

CHARLTON AFFORDABLE HOUSING INITIATIVES

PHASE 2 REPORT



Submitted to the Charlton Housing Authority and

The Charlton Planning Board by

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And

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Funding Provided by:

The Town of Charlton and

The Massachusetts Department of Housing and Community Development

September 2008

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INTRODUCTION

Background

Affordable housing is vital to the economic health of communities. As housing prices escalate beyond the means of typical households to afford, wage earners must commute from ever-farther distances to their place of employment. With sharply rising gas prices, commuting expenses are consuming a far greater percentage of household income than ever before. Workers have fewer dollars to spend for essentials such as food, clothing, electric bills, etc. and the amount they can afford to spend on housing also decreases.

We have seen the terrible consequences of this cycle in 2008. Many households took advantage of adjustable interest rates to afford mortgage payments; unfortunately, the number of foreclosures has risen dramatically as rates adjusted upward. Those homeowners that could not afford the significantly higher mortgage payments have suffered the heartbreaking loss of their home.

Business and industry, schools, municipal departments, and retail stores depend upon an educated labor-force to fill the positions crucial to a smoothly functioning economy. Each community must do its part to insure that there is an ample supply of housing at affordable levels to provide the workers to maintain a viable economic base. If employers cannot fill the skilled and semi-skilled jobs they advertise, they may move their businesses to another state or overseas where the labor supply is more abundant. Young men and women making entry level wages have great difficulty finding an affordable home in affluent and rapidly growing suburbs.

The elderly are particularly at risk to finding affordable housing. Seniors on fixed incomes cannot afford the going-rate for decent and safe housing. They may be unable to afford the maintenance of an older home, and must rely upon government assistance to help pay a share of their housing costs.

Local officials in Charlton are concerned about the ability of local residents to afford to continue to live in the community. Charlton is growing quite rapidly. Most new housing units are single-family dwellings serving households at the affluent end of the scale. The market has done little to build new affordable rental or ownership housing that police, firefighters, schoolteachers, and shopkeepers can afford. Charlton is on the brink of entering a period of expansion of its commercial and industrial base. With a great deal of prime developable land along Route 20, several major companies have expressed interest in development. Konover Development Corp. is the latest example of this trend; the company is proposing a major commercial development of over ½ million square feet of space on 97 acres of land near the intersection of Route 20 and Center Depot Road. The development will include shops, a large home improvement store, and several restaurants. If the Town is to continue to grow its commercial base, it is essential that this and other employers have a readily available labor pool to find the workers to fill these new jobs.

The Charlton Housing Authority (CHA) and Planning Board have been working together diligently to increase the supply of affordable housing. This Phase 2 report is part of a multi-phase effort to build new affordable units in town. Phase 1 of the *Charlton Affordable Housing Initiatives Project* included an examination of Town-owned land and tax title property for identification of sites suitable for new affordable housing developments. The Assessor supplied a list of all municipally owned parcels to identify sites that might be surplus to future municipal needs. In addition, the Town Treasurer supplied a list of privately owned lands that were under consideration for tax title takings. Planners initially evaluated 18 potential sites, and after applying planning criteria to winnow out unsuitable land, six sites remained for detailed analysis.

Through mapping of environmental constraints and a scoring system of requirements for a successful development, planners identified the most suitable sites for affordable housing development. The criteria included factors such as surrounding land use, availability of water and sewer services, road access, and development suitability. Two properties rose to the top. Vacant land at the Meadowview Drive property of the Charlton Housing Authority became the highest ranked property deemed most suitable for the development of additional affordable housing. The second highest ranked site is land in south Charlton in the Daniels Road area. Over time, the Town acquired approximately 80 acres of land in this area, and about 40 acres that appear to be potentially developable for multi-family use.

Goal of this Study

To determine the feasibility of developing affordable housing on land owned by the Charlton Housing Authority in Charlton Center.

Phase 2 of the Affordable Housing Initiatives Project



CHA Elderly Units

Phase 2 entails an in-depth examination and feasibility analysis of the highest ranked property, the Charlton Housing Authority's existing Meadowview Drive housing development in Charlton Center. The Daniels Road location also has potential and should be studied in the future; but in the near term, its distance from Town services and lack of public water and sewer infrastructure make it a less suitable candidate for an affordable housing development at the present time.

In addition to studying the Meadowview Drive property, the scope of work included an evaluation of adjacent land owned by the Masonic Health System (MHS), formerly known as the Masonic Home. Because of the

small land area at the Meadowview Drive site, the possibility of utilizing other property close-by would allow a larger project to address the substantial need. The MHS leadership, in their commitment to help the CHA build additional affordable units, allowed contiguous property to be included in the study. If the land proved suitable for housing purposes, the Masonic officials indicated a willingness to consider a land donation to expand the Meadowview Drive property.

Phase 2 consists of the following tasks:

- ❖ Evaluate the adjacent land of the MHS to determine if there is an opportunity for a shared housing development with the Charlton Housing Authority.
- ❖ Examine the remaining land of the Meadowview Drive property to determine its suitability for an expansion of the existing housing development.
- ❖ Determine the most feasible alternative for supplying potable water to the residents. (The Meadowview Drive units connected to the Town sewer system in 2005.)
- ❖ Identify development constraints that might limit feasibility and/or increase cost.

- ❖ Determine the type of housing most needed to meet existing demand for affordable units.
- ❖ Prepare development scenarios showing different densities and site configurations.
- ❖ Hold a community meeting to solicit citizen comments and preferences.
- ❖ Review the Comprehensive Permit the CHA received to build Meadowview and determine what waivers or regulatory relief the project will need to obtain the approval of local land use boards.
- ❖ Identify funding sources that the Housing Authority may tap to construct the affordable units.
- ❖ Prepare preliminary construction cost estimates.
- ❖ Analyze feasibility of the project given cost estimates and financial resources that may be available to fund the project.

Project Sponsors

This study is a cooperative project between the Charlton Housing Authority and the Planning Board. The two boards started working together on Phase 1 of the *Initiatives* project, and they continued their partnership in Phase 2. The Planning Board provided a match from its operating budget to help fund both phases of work. The CHA is spearheading the effort to expand the housing unit count at its own property.

Two Town officials have provided valuable in-kind services to help advance the project: Both have provided important local knowledge about the technical aspects of the project and clear insight into the strategy most likely to succeed in achieving the goal. They are:

- ❖ Alan Gordon, AICP, Charlton Planning Director, and
- ❖ Jean Vincent, PHM, Executive Director of the CHA

This effort would not be possible without the financial assistance of the Mass. Department of Housing and Community Development (DHCD). DHCD awarded a “Priority Development Fund” grant for both Phase 1 and Phase 2 to hire technical consultants to prepare the analysis and make recommendations to the CHA and Planning Board. Upon completion of Phase 2, Charlton will seek additional state assistance to advance the project to the construction stage.

The authors of the report are William Scanlan, AICP and Michael Andrade, P.E. of Graves Engineering, Inc. Mr. Scanlan is the lead planner on the project; he conducted the affordable housing analysis and wrote most of this report. Mr. Andrade provided the suitability analysis of the properties, reviewed the infrastructure constraints, and prepared the development concept drawings to demonstrate overall project feasibility. As a result of this “team effort”, it is clear that the Meadowview Drive property has definite potential for development of additional affordable housing units.

NEEDS ANALYSIS

Demographic Data

Charlton is one of the most rapidly growing communities in Central Massachusetts. According to the recently completed 2008 Master Plan adopted by the Planning Board:

Charlton has continually out-paced its region, the county and the state in population growth. At 21.8 percent, Charlton's population since 2000 has increased nearly 4 times the rate of population growth in the CMRPC region (6.3 percent) and fifteen times the rate of population growth in the state (1.4 percent). (page 3-2)

The Central Mass. Regional Planning Commission prepared projections of population to the year 2030 that indicate Charlton will likely continue to experience a rapid rate of growth for at least two more decades. With a large land area, a great deal of undeveloped land, good road access, and only moderate constraints to development, the Town is poised to absorb a great deal of the growth that is attracted to Central Massachusetts. As shown in Table 1 below, Charlton's population will grow to about 18,500 people by the year 2030, gaining over 7,000 new residents for a rate of growth of 64.3%

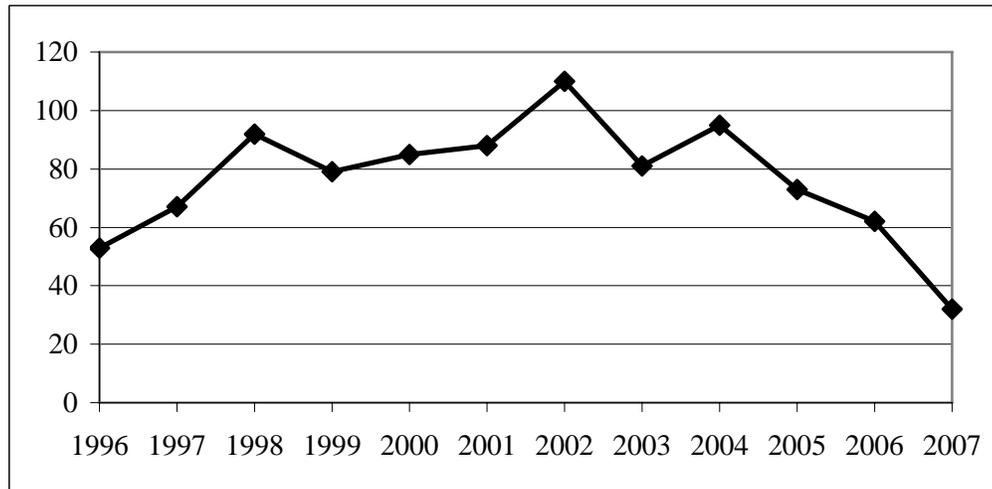
Table 1
CMRPC Population Projections

	2000	2010	2020	2030	Total
Population	11,263	14,300	16,300	18,500	
Change in People		3,037	2,000	2,200	7,237
% Change		27.0%	14.0%	13.5%	64.3%
Annual Change		303.7	200	220	241.2

Source: Population: U.S. Bureau of the Census, Projections: CMRPC

The rate of new development typically fluctuates between 60 and 100 units per year. Chart 1 shows this steady pace of development. The high point of new housing growth occurred in 2002 when 110 units received permits for construction. The lowest amount of new permit issuance occurred in 2007 when developers pulled permits for just 32 units. The average number of permits for this 12-year period is 76.4 dwelling units per year. The numbers reveal a slowdown in Charlton's housing market in recent years as an abundant inventory of units for sale and uncertainty regarding the housing market in general have slowed the demand for new construction. This trend has continued into 2008 as Charlton's Building Department issued just 14 new building permits from January through July of that year. (Source: US Bureau of the Census)

Chart 1
Building Permits, 1996 - 2007



Source: U.S. Bureau of the Census

The Master Plan noted several findings of interest to this study concerning the makeup of Charlton’s population and housing demographics:

- ◆ Charlton’s population is aging, with the number of people aged 55 and older increasing by 374, or 28%, between 1990 and 2000 and another 61% from 2000 to the present.
- ◆ Among Charlton’s households, 3,045, or 75.9%, were considered “families,” 2,555 (63.7%) were married couple families, 1,830 (45.6%) contained children under the age of 18, and 527 (13.1%) had individuals over the age of 65 years.
- ◆ Charlton’s housing stock is predominantly single-family. Approximately 80% of the housing units consist of attached and detached single-family units, 15% have between two and nine units, and just one percent contains ten or more units.
- ◆ According to the 2000 Census, approximately 83% of the housing stock is owner-occupied.
- ◆ Since Charlton has a low percentage of rental units (17%), the Town should strive to increase or at least maintain this level. Out of the additional 424 total units projected for the year 2010, at least 72 units (17%) should be rental units.
- ◆ There is a shortage of affordable rental units for poverty and low-and moderate-income groups. The Plan advocates that the Town make a good faith effort to increase the supply of units for those in this income range.

Since rental units account for only 17% of the Town’s housing stock, there is a shortage of units for those who cannot afford, or do not desire, to buy their own home. Households that typically prefer to rent will have difficulty finding a unit in Charlton; these include single person households, female-headed households, college students, young professionals, newly married couples saving to buy a home, and elderly who are no longer able to maintain their home. With the Town’s housing stock out of balance, there appears to be a need for more rental units, particularly those that are affordable for households at the lower end of the income scale.

Units of the Charlton Housing Authority

The CHA Authority operates one subsidized housing development, the Meadowview Drive complex in Charlton Center. The CHA received a comprehensive permit from the Board of Appeals in 1982 for 36 units, and the first units opened in 1984. Elderly and handicapped residents occupy 30 units in eight buildings, and family households occupy six units in three duplex buildings. The CHA maintains its office on the property, where there is also a meeting room, common areas and central laundry facility for the seniors; family households have separate washers and dryers in their units.



CHA Family Units

There is a constant demand for CHA units, both from within Charlton and from surrounding communities. As evident in Table 2 below, there is a greater demand for the elderly units, with 22 local residents and 34 non-local residents on the waiting list. There are six local households on the waiting list for a family unit, but four times as many non-local residents are on the list. (Eligible households may apply to as many housing authorities as they wish.) In addition, non-elderly households under age 60 with a disability are eligible for the elderly units; 5 local residents and 10 non-local residents are on the list for one of these units.

**Table 2
Number of People Currently on the CHA Waiting List**

	Local Residents	Non-Local Residents	Total
Family Units	6	24	30
Elderly Units	22	34	56
Total	28	58	86
Non-Elderly under Age 60 with a Disability	5	10	15

The high demand for the CHA units becomes clear when considering the turnover rate at Meadowview Drive. For the period 2002 – 2007, the Executive Director reported that on average, .8 family units become available each year, or 13.9% of the six units. For the elderly units, 3.3 of the 30 units turn over in a given year, for a rate of 11.1% per year. Combined, about four of the 36 units at the complex become available for new households each year. This means the average stay of residents is about nine years.

Table 3
Average Number of CHA Units
Available Per Year: 2002 – 2007

	Units per Year	% of Units per Year
Family	.8	13.9%
Elderly	3.3	11.1%
Total	4.1	11.6%

The existing elderly/handicapped units contain one bedroom and the family units have three bedrooms. The Executive Director reports that there is a demand for family units that have two bedrooms. To address this need, new family units should contain a mix of two and three bedrooms.

Conformance to Chapter 40B

The Commonwealth, as codified in MGL Chapter 40B, has set a goal for communities to provide a minimum of 10% of their year-round housing stock for low and moderate-income households. Only housing that has received a subsidy from the municipal, state, or federal government is eligible to be counted on the state’s Subsidized Housing Inventory (SHI), the official listing of such housing that is maintained by the Department of Housing and Community Development (DHCD). While there is older housing in Charlton that is affordable under normal market conditions, only those units that meet the subsidy standard of 40B qualify for the SHI.

Communities that have achieved the 10% threshold are determined to have met their local need for affordable housing and gain certain benefits in reviewing affordable housing proposals. Under the statute, developers that propose projects with at least 25% of the units affordable to low and moderate-income households can apply for a “comprehensive permit” from a local Board of Appeals. The process allows developers to exceed local density requirements and/or locate such developments in zoning districts that do not permit multi-family housing. Denials, or conditions that make a project uneconomic, are subject to reversal on appeal by the state’s Housing Appeals Committee (HAC). However, once a community achieves the 10% threshold, it may impose reasonable conditions or deny approval of a project without fear of an over-ride by the HAC.

While imposing a strong state mandate on local communities, the premise of Chapter 40B is sound, i.e. that communities should not exclude housing for low and moderate-income persons. Otherwise, such housing would likely be concentrated in urban, low-income neighborhoods, creating pockets of poverty and crime. The law provides a powerful tool to build such housing, although it frequently causes controversy if density greatly exceeds that otherwise permitted for conventional projects. However, it has benefitted many local housing authorities who have used the comprehensive permit process to build projects under the flexibility the law provides. Meadowview Drive, for example, would not exist today except for the ability to receive a comprehensive permit from the Board of Appeals.

In the 2008 Master Plan, Charlton embraces the principal tenet of Chapter 40B by including the following objective as a major component of its official housing policy:

Increase the provision of affordable housing to low- and moderate-income households.

Table 4 below indicates that Charlton has not yet met its obligation to achieve the 10% threshold.

**Table 4
Compliance with Chapter 40B**

Year	Year-Round Housing Units (2000)	Subsidized Units	% Subsidized Housing Units
2008	3,869	52	1.3%
2010 Estimate	4,500	52	1.2%
2010 – Reaching the 10% Goal	4,500	450	10.0%
2010 Deficit	---	398	---

Source: DHCD and Master Plan

Under Chapter 40B, the percentage of affordable units derives from the number of year-round housing units counted in the latest decennial Census, which at present is the 2000 Census number. All 36 units at Meadowview Drive count for listing on the SHI. In addition, there are 16 other subsidized units scattered throughout Charlton, bringing the total count on the SHI to 52 units. These units bring the Town's percentage of subsidized units to 1.3%, leaving Charlton 8.7% shy of the 40B requirement. Charlton is in the lower 20% when ranked against all communities in the state for the percentage of units on the SHI (286th place out of 351 communities).

The Master Plan projects that by 2010, the number of year-round housing units will increase to 4,500. If no additional subsidized units come on-line by 2010, the Chapter 40B percentage will fall to 1.2%. To attain the 10% goal Charlton would need 450 subsidized units (10% of 4,500 units = 450 units). Thus, Charlton has a deficit of 398 units for the period when the 2010 Census data is in play. To add approximately 400 new subsidized units during this 10-year period, Charlton would need to approve 40 subsidized units per year.

Because of the obvious need for more subsidized units, Charlton is vulnerable to large comprehensive permit projects under Chapter 40B. With Charlton about to activate a new public water system in the near future, there is a strong possibility that a developer will submit such a project. As other communities attain their 10% goal, Charlton's susceptibility for a large comprehensive permit proposal increases. As of September 2008, 55 communities have attained the 10% threshold, with many more likely to achieve the goal in the near future.

MASONIC LAND OPTION

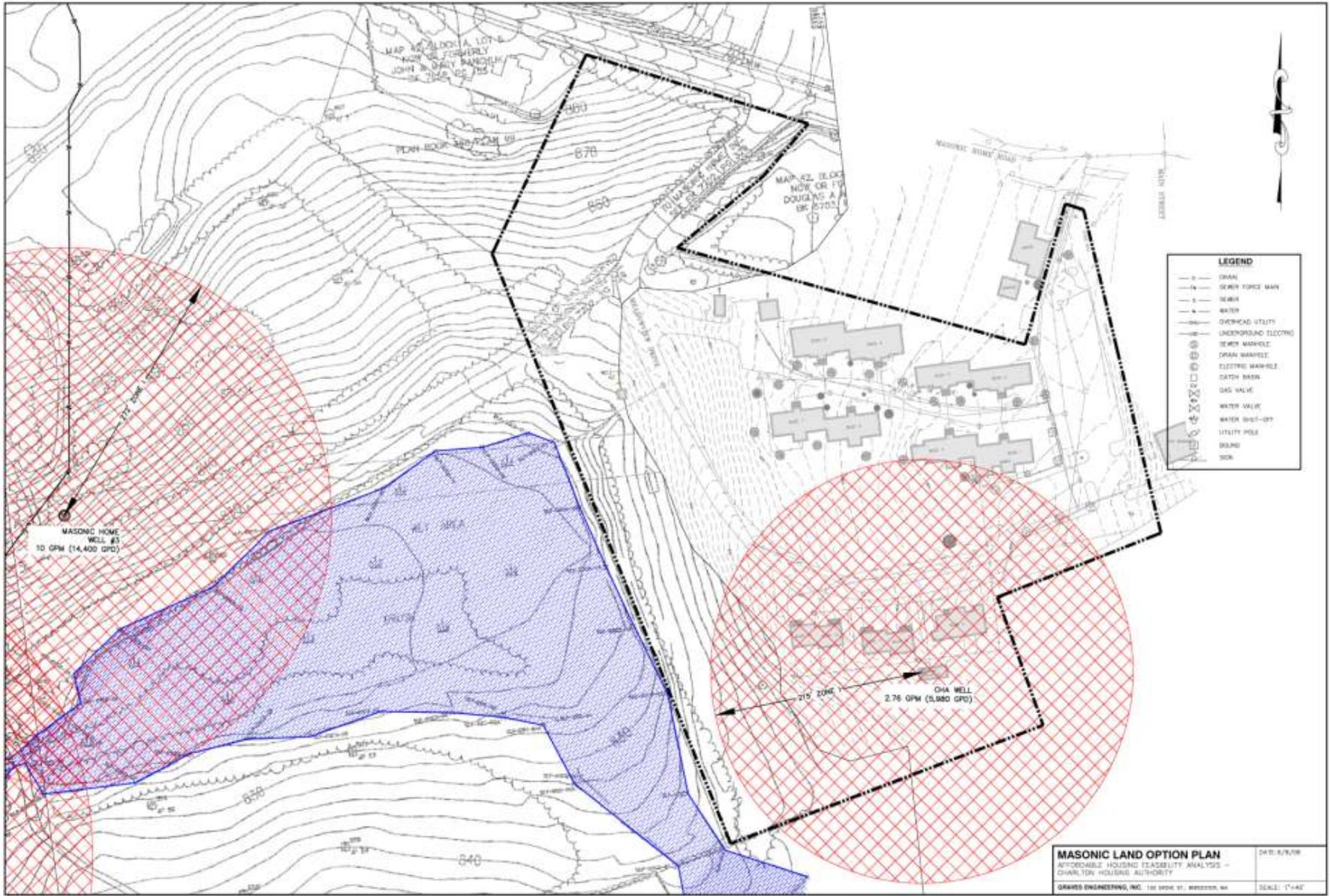
The Masonic Health System (MHS) owns approximately 430 acres in Charlton Center. The property abuts the CHA land along the Authority's southwestern boundary. MHS is in the midst of a major expansion. Known as the Overlook Continuing Care Retirement Community, MHS is developing about 120 acres of its land to provide a variety of residential options for senior citizens at all stages of retirement. These include independent living cottages, a long-term care skilled nursing facility, beds for short-term rehabilitation, an enhanced living facility (formerly called the Rest Home), and a large full service independent senior living residence. The Overlook received a "Smart Growth" award from the Central Mass. Regional Planning Commission in 2005.

The approved scope of work for the grant award calls for exploring opportunities of working cooperatively with MHS leaders on an affordable housing development. Because of the limited size of the CHA property, it was unclear if enough suitable land would be available within the Meadowview Drive property to support a moderate size development. MHS donated the land for the CHA to build its Meadowview Drive project and officials continue to work closely with the Town. Since both the MHS and the CHA tend to serve an elderly clientele, although at different ends of the economic spectrum, there is a practical rationale for considering a cooperative arrangement. MHS prepared a letter expressing its willingness to participate in this study, and if deemed feasibility, to make a second land donation to support the development of additional units.

Unfortunately, much of the Masonic land near the CHA property is too steep or too wet to support new units. Map 1 on the following page displays the principal development constraints in this area. A large wetland exists on the Masonic land along the southwest border of the CHA property. Given strict environmental regulations that limit wetland alteration and curtail development within 100' of a wetland, there is insufficient buildable land here for an affordable housing development. An unpaved road diverges from Meadowview Drive and follows a drainage course to provide access to the back land of the MHS property. The Masonic land rises steeply from the roadbed, and this slope poses a severe constraint to development. Constructing a full-depth roadway to access dwellings in this area would require significant land alteration and earth moving activities. Building costs would rise significantly to construct slope stabilization measures for building pads and parking areas. On-site stormwater drainage systems would also require expensive mitigation measures.

In addition to these physical constraints, MHS constructed several wells to serve its development since there is no municipal water system in Charlton Center. Under State water supply protection regulations, a mandatory protective radius around a well precludes development. The pumping rate of a well determines the extent of the "Zone 1" radius. As can be seen on Map 1, the Zone 1 areas of the Masonic wells occupy a large portion of its property near the CHA boundary. This land must remain free of development for as long as these wells supply MHS with potable drinking water.

The conclusion of the planning team is that the Masonic land is not a viable option for the CHA to pursue for affordable housing purposes. Even if the areas regulated by wellhead protection concerns become available when MHS switches to a municipal water supply, the wetlands and steep slopes will likely forestall any concerted effort at development of multiple family housing.



MEADOWVIEW DRIVE OPTION

Existing Site Conditions

The Housing Authority's Meadowview Drive facility is situated on an approximately 6.69-acre parcel of land on the corner of Masonic Home Road and Main Street. It consists of developed residential housing, impervious surfaces, manicured lawns, and light woods. The site generally slopes from east to west with gentle to moderate slopes and steeper slopes along the western property line. Site soils are listed by the Natural Resources Conservation Service (NRCS) as primarily fine sandy loam with a hydrologic group C classification, indicating soils with a slow infiltration rate when thoroughly wet. On-site deep-hole test pits revealed similar conditions but with stonier soil present at the northwestern corner. There are no identified wetland resource areas on the property.

Seven housing buildings are located on the north and south sides of a 1,074-foot long roadway (Meadowview Drive) that roughly bisects the property and connects to Masonic Home Road and Main Street on either end. Elderly housing is concentrated on the north side of the roadway along with the administration and maintenance offices, with family housing on the south side. The public water supply well for the property is also located behind the family housing on the south side of the road.

The facility is presently serviced by a public water supply well, municipal sewer, electric, cable and telephone utilities. There is a closed drainage system consisting of catch basins and manholes along Meadowview Drive and within the parking areas, which discharge on the western property line to abutting wetlands.

Infrastructure

The original sewage disposal system consisted of a septic tank and leach field in the center of the property. Covering the system is an open field with a Gazebo, which acts as a traditional Town Common. It provides a centrally located field of open space for small gatherings and CHA outdoor events. The Charlton Water and Sewer Commission extended municipal sewers to Charlton Center in 2005. This allowed the CHA to connect to the public sewer system and abandon its on-site septic system. Two significant advantages follow from this event: 1) The surface area over the septic system is now available for housing development; and 2) There is no practical limit of sewage generation from additional units. An expansion of the size contemplated here would have been virtually impossible with the old system since there is little land available to enlarge the septic system to accommodate the new units.

As noted above, an on-site well provides potable water to the dwellings. During regular water quality testing in 2006, labs detected trace amounts of radium. The chemical exists at low levels and does not pose an immediate health threat to residents. Nevertheless, the Department of Environmental Protection issued a consent order to the CHA to begin planning for a new water source or to construct a water treatment system to remove the chemical from the drinking water. With few radium treatment systems on the market, treatment would prove expensive.

Secondly, the CHA well imposes a Zone 1 radius within which no development may occur. Constructed prior to the adoption of state wellhead protection regulations, several residences exist within the Zone 1 but enjoy a grandfathered protection status. Based upon the current approved well yield of 5,800 gallons per day (gpd), the Zone 1 radius is 215 feet. (See Map 2 on the

following page.) As long as this well remains active, no new development may occur within Zone 1. Unfortunately, the Zone 1 extends into an area that otherwise is quite suitable for development.

Furthermore, the approved yield of the well limits the amount of growth that may occur on the site. The CHA units currently consume 3,980 gpd, resulting in an excess capacity of 1,820 gpd. State regulations require use of a conservative multiplier of 110 gpd per bedroom to calculate the amount of new growth a well may accommodate. Thus, 1,820 gallons allows a maximum of 16 new bedrooms.

Given the radium contamination, the expensive treatment system, and limited well capacity, the CHA considered two alternatives to allow it to abandon its well. First, since MHS operates an approved public water system for its resident population, the CHA engineering consultant, Graves Engineering, Inc. contacted MHS officials to discuss the potential for Meadowview to connect to the MHS system. While initially agreeable, detailed analysis revealed that the future expansion plans would consume most of the excess capacity now available. In addition, the CHA would face a significant capital cost of constructing a water main cross-country from the MHS water treatment plant to the supply lines in the development. Therefore, the CHA ruled out this option.

The second option involves connecting to the public water system. The Charlton Water and Sewer Commission approved detailed plans to extend a new water main to serve the expansion of the Charlton Public Library. Since this main will pass by the CHA property, the CHA petitioned the Commission to allow a connection to serve the existing and proposed units. The CHA request conforms to an important guideline of the Commission, i.e. that the highest priority for new connections is to serve residents with contaminated water supplies. As a result of the radium detection, the Commission approved the Authority's request to connect. The new main to Charlton Center will go on-line in 2009. The CHA will immediately connect to the main and take its well off-line, thereby freeing up land in Zone 1 for housing purposes.

Proposed Site Expansion Evaluation

Given the developed nature of the Meadowview site, there are limited options for siting additional housing units on the property. The Housing Authority expressed a wish to retain the current housing layout with all proposed elderly housing to be located on the north side of Meadowview Drive and all proposed family housing to be located on the south side. An ideal



Former Septic System

location on the north side of the road is the site of the abandoned septic system. This area is presently a gently sloped manicured lawn, and the recent completion of the sewer connection project now frees up this area for development. This location is within easy walking distance of the administration office, meeting room, and laundry facilities that are frequently utilized by the elderly residents. For these reasons, the planning team is proposing two separate elderly housing buildings each containing four, 1-bedroom units with a small central parking area. Each elderly unit will be approximately 900 square feet to match the existing units.

Given the area limitations on the south side of Meadowview Drive there are only two feasible locations for siting family housing units. The first location is in the northwestern corner of the property. While the slopes are fairly steep in this manicured lawn area, (about 20% towards the roadway), the location lends itself well to garage-under housing units. Based on deep-hole tests, the soils in this area contain more stones than elsewhere on the site; however, no ledge exists to depths of at least 10 feet. The preferred development plan contains two family housing buildings at this location each containing three 2 or 3 bedroom units with a garage under and driveways.



Field, NW Property Corner



Second Location of Family Units

The second location of family housing is to the west of the existing family units, south of an abandoned well house. In this manicured lawn area, the slopes are also fairly steep but slope away from the roadway toward the property line and abutting wetland. Garage-under units could also be constructed here, but retaining walls may be required at the back of the buildings. The team is proposing one building for family units at this location containing four 2 or 3 bedroom units with a garage under and driveways. The family units will contain approximately 1,800 square feet per unit.



Overall Development Proposal

The proposed development scheme consists of 10 family units and 8 elderly units. Map 2 displays the preferred layout concept. With a compact site, all units will gain access from Meadowview Drive, so no new roads are necessary. The current site layout clusters the elderly units on the northerly portion of the site, and the family units on the south side along Meadowview Drive. The plan proposes new elderly units in two buildings in close proximity to the existing elderly units, on the site of the now-abandoned septic system. A central parking area between the structures will provide convenient parking for residents. New family units are proposed in two locations: in the northwest corner of the property near Masonic Home Road (Route 31) and along Meadowview Drive near the existing family units. Each family unit will contain a single-bay garage and individual driveway to accommodate autos. No on-street parking will be necessary.

A small expansion will occur in the community building to increase the number of laundry units. Presently, there are only two washers and dryers for 30 elderly units. Two new washers and dryers will insure a sufficient number exist to meet the needs of residents.

Being able to locate new structures directly off Meadowview Drive reduces overall construction costs and minimizes site disruption. A new stormwater detention basin is proposed in a low area along the western property boundary, which will drain into a near-by wetland. New catch basins, manholes, and drain pipes will be installed as needed. The project will comply with the State's new Stormwater Management Regulations. The entire property will connect to the municipal water system when the Water and Sewer Commission extends a water main to Charlton Center. The CHA will take its well out of service but leave it in place as a back-up source for future needs. New water and sewer pipes will connect the units to existing lines and generally follow the road alignment. A new sewer force main will pump sewage that collects in the lower portion of the site into the existing gravity-fed system.

The parking lot serving the eight new elderly units will contain one space per unit plus two visitor spaces, for a total of ten spaces. Each family unit will contain one garage space and one driveway space, for a total of 20 spaces. In addition, four new visitor spaces are proposed near the CHA maintenance garage for guests of the family units. In sum, the proposed plan provides 34 spaces for the 18 new units, or 1.9 per unit. There are 58 spaces for the 36 existing dwelling units. This includes two driveway spaces for each of the six family units, two handicapped spaces, one space for each of the 30 elderly units, and 14 visitor spaces. Transportation planning research confirms that elderly households require fewer parking spaces than do conventional housing developments, and the existing ratio of 1.6 spaces per unit provides ample parking for Meadowview. Thus, the proposed number of spaces will be adequate to meet the demands of the expansion plan.

Preparation of Probable Construction Cost

The purpose of the "Engineer's Opinion of Probable Construction Cost" is to provide an approximate construction value for the project. The Engineer's estimate relies upon typical municipally bid public works projects subject to prevailing wage rates. With a great deal of experience in cost estimation techniques for new construction, the prices provide a reasonable estimate given current market conditions. Table 6 contains a detailed estimate of the project's costs. The estimates will be refined when the project is ready for public bidding.

It must be noted that the housing construction method has not yet been selected. MassHousing Partnership (MHP) recently conducted a pilot project of four separate developments to assess the

advantages and disadvantages of modular housing. The CHA may choose this option if lower overall costs result without sacrificing quality. Traditional “stick-built” construction is the second alternative if modular units prove too costly. For the purposes of deriving a reasonable estimate, the Engineer has assumed a unit cost of \$100 per square foot to estimate building construction costs. This number will be refined when detailed building specifications are available.

Two add alternates would enhance the project: repaving Meadowview Drive and constructing a sidewalk. The CHA supports both of these items provided the costs are eligible under state or federal funding programs. Meadowview Drive has not been repaved since it was constructed in 1984. While the road is in good condition considering its age, a new course of pavement will extend its useful life for another 25 – 30 years. A sidewalk along Meadowview Drive is appropriate to facilitate walking by the seniors. In addition, with 10 new family units joining the six already present, there will certainly be young children living in the development that should have a walkway separated safely from motor vehicle traffic.

Table 5 below contains a summary of the project costs.

**Table 5
Construction Cost Summary**

Site Development Costs	\$377,450
Housing Costs -- 25,200 sq. ft. @ \$100	2,520,000
Subtotal	2,897,450
Contingency (15%)	434,618
Total	3,332,068
Add Alternates	73,100
Grand Total	\$3,405,168

Unlike most new affordable housing projects, site development costs comprise a low percentage of the total development cost. As an “infill” project, the development is able to utilize the existing road and utility infrastructure except for minor extensions. The building sites are cleared and readily accessible. While moderate grades will require careful attention for erosion control and building stabilization, there are no significant environmental obstacles to the project.

ENGINEER'S OPINION OF PROBABLE CONSTRUCTION COST	
PROJECT: Charlton Housing Authority - Affordable Housing Feasibility Analysis	
GEI PROJECT NO.: 08101	
DATE: September 18, 2008	

Item No.	Description	Qty.	Unit	Unit Price	Total
1	Haybales & Siltfence	370	L.F.	\$ 15	\$ 5,550
2	Utilities				
	Water main including services	1,600	L.F.	\$ 60	\$ 96,000
	Sewer services and force main	760	L.F.	\$ 50	\$ 38,000
	Grinder pump station	1	L.S.	\$ 40,000	\$ 40,000
	Sewer manholes	3	E.A.	\$ 3,000	\$ 9,000
	Drain manholes	1	E.A.	\$ 3,000	\$ 3,000
	Catch basins	2	E.A.	\$ 2,500	\$ 5,000
	Drain pipe	150	L.F.	\$ 50	\$ 7,500
	Stomwater Management basin	1	L.S.	\$ 10,000	\$ 10,000
	Stomwater quality treatment unit	1	L.S.	\$ 40,000	\$ 40,000
3	Elderly Housing Parking Lot (including sidewalks)				
	Grade	470	S.Y.	\$ 10	\$ 4,700
	12" gravel subbase	150	C.Y.	\$ 20	\$ 3,000
	2" binder asphalt	55	TON	\$ 90	\$ 4,950
	1.5" top asphalt	40	TON	\$ 90	\$ 3,600
	Bituminous curbing	220	L.F.	\$ 8	\$ 1,760
	Paint lines	1	L.S.	\$ 500	\$ 500
4	Visitor Parking Lot				
	Grade	145	S.Y.	\$ 10	\$ 1,450
	12" gravel subbase	50	C.Y.	\$ 20	\$ 1,000
	2" binder asphalt	18	TON	\$ 90	\$ 1,620
	1.5" top asphalt	16	TON	\$ 90	\$ 1,440
	Bituminous curbing	110	L.F.	\$ 8	\$ 880
	Paint lines	1	L.S.	\$ 500	\$ 500
5	Family Unit Driveways				
	Grade	300	S.Y.	\$ 10	\$ 3,000
	12" gravel subbase	100	C.Y.	\$ 20	\$ 2,000
	1.5" binder asphalt	30	TON	\$ 90	\$ 2,700
	1.5" top asphalt	30	TON	\$ 90	\$ 2,700
6	Restoration of Grounds	1	L.S.	\$ 6,000	\$ 6,000
7	New Housing (10 Family Units & 8 Elderly Units)	25,200	S.F.	\$ 100	\$ 2,520,000
8	New Electrical, Cable & Telephone Services	1,000	L.F.	\$ 50	\$ 50,000
9	Community Room Expansion	216	S.F.	\$ 100	\$ 21,600
10	Landscaping	1	L.S.	\$ 10,000	\$ 10,000

Subtotal: \$ 2,897,450
 15% Contingency: \$ 434,618
Total Probable Cost \$ 3,332,068

*	Add Alternate #1 - Repave Meadowview Drive				
	Mill existing top course	2,610	S.Y.	\$ 15	\$ 39,150
	Top course overlay (1.5")	220	TON	\$ 90	\$ 19,800
	Add Alternate #1 Probable Cost				\$ 58,950

*	Add Alternate #2 - Sidewalk along Meadowview Drive				
	Grade	475	S.Y.	\$ 10	\$ 4,750
	8" gravel subbase	110	C.Y.	\$ 20	\$ 2,200
	1.5" binder asphalt	40	TON	\$ 90	\$ 3,600
	1.5" top asphalt	40	TON	\$ 90	\$ 3,600
	Add Alternate #2 Probable Cost				\$ 14,150

Grand Total Probable Cost \$ 3,405,168

NEIGHBORHOOD MEETING

An important component of project feasibility is public acceptance. Many worthwhile projects that are economically viable fall by the wayside due to neighborhood opposition.

To assess public reaction to the proposal, the planning team held a public information session on July 8, 2008 in the Charlton Housing Authority's Community Meeting Room. The CHA Executive Director advertised the project in various ways to ensure widespread knowledge of the event. A meeting flyer appeared on the Town web site. The cable access channel contained an announcement of the meeting. Each tenant of the Meadowview Drive property received an individual notice. Finally, abutters within 300' received a notice by first-class mail. Appendix 2 contains a copy of the meeting flyer and agenda.

The outreach steps resulted in a high turnout. Fourteen individuals took the time to learn about the project and participate in the discussion. Many participants voiced positive comments about the project. Residents of Meadowview expressed relief upon learning of plans to connect to the municipal water system in light of the radium contamination. The initial concept plan called for 17 units, but some in the audience wondered if a greater density would be possible. Speakers explained that funding would be more likely if the number of units was 20 or less, and that the team tried to design buildings that conformed to the scale and mass of the existing dwellings. Meadowview Drive has a compact arrangement of buildings with manicured open space to present an open, well-maintained appearance. The team strove to site the new buildings in a way that does not drastically alter the development's quiet character or appear out-of-scale with the village of Charlton Center.

Some attendees questioned the mix of family and elderly units. Current residents of the development expressed a preference for more elderly and fewer family units. There is perhaps a natural tendency to prefer like units to minimize potential conflict. However, the team explained that state policy today favors construction of family units to help achieve a better balance between the two housing types. In addition, the proposed layout keeps new elderly units in close proximity to existing elderly units, and all family units extend along the western side of Meadowview Drive.

Residents were concerned about the need for additional laundry facilities as the two washers and dryers for 30 elderly units already seem too few. In response to this concern, the plan contains a small addition to the administrative building to add two more washers and dryers. The new family units would come equipped with washer and dryer hook-ups.

Overall, there was very strong support for the Town's effort to increase the supply of affordable housing. Audience members generally liked the development concept and thought that even more units would help to meet a strong need for affordable housing. While some would like a greater percentage of elderly units, there was a general acceptance of the proposed mix. No one expressed any serious reservations about the building locations or change in character the proposed development would bring to the neighborhood. Given the relatively modest scale of the project, there appears to be little or no opposition to the project.

MODIFICATION OF THE COMPREHENSIVE PERMIT

Appendix 1 contains the comprehensive permit the Charlton Board of Appeals issued on May 25, 1982 authorizing the Charlton Housing Authority to construct the Meadowview Drive elderly and family housing development. While quite brief compared to today's much longer decisions, the Board wrote a thoughtful decision that provided a strong rationale for approving the project.

By 1982, Chapter 40B had been in effect for 13 years after its enactment via Chapter 774 of the Acts of 1969. In 1982, Charlton had not yet received a comprehensive permit request and therefore had not met the law's purpose of requiring that ten percent of a community's year-round housing stock have a subsidy that allows low and moderate-income households to live there. The decision notes that Charlton should have had 115 qualifying units, and that the proposed project would help to meet the local need for elderly housing. The Board of Appeals found that the site was a suitable location for such housing due to the presence of the many services available in Charlton Center.

“This is a desirable location for elderly and low income housing because of its immediate accessibility to services and facilities. The Housing Authority’s proposal reflects proper planning and is designed to protect the health and safety of the occupants of the proposed housing as well as the residents of the surrounding neighborhood. The plan provides adequate open space.”

The property was originally part of a 400+ acre tract of land owned by the Grand Lodge of Masons. The Masons provided a gift of 6.695 acres to the Housing Authority for the project and retained 400 acres for their own purposes. The Housing Authority did not have any other developments under its jurisdiction, and to this day, Meadowview is the only property managed by the Authority. The decision authorized the Authority to build 36 units of housing, resulting in a density of 5.4 units per acre. Today the property contains 30 elderly units and six family units. The property received its first occupants in 1984.

In 1982, Charlton had a minimal Zoning Bylaw, consisting primarily of use and dimensional regulations, which would have had the effect of prohibiting the development as proposed. Under the auspices of a comprehensive permit, an applicant may seek relief from zoning requirements that have the effect of otherwise prohibiting a qualifying project. In this instance, the project required waivers to allow multi-family housing and a density greater than that otherwise permitted.

The Authority intends to submit an amendment to the existing comprehensive permit at the same location to allow for an expansion of an additional 18 units of housing for low and moderate-income households. As currently envisioned, ten units will accommodate families, and eight units will house elderly persons. With a resulting total of 54 units on the property, the new units will increase site density from 5.4 to 8.1 units per acre.

The property is presently located within a Neighborhood Business (NB) District. The Planning Board is devising a new zoning district, Village, and is considering re-zoning Charlton Center to this designation. Under the NB district regulations, the conceptual site plan prepared to-date indicates that the project will require the waivers shown below, and others may become apparent as the layout moves to final design.

Table 7
Possible Comprehensive Permit Waivers

Waiver	Zoning Standard	Proposed Layout
Use	Multi-family dwellings are prohibited.	Multi-family dwellings are proposed.
Density (Area)	20,000 sf for the first unit, plus 20,000 sf for each additional unit. 6.695 acres permits 14.6 units or 2.2 units/ac.	54 units or 8.1 units/ac.
Frontage	100', plus 50' for multi-family developments, plus 20' for each dwelling unit beyond 2. 54 units would require 1,190 ft. of frontage.	With a length of .1547 miles (MassGIS), Meadowview Road is approximately 800' long and thus provides 1,600' of frontage.
Front Yard	40' setback	Some units may be located within 40' of Meadowview Road. A waiver will provide a greater separation between buildings and wetlands at the rear of the property.
Parking	2.25 spaces per unit for multi-family dwellings. 18 additional units require 41 spaces. §4.2.3.3 No parking area serving a multi-family dwelling shall be located within any required yard defined by required setback lines.	Family housing will have 2 spaces per unit, and elderly housing will have 1 space per unit. In addition, 6 visitor spaces will bring the total to 34 spaces, or 1.9 spaces per unit. Parking lots may be located within the required 40-foot front setback.
Site Plan Review	The project would otherwise be subject to review and approval of the site plan by the Planning Board.	Under a comprehensive permit, the ZBA reviews and approves the site plan. The ZBA will forward the plan to the Planning Board for review and comment.

DEVELOPMENT STRATEGY

Presented below is a bulleted list of steps necessary to advance the project toward the ultimate goal of a ribbon cutting ceremony for 18 new affordable units. Work completed during this phase of the process should encourage the CHA to pursue the buildout of its existing Meadowview Drive property. Suitable land is available to support a moderate size development without over-whelming adjacent land uses or imposing undue burdens on the neighborhood. Since the CHA is a non-profit entity, state and federal grants and loans will be necessary provide the capital “to make the numbers work.” With technical assistance, construction financing, and rental subsidies, the CHA is capable of bringing the project to a successful conclusion.

Upon acceptance of this report, the CHA should forward a copy to the Mass. Housing Partnership and request immediate funding under the “Mixed Finance-Planning Grant Program for Local Housing Authorities”. (See Appendix 2 for more details.) The focus of the request should be to prepare a quick financial feasibility analysis to provide the documentation state and federal funding agencies normally require that demonstrates the financial soundness of the proposed plan. Assuming a favorable finding, the CHA will then be able to proceed to implementation.

Next Steps to Advance the Project

1. Prepare Final Development Plans

While this report contains reliable conceptual plans, professional architectural plans for buildings and detailed site plans will be necessary to refine costs and construction details.

- a. Prepare grant or loan application to obtain the services of an Architect and Engineer to prepare full design development plans including site plans, building plans, and bid specifications. If the CHA selects modular units as its preferred building type, architectural services will be limited to site assembly details.
- b. Upon receipt of funding, prepare Request for Proposals to hire one full-service firm or separate Engineering and Architectural firms.
- c. Execute contract and work closely with selected firm(s), basing design on conceptual layouts prepared during this feasibility phase.
- d. Review draft plans with Town officials and area residents. Finalize plans as appropriate.
- e. Determine accurate cost estimates based upon detailed plans.
- f. Submit plans to the Department of Housing and Community Development (DHCD) and Mass. Housing Partnership (MHP) for comment and revise as required by state staff.

2. Dispose of Smith Road Parcel

The Housing Authority should consider selling its five-acre Smith Road parcel to obtain revenue to pay for some of the costs of advancing the project to construction. The Authority may wish to apply for pre-development loans with proceeds from the sale of the property providing the ability to pay back the principal in a timely manner.

- a. Declare the Smith Road parcel surplus to the needs of the Authority.
- b. Work closely with DHCD to obtain permission for this action. If DHCD so requires, pay back the sum the Authority previously received for pre-development assistance.
- c. Determine the fair market value of the property and establish criteria for sale.
- d. Follow public bidding procedures of MGL Chapter 30B to dispose the Smith Road parcel.
- e. Working with legal counsel, prepare the legal papers to complete the sale.

3. Obtain Construction Funding
 - a. Continue to review various funding programs that support Local Housing Authorities (LHAs) to construct housing for low and moderate-income elderly and family households. Monitor availability of funding, paying attention to Notices of Funding Availability (NOFA) issued from time to time that announce new funding opportunities.
 - b. Maintain close ties with staff at the MHP and DHCD to keep informed of relevant funding programs.
 - c. Prepare grant and loan applications. Modify as needed to meet the requirements of the funding agencies. Regularly monitor status of application reviews by state officials to avoid needless delays caused by lack of information or poor communication.
 - d. Upon receipt of awards, have legal counsel review loan and grant agreements and execute contracts to receive the funds.
 - e. Execute long-term use restrictions and other documents required by funders.
4. Establish Connection to Municipal Water System
 - a. Monitor progress of the Water and Sewer Commission's construction project to extend a water main to Charlton Center.
 - b. Prepare engineering plans to establish the connection to the Meadowview Drive property.
 - c. Upon completion, switch over to the new connection.
 - d. Discontinue use of the well for drinking water but leave facilities in place to provide a non-potable water supply.
5. Obtain Comprehensive Permit Amendment from the Board of Appeals
 - a. Prepare comprehensive permit documents and initiate formal submission to the Board.
 - b. Attend the public hearing and any continued sessions to answer questions from the Board and neighborhood residents.
 - c. Attend a Planning Board meeting to discuss the proposal and respond to suggestions by the Board.
 - d. Revise plans to address concerns of the Board of Appeals.
 - e. Upon issuance of the comprehensive permit, record documents at the Registry of Deeds.
6. Construct New Housing Units
 - a. Finalize and issue bid documents to obtain a qualified general contractor.
 - b. Review bid proposals. The Architect and Engineer should review the apparent low bid to make sure it is responsive to the requirements of the bid documents. Upon advice of technical consultants, the Building Committee should recommend the qualified low bidder to the CHA.
 - c. Retain qualified A/E firm to oversee construction.
 - d. Prepare CHA-Contractor contract. Have legal counsel review the document as to legal form.
 - e. Execute construction contract.
 - f. Monitor progress throughout construction, review and approve requisitions, make payments, file progress reports as needed, and comply with all grant requirements.
 - g. Close out the project upon completion of all punch list items.

Funding Sources

Appendix 2 contains a list of potential funding sources that may help the CHA to finance various phases of the project. The list contains a brief description of each program, including the type of funding offered and guidance information to help determine if the assistance fits the need. While the

list is impressive, not all programs are capitalized at any point in time. The CHA should maintain constant communication with its state liaisons to keep abreast of changes in funding and to learn of new programs that the Legislature and Governor authorize from time to time. By continuing to work on the project and finalize the detailed construction drawings, the CHA will be poised to apply for grants and loans immediately when agencies issue funding notices.

CONCLUSION OF DEVELOPMENT FEASIBILITY

All indicators point to a viable project. There are many factors working in concert that support a conclusion of pursuing an affordable housing project at the Meadowview Drive property. These include:

- ❖ The property is located in the village of Charlton Center where there is ready access to commercial services and town offices, including the Town Hall and Library.
- ❖ The property has public sewage disposal, and plans are in the works to extend a new water main to Charlton Center. The Water and Sewer Commission has approved a connection to the main, which should occur in 2009.
- ❖ The proposed development is consistent in character and scale to surrounding development.
- ❖ The Charlton Housing Authority has site control and manages 36 units of elderly and family housing on the property. The CHA is capable of integrating the new units into its existing portfolio and managing the units upon completion.
- ❖ Excess land under CHA ownership is suitable for development.
- ❖ Soils on the property are conducive to the proposed development and do not require unusual design or mitigation measures. There are no wetlands or rare species habitats on the property.
- ❖ The land is cleared and easily accessible from Meadowview Drive.
- ❖ Site development costs are low due to the infill nature of the project and presence of road, water, drainage, and sewage infrastructure.
- ❖ Neighbors and tenants favor the project.
- ❖ An amendment to the existing comprehensive permit can authorize the project.
- ❖ The project is consistent with Charlton's Master Plan. The Plan identified the need for more affordable units to help meet the 10% threshold of Chapter 40B. The project is also consistent with the goal of preserving Charlton Center as a small-scale, mixed-use, pedestrian-oriented village.
- ❖ There is a strong need for the project. With an estimated 2006 population of 13,714, Charlton has only 52 units on the SHI. There is a long waiting list for CHA units, and a slow turnover of residents, only about 4 per year.

In conclusion, the proposal to add 18 additional units at the Meadowview Drive development is viable. While even more units would be welcome to meet the demand, the modest size of the project fits with the scale and character of the existing development. There are no significant environmental obstacles to overcome. In choosing this easily developed property, the CHA will build capacity to undertake larger and more challenging affordable housing developments in the future. Finally, the low and moderate-income households that are fortunate to occupy one of the units will be in a supportive environment and find an excellent solution to their housing needs.

File.

BOARD OF APPEALS
TOWN OF CHARLTON, MASSACHUSETTS

IN RE: APPLICATION OF THE CHARLTON HOUSING AUTHORITY

DECISION

May 25, 1982: Application of the Charlton Housing Authority for a comprehensive permit for state aided housing for the elderly and low income on the southerly side of Masonic Hill Road, Charlton, MA.

In accordance with the provisions of General Laws, Chapter 40A, section 11, the Clerk of the Board notified the public and other parties in interest of a public hearing to be held on such application at Dexter Memorial Hall, Main Street, Charlton, MA, May 25, 1982 by causing a notice thereof to be published on May 10 & 17, 1982 in the News, a newspaper of general circulation in said Town of Charlton and by mailing a copy of said notice on May 12, 1982 to all persons owning real estate within 300 feet in any direction from the property involved, as shown by the assessor's list of the Town of Charlton.

Pursuant to such advertisement at notice, the board held a public hearing on said application on May 25, 1982. At said hearing, attorney Francis B. Fennessey, Terrence G. Heinlein, architect, Sunset Street Associates, Inc. and Harold Truscott, Chairman of the Housing Authority spoke in favor of the application.

From the statements in the application, the testimony at the hearing, the Board finds the following facts: The property involved is situated on the southerly side of Masonic Hill Road, Charlton and 6.495 acres of land, shown on a plan of land in Charlton, MA surveyed for Charlton Housing Authority by Robert F. Para dated October 20, 1981 and recorded with the Worcester District Registry

of Deeds, Plan Book 497, Plan 79, which is incorporated herein by reference. The Charlton zoning by-laws section 1, setting minimum building lot frontage requirements, section 2 minimum lot line setbacks, and section 3 setting maximum building density requirements would prevent development of the land as envisioned by the authority. The Charlton Housing Authority is a public agency established pursuant to Massachusetts General Laws, Chapter 121B. By virtue of an option agreement with the Masonic Home Education and Charity Trust dated November 18, 1981, the authority is the prospective donee of the land which is the subject matter of their application. This is a desirable location for elderly and low income housing because of its immediate accessibility to services and facilities. The Housing Authority's proposal reflects proper planning and is designed to protect the health and safety of the occupants of the proposed housing as well as that of the residents of the surrounding neighborhood. The plan provides adequate open space. Less than one and one-half percent of the land area in the Town of Charlton is utilized for low and moderate income housing and less than ten percent of existing housing units are low or moderate income housing as classified in the last decennial census.

Accordingly, the board finds that provisions of the zoning by-laws of the Town of Charlton which might operate to prevent construction and maintenance of the proposal development, if enforced by the board, would effect a result not consistent with local needs, in that there was evidence that the local need for additional elderly housing in the Town of Charlton of at least 115 units.

The board rules that so much of the zoning by-laws as would otherwise impede or prohibit the construction by the Charlton Housing Authority shall be of no force and affect based upon and in consideration of the material law and evidence presented before it, the board hereby grants a comprehensive permit pursuant to the provision of Massachusetts General Laws, Chapter 40B, to the applicant, for construction of 36 units of elderly and low and moderate income housing as herein applied for.

Charles J. [unclear]
James M. [unclear] Chairman
[unclear]
[unclear]
[unclear]
[unclear]

APPENDIX 2
FUNDING SOURCES FOR AFFORDABLE HOUSING

Agency	Program Name and Type	Purpose and Program Guidance
Community Economic Development Assistance Corporation (CEDAC)	Pre-Development Seed Funding Revolving loan funds to non-profit developers	To cover start-up costs e.g. gaining site control, analyzing project feasibility, initial A/E studies, etc. CEDAC lends funds to cover a developer's start-up expenses of gaining site control, analyzing a project's feasibility, and performing initial architectural and engineering studies. If a project proves feasible, CEDAC increases its loan amount to help developers prepare financing and subsidy applications and secure regulatory approvals. CEDAC will also lend additional funds to cover the costs of advanced design work, appraisals, environmental testing, and project management expenses.
CEDAC	Technical Assistance	To help borrowers assemble financing, assess feasibility, and offer advice on applicable programs. CEDAC staff helps borrowers to find their way through the complicated maze of assembling financing and bringing affordable housing projects to fruition. CEDAC staff can help assess the feasibility of a project, develop strategies about alternative development programs for a site, and advise on applicable state and federal programs.
CEDAC	Home Funders Program Loans to non-profit developers at interest rates as low as 2%	CEDAC administers a loan pool from a consortium of Boston-area foundations to stimulate the production of new housing for extremely low-income families. These funds will be available to non-profit developers at interest rates as low as 2%. Home Funders supports innovative rental and homeownership projects that house extremely low-income families in a mixed-income housing environment.
DHCD	Housing Innovations Fund (HIF) 30-Year Deferred Payment Loans	To provide funding for the creation and preservation of alternative forms of affordable housing. Recipients must be a 501(c) (3) entity at the time of loan closing. Loans are for a term of 30 years but repayment may be deferred by the issuing authority. Loans are limited to not more than 50% of the total development costs, with a maximum HIF loan of \$500,000. Examples include single room occupancy (SRO) units; limited equity cooperative housing; transitional housing for the homeless; battered women's shelters; mutual housing; employer assisted housing; and lease to purchase housing. DHCD gives preference to projects that provide transitional and permanent housing for homeless individuals and families. HIF loans may used for the reasonable and necessary hard and soft costs to develop an eligible project, including costs of acquisition, construction, architecture/ engineering, environmental testing and remediation, insurance, taxes, surveys and permits, development consultants, legal services, financing, relocation, title and recording, inspection services, marketing and rent-up, and developer overhead and fees.

Agency	Program Name and Type	Purpose and Program Guidance
DHCD/CEDAC	Facilities Consolidation Fund (FCF) 30-Year Deferred Payment Loans	<p>To finance community based housing for clients of the Departments of Mental Health and Mental Retardation, and permanent housing for the mentally ill. Only nonprofit entities are eligible. DHCD reviews applications and makes loans to qualifying non-profits through CEDAC.</p> <p>FCF loans can be used to finance up to 50% of the total development cost of each project. Loans are deferred for 30 years. Support services for residents are funded by DMR or DMH. Various types of housing are allowed, but all housing must be certified by DMH or DMR.</p> <p>FCF loans may used for the reasonable and necessary hard and soft costs to develop an eligible project, including costs of acquisition, construction, architecture/engineering, environmental testing and remediation, insurance, taxes, surveys and permits, development consultants, legal services, financing, relocation, title and recording, inspection services, marketing and rent-up, and developer overhead and fees.</p>
DHCD/CEDAC	Community Based Housing (CBH) Program 0%, 30-Year Deferred Payment Loans	<p>To provide funding for the development of integrated housing for people with disabilities, including elders with priority for individuals who are in institutions or nursing facilities or at risk of institutionalization. For CBH, a disabled person must have a physical or mental impairment of a permanent or long and continuous duration that substantially limits one or more major life activities.</p> <p>CBH loans may be up to 50% of total development costs for the CBH units in a development, up to a maximum of \$750,000. Loans will be structured as 0%, deferred payment loans for a term of 30 years.</p> <p>Priority will be given to projects that provide integrated housing such as several CBH units within a larger rental building or development. Ideally, no more than 15% of the units should be for people with disabilities. Rental projects are more likely to be more appropriate for CBH-eligible populations but ownership units are allowed.</p>
Mass. Housing Partnership (MHP)	Mixed Finance-Planning Grant Program for Local Housing Authorities	<p>To support early stage feasibility activities for housing authorities contemplating the creation of new units on housing authority owned land or the redevelopment of an existing state funded public housing development. The primary focus is on rehabilitation of family and elderly housing and new production of family housing.</p> <p>The planning grants allow housing authorities to perform initial feasibility analyses for both modernization and new production projects. The grant will pay up to \$50,000 for consultants to work with housing authorities to determine whether their project ideas could benefit from mixed financing, including tax-exempt debt and tax credits. MHP administers the grants and works with DHCD to coordinate the identification of eligible projects.</p>

Agency	Program Name and Type	Purpose and Program Guidance
DHCD and MHP	Mixed Finance Program May include tax-exempt debt and tax credits.	<p>To leverage private funds for housing production or modernization expansion, redevelopment or new production. Local Housing Authorities may build new housing using DHCD's mixed finance regulations (760 CMR 4.12 - 4.16) on LHA controlled land.</p> <p>The housing to be constructed will be deed restricted to occupancy by low or moderate-income households at affordable rents or sales prices. Any market-rate housing units shall be reasonably necessary for the economic feasibility of the affordable housing units and comprise no more than 25% of the total housing units.</p>
DHCD	Low Income Housing Tax Credits (LIHTC) Federal Tax Credits	<p>A federally funded program of tax credits administered by states to support the acquisition, rehabilitation or new construction of affordable housing. LIHTC are allocated to states on a per capita basis.</p> <p>Non-profit agencies and for-profit housing developers are eligible to apply for the tax credits. Developers use the tax credits to help finance development, maintenance, and operating costs of rental housing units.</p> <p>Developers offer the tax credits to investors in exchange for equity or capital to finance development costs. The investors use the tax credits to get a dollar-for-dollar reduction in their federal tax liability. In exchange for the tax credits, the property owner agrees to rent and income restrictions for a minimum of 15 years. Tax credits must be used to create mixed-income population housing units.</p>
DHCD	State Low Income Housing Tax Credits (SLIHTC) State Tax Credits	<p>To assist in the production and preservation of affordable rental housing for low-income families and individuals.</p> <p>Eligible projects include the acquisition and/or rehabilitation of existing structures for rental use, including distressed or failed properties, or the new construction of rental projects.</p> <p>Projects seeking tax credits must have a minimum of 8 tax credit-assisted units, and assisted units must have a minimum term of affordability of 30 years.</p>
HUD	Section 811 Supportive Housing for Persons with Disabilities Program Interest-Free Capital Advances to Non-Profit Organizations	<p>To allow non-profit organizations to develop and operate rental housing combined with supportive services for very low-income adults (<50% AMI) with disabilities. It provides housing for households with one or more very low-income individuals, at least one of whom is at least 18 years old and has a disability, such as a physical or developmental disability or chronic mental illness.</p> <p>The program allows persons with disabilities to live independently in their communities by increasing the supply of rental housing with the availability of supportive services. This housing, most of which will be newly constructed, typically is small apartment buildings, group homes for three to four people per home, or condominium units.</p> <p>Section 811 provides capital advances to finance construction, and project-based rental</p>

Agency	Program Name and Type	Purpose and Program Guidance
		assistance tied to specific units to support ongoing operational costs. The sponsor is not required to repay the capital advance as long as the Section 811 housing units remain available to persons with disabilities with very low income for a minimum of 40 years.
HUD	Section 202 Supportive Housing for the Elderly Program Interest-Free Capital Advances to Non-Profit Organizations Project Rental Assistance	To provide very low-income elderly with options that allow them to live independently but in an environment that provides support activities such as cleaning, cooking, and transportation. HUD provides two forms of Section 202 funds to non-profit groups: 1) Capital advances that cover the cost of developing the housing. It does not need to be repaid if the housing is available for occupancy by very low-income seniors for at least 40 years. 2) Project rental assistance that covers the difference between the resident's contribution toward rent and the cost of operating the project.
HUD, administered by DHCD	HOME Investment Partnership 0%, 30-Year Deferred Payment Loans	To produce and preserve affordable housing for low and moderate-income households. Eligible entities include for-profit and non-profit developers and non-profit organizations designated as Community Housing Development Organizations (CHDOs). The program will finance the acquisition and/or rehabilitation of existing structures for rental use and new construction of rental projects.
Local	Local Affordable Housing Trust Fund (AHTF)	To provide a flexible vehicle to receive, manage and disburse funds generated from other sources. AHTFs are established by legislation, bylaw or resolution to receive specific revenues that can only be spent on housing. AHTFs provide a means through which resources can be committed to the production and/or preservation of affordable housing. For example, inclusionary zoning bylaws may allow for a payment in lieu of constructing affordable housing units in proposed development. The payment may be deposited into an AHTF and used for public projects that result in new affordable housing.
MassHousing	Modular Infill Pilot Program	To facilitate new production by providing LHAs with technical assistance and architectural services to draw up plans for modular buildings, which are exempt from costly and time-consuming public bidding and union labor requirements. For Amherst's Keet and Tamarack Apartments, Mass-Housing provided \$330,000 from the Mass. Affordable Housing Trust Fund for the modular construction of four new units and modernization of four existing units by the Amherst Housing Authority. Technical assistance for the design of the modular buildings enabled the new units to be constructed without filed sub-bid process or payment of state prevailing wages, both shortening the construction timeframe and saving an estimated 15-20% on labor rates. Other funders included DHCD, the Massachusetts Housing Investment Corporation, and Community Preservation Act funds from the town of Amherst.

Agency	Program Name and Type	Purpose and Program Guidance
DHCD	Housing Stabilization Fund (HSF) Deferred Payment Loans	<p>To assist in the production and preservation of affordable housing for low and moderate-income families and individuals. For profit developers, non-profit developers, local housing authorities and municipalities in cooperation with for-profit or non-profit developers are eligible to apply for HSF funds.</p> <p>The program finances the acquisition and/or rehabilitation of existing structures for rental use, or for new construction of rental projects.</p>
DHCD	Capital Improvement and Preservation Fund (CIPF)	<p>To preserve and improve existing privately owned, state, or federally assisted affordable rental developments. Eligible entities include local housing authorities and for-profit and non-profit developers.</p> <p>The CIPF will fund the acquisition, refinancing and/or rehabilitation of existing rental property. Eligible properties include housing at risk of losing affordability restrictions due to the potential for the prepayment of its mortgage or housing in which a project-based rental assistance contract has expired.</p>
DHCD	Commercial Area Transit Node Housing Program (CATNHP)	<p>To support first-time homebuyer housing through new construction or acquisition and rehabilitation of housing developments, of 24 units or less, within neighborhood commercial areas and in proximity to public transit nodes.</p> <p>Eligible entities include for-profit and non-profit developers. Housing development must be within neighborhood commercial areas and in proximity to public transit nodes.</p> <p>Not less than 51% of the units assisted by the program must benefit persons earning not more than 80% of the area median income. The total amount of CATNHP funds requested per eligible project may not exceed \$750,000 or \$50,000 per unit.</p>
MassHousing and DHCD	Mass. Affordable Housing Trust Fund (AHTF) Deferred payment loans Low- or no-interest amortizing loans Credit enhancements and mortgage insurance guarantees Matching funds for municipalities that sponsor affordable housing projects	<p>To create or preserve affordable housing for households whose incomes are not more than 110% of median income. Funds are available for rental, home ownership and mixed-use projects as well as housing for the disabled and homeless, but may be applied only to the affordable units. The AHTF is used primarily to support private housing projects that provide for the acquisition, construction or preservation of affordable housing. The minimum term of affordability is 30 years.</p> <p>Eligible applicants include governmental subdivisions, CDCs, LHAs, community action agencies, community-based or neighborhood-based non-profit housing organizations, other non-profit organizations, for-profit entities, and private employers.</p> <p>Borrowers receiving AHTF money must be single-purpose entities except for projects sponsored by LHAs, in which case the sponsoring authority may be the borrower.</p>

APPENDIX 3

NEIGHBORHOOD MEETING ANNOUNCEMENT

Sponsored by

The Charlton Housing Authority and

The Charlton Planning Board

Date: Tuesday, July 8, 2008

Time: 7:30 PM

Place: Community Meeting Room
One Meadowview Drive

The Planning Board and Charlton Housing Authority are hosting a public informational meeting to discuss a possible expansion at the Authority's Meadowview Drive property. Due to extensive waiting lists for both elderly and family housing, the Authority desires to build new units to help address the unmet need for affordable housing in Charlton.

With funding provided by the Planning Board and a State grant from the Department of Housing and Community Development, the Town has hired a planning consultant, William Scanlan, AICP and an engineering consultant, Michael Andrade, P.E. from Graves Engineering, to perform a preliminary feasibility analysis of various options for expansion.

Before proceeding to more detailed architectural and engineering studies, the Authority would like to hear from its neighbors of any concerns they may have about these early-stage plans. The public is invited to attend to learn more about the findings of the consultants and to offer suggestions for improving the quality of the proposed development.

CHARLTON HOUSING AUTHORITY

NEIGHBORHOOD INFORMATIONAL MEETING

JULY 8, 2008

CHARLTON AFFORDABLE HOUSING INITIATIVES PROGRAM

PHASE 2: FEASIBILITY ANALYSIS FOR AFFORDABLE HOUSING

AGENDA

Joseph Stevens, Chairman, Charlton Housing Authority: Welcome and Introductions

Jean Vincent, CHA Director: Charlton Housing Authority Today

William Scanlan, AICP: Study Overview and Progress To-Date

Michael Andrade, P.E.: Engineering Assessment and Proposed Building Locations

Audience Discussion with Q&A

Wrap-Up: Jean Vincent