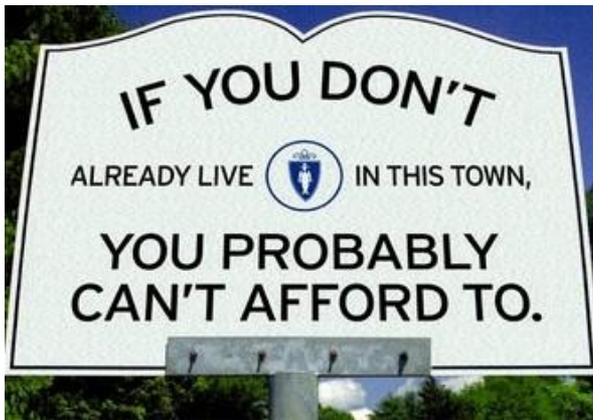


Chapter 61A Purchase Option



241 Boxboro Road
Articles 3 & 4
Stow Municipal Affordable
Housing Trust
SMAHT

Topics

- ▶ Affordable Housing Status in Stow
 - ▶ Chapter 40B Details
 - ▶ Chapter 61 Details
 - ▶ Parcel Specifics
 - ▶ Financial Picture
- 

Affordable Housing in Stow



Affordable Housing Background

- ▶ Massachusetts housing goal:
>10% of total living units “affordable” by Town (MGL Chapter 40B)
- ▶ Stow: 2500 units as of 2010, 10% = 250 units
- ▶ Currently at 179 units (71 needed) = 7.16 %
- ▶ 2020 number projection: 2950 units (116 needed)

- ▶ Stow can gain “Safe Harbor” by building ~13 units/year

MGL Chapter 40B

- ▶ Program to address statewide affordable housing shortage
- ▶ Projects can obtain permits that would normally violate zoning laws IF $\geq 25\%$ of units are affordable
 - For rental housing, all units count toward SHI
 - For ownership, only affordable units count
- ▶ The Zoning Board of Appeals (ZBA) cannot deny permit outright, unless
 - Community is certified as complying with its Housing Production Plan (“Safe Harbor”), or if
 - At least 10% of all housing units are on the SHI
 - ZBA can place conditions
 - Other permits required
- ▶ Permit applicants must agree to profit restrictions

Affordable Housing Background

- ▶ Stow is part of the Boston HUD Area
 - Median Household Income: \$98,100 (household of 4)
 - “Moderate” household limit (80% MHI): \$73,050
- Stow Median Household Income: \$131,500
- ▶ 25% of Stow survey respondents are cost burdened
 - Pay more than 30% of annual income for housing
- Current Stow Households
 - 450 (19.3%) low income or below (<80% AMI)
 - 220 (9.4%) at moderate-income level (80–100% AMI)

Affordable Housing in Stow

- ▶ 90% of housing represents single-family homes
 - ▶ Households with members 18 or younger: -5%
 - School enrollment stable
 - ▶ Households with members over 65: +8%

 - ▶ Stow had “Safe Harbor “ status for 2 years (2013–2015) through Pilot Grove II
 - Provides leverage against future over-development
 - Ensures growth is in keeping with character of Stow
- 

“Affordable Housing”

Who needs it?

- ▶ People who grew up in Stow and can't afford to move here now
- ▶ Most Town employees
- ▶ Fixed-income residents
- ▶ Elders who wish to downsize
- ▶ People who aspire to live in a community like ours

Who lives there?

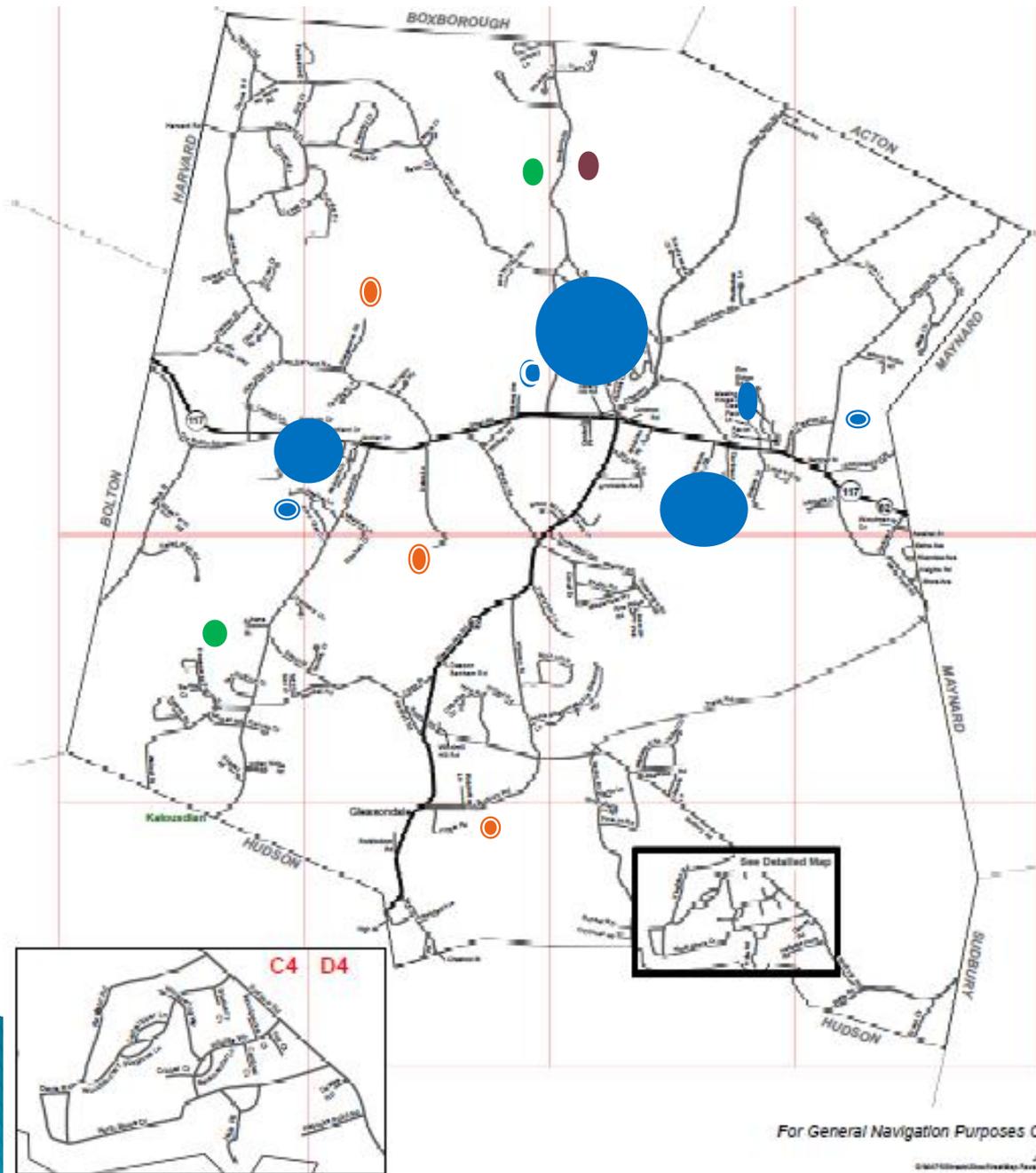
Working families:

- ▶ Teacher
- ▶ Police Officer
- ▶ Firefighter
- ▶ Physical therapist
- ▶ Auto mechanic
- ▶ Non-profit staff
- ▶ Paralegal assistant
- ▶ Administrative assistant
- ▶ Truck driver
- ▶ Radiology technician
- ▶ Librarian
- ▶ Carpenter
- ▶ Massage therapist

Current Real Estate Market

- ▶ Current buildable lot value: ~\$207,000
 - ▶ 1.5 acres
 - ▶ Stable values for many years
- ▶ Current median home price ~\$455,000
 - ▶ House values doubled since 1970s
- ▶ Affordable home prices (2016 AMI)
 - 1 bedroom, 2 people : \$ 155,000
 - 2 bedroom, 3 people : \$ 176,000
 - 3 bedroom, 4 people : \$ 199,000

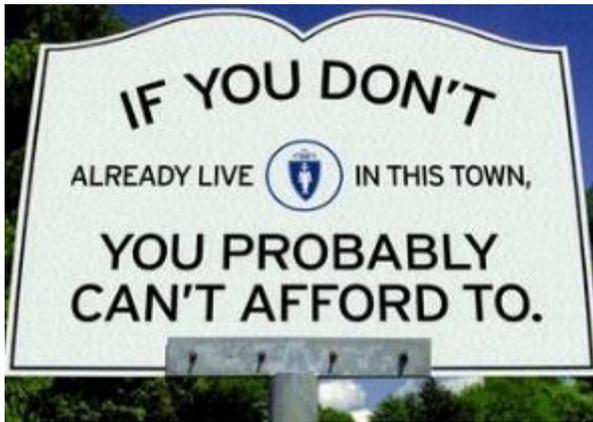
A home with a low current price does not count as “affordable” for the 10%. It must be **subsidized** and recognized by the Department for Housing & Community Development (DHCD) on their Subsidized Housing Inventory (SHI)



Existing affordable housing
 Permitted affordable housing
 Potential affordable housing
 (Planning Board has been
 approached for development -
 IZ)
 241 Boxboro Road

MGL Chapter 61 Program

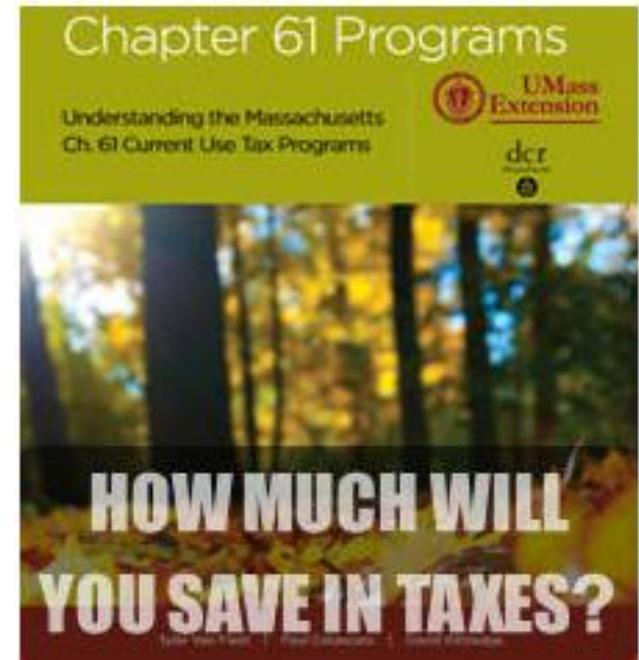
Temporary Tax Reduction



What is Chapter 61?

Temporary Land Protection Measure

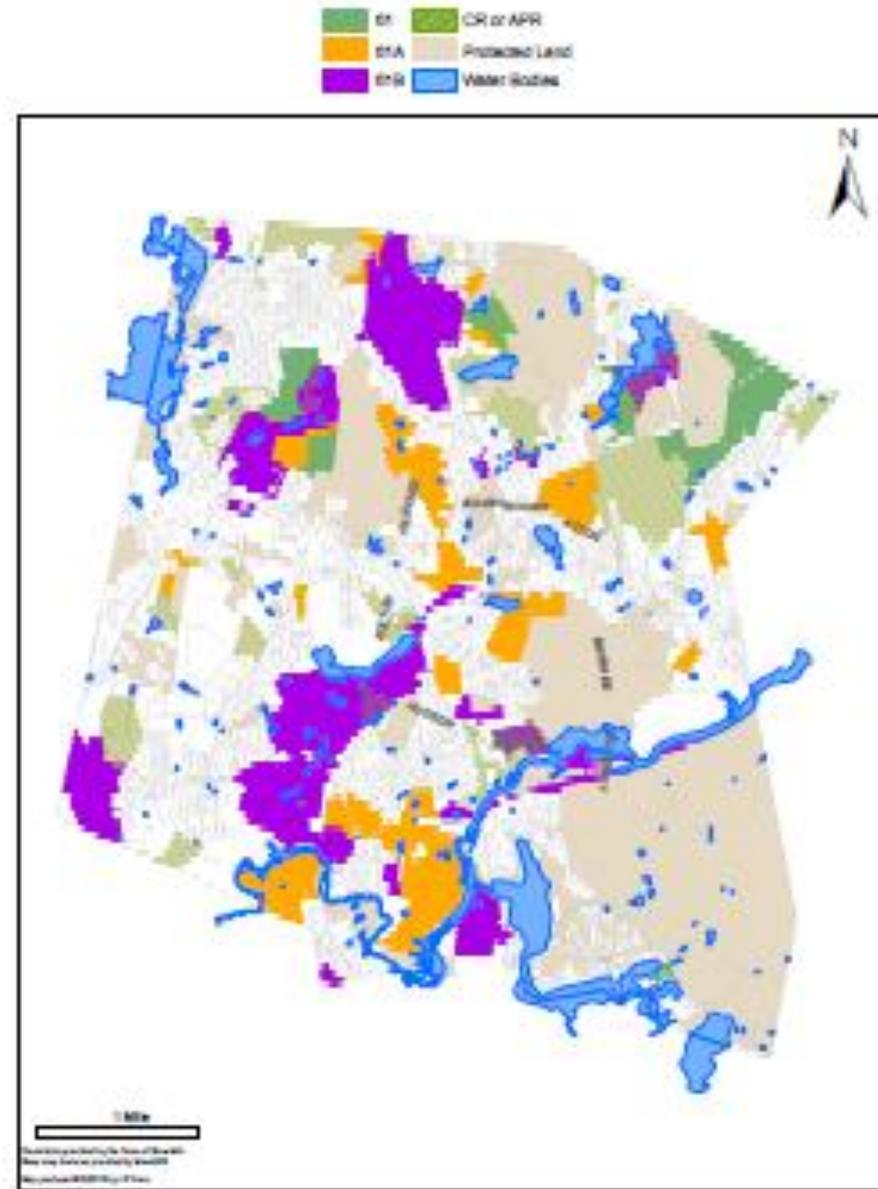
- ▶ Originated in 1941, updated in 1973 & 1979
- ▶ Tax reduction in exchange for preservation of farmland and forests
- ▶ Town has first refusal right to purchase
 - Converted to residential, commercial, or industrial purposes
 - 120 days to exercise
 - Must meet a bona fide offer for sale



Stow Chapter 61 Land

~50% of undeveloped land in Stow is in a Chapter 61 program

- Plus 1000 acres of protected conservation land
- Plus 1300 acres owned by U.S. Government and Commonwealth of Massachusetts



Stow Chapter Land Procedure

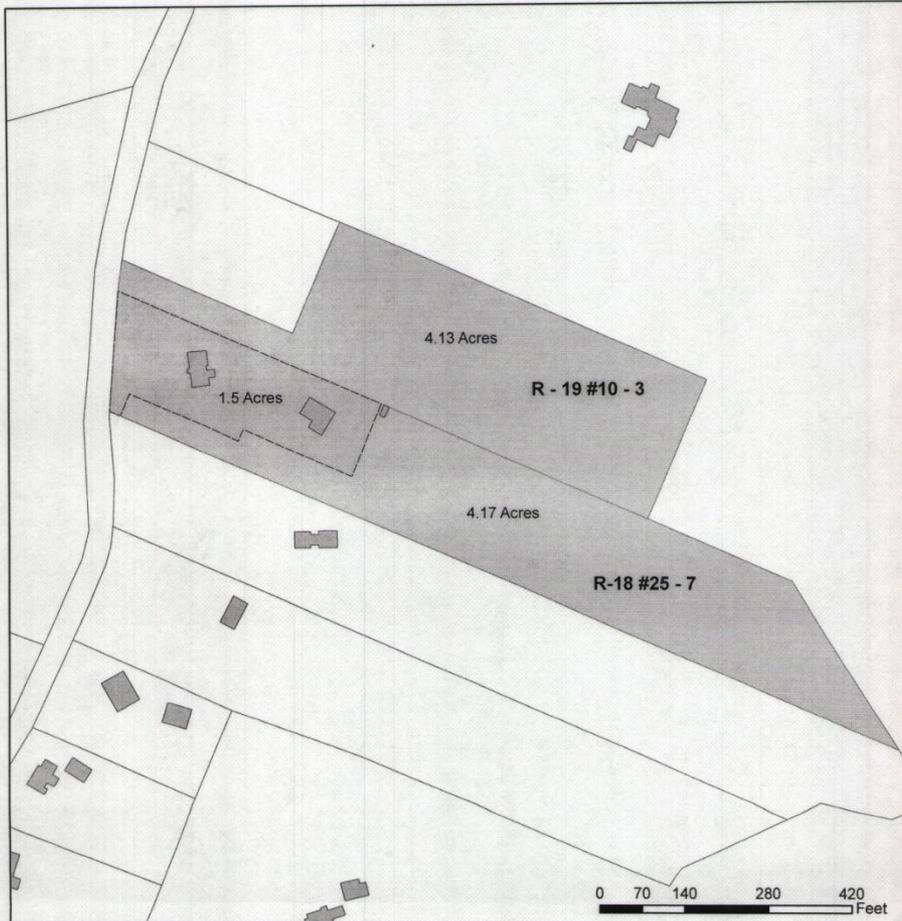
- ▶ Landowner notifies Town of intention to withdraw
- ▶ Quick Response Team
 - Gathers data on parcel & distributes
- ▶ Selectmen notify departments and committees
 - Is there interest in the parcel?
 - i.e. open space, recreation, housing, municipal needs
 - Does the parcel represent a good value for Stow?
 - Is potential funding available or possible?
- ▶ Due diligence
 - Is the land suitable for the stated purpose?
 - Look for deal-breakers
 - Engineering studies if required
 - Other relevant studies when required (wetlands)
- ▶ Public meetings
 - Joint boards
 - Public Hearing
 - Town Meeting, if required

Town of Stow | Planning Department

241Boxboro Road Chapter 61A Withdrawal



-  241 Boxboro Not in Chapter
-  Land Subject to Right of First Refusal
-  Existing Parcel Lines



Two Parcels:

#3

R-19 #10-3 4.14
acres \$140,000

#2

R-18, #25-7
4.17 acres
(5.7 acres total)
\$40,000

Area Overview



8.01.2016
Town of Stow
Planning Department



- Proposed AAN
- 241 Boxboro Road
- Hammerhead Lot
- Flagg Hill Open Space

0 0.05 0.1 0.2 Miles

Source: MassGIS,
Town Assessor's Data,
Ducharme & Dillis

Cartographer: Valerie Oorhuys

Site Data

“Lot #3”

- ▶ Permitted in 2006 for a hammerhead lot
 - Single dwelling, up to 5 BRs + accessory apartment
- ▶ Percolation test at that time showed appropriate soil conditions for septic needs at tested location
- ▶ SMAHT 2016 tests, at different locations, showed a slower percolation rate
- ▶ Specially designed system may be necessary
- ▶ High water table; ledge near back of parcel
- ▶ 4 x 2 bedroom units may be possible
- ▶ Driveway sight lines are sub-standard at front of lot

Lot#2

- ▶ Soil not appropriate for septic or building

Questions about 241 Boxboro Road & Housing

- ▶ Why are we trying to use 241 Boxboro Road for affordable housing?
 - Land cost is affordable
- ▶ Wasn't this land supposed to be protected for open space and conservation use?
 - Yes, however it was withdrawn from the 61A program by the owner.
- ▶ Why can't we save this land for open space forever?
 - The landowner did not choose to protect it in that way, and the Town has not identified it as a target for protection
- ▶ How much housing are we going to put here?
 - If purchased by the town, that will be determined by study group. Pre-engineering analysis suggests a maximum of 8 bedrooms.
- ▶ Aren't we restricted to what the Planning Board approved for a hammerhead lot?
 - Any other use requires a new permitting process, which in this case could be a "Friendly 40B"

“Friendly” 40B

- ▶ Any use beyond current permitting would require a Comprehensive Permit
 - ▶ Focus on exemplary proposal
 - ▶ Enhance neighborhood, protect sensitive areas

 - ▶ Recommend study group to develop a proposal that would balance needs
 - Citizen members – near neighbors and others
 - Design input
 - Technical expertise
 - Planning Board
 - SMAHT
- 

Possible Home Types



Funding

- ▶ Community Preservation Committee (CPC) voted to support purchase of landlocked parcel (#2) and associated costs (Article 4)
 - ~~Use unreserved funds (housing or open space)~~
 - ~~4.17 acres contiguous to protected land~~
- ▶ Hammerhead lot (#3) would be purchased with SMAHT funds
 - Can be resold but proceeds used only for affordable housing purposes
- ▶ Use of CPA funds for acquisition would constrain potential resale
 - Not required at this time

Potential Subsidy Levels

Subsidy = Amount needed to make housing affordable

	Estimated Cost	Revenue	Subsidy
Acquisition Price + Closing	\$150K		
Septic & Site Prep	\$100K		
Construction 3 units	\$600K		
Soft costs	\$100K		
Max Sale Price		\$507K	
Total	\$950,000	\$507,000	\$443,000

SUBSIDY = \$148,000 / unit

Example construction costs for 3 units
2 x 2BR units \$480K @ \$200/sq ft
1 x 1BR unit 210K

Summary

- ▶ Progress provides leverage and more control to preserve Stow's character and open space
- ▶ Excellent value for buildable land in Stow
 - Some site challenges
 - Septic
 - Ledge
 - Access
 - Subsidy level is still achievable
- ▶ Study Group convened to assess options
 - Limited development
 - Increased Community input
- ▶ Can be resold if necessary
- ▶ The process is working!