Units	Year Round Units	Percent of Units Used Year Round	Occupancy Rate of Year-Round Units	Percent Owner Occupied*	Percent Renter Occupied*
<b>Athol</b>	<b>4,824</b>	<b>4,775</b>	<b>99.0%</b>	<b>94.0%</b>	<b>70.3%</b>	<b>29.7%</b>
Gardner	8,838	8,804	99.6%	94.1%	54.6%	45.4%
Orange	3,303	3,236	98.0%	94.1%	66.5%	33.5%
Franklin County	31,939	30,971	97.0%	95.1%	66.9%	33.1%
Worcester County	298,159	295,096	99.0%	96.2%	64.1%	35.9%
Massachusetts	2,621,989	2,528,218	96.4%	96.7%	61.7%	38.3%

\*These percentages are based upon the number of occupied units.

Source: U.S. Census Bureau, *Census of Population & Housing, 2000.*

## New Construction

Over the last 10 years, almost all the new residential construction planned for Athol has been for single-family homes. The Town of Athol’s Annual Reports from FY 1991 to FY 1999 show that during that time period, 192 building permits were issued in Athol for new single-family homes and that none were issued for new multi-unit residences. During 2000, one building permit was issued in Athol for the construction of a new two-unit structure, according to the results of the U.S. Census Bureau’s Residential Construction Survey. It is important to note that these numbers may be overstating the actual level of new construction since not all potential residences for which permits are granted are actually built.

**Table 3-5: New Residential Construction Building Permits Issued in Athol, FY 1991-1999**

Fiscal Year	For Single Family Homes	For Multiple Family Homes
1999	28	0
1998	15	0
1997	17	0
1996	9	0
1995	21	0
1994	22	0
1993	22	0
1992	24	0
1991	34	0
<b>Total</b>	<b>192</b>	<b>0</b>

*Source: Town of Athol Annual Reports, 1990-1999.*

The information presented earlier in Table 3-1 showed that Athol’s housing supply declined by 16 units between 1990 and 2000. When coupled with the new construction figures from Table 3-5, the housing unit decrease suggests that any new residential construction may largely have been replacing units that were removed from the Town’s housing supply. It also hints that the decreasing housing vacancy rate (down to 7% in 2000) may mainly be a result of increasing housing demand in the face of a static supply, a rising population, and other demographic changes such as decreasing household size.

The land use patterns for Athol in 1971 and 1999 (shown in the Land Use and Zoning chapter of this report) identify one other important trend regarding new construction. Over the 1971-1999 period, much of the new residential development which occurred took place outside of the Town center, and towards the Town’s periphery. This pattern, coupled with the demolition of residential structures, often with multiple units, in the in-Town area, indicates that more of Athol’s population is now located in the outlying sections of Town, away from municipal services such as water and sewer. The residents in these areas frequently have less access to public services such as transit, and the cost of providing municipal services such as police patrols, school transportation, and snow removal to these areas is greater due to the lower density of development and these areas’ distance from the Town center.

## Housing Age

Town-level information on housing age collected during the 2000 U.S. Census was just recently released. According to this data, only 6 percent of homes in Athol were built in the previous decade and almost half (47%) were built more than 60 years ago, before 1940 (*see Table 3-6*).

**Table 3-6: Age of Housing Structures in Athol, 2000**

<b>Year Constructed</b>	<b>Number of Housing Units</b>	<b>Percent of Total</b>
1999-March 2000	39	0.8%
1990-1998	248	5.1%
1980-1989	564	11.7%
1970-1979	325	6.7%
1960-1969	226	4.7%
1940-1959	1,155	23.9%
1939 or earlier	2,267	47.0%
<b>Total</b>	<b>4,824</b>	<b>100.0%</b>

*Source: U.S. Census Bureau, Census of Population and Housing, 2000.*

The age of homes in Athol could be resulting in higher than average lead paint exposure for Athol residents. Before 1950 and even until the late 1970s, lead paint use in homes was common. For example, it is estimated that between 1960 and 1975, lead-based paints were still used in 20 percent of homes nationwide.

Exposure to lead paint can contribute to development disabilities and other health problems in young children. Through lead poisoning screenings, the Massachusetts Department of Public Health (DPH) has found that Athol children under age 6 have higher rates of elevated blood lead levels than the State average. In Athol, DPH estimated this age group's incidence rate of elevated blood lead levels to be 2.7 per 1000 in Fiscal Year (FY) 1999, and 5.3 per 1000 in FY 1998. Statewide during the same periods, the incidence rates were 2.0 per 1000 and 2.5 per 1000 respectively. Athol's total population for the targeted age group (6 to 72 months) is about 1,100, so a rate of 2 per 1,000 represents a few children.

Currently, only one-third (34%) of Athol children of the target age are screened annually for elevated blood lead levels (FY 1999). This screening rate is much lower than that for Massachusetts overall. Statewide, 57 percent of the target age group is tested annually. Athol has taken steps to increase its testing rate. The Athol-Royalston School District currently tests all children for elevated blood lead levels when they enter kindergarten. In the present school year (2001-2002), approximately 150 kids were tested, none of whom had elevated blood lead levels. All kids in families receiving benefits through the WIC (Women, Infants, and Children) Program are also screened. It is important for children to be tested for elevated blood lead levels as young as possible, before permanent health damage related to lead poisoning can occur. Additionally, the greater the level of blood lead screening in Athol, the more accurately the extent of potential lead paint issues in the Town can be assessed.

Under State law (M.G.L. Chapter 111, Section 197), whenever a child under 6 years of age resides in a home with dangerous lead paint levels, the property owner is required to remove or cover the paint to make it inaccessible. However, because the safe removal and treatment of lead paint can be expensive, homeowners and landlords are frequently unable to afford the costs of mitigating lead paint exposure in their residences without financial assistance. As a result, families with young children may have difficulty finding safe, suitable housing. According to the 1990 U.S. Census, approximately 1,150 children under age 6 live in Athol, 17 percent of them in households below the poverty level. These families may find it especially challenging to find housing that is both affordable and lead-paint free. This is true particularly because older homes which often the most affordable are also the most likely to contain lead paint.

## Population Figures and Projections

This section overviews the latest population estimates and projections for Athol. It also compares Athol’s numbers to those for Gardner, Orange, Franklin County, Worcester County, and the Commonwealth as a whole. This section’s discussion focuses on population characteristics that may influence the level and nature of future housing demand, a primary topic of the chapter.

### Past and Present Population Numbers

Population figures and growth trends for the past twenty years are presented in Table 3-7. Between 1980 and 1990, Athol’s total population grew by 8 percent, increasing from 10,634 to 11,451. However, during the 1990s, the number of Athol residents fell slightly, dropping by 1 percent (152 people). In comparison, from 1990 to 2000, the nearby communities of Gardner and Orange each experienced population increases of 3 percent.

**Table 3-7: Population for Athol, 1980-2000, Comparison to Other Areas**

Area	Total Population			% Change 1990-2000	% Change 1980-2000
	1980	1990	2000		
Athol	10,634	11,451	11,299	-1.3%	+6.3%
Gardner	17,900	20,125	20,770	+3.2%	+16.0%
Orange	6,844	7,312	7,518	+2.8%	+9.8%
Franklin County	64,317	70,092	71,535	+2.1%	+11.2%
Worcester County	646,352	709,705	750,963	+5.8%	+16.2%
Massachusetts	5,737,037	6,016,425	6,349,097	+5.5%	+10.7%

Source: U.S. Census Bureau, *Census of Population & Housing, 1980, 1990, and 2000*.

For the larger timeframe of 1980 to 2000, there is even a greater difference between population trends for Athol and those for the other communities. According to the U.S. Census Bureau, during this period, Athol’s population grew by only 6 percent total, whereas Orange’s expanded by 10 percent and Gardner’s by 16 percent. From 1980 to 2000, the population growth in Franklin County (11%) and in Worcester County (16%) was also much higher than in Athol. As with the housing statistics discussed earlier, these population

figures suggest that Athol has missed much of the growth that has occurred in nearby communities and the region since the 1980s, and especially during the last decade, and may also be having difficulty retaining current residents.

### Comparison of Population and Housing Trends

Table 3-8 summarizes changes in the number of residents and housing units since 1980. Much of the information in the table was presented earlier. However, those initial discussions focused on housing and on population separately. In contrast, Table 3-8 shows population and housing trends together to facilitate comparisons between them. It is essential that new housing development keeps pace with population increases. If it does not, the demand for housing will grow disproportionately to the housing supply, and drive up housing prices. Higher housing prices and greater housing demand makes it more difficult for residents to find quality housing that is also affordable.

**Table 3-8: Population and Housing Trends, 1980-2000, in Athol and Related Areas**

Area	1980-1990		1990-2000		1980-2000	
	% Change Population	% Change Housing Units	% Change Population	% Change Housing Units	% Change Population	% Change Housing Units
Athol	7.7%	13.4%	-1.3%	-0.3%	+6.3%	+13.0%
Gardner	12.4%	15.7%	+3.2%	+2.1%	+16.0%	+18.2%
Orange	6.8%	5.0%	+2.8%	+6.3%	+9.8%	+11.7%
Franklin Co	9.0%	13.3%	+2.1%	+5.1%	+11.2%	+19.0%
Worcester Co	9.8%	16.5%	+5.8%	+6.7%	+16.2%	+24.3%
Massachusetts	4.9%	12.0%	+5.5%	+6.0%	+10.7%	+18.7%

Source: U.S. Census Bureau, *Census of Population & Housing, 1980, 1990, and 2000.*

The figures in Table 3-8 indicate that over the past two decades, increases in the number of housing units has generally been greater than population increases. For example, from 1980 to 2000, the number of housing units in Athol grew 13 percent and its population increased 6 percent. Gardner, Orange, and Franklin and Worcester Counties experienced similar trends. This suggests that, at least on the supply-side, housing development has kept pace with population increases in these areas, and that housing availability has not been adversely affected by population growth. However, one potential issue that these statistics do not capture is the documented decrease in average family size, and the likelihood that family size will shrink further in the coming decades. (This issue is discussed more in the following section.) As average household size decreases, more housing units are needed to accommodate the same population. Moreover, even when there is a sufficient housing supply, there are still potential problems related to the characteristics of available housing, including location, accessibility, size, and cost, and whether the housing can meet the needs of the community's current and future populations.

### Changes in Average Household Size

As mentioned above, housing availability over time is affected not only by changes in the number of housing units and in population size, but also by shifting family and societal

trends. One such trend is the decrease in average household size. The reduction in household size has occurred for a variety of reasons. One reason is that during the last twenty years, the number of children per family has declined. In addition, families have become more mobile and spread out spatially. As a result, adult family members are now less likely to live together in the same household than they have been in the past.

As Table 3-9 indicates, according to the U.S. Census Bureau, the average household size in Athol declined 9 percent between 1980 and 2000, decreasing from 2.76 persons per household to 2.52. Other area communities, such as Orange, experienced a similar trend; the average household size in Orange decreased 10 percent in the last twenty years, dropping from 2.73 to 2.47. During the same period, there has also been an increase in the number of adults living by themselves. The 2000 U.S. Census showed that Athol now has 1,274 adults living alone, 13 percent more than it has in 1990 (1,125 adults).

**Table 3-9: Average Household Size in Athol, 1980-2000**

Area	Average number of people per household			% Change 1990-2000	% Change 1980-2000
	1980	1990	2000		
Athol	2.76	2.61	2.52	-3.7%	-8.7%
Gardner	2.54	2.52	2.51	-0.6%	-1.4%
Orange	2.73	2.60	2.47	-5.2%	-9.7%
Franklin County	2.65	2.54	2.43	-4.3%	-8.3%
Worcester County	2.87	2.73	2.64	-3.0%	-7.8%
Massachusetts	2.82	2.68	2.60	-3.0%	-7.9%

Source: U.S. Census Bureau, *Census of Population & Housing, 1980, 1990, and 2000*.

A household is generally defined as a group of people living together in one housing unit. Therefore, as household size declines, more housing units are needed to house the same number of people. In recent decades, Athol’s housing supply appears to have been keeping pace with the decrease in average household size. In the coming decades, it is anticipated that the number of people per household will decline even further. It will be important for Athol to provide a sufficient amount of suitable housing, such as smaller housing units with fewer bedrooms (i.e. condominiums) for its population as this occurs.

### Population Projections to 2010

The Massachusetts Institute of Social and Economic Research (MISER) serves as the U.S. Census Bureau’s main data center for Massachusetts. In this position, MISER develops population projections by age and race for all the towns in the Commonwealth. MISER’s latest projections (1999) forecast population levels out through 2010. Table 3-10 summarizes MISER’s projected population changes from 2000 to 2010 for different age groups, in Athol and in other areas. MISER develops high, low, and middle projections, each with slightly different assumptions. The middle projections are the focus of the discussion here. During the next decade, MISER’s middle projection expects Athol’s total population to grow by 3 percent. For Athol, the two cohorts with projected increases are the 45-64 age group (42% growth) and children under 5 (14% growth). All other age groups shown in Table 3-10 are expected to experience population declines.

Notably, some of the largest population decreases are forecasted to occur for elderly cohorts. Demographers typically define the elderly as those persons who are 65 years of age or older. In Athol, the population of 65-84 year olds is anticipated to decline by 16 percent, and the number of those 85 years old and above (this group is classified by demographers as the “oldest elderly”) by 13 percent. This trend is significant because nationwide, the elderly population is expected to grow markedly in the coming decades. According to U.S. Census Bureau’s projections (1998), nationally, between 2000 and 2010, the population of people between ages 65 and 84 is projected to grow by 11 percent, and the number of people 85 and over by one-third. MISER’s forecasts show that from 2000 to 2010, at the State level, these cohorts are expected to grow by 4 percent and 11 percent respectively.

As Table 3-10 indicates, Athol’s projected population declines through 2010 for people ages 65 and over and those ages 5-19 are more severe than those expected in the comparison communities and in Franklin and Worcester Counties overall. Athol’s total projected population growth is smaller as well. Between 2000 and 2010, Gardner’s population is expected to grow by 10 percent and Orange’s population by 7 percent. In contrast, in Athol, the population is forecasted to increase by only 3 percent.

**Table 3-10: Projected Population Change 2000-2010 by Age Group, in Athol and Other Areas**

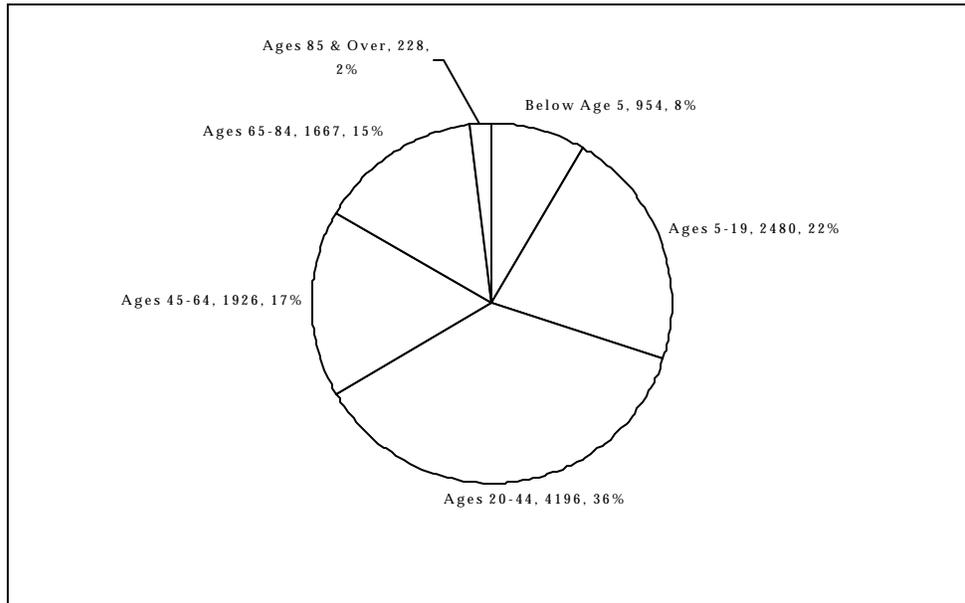
	Projected Population Change 2000 to 2010						
	Under 5 Years	5-19 Years	20-44 Years	45-64 Years	65-84 Years	85 Years & Over	Total
<b>Athol</b> (population change)	<b>13.6%</b> <b>(+91)</b>	<b>-11.3%</b> <b>(-313)</b>	<b>-2.9%</b> <b>(-117)</b>	<b>41.6%</b> <b>(+929)</b>	<b>-15.5%</b> <b>(-200)</b>	<b>-12.5%</b> <b>(-42)</b>	<b>3.1%</b> <b>(+348)</b>
Gardner	2.4%	-8.6%	-1.2%	61.7%	-10.6%	-9.1%	9.5%
Orange	15.5%	-6.8%	-3.7%	39.3%	-1.7%	6.1%	6.7%
Franklin Co	10.1%	-8.5%	2.4%	30.1%	2.1%	17.4%	7.5%
Worcester Co	-0.5%	2.3%	-1.0%	38.5%	1.2%	2.4%	8.5%
Massachusetts	-5.5%	-0.5%	-4.0%	30.5%	4.4%	10.7%	5.5%

*Source: MISER, Population Projections for the Years, 2000, 2005, and 2010, released 1999. Middle projections used.*

In planning new residential development, it is essential to understand how the characteristics and age distribution of the population are expected to change over time. Knowledge of these population attributes will help encourage new housing construction that can best address residents’ future housing needs.

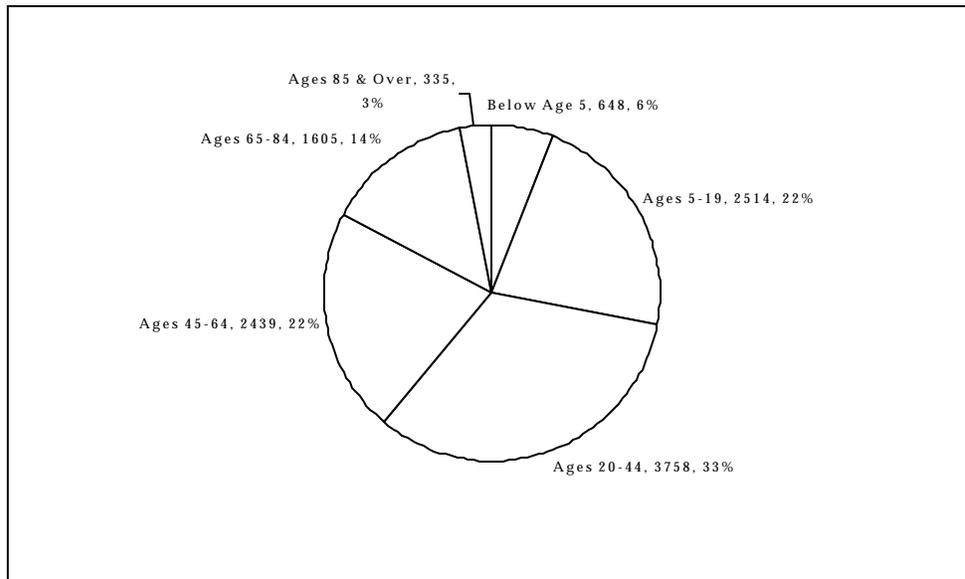
One significant consideration in developing new housing is how the population’s age distribution is expected to shift over time. Figure 3-1, Figure 3-2, and Figure 3-3 show the population distributions by age group for Athol, in 1990, 2000, and 2010 respectively to explore what age distribution changes are occurring locally.

**Figure 3-1: Population Distribution by Age Group in Athol, 1990**



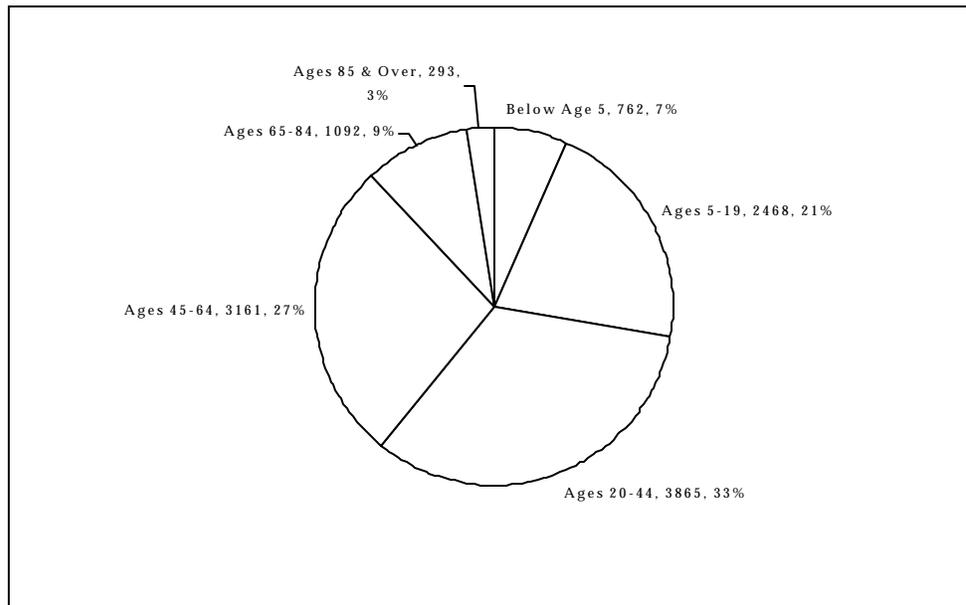
Source: U.S. Census Bureau, U.S. Census of Population and Housing, 1990.

**Figure 3-2: Population Distribution by Age Group, in Athol, 2000**



Source: U.S. Census Bureau, U.S. Census of Population and Housing, 2000.

**Figure 3-3: Projected Population Distribution by Age Group, in Athol, 2010**



Source: MISER, *Population Projections for the Years 2000, 2005, and 2010*, released 1999. Middle projections used.

Table 3-11 displays the same information as the figures above, and also shows the population age distributions for Gardner, Orange, Franklin County, Worcester County, and the Commonwealth as a whole. The 1990 and 2000 figures come from U.S. Census data for those years; the 2010 projections are from MISER (MISER middle projections, 1999).

Table 3-11 indicates that during the 1990-2010 period, the proportion of 45-64 year olds in Athol's population is expected to expand dramatically, growing from 17 percent (1990) to 27 percent (2010). The main factor behind this shift is the aging of the baby boomers (those born between 1946 and 1964; baby boomers began turning 45 in 1991.) This population shift suggests the need for more housing which appeals to the baby boom cohort, and which addresses its specific housing needs and requests.

In contrast to the expected increase in the 45-64 year olds, MISER projects that between 2000 and 2010, Athol's elderly population will decrease by 15 percent and that the proportion of elderly in Athol's population will shrink to 12 percent. In 2010, there are expected to be 1,385 Athol residents ages 65 and above. The proportion of the population in the neediest elderly cohort, the oldest elderly (defined as those age 85 and over) is also expected to decrease, to 2.5 percent in 2010. Nonetheless, as shown in Table 3-11, in 2010, it is anticipated that Athol will have a higher proportion of oldest elderly than both Gardner and Orange. In 2010, it is expected that the oldest elderly will comprise 2.4 percent and 1.5 percent respectively of the total populations in those two communities.

**Table 3-11: Distribution of Population by Age Group, 1990-2010, for Athol and Related Areas**

<b>Population Distribution by Age Group, 1990 (% of total population in each age category)</b>							
	<b>Under 5 Years</b>	<b>5-19 Years</b>	<b>20-44 Years</b>	<b>45-64 Years</b>	<b>65-84 Years</b>	<b>85 Years &amp; Over</b>	<b>Total</b>
<b>Athol (population)</b>	<b>8.3% (954)</b>	<b>21.7% (2,480)</b>	<b>36.6% (4,196)</b>	<b>16.8% (1,926)</b>	<b>14.6% (1,667)</b>	<b>2.0% (228)</b>	<b>100.0% (11,451)</b>
Gardner	7.7%	17.4%	41.0%	17.1%	14.8%	2.0%	100.0%
Orange	8.5%	22.3%	38.4%	17.1%	12.4%	1.4%	100.0%
Franklin Co	7.3%	19.8%	40.9%	17.5%	12.8%	1.6%	100.0%
Worcester Co	7.7%	20.2%	40.9%	17.5%	12.1%	1.5%	100.0%
Massachusetts	7.0%	18.9%	42.1%	18.4%	12.0%	1.5%	100.0%
<b>Population Distribution by Age Group, 2000 (% of total population in each age category)</b>							
	<b>Under 5 Years</b>	<b>5-19 Years</b>	<b>20-44 Years</b>	<b>45-64 Years</b>	<b>65-84 Years</b>	<b>85 Years &amp; Over</b>	<b>Total</b>
<b>Athol (population)</b>	<b>5.7% (648)</b>	<b>22.2% (2,514)</b>	<b>33.3% (3,758)</b>	<b>21.6% (2,439)</b>	<b>14.2% (1,605)</b>	<b>3.0% (335)</b>	<b>100.0% (11,299)</b>
Gardner	6.0%	19.9%	37.3%	20.7%	13.6%	2.5%	100.0%
Orange	5.5%	23.6%	33.2%	23.4%	12.9%	1.5%	100.0%
Franklin Co	5.2%	20.7%	34.0%	25.9%	12.3%	1.9%	100.0%
Worcester Co	6.7%	21.7%	36.8%	21.8%	11.2%	1.8%	100.0%
Massachusetts	6.3%	20.1%	37.7%	22.4%	11.7%	1.8%	100.0%
<b>Population Distribution by Age Group, 2010 (% of total population in each age category)</b>							
	<b>Under 5 Years</b>	<b>5-19 Years</b>	<b>20-44 Years</b>	<b>45-64 Years</b>	<b>65-84 Years</b>	<b>85 Years &amp; Over</b>	<b>Total</b>
<b>Athol (population)</b>	<b>6.5% (762)</b>	<b>21.2% (2,468)</b>	<b>33.2% (3,865)</b>	<b>27.2% (3,161)</b>	<b>9.4% (1,092)</b>	<b>2.5% (293)</b>	<b>100.0% (11,641)</b>
Gardner	5.6%	17.0%	34.7%	31.1%	9.3%	2.4%	100.0%
Orange	7.3%	20.6%	31.7%	28.9%	10.0%	1.5%	100.0%
Franklin Co	5.6%	18.5%	33.2%	30.1%	10.8%	1.7%	100.0%
Worcester Co	6.3%	20.7%	34.4%	27.3%	9.2%	2.0%	100.0%
Massachusetts	5.7%	19.4%	34.6%	27.6%	11.0%	1.7%	100.0%

Sources: 1990 and 2000 population distribution: U.S. Census Bureau, *Census of Population and Housing, 1990 and 2000*; 2010 population distribution: MISER, *Population Projections for the Years 2000, 2005, and 2010*, released in 1999. Middle projections used.

Incidentally, it is important to note that MISER's latest projections (released in 1999) relied heavily on 1990 U.S. Census data and intermediary population estimates produced prior to the 2000 U.S. Census. MISER will be updating its projections over the next few years to reflect information gathered during the 2000 Census. The new MISER forecasts, which will likely extend out to 2025, may possibly show different trends and patterns than those suggested by the current projections.

MISER's middle-level projections for Athol for 2000 were close to the 2000 population for Athol determined by the 2000 U.S. Census. MISER predicted a population of 11,293 people, and the U.S. Census counted 11,299, a difference of only six people. However, by age groups, the Census counts and MISER projections varied considerably more. The MISER middle-level projections over-estimated the number in people in the 0-19 and 20-44 age groups (by 290 and 224 people respectively), and under-estimated the number of people in

the 45-64 and 65 and over groups (by 207 and 313 respectively). For example, for the 65 and over age group, MISER predicted a population for the year 2000 that was 16 percent lower than that found by the U.S. Census. When MISER revises its projections, its elderly population forecasts will likely be increased to reflect the new Census data.

Even if the latest MISER projections (1999) hold true and the elderly population in Athol declines in size over time, Athol's elderly residents may still have significant housing needs in the future, especially as they age. For example, some future elders may need homes that are smaller and more accessible than the housing stock of today. They may also need more affordable housing. It is essential that the Town help develop or renovate housing to accommodate the elderly segment of the population. MISER's current projections show that even with the forecasted elderly population decreases, by 2010, Athol will have close to 1,400 residents aged 65 and over, 300 of whom will be aged 85 and over. Currently, within the Town of Athol, there are only 130 units of public or subsidized housing specifically for the elderly and handicapped. The Athol Housing Authority owns 77 units for these population groups and 53 units are included in the privately-managed Pequoig House apartments in the Pequoig Hotel building. Together, the Athol Housing Authority and the Pequoig House provide 130 units for the elderly and handicapped, just a fraction of what may be needed in the future. Assuming that on average, an elderly household consists of 2 people, the 1,400 elderly residents currently forecasted for 2010 will make up 700 households, each of which will need appropriate housing. In addition, there might be more than 700 elder households by 2010. According to the 2000 U.S. Census, 30 percent of Athol's current elderly live by themselves. Also, as discussed above, the latest MISER projections (1999) may be under-estimating the size of the Town's future elderly population.

Athol should keep these factors in mind as it moves forward with its affordable and elderly housing planning. No matter what the latest population figures indicate precisely, and projections are always changing to reflect new data, one thing is certain: the need for additional, suitable, affordable housing for Athol's population, especially its seniors and young families, is an ongoing and important issue, and one that Athol should be working to address.

Improved access to affordable, suitable housing can improve the quality of life for Athol residents, particularly for those people who currently have limited access to such housing. Moreover, in addition to improving residents' quality of life, there are a number of other reasons why it would be advantageous for Athol to take a proactive approach to developing more affordable and elderly housing. Developing more housing for seniors and young families would help Athol address potential housing shortfalls, as well as increase the number of housing units in Town counting toward the State's 10 percent affordable housing goal under Chapter 40B. It would also allow Athol to address its housing needs in a way that is compatible with the Town's character and vision, and that avoids the Town facing potential Chapter 40B overrides of local zoning if the 10 percent affordable housing level is not achieved.

## Housing Affordability

As mentioned earlier, housing is generally defined to be “affordable” when households spend no more than 30 percent of their gross income on housing costs. For renters, housing costs include rent and utilities, such as hot water, electricity, and heat. For homeowners, housing costs include mortgage principal, mortgage interest, property taxes, and property insurance.

Households that spend over 30 percent of their income on housing are considered to be “cost-burdened.” According to an analysis of 1990 U.S. Census data conducted by the Housing Assistance Council, Massachusetts has one of the highest percentages of cost-burdened, rural residents in the country. In 1990, the State had the third highest rural median monthly rent in the country (\$588) and the fourth highest rural median monthly owner housing costs (\$1,140). According to the 1990 Census, 28 percent of rural households in Massachusetts are considered to be cost-burdened by their housing expenditures.

### Housing Costs

Table 3-12 reviews the median monthly housing costs for households in Athol, in the nearby communities of Gardner and Orange, in Franklin and Worcester Counties, and in the State overall. The median costs shown are those that were reported in the 1990 U.S. Census. According to the 1990 Census, the median monthly housing costs (1990) for Athol households totaled \$437 for renters, \$635 for homeowners with a mortgage, and \$196 for homeowners without a mortgage. On average, these housing costs represented 28 percent of gross household income for renters, 23 percent of household income for owners with a mortgage, and 13 percent of household income for owners without a mortgage. These percentages are all below 30 percent, the general threshold for affordability. This indicates that in 1990, a majority of Athol households had housing that was affordable based on their incomes, and that they were not cost-burdened by their housing expenditures.

**Table 3-12: Median Housing Costs for Athol and Other Areas, 1990**

Area	For owners with mortgage		For owners without mortgage		For renters	
	Median Monthly Costs	Median % of Income Spent on Housing	Median Monthly Costs	Median % of Income Spent on Housing	Median Monthly Costs	Median % of Income Spent on Housing
Athol	\$635	22.7%	\$196	12.7%	\$437	27.6%
Gardner	\$807	22.3%	\$257	13.6%	\$440	25.7%
Orange	\$739	24.3%	\$231	16.3%	\$423	25.3%
Franklin Co	\$764	22.4%	\$248	13.9%	\$478	27.0%
Worcester Co	\$926	22.2%	\$268	13.6%	\$522	25.5%
Massachusetts	\$985	22.3%	\$298	13.8%	\$580	26.8%

Source: U.S. Census Bureau, *Census of Population and Housing, 1990*.

An examination of housing costs in Gardner, Orange, and Franklin and Worcester Counties shows that total housing costs vary from place to place, but the median percentage of household income spent on housing stays roughly constant. In all of the areas listed in Table 3-12, housing-related costs (1990) on average accounted for 25-28 percent of household income for renters, 22-24 percent of income for homeowners with a mortgage, and 13-16

percent of income for homeowners without a mortgage. Among all the areas, Orange had the highest housing cost percentages for owners; housing costs there, on average consumed 24 percent of gross income for households with a mortgage, and 16 percent of income for those without a mortgage. Athol had the highest cost percentage for renters, with an average of 28 percent of their household incomes going towards housing-related expenditures.

As discussed earlier, the U.S. Census data show that, on average, Athol households spend less than 30 percent of their income on housing expenditures. However, a certain portion of households in Athol, especially those with low or moderate incomes, are spending over 30 percent of their incomes on housing, and are cost-burdened by their housing-related expenditures. For these households, housing is not affordable under the general definition of affordability.

Table 3-13 summarizes the level of spending on housing costs by household income and tenancy (renter/owner). The table's data come from the 1990 U.S. Census. The table indicates that in 1990, 27 percent of all Athol households spent at least 30 percent their incomes on housing costs. This percentage is higher for low and moderate-income households. Among households with incomes (1989) under \$10,000, 53 percent of renters and 68 percent of homeowners spent 30 percent or more of their incomes on housing. Similarly, among households earning between \$10,000 and \$19,999 per year (1989), at least 30 percent of income went towards housing costs for four-fifths (79%) of renter-households and over one-quarter (27%) of owner-households. Among all households earning less than \$20,000 per year, 45 percent (637 households) expended at least 35 percent of their incomes on housing. These households and others who are cost-burdened by their housing expenditures need housing options that can help them reduce their housing costs to an affordable level, which can then ultimately help them achieve a higher standard of living.

**Table 3-13: Percentage of Income Spent on Housing Costs, by Tenancy and Income, 1990**

Household Income (1989)	Number (& %)* of Households in each Category			
	Spent Under 25% of Income on Housing Costs	Spent 25-29% of Income on Housing Costs	Spent 30- 34% of Income on Housing Costs	Spent at least 35% of Income on Housing Costs
<b>For renters</b>				
Under \$10,000	131 (34%)	51 (13%)	0 (0%)	207 (53%)
\$10,000 to \$19,999	30 (9%)	38 (12%)	51 (16%)	207 (63%)
\$20,000 to \$34,999	181 (52%)	112 (32%)	7 (2%)	49 (14%)
\$35,000 and over	169 (98%)	3 (2%)	0 (0%)	0 (0%)
<b>Total for renters</b>	<b>511 (41%)</b>	<b>204 (17%)</b>	<b>58 (5%)</b>	<b>463 (37%)</b>
<b>For owners</b>				
Under \$10,000	49 (21%)	27(11%)	39 (16%)	122 (52%)
\$10,000 to \$19,999	304 (64%)	41 (9%)	27 (6%)	101 (21%)
\$20,000 to \$34,999	431 (69%)	80 (13%)	32 (5%)	81 (13%)
\$35,000 and over	954 (80%)	136 (11%)	74 (6%)	39 (3%)
<b>Total for owners</b>	<b>1,738 (69%)</b>	<b>284 (11%)</b>	<b>172 (7%)</b>	<b>343 (13%)</b>
<b>Overall</b>	<b>2,249 (60%)</b>	<b>488 (13%)</b>	<b>230 (6%)</b>	<b>806 (21%)</b>

\*Percentages in each row total to 100%.

Source: U.S. Census Bureau, Census of Population and Housing, 1990.

Although the 2000 Census data on housing affordability are not available, preliminary evidence and anecdotal experiences suggest that housing affordability has become an even larger issue for some low and moderate income households since 1990, particularly for those households seeking affordable rental housing. Overall, the housing vacancy rate dropped from 10 percent in 1990 to 93 percent in 2000, and it is likely that rental housing was affected most by this trend. No new construction permits were issued from FY 1990 to FY 1999 for multi-unit dwellings, and at the same time, a number of multi-unit buildings were demolished in the Town center area. In addition, having less rental housing available may be contributed to higher rents. A recent examination of apartment rental ads in the Athol Daily News found two-bedroom apartments in Athol were often listing for \$600-\$700 per month or more.

One factor contributing to the lack of affordable housing for low and moderate-income households in Athol is the low number of public or subsidized housing units in Athol and the long waiting list for those units. The Athol Housing Authority reports that there is a 1 to 2 year wait to get into its family housing units, and a six-month wait or longer to get into its elderly and handicapped housing. Preference on the waiting list for elderly and handicapped housing is given to residents ages 60 and over. In the family housing, preference is given to families who already live or work in Athol over families who move to Athol specifically to find affordable housing.

### Housing Values

The decennial U.S. Census gathers data on housing values by asking owners what they believe their homes to be worth in the current real-estate market. According to the data reported in the 1990 Census, the median value of owner-occupied housing in Athol more than tripled between 1980 and 1990, growing from \$31,000 (1980) to \$94,100 (1990). In 1990, more than half of owner-occupied homes in Athol (55%) were valued between \$50,000 and \$99,999, one-third were valued between \$100,000 and \$149,999, and 9 percent were valued at \$150,000 or more.

**Table 3-14: Housing Values for Owner-Occupied Units in Athol, 1990**

Housing Value (1990)	Number of Housing Units	Percent of Total
Under \$50,000	78	3.1%
\$50,000 to \$74,999	500	19.7%
\$75,000 to \$99,999	910	35.8%
\$100,000 to \$149,999	826	32.5%
\$150,000 to \$199,999	194	7.6%
\$200,000 and Over	36	1.4%
<b>Total Units With Value Info*</b>	<b>2,544</b>	<b>100.0%</b>
<b>Median Housing Value</b>	<b>\$94,100</b>	

*\*The 1990 Census collected housing values for 80 percent of all owner-occupied residences in Athol.*

*Source: U.S. Census Bureau, Census of Population and Housing, 1990.*

Between 1980 and 1990, Athol’s median household income grew significantly, increasing from \$15,000 (1980) to \$27,095 (1990). However, this increase was smaller than the change

in housing value. As a result, over the decade, the ratio of median income to median owner-occupied housing value fell considerably, and buying a house in Athol became relatively more expensive. In 1980, Athol's median household income represented roughly half (48 percent) of the median owner-occupied housing value. By 1990, the median income accounted for only slightly more than a quarter (29 percent) of the median owner-occupied housing value, and households' ability to purchase homes had correspondingly declined.

In 1990, Athol's median household income was \$27,095. At this income, and limiting housing costs to no more than 30 percent, a median-income household can spend up to \$677 per month on their home. With a 7.5 percent, 30-year fixed-rate mortgage and a 10 percent down payment, a median-income household could therefore afford a home costing approximately \$80,000. This calculation assumes a property tax rate of \$15 per \$1000 of valuation, yearly hazard insurance costs of 0.35 percent of the house's purchase price, annual private mortgage insurance payments equal to 0.9 percent of the mortgage value, and no homeowners' association fees. This calculation suggests that Athol faces a gap of almost \$14,000 between what houses cost (based on the median owner-occupied housing value (1990), \$94,100) and what a median-income household can afford pay for its home.

### *Single-Family Home Sales*

The Warren Group collects town-level residential sales data on a monthly basis. Table 3-15 presents its data on single-family home sales volumes and median sale prices for each of the last 11 years. The data imply that Athol's housing market fluctuated up and down between 1989 and 2001, and continued its cyclical patterns of the past. Both the number of single-family home sales and housing prices experienced some increases and decreases over the twelve-year period. Overall, the number of annual home sales increased, growing from 74 sales in 1989 to 172 sales in 2001. During the same period, home prices declined slightly, with the median sales price for a single-family home dropping from \$94,500 (1989) to \$90,100 (2001). However, since 1996, the median sales price for a single-family home has increased each year. Despite Athol's rising housing prices, home ownership in Athol has remained more affordable than in many other communities in the larger region. In these communities, economic expansions during the mid and late 1990s, and the resulting skyrocketing housing and land costs, put home ownership out of the reach of many residents.

**Table 3-15: Single-Family Home Sales in Athol, 1990-2001**

Year	Number Of Sales	% Change from Previous Yr	Median Sale Price (\$)	% Change from Previous Yr
2001	172	18.6%	\$90,100	20.1%
2000	145	11.5%	\$75,000	10.1%
1999	130	-15.0%	\$68,120	2.4%
1998	153	35.4%	\$66,500	5.6%
1997	113	-16.3%	\$63,000	18.9%
1996	135	121.3%	\$53,000	-11.7%
1995	61	-28.2%	\$60,000	-9.1%
1994	85	6.3%	\$66,000	-7.0%
1993	80	40.4%	\$71,000	6.0%
1992	57	5.6%	\$67,000	-22.5%
1991	54	-8.5%	\$86,500	3.7%
1990	59	-20.3%	\$83,400	-13.3%
1989	74	-	\$94,500	-

*Note: Data excludes condominiums; 43 condominiums were sold between 1989 and 2001. Source: The Warren Group, Town Statistics; 2002.*

The Warren Group’s median sales price of single-family homes for 1990, \$83,400, is lower than that estimated by the 1990 U.S. Census, \$94,100. As a result, it compares more favorably to the limit of what a median-income household in Athol in 1990 could reasonably afford to spend on a house: \$80,000. Based on the Warren Group’s figure, there is a gap of less than \$4,000 between the median house price and how much the median-income household can afford, instead of the \$14,000 gap estimated with the U.S. Census data.

It is possible that the data on actual home sales provided by the Warren Group is a more accurate measure of home values in Athol than the information gathered through the U.S. Census. The Census housing values data are based on what owners believe their homes to be worth. The discrepancy between these self-valuations and the actual sale prices reported by the Warren Group suggest that, in answering the Census survey, owners may be overestimating what they would be able to sell their homes for, and therefore, overstating their house’s value. As a result, it is likely that the affordability gap between the median house price and how much the median-income household can spend on housing is closer to the Warren Group-based estimate of \$4,000 than to the \$14,000 calculated using the Census housing data.

### **Affordable Housing Legislation**

In 1969, the Massachusetts legislature established the goal of making 10 percent of housing units in a community affordable for low and moderate-income families. With the passage of the “Anti-Snob Zoning Act” and the creation of the Comprehensive Permit Law (M.G.L. Chapter 40B, Sections 20-23) that year, the legislature streamlined the development permit process for affordable housing projects and also provided incentives for towns to expand their affordable housing stock to the 10 percent level. Under the legislation, communities in which less than 10 percent of housing units are affordable may face new housing development that overrides local zoning. In these communities, a developer can submit a

comprehensive permit application, also known as a Chapter 40B application, for an affordable housing development that does not comply with local zoning requirements. This application is acted upon by the local Zoning Board of Appeals (ZBA). If the ZBA turns down the permit, the developer may be able to appeal the decision to the State Housing Appeals Committee, which can overrule the local ZBA ruling and allow the housing project to proceed.

The State's support of affordable housing development that is not required to comply with local zoning was intended to motivate communities to work toward a level of 10 percent affordable housing. Chapter 40B was also designed to streamline the permitting process for affordable housing, and to allow higher densities for affordable housing projects than is generally permitted under local zoning bylaws.

The State is currently in the process of revising Chapter 40B to provide communities with more flexibility and local control in expanding their affordable housing supply. As a result of changes thus far, now when a community has not yet reached the 10 percent goal, but has demonstrated a commitment to increasing its affordable housing supply, the local Zoning Board of Appeals has the ability to deny a Chapter 40B development permit for one year. If a developer appeals a denial, the State Housing Appeals Committee will consider a town's comprehensive plan, community development plan, or master plan and its efforts to implement the housing elements of these plans when rendering a decision on an appeal. In addition, local Zoning Boards of Appeal can now refuse to issue permits for large-scale housing projects that are inappropriately sized for the community.

In 1982, Executive Order 215 (EO 215), on the "Disbursement of State Development Assistance," gave Chapter 40B more force and further encouraged communities to increase their supply of affordable housing. Under EO 215, the State, through the Secretary of Communities and Development, assesses whether a town is, or is not, "unreasonably restrictive" of new housing growth. In making this determination, the State evaluates a community's general housing policies and practices, and gives special consideration to efforts to increase the affordable housing supply. If a municipality is found to be "unreasonably restricting" new housing growth, then EO 215 discourages State agencies from awarding that community any discretionary development assistance funds. These funds include economic development assistance, open space and recreation funds, technical assistance grants, conservation land grants, transportation systems improvement funds, and monies from a variety of other programs (Note: they do not include local aid fund reimbursements or distributions). Communities that are found to be "unreasonably restrictive" are required to formulate a detailed plan for developing new affordable housing. Only after the plan has been completed, can the communities be reevaluated to determine if they are no longer "unreasonably restrictive" and if the discretionary funding should therefore be restored.

Executive Order 418 (EO 418), titled "Assisting Communities in Addressing the Housing Shortage," was issued in 2000 and provides additional financial incentives for communities to promote housing growth and affordable housing development. EO 418 introduces a new housing certification process. Under this process, communities that meet the certification standards and demonstrate that they are working to increase their number of affordable

housing units will be given priority when applying for funding from various discretionary State programs. The affected programs are administered by the State Department of Housing and Community Development, the Executive Office of Transportation and Construction, the Executive Office of Environmental Affairs, and the Department of Economic Development. As part of the housing certification process, municipalities must document all new housing and affordable housing development, and must show that current housing issues are being discussed and addressed in their communities.

EO 418 also offers up to \$30,000 to municipalities to create Community Development Plans (CDPs). These plans are intended to provide general guidance as cities and towns consider future development options. Among other elements, each plan must specifically address how the community intends to develop housing that will be affordable to households and individuals across a broad income spectrum. The CDPs must also include sections on open space, economic development, and transportation issues and needs.

### **Athol's Affordable Housing Supply**

The definition of “affordable housing” varies considerably across different agencies and legislation. Generally, housing is considered “affordable” when households spend no more than 30 percent of their gross income on housing-related costs. As discussed earlier, the State’s definition of “affordable” for its 10 percent affordable housing goal (under Chapter 40B) is more restrictive. In determining a town’s total number of affordable housing units for Chapter 40B, the State has historically included only units that receive subsidies through State or Federal housing assistance programs, and excluded all unsubsidized units, even if their monthly costs are less than 30 percent of median household income. This restriction penalizes rural communities where subsidized housing is less likely to be developed, but where housing costs relative to income may be lower than in more urban places. As was mentioned earlier, the State has recently begun to revise Chapter 40B and to expand its definition of “affordable housing.” Among the units now counting towards the 10 percent goal are locally subsidized housing units and housing units created through the Community Preservation Act (Chapter 44B) that serve low and moderate-income families.

According to the Massachusetts Department of Housing and Community Development (DHCD), which administers the Chapter 40B comprehensive permit process, 230 of Athol’s housing units (5% of the year-round units) met the State’s Chapter 40B definition of affordable housing as of October 1, 2001. The 93 units operated by the Athol Housing Authority, including the 77 units for elderly and handicapped housing and the 16 units for family housing, count towards this total, as do units built with Federal or State subsidies and managed by private, non-profit housing organizations.

Table 3-16 displays the number of affordable housing units in Athol, Gardner, and Orange and the number of housing units in each town with housing subsidies or rent assistance. Table 3-16 shows that according to the Chapter 40B definition, Athol has a much lower affordable housing percentage and a smaller affordable housing supply than both Gardner and Orange. Over thirteen percent of the housing stock in Gardner and Orange is affordable, compared to five percent in Athol. However, Athol has more public housing units than

Orange (93 v. 64) and more households receiving rent vouchers as well (103 v. 45). To meet the 10 percent affordability level with the current Chapter 40B definition, Athol would need to convert 250 of its 4,775 current year-round housing units to affordable housing, or would need to add 275 new affordable housing units to its current housing supply.

**Table 3-16: Residential Units in Athol and Nearby Towns with State or Federal Housing Assistance**

Towns	Ch 40B Affordable Housing Units	% of Units that are Affordable*	Public Housing Units with		Rent Assistance through	
			Conventional State Assistance	Conventional Federal Assistance	State (Mass. Renter Voucher Program)	Federal (Section 8)
Athol	227	4.8%	93	0	44	59
Gardner	1,321	15.0%	337	0	13	102
Orange	435	13.4%	64	0	45	0

*\*The State calculates this percentage based on the number of year-round housing units, not the total units. The public housing units listed count towards the municipality's affordable housing stock and 10 percent goal, the rent assistance figures do not.*

*Source: DHCD, 2002; Athol Annual Report, FY 1999.*

If Athol works proactively to increase its affordable housing stock to reach the 10 percent affordability level, it will maintain greater control over future housing development, and it is less likely to face Chapter 40B projects that could conflict with the Town's character, vision, and goals. Having more affordable housing in Athol will also help the town retain and attract elderly residents and young families, many of whom have limited financial resources. In addition, if Athol demonstrates a commitment to expanding its affordable housing supply through the development of a housing plan and other direct actions, it will help Athol become eligible for the discretionary funds that are allocated to communities under Executive Order 418.

With the issuance of Executive Order 418, the State introduced a new definition of "affordable housing" that applies to the housing certification process. Under EO 418, communities receive credit for housing units meeting certain criteria. Qualifying home ownership units are either affordable for (1) low and moderate-income families with incomes no greater than 80 percent of the median income, or (2) middle-income families with incomes up to 150 percent of the median. Similarly, qualifying renter units are either affordable for families with incomes up to 80 percent of the median income, or for families with incomes up to 100 percent of the median. The median income is defined as the median family income in the county where the units are located, with different incomes set for metropolitan and non-metropolitan areas. Affordability is based on no more than 30 percent of median income being spent on housing costs. Table 3-17 displays the affordable rent and home purchase prices for Worcester and Franklin Counties included in the EO 418 documentation. For Worcester County, in towns outside of the Worcester metropolitan area, such as Athol, all rental units with monthly rents of \$1,265 or less, and all owner-occupied units with housing value of \$257,000 or less, would count as qualifying units under the housing certification process. Most housing in Athol qualifies as affordable under this definition.

**Table 3-17: Affordable Housing Rents and Purchase Prices under Executive Order 418, for Franklin and Worcester Counties during FY2002**

Area	Area Median Family Income	Monthly Rent Affordable at 100% of Median Income	150% of Area Median Family Income	House Price Affordable at 150% of Median Income
Worcester County, non-metro*	\$50,600	\$1,265	\$75,900	\$257,000
Worcester County, Worcester area	\$57,000	\$1,425	\$85,500	\$296,000
Franklin County	\$47,600	\$1,190	\$71,400	\$240,000

\*Athol's housing affordability is evaluated under the Worcester County, non-metro area income limits .

Source: Massachusetts Department of Housing and Community Development, Executive Order 418 documentation, 2001.

Athol received EO 418 housing certification for FY 2001 and FY 2002, thus making it eligible for the discretionary funds which require communities to have housing certification, or which offer bonus points in evaluating funding requests to communities with housing certification. To obtain housing certification for FY 2001 and FY 2002, communities needed to demonstrate either that they were increasing their affordable housing supply *or* that they were engaging in a number of activities to promote housing affordability and to address affordability issues. These activities could include holding a forum on housing needs, identifying municipally owned or controlled land that could be suitable for new affordable housing, working with local lenders or non-profit agencies to provide first-time homebuyer education and counseling, and a variety of other options.

Beginning in FY 2003, communities need to show that new affordable housing is being created; engaging in other activities to promote affordable housing is not sufficient. In a community such as Athol where most new housing falls below the affordability limits set under the EO 418 (Table 3-17 gives the rent and house price limits for FY 2002), achieving housing certification is relatively easy. All Athol needs to do is show that some new owner-occupied and rental housing units meet affordability standards established under EO 418. This can be done by documenting the number of new units built with expected assessed values of \$257,000 or less (FY 2002) for owner-occupied housing, and by showing the number of rental units and expected average rents of \$1,265 or less (FY 2002) for new rental housing.

## Summary of Housing Issues

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### Chapter 40B and State Affordable Housing Mandates

Since 1969, and the passage of the “Anti-Snob Zoning Act” (now incorporated into Chapter 40B), the Commonwealth has encouraged towns to increase their percentage of affordable housing to at least 10 percent. To reach the 10 percent level, Athol would need to convert 250 of its 4,775 current year-round housing units to affordable housing, or would need to add 275 new affordable housing units to its current housing supply. Towns that have 10 percent affordable housing have more control over new housing development within their boundaries, and are unlikely to face Chapter 40B housing applications that could override local zoning and potentially be in conflict with the town’s vision and character. Towns that

expand their affordable housing are also unlikely to face funding limitations under Executive Order 215 (Disbursement of State Development Assistance). One issue for many towns is that the State's narrow 40B definition of "affordable housing" excludes many non-subsidized housing units that are affordable for residents. Housing is generally considered to be affordable when no more than 30 percent of household income goes towards housing expenditures. The issue of the Chapter 40B "affordable housing" definition is particularly significant for rural communities where subsidized housing is less likely to be developed, but where housing costs relative to income may be lower than in more urban places. Recent revisions to Chapter 40B have expanded the definition of "affordable housing" to include locally subsidized units and units created under Chapter 44B. Town should encourage the State legislature to broaden the definition further to include additional types of affordable housing.

### **Executive Order 418**

Executive Order 418 (EO 418), issued in 2000, works to expand communities' affordable housing supply for a broad range of incomes, and to stimulate increased housing development across the State. The measure is designed to help communities plan for new housing while also balancing economic development, transportation infrastructure improvements, and open space preservation. The first section of EO 418 gives priority for discretionary State funds to towns that increase their supply of affordable housing and receive housing certification. Housing certification is available for communities that demonstrate that they are working to increase their number of affordable housing units. Non-competitive State grants will not be available to a town without housing certification. EO 418 uses a broader definition for "affordable housing" than that for the State's 10 percent affordability goal under Chapter 40B. Qualifying home-ownership units under the EO 418 definition are affordable to families with incomes up to 150 percent of the county median income, and qualifying rental units are affordable to families with incomes up to 100 percent of the county median. For FY 2002, qualifying home-ownership units in Athol have prices of \$257,000 or less, and qualifying rental units have rents of \$1,265 or less. As was discussed earlier, achieving housing certification is relatively easy for communities such as Athol where most of the housing stock and new construction qualifies as affordable under these definitions.

The second part of EO 418 provides technical assistance and grants of up to \$30,000 to aid towns with the creation of Community Development Plans focused on housing, economic development, transportation, and open space. One issue for towns is that EO 418 introduces new reporting and planning requirements.

### **Title 5 (State Law Governing On-Site Septic Systems)**

Revised Title 5 regulations were instituted in 1995. The revised rules require inspections of septic systems and cesspools prior to a home being sold or enlarged. In most cases, systems that fail inspection must be repaired or upgraded within two years. When real estate is transferred between owners, homes must have septic systems that meet current standards.

The average cost of a septic system or cesspool inspection ranges from \$300 to \$500. The cost of repairs or upgrades varies depending on the nature of the problem, the location and size of the system, soil conditions, and site restrictions. Repair expenses, especially for homeowners living in areas of seasonal high groundwater, can be significant. Often mounded or alternative systems are necessary to meet the Title 5 requirement of separation from groundwater. Mounded systems can cost at least \$15,000 to \$25,000, or more.

The Massachusetts Department of Environmental Protection's (DEP) Homeowner Septic Loan Program, instituted in 1996, utilizes funds from the Federal Home Administration (FHA) Title I loan program and from the Open Space Bond Bill. The FHA program creates a private bank-funded capitalization of septic system loans available for all income earners. Approved loan applicants meet credit history requirements, and granted loans allow a maximum debt-to-income ratio of 45 percent. This program encourages bank lending by backing the loans with a 90 percent Federal guarantee and making them salable to secondary market portfolio players. Low and moderate-income homeowners receive below-market interest rates through this program. Another program to help fund repairs and upgrades is the Massachusetts Housing Finance Agency (MHFA) Homeowner Septic Repair Program. This program is available only to home owners of low and moderate income, and approval is based on good credit and stable income. Loans for septic system repairs and upgrades are also potentially available for Athol residents through the Community Development Block Grant (CDBG) funds currently administered by the Montachusett Regional Planning Commission (MRPC). The MRPC coordinates a housing rehabilitation program, which is funded with CDBG monies and provides up to \$15,000 grants for septic system upgrades for owner-occupied homes. Only owner-occupied homes of up to 3 units qualify for grants under the program and applicants must also meet low or moderate income criteria.

According to the latest available data (1990 U.S. Census), 21 percent of housing units in Athol (1,039 units) use septic systems and are not hooked into the sewer system. The owners of many of these homes, especially those located in areas which will not be served by either sewer extensions or neighborhood treatment facilities, may need financial assistance to bring their septic systems into compliance.

### **Remediation of Lead Paint**

Over half of the homes in Athol were constructed prior to 1940, when lead paint was widely used, and many residential structures in Athol still have lead paint. Under State law (M.G.L. Chapter 111, Section 197), whenever a child under 6 years of age resides in a home with dangerous levels of lead paint, the property owner is required to remove or cover said paint to make it inaccessible. However, because the safe removal or treatment of lead paint can be expensive, homeowners and landlords are frequently unable to afford the costs of mitigating lead paint exposure in their residences without financial assistance. As a result, families with young children may have difficulty finding safe, suitable housing. In some cases, landlords whose rental units may contain lead paint will keep them vacant rather than rent them and potentially face lead paint abatement issues and costs.

To reduce homeowners' costs for lead paint abatement, Massachusetts offers various programs and loans. For example, homeowners can receive income tax credit for lead abatement costs. Also, the Massachusetts Housing Finance Agency runs a "Get Out the Lead" Program. In FY 2001, the annual budget for the program was increased 33 percent to \$6 million. The maximum loan available under the program ranges from \$20,000 for a single-family home to \$35,000 for a four-unit home, and loan recipients must meet low or moderate income criteria. In addition, the Community Development Block Grant program for Athol offers grants of up to \$20,000 for housing rehabilitation projects, including lead paint mitigation. Only owner-occupied homes of up to three units are eligible for under the program and applicants must also meet income criteria. It is important for Athol, through government and non-profit agencies, to have outreach programs for community members, particularly owners of older homes where lead paint is more prevalent, to inform them of the various financing options for lead paint abatement.

It is also essential to educate families about the dangers and health risks associated with lead paint exposure and to encourage them to have their children tested at a young age. Despite the prevalence of older houses in Athol, during the last fiscal year for which data were available (FY 1999), only 34 percent of Athol children between the ages of 6 months and 6 years (the screening target age group) were tested for elevated blood lead levels. The Athol-Royalston School District currently tests all children for elevated blood lead levels when they enter kindergarten, and all kids in families receiving benefits through the WIC (Women, Infants, and Children) Program are also screened. It is important for children to be tested for elevated blood lead levels as young as possible, before permanent health damage related to lead poisoning can occur. Also, the greater level of blood lead screening in Athol, the more accurately the extent of potential lead paint issues in the Town can be assessed.

### **Housing Diversity**

A diverse housing stock, covering a range of costs, sizes, and accommodations is necessary for Athol's vitality and economic health. The housing stock needs to accommodate any special needs of particular resident groups, such as the elderly and young families with children, and to offer quality residences at affordable prices. In terms of the number of seniors living in the community, the latest population forecasts show that in 2010, Athol will have close to 1,400 residents age 65 and over, and almost 300 aged 85 and over. This elderly population, especially the older subgroup, may need more smaller and more accessible homes, and it is essential that Athol help develop or renovate housing to accommodate them. For younger families, larger-sized apartments and lead-free housing is essential. Affordable housing is also a key necessity for both groups since they often have limited or fixed incomes. Further, developing and providing housing for young and elderly residents with low or moderate incomes can help the Town meet the State's 10 percent affordable housing goal under Chapter 40B.

## Recommendations

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- Work with the Athol Housing Authority and other interested parties to establish a local non-profit agency to educate homeowners and help them obtain access to financial assistance for home building and rehabilitation projects, septic system upgrades, and lead paint mitigation.
- Pursue public grants and other sources of funding to enhance the financial feasibility of affordable housing development, both rental and owner occupied, for young families and the elderly.
- Support and initiate grants for rehabilitation of vacant or underutilized buildings for residential use, particularly in the downtown area.
- Encourage the development of more small-scale rental housing to stem the current and projected out-migration of elders and young workers.
- Considering working with the Athol Housing Authority to establish new elderly housing for Athol which will give priority to Athol residents and which will contribute to Athol's affordable housing supply under the Chapter 40B and help the town reach the 10 percent affordable housing level.
- Promote infill housing development in and near the Town center, and support such projects over new housing development in open space areas and development towards the Town's periphery, particularly in areas that could be incorporated into a regional greenway.
- Review the Town's current zoning bylaws that affect housing development and suggest bylaw changes that will help maintain a diverse and affordable housing stock for both renters and homeowners.
- Explore the potential use of a Cluster Development Bylaw for Athol and draft changes to the zoning ordinance if such an approach is appropriate.
- Work with legislators to encourage the State to further expand its Chapter 40B definition of "affordable housing" that counts towards the 10 percent goal.