

# **Town of Harvard Affordable Housing Plan**

**REVISED and UPDATED MARCH 2011  
By the Harvard Planning Board**

submitted to the Massachusetts Department of Housing and Community  
Development (DHCD) in accordance with the Guidelines for the Planned  
Production Regulation under MGL Chapter 40B  
760 CMR 56.03(4)

**Originally Prepared  
By the Harvard Housing Partnership**

December 14, 2004

# **TOWN OF HARVARD AFFORDABLE HOUSING PLAN**

## **TABLE OF CONTENTS**

### **Executive Summary**

#### **I. Introduction**

Background  
Purpose  
Organization

#### **II. Comprehensive Needs Assessment**

Population Profile  
Existing Housing  
Trends in New Construction  
Rents and Prices  
Affordability Gap  
Populations in Need of Housing Assistance  
Needs Assessment Summary  
Impediments to Expanding the Supply of Affordable Housing  
Mitigation Measures  
Affordable Housing in Harvard: A Brief History  
The Devens Factor

#### **III. Affordable Housing Goals**

Overall Objectives  
Specific Affordable Housing Goals  
Guiding Principles

#### **IV. Affordable Housing Strategy**

Production Initiatives  
Preservation Strategies  
Planning and Regulatory Reform  
Building Local Development and Management Capacity

#### **V. Description of Use Restrictions**

Existing  
Proposed

### **Appendix A**

Planned Production Matrix

# **EXECUTIVE SUMMARY**

## **Background and Statement of Purpose**

Harvard's original Affordable Housing Plan was prepared by the Harvard Housing Partnership in the summer and fall of 2004, in compliance with the Massachusetts Department of Housing and Community Development's (DHCD) Planned Production Regulation, MGL 760 CMR 31.07(1)(i) now known as 760 CMR 56.03(4)). It is intended to provide a management tool that enables the town to make timely progress toward meeting its affordable housing goals. The Plan is a complement to the town's 2002 Master Plan. The Master Plan may be thought of as the town's strategic plan; the Planned Production Plan its business plan for affordable housing.

The original Affordable Housing Plan was based on a comprehensive needs assessment (originally prepared in 2001 and updated in 2004 as part of this process) and a thorough analysis of existing conditions, demographic trends and local and regional market forces. It identifies the constraints that have limited affordable housing production in Harvard, and the town's efforts to mitigate them. It also identifies opportunities and lays out the strategies the Town will pursue in order to meet its goal of providing housing for families across a broad range of income, age and needs. The Plan describes the mix of housing units required to address the identified needs and a time frame for their production. It also recommends a number of regulatory reforms and strategies to expand local development capacity. It includes preservation strategies as well as new production initiatives, and it anticipates a significant role for both private and town initiated development.

This Revision updates the Plan to address the revised DHCD guidelines of 2008, revises and updates the Town's production goals, the strategy for meeting these goals, and general editorial changes. The demographic data, which was based on the 2000 census, remains unchanged except where appropriate and important to reflect current changes to progress being made on reaching the town's affordable housing goals or other significant changes.

## **Market Conditions**

The rapid economic growth along I-495 between Littleton and Franklin has been the major driver of change for the small town of Harvard and its neighboring communities. Home prices rose 54 percent between 1990-2000, while household income increased just 21 percent, and the town saw its population of 20-34 year olds drop by 38 percent, more than double the statewide decline. The 2000 Census documented other important demographic shifts as well:

- Harvard has a significantly higher proportion of school age children, and its 5-14 year age cohort is growing at a faster rate, stressing both the schools and the budget, although not to the degree experienced in many neighboring towns.

- Harvard has a much higher proportion of 40-64 year olds. Many of those who moved to town in their thirties, raised families and are now empty-nesters, remain, “over-housed,” but with no options for down-sizing. And, it is increasingly harder for younger replacement families to buy-in.
- Harvard has long had a markedly smaller older population, but the town is now playing catch-up, and its “65+” population is growing at a faster rate than is the state’s.

At the time of the 2000 Census, Harvard’s approximate 5,200 residents live in some 1,800 plus units of housing. The town has one of the newest, largest, most homogeneous, and most expensive housing stocks in the Commonwealth. It also has one of the highest levels of owner occupancy and average lot size. New construction since 1990 has been overwhelmingly detached single-family homes on large lots, in effect, the only type of residential development allowed for much of that period. Most of the development occurred on backland or hammerhead lots (4.5- acre minimum). Even new frontage lots usually exceed the 1.5-acre minimum, reflecting the challenge of siting individual wells and on-site septic in Harvard’s inhospitable soils. Most new development has been targeted to the high end of the home buying market. More than three-quarters of the new single-family homes built during this period contained four or five-bedrooms. Notable exceptions to this trend are the 24 one- bedroom units at Foxglove Apartments, the 32 two- and three-bedroom units at Harvard Green Condominiums, the 52 units at Trail Ridge and the 12 unit Harvard Common housing project, all comprehensive permit projects, that ensure new units are of more modest size, containing one, two, and three-bedrooms. All of the units at Foxglove, 8 of the units at Harvard Green, 13 units at Trail Ridge and 3 units at Harvard Common are income restricted.

Current data (based on 2009 town tax records and unofficial population information) indicates that the town’s population has grown to approximately 6,000 residents since 2000, an approximate 15% increase, while the number of housing units has grown to approximately 2000 units over the same period, an approximate 11% increase. When the 2010 Census data becomes available the Planning Board will re-evaluate the new demographic data for any impact on the town’s market conditions and assessment of needs identified in the Plan. Based on a review of current “unofficial” data, it is the Planning Board’s estimate that the 2010 Census data will not show a change in the town’s demographics that would affect the current assessment of the town’s market conditions or assessment of needs.

### **Existing Affordable Housing in Harvard**

As of September 2009 approximately 2.8 percent (61 units) of Harvard’s existing housing stock, is considered affordable on the state subsidized housing inventory, a shortfall of about 155 units from the 10 percent goal the state has established. All of these units have been added to the inventory in the past twenty years, and all involved the active support and partnership of the town. In addition to the existing or planned 45 affordable units at Foxglove Apartments, Harvard Green Condominiums, and Trail Ridge, the town’s three affordable housing developments permitted under the comprehensive

permit provisions of MGL 40B include:

- 9 rental units at the Harvard Inn and Great Elms, acquired and preserved as affordable, by the local nonprofit Harvard Conservation Trust.
- 13 affordable ownership units, part of a larger project developed under Phase I of the Devens Reuse Plan. (Seventy-seven of the units are in Harvard.) This development was also initiated by the Town as a Local Initiative Project.
- 5 affordable ownership units under the Harvard Homeowner Repair (HOR) Program.

In March 2009 the Planning Board granted a Special Permit for the construction of a 42 unit senior rental housing project of which 25% were set aside as affordable units. The Municipal Affordable Housing Trust (MAHT) has also supported this project with Community Preservation Act funding provided by the town. This project, currently awaiting DHCD approval of an application under the Low Income Housing Tax Credit Program, has a planned construction start in 2011. This will add a total of 42 units to the Subsidized Housing Inventory (SHI) and provide a “safe harbor” for the town as it implements actions identified in Section 4, Affordable Housing Strategy.

In 2009, Harvard Common, a 12 unit housing project permitted under a comprehensive permit, began construction. This project will add 3 additional affordable housing units to Harvard’s SHI in 2011.

It should be noted that under the terms of the comprehensive permit, the Trail Ridge Project developer volunteered to contribute \$195,000 to assist the Town in further increasing its affordable housing supply.

### **Needs Assessment**

Although Harvard is a relatively affluent community, the 2000 Census reported that more than 21 percent of its homeowners and 36 percent of its renters paid more than 30 percent of their income for housing; 4 percent of homeowners and nearly 26 percent of renters paid more than half their income for housing. About 14 percent of Harvard households are considered low income, and about 3 percent earn less than \$15,000 per year, putting them at, or near the federal poverty level.

It is estimated that between 100-125 of those burdened by high housing costs also meet the federal definition of low (76) or moderate (55) income. Eighty percent of these are homeowners, twenty percent renters. Fifty-eight percent of the cost burdened homeowners and fifteen percent of the cost burdened renters are elderly. The cost burdened non-elderly are, overwhelmingly, small families or non-family households. In addition to those already facing cost burdens, another 60 elderly and 16 non-elderly households are deemed at risk of becoming cost burdened because of low incomes. (Also included in this number are a handful of “subfamilies,” the term the Census uses to describe housing units that are occupied by more than one household.)

As many as 40-50 low income homeowners, including those with rental units, *may* need financial help to maintain their units; remove lead paint, asbestos, or other toxins; repair

or replace failing septic systems; or comply with housing codes. Many of these are low income elderly homeowners who want to get out of “high maintenance” housing situations entirely and convert some of their home’s equity to cash for other basic needs.

A small number of Harvard residents have more specialized needs. About 86 households have members with one or more disabilities that present mobility or self-care limitations. About one quarter of these are elderly, roughly the same proportion as are low income. There are also a small number of residents, or former residents, whose health and/or other issues require specialized housing services.

### **Needs Assessment Summary**

Harvard’s lack of affordable housing options has impacted some groups more than others: low income renter households; the elderly and others on fixed incomes; lower income homeowners (nearly 60 percent of Harvard households with incomes below \$35,000 are homeowners); and young adults and families locked out of homeownership. The greatest demand is for smaller, moderately priced ownership units and rentals in a range of price levels. The demand for both comes primarily from the same two groups: 1.) young people (mostly individuals and small families) who work in the area but cannot afford to buy, and 2.) older homeowners wishing to downsize, but with no alternatives available locally, either for rent or purchase.

The needs assessment will be re-evaluated when the 2010 census data becomes available, However, based on currently available “unofficial” data, the 2010 census data is not expected to significantly change the current assessment.

Demand also comes from school and municipal employees; families with children in Harvard schools under the Choice Program; parents, children or siblings of current residents; current residents facing financial setbacks; and households that have split up due to divorce. The lack of affordable housing continues to have an impact on maintaining the town’s volunteer emergency services, which requires volunteers to live within the town. In addition, there continues to be an unmet demand for alternatives, both rental and ownership, to “large houses on large lots” among those who can afford to pay market, or near market prices.

### **Affordable Housing Goals**

As of September 2009 about 155 units of affordable housing are needed to bring the town up to, or near, the state’s 10 percent target. On an ongoing basis, the town should ensure that 10 percent or more of its new residential development is affordable. In terms of timing, the current goal is to add at least 11 qualified, affordable units each year so that the Town can continue to guide its growth consistent with its Master Plan.

The Town proposes an equitable division between family and elderly (and/or special needs) units and between rental and homeownership. The town’s existing inventory, as well as the proposed units, reflects this mix. In addition to adding units that are affordable by, and restricted to, households earning not more than 80 percent of the area median income (i.e., those that qualify for inclusion on the State’s Subsidized Housing

Inventory), the Town will strive to ensure that an additional 10 percent of the units in publicly-supported developments serve moderate and middle income households (those earning between 80-150 percent of the area median income).

To the extent that appropriate sites are available, new small-scale affordable developments should be distributed throughout the town. Town-owned land should be utilized, if feasible. Where existing single-family properties are suitable for conversion to multiple units, or where new units can be added to existing developed sites, these option should be considered. Higher density development may be supported where the Master Plan has indicated it is appropriate and sustainable (e.g., the commercial district). As important as building new affordable housing is preserving, maintaining and upgrading the existing inventory, and improving its affordability and accessibility for current residents and those who would like to “buy in.”

### **Affordable Housing Strategy**

Achieving these goals will require appropriate tools and regulations (or regulatory relief), financial resources, development capacity, and political will. The strategies the town will pursue include production initiatives; preservation strategies; planning and regulatory reform; building local development and management capacity (including funding). Specific actions include development of town-owned parcels, privately owned parcels; continued collaboration with private developers proposing development under the comprehensive permit provisions of MGL Chapter 40B; local initiative development under Harvard’s recently adopted zoning changes that encourage mixed-use and mixed-income development in the town’s commercial district; and zoning changes to encourage and facilitate development of affordable and moderate income housing. The plan also calls for rehabilitation and qualification of existing units owned by low income home owners under the Community Development Fund, the creation of accessory dwelling units and the conversion of large single family properties to multiple residence. Future initiatives include investigation of additional publicly owned sites and the suitability of non-conforming lots for affordable housing development. Lastly, the plan describes the long term affordability restrictions the town will employ to ensure ongoing affordability by the targeted income groups.

Although this revision to the Plan includes the 2000 Census data, the Planning Board has considered currently available “unofficial” data in updating the affordable housing goals and strategies as discussed herein. The Planning Board is confident that upon review of the more comprehensive 2010 Census data the goals and strategies described in this revision will remain valid and realistic in the town’s efforts to meet affordable housing goals and the town’s overall housing needs.

## **I. INTRODUCTION**

The town of Harvard, located 31 miles northwest of Boston at the intersection of Routes 2 and 495, is a residential community of approximately 5200 residents (based on the 2000 Census). The day-to-day operations of the town are managed by a town administrator who oversees a town hall staff of 8 full-time and 1 part-time employee. Harvard does not have a town planner or engineer; its land use boards retain consultants, on a case-by-case basis, as needed. Most other aspects of town governance are handled by volunteer boards and committees. The development of an affordable housing agenda is no exception. This revision of the Affordable Housing Plan, originally prepared by the town's Housing Partnership with pro bono assistance from housing professionals in the community and the Montachusett Regional Planning Commission, has been developed by the Planning Board, Master Plan Implementation Committee, the Harvard Municipal Affordable Housing Trust Fund and representatives from the community.

### **Background**

Harvard has no municipal wastewater system and only a limited municipal water system serving the town center. Most households and businesses are served by on-site, private wells and septic disposal systems. Over the past several decades, Harvard has become a high cost community with few housing options available to any but those seeking spacious, detached single-family homes on large lots, and willing to pay the high price of entry and upkeep. Its first "affordable housing" units were created in 1985, with the acquisition and preservation of four moderately priced rental units in the town center, by the local nonprofit Harvard Conservation Trust. As of September 2009, the town has 61 qualified units in its subsidized housing inventory, but it has been unable to sustain the momentum required to advance its affordable housing agenda over the long term.

Recent market rate development – consisting almost entirely of large single family homes on large lots – meets the needs of just a fraction of the people who would like to move to or remain in the town. The 2000 Census documented that the problems of increasing housing cost and decreasing variety had grown worse during the 1990s, a period of economic expansion for the region. Since then, production has fallen, and housing costs have continued to rise. Many Harvard families experienced financial setbacks and/or job losses as the economy went into recession in 2001, and are struggling still. Demographic projections suggest that the degree to which needed housing is not available will only grow more acute over the next decade.

### **Purpose**

This Affordable Housing Plan has been designed to guide the expansion of affordable housing opportunities in the town of Harvard. The Plan represents a management tool for ensuring that timely progress is made toward meeting the town's affordable housing goals. It is based on a comprehensive needs assessment and a thorough analysis of existing conditions, demographic trends and local and regional market forces. It identifies the

constraints that have limited affordable housing production in Harvard, and the town's efforts to mitigate them. It also identifies opportunities and lays out the strategies the Town will pursue in order to meet its goal of providing housing for families across a broad range of income, age and needs.

The Plan describes the mix of housing units required to address the identified needs and a time frame for their production. It recommends a number of regulatory reforms and strategies to expand local development capacity. It includes preservation strategies as well as new production initiatives, and it anticipates a significant role for both private and town initiated development.

## **Organization**

This amendment to the plan is submitted to comply with the Massachusetts Department of Housing and Community Development's (DHCD's) Housing Production Plans, 760CMR56.03(4) with the addition of an Executive Summary and an Introduction:

- Section 1 Introduction
- Section 2 Comprehensive Needs Assessment
- Section 3 Affordable Housing Goals
- Section 4 Affordable Housing Strategy
- Section 5 Description of Use Restrictions

The Affordable Housing Plan builds upon several planning documents, including the Town's master plan, Harvard, Massachusetts Master Plan, November 2002, prepared by Community Opportunities Group, and the Town of Harvard Needs Assessment, prepared by the Harvard Housing Partnership in 2001 and updated in the spring of 2004. The sections of The Affordable Housing Plan describing population and housing, current market conditions, recent trends and development constraints are summaries only. Additional detail can be found in Section 5 of the Needs Assessment, 2004 and Section 2 of the Master Plan.

## II. COMPREHENSIVE HOUSING NEEDS ASSESSMENT

This section summarizes the housing requirements of Harvard residents and identifies gaps between their needs and the existing resources available to meet them. It also provides data on regional housing needs and anticipates future needs. It identifies the town's existing and planned affordable housing resources, those officially recognized on the Commonwealth's Subsidized Housing Inventory (SHI) as well units on the private market, and reports on the town's organizational, administrative and regulatory framework as they relate to affordable housing. Lastly, it looks at challenges and opportunities specific to Harvard.

The findings presented here are summaries and highlights of two other recent studies. Additional detail can be found in Town of Harvard Housing Needs Assessment, 2004 Update (Section 5) and Harvard, Massachusetts Master Plan, November 2002. These findings are based mainly on the 2000 census data and will need to be updated once data from the 2010 census is available.

### Population Profile

According to the Decennial Census, the population of Harvard, was approximately 5,200 on April 1, 2000.<sup>1</sup> By virtually all economic indicators (household income, home values, educational attainment, occupation, and equalized valuation per capita) the town ranks among the most affluent in the state. Family and household income increased by 41 and 35 percent, respectively, between 1989 and 1999, and Harvard's 1999 median household income of approximately \$108,000 is the eighth highest in the state; its median family income of \$119,000 ranks ninth. Still, 14 percent of the town's households are considered extremely low, very low, or low income by federal Department of Housing and Urban Development definitions and 2 percent live below the federal poverty level. The income of renter households is less than 40 percent of what it is for owner occupants, roughly \$45,000 compared to \$119,000 in 1999. 2004 estimates suggest that renter incomes have increased by only 9 percent and homeowner incomes by just 12.5 percent since that time.<sup>2</sup>

Harvard is predominantly a family community. Families constitute nearly 83 percent of the town's 1,817 households, compared to 65 percent statewide, and 89 percent of these families have two parents present (the statewide figure is 76 percent). Fifty-four percent of Harvard's family households include children (the statewide figure is 47 percent), and its 5-14 year age cohort is growing at a faster rate, though not nearly as fast as in

---

<sup>1</sup> The 2000 Census reported a total population for Harvard of 5,981, including 751 residents living in group quarters – correctional institutions – in census tract 7141. This is the portion of Harvard that was for many years a military enclave and is currently operated by Mass Development as the Devens Regional Enterprise Zone, a separate management entity. Although there are now some 100 homeowners living at Devens, all of the housing units included in the Census count were vacant in April 2000. This housing needs analysis excludes the incarcerated Devens population.

<sup>2</sup> *The Greater Boston Housing Report Card, 2003*, Bluestone et al

neighboring communities. The town's local schools consistently rank as one of the highest achieving public school systems in the state.

Compared to state norms, Harvard has a much smaller population of 20-34 year olds, and the town has experienced a significantly greater decline in this group since 1990. It has a much higher proportion of 40-64 year olds. Many, who moved to town in their thirties and raised families are now empty-nesters, "over-housed," but with no local options for down-sizing. Harvard has long had a markedly smaller older population, but the town is now playing catch-up, and its "65+" population is growing at a faster rate than the state's. According to the Metropolitan Area Planning Council's population forecast, Harvard could experience a 144 percent increase in its 65+ population in the next 20 years, based on its current 35 to 54 years old population (rising from 457 in 2000 to 116 in 2025).<sup>3</sup>

Just over 400 (about 22 percent) of all households were identified as having a member with one or more disabilities, about half the statewide norm. Fewer than 100 of these, however, identified their disabilities as involving mobility or self-care limitations.

Racial and ethnic minorities constitute only a very small percent of Harvard households. The 2000 Census reported that over 96 percent of Harvard's population was white, 0.4 percent was black, 1.6 percent was Asian and 1.2 percent reported two or more races.<sup>4</sup> Latinos (of any race) represented 0.6 percent of the population. Because of their small numbers, income data for minority households are suppressed; however, extrapolations based on the dominant (white, non-Hispanic) population, suggest the socio-economic status of the town's minorities mirrors that of their majority neighbors.

Sixty-two percent of Harvard families have two wage earners, and the impact on a family's financial well-being of both spouses working is striking. Average annual income in 1999 of families with one wage earner was \$128,500; for those with two wage earners, it rose to \$153,800. The 13 families living below the poverty level are all female-headed households.

Seventy-six percent of town residents over the age of 25 in 2000 held either a bachelor's, graduate or professional degree, up from 52 percent a decade earlier. The comparable 2000 statewide figure was 27 percent. Nearly three quarters of its workforce holds management or professional jobs, up from 67 percent a decade ago and compared to 41 percent for the state, while only a handful work in traditionally blue-collar and lower wage jobs. Over 6 percent work in home-based businesses, more than twice the rate for the state as a whole.<sup>5</sup>

---

3

[http://www.mapc.org/data\\_gis/data\\_files/BaselinePopulationForecasts.pdf](http://www.mapc.org/data_gis/data_files/BaselinePopulationForecasts.pdf)

<sup>4</sup> The preceding figures exclude members of each racial category that also identify themselves as Latino. Latinos are counted as a separate category regardless of their race.

<sup>5</sup> The Town Plan identified a sizable population of persons working at home, engaged in professional and e-commerce fields or small business ventures, and notes that the highest percentages of home-based workers generally are found in upper income suburbs and resort communities.

Almost half of all Harvard households consist of just one or two people. This mirrors the statewide norm and reflects the aging of the population, but what is striking about Harvard, is the disparity between household size and housing unit size.

### Existing Housing

Harvard has among the newest, largest, most homogeneous, and most expensive housing stock in the Commonwealth. It also has one of the highest levels of owner occupancy and average lot size. The 2000 Census provides a snapshot of the town’s 1911 units of housing (including those that are vacant, seasonal or for sale).<sup>6</sup>

<u>Structure Type</u>	<u>percent of Units</u>
single family (including 32 condos)	94%
2 family	3%
3-4 units	2%
5 or more units	1%

The housing is overwhelmingly single-family. Since there is no multi-family district, the few multi-unit structures that exist are scattered throughout the town. Ninety-one percent of all units are owner occupied, up from 88 percent in 1990 and 85 percent in 1980. Single-family homes constitute much of what little rental inventory there is, and these units are often only temporarily in the rental pool, the result of an owner’s inability to sell, or a leave of absence from town.

Fifty-five percent of Harvard’s housing units have been built since 1970. Homes are generally large (8 rooms on average, with 55 percent of owner occupied units and 20 percent of rentals containing 4 or more bedrooms), of high quality and un-crowded. According to the 2000 Census, only a handful of households experienced serious housing problems (lack of plumbing, or complete kitchen facilities, for example) or overcrowding (described as more than one person per room). Lead paint, outlawed for use in housing in 1978, is most problematic in homes built prior to 1950, which would include less than a quarter of Harvard’s units. A greater problem for many homeowners is the possibility of septic failure under the State’s Title 5 regulations, and the high cost of system repair or replacement to comply. Ongoing maintenance of all types presents a challenge for older and low income homeowners.

About 5 percent of all homes in Harvard co-exist with non-residential uses on the same property, e.g. businesses and farms, and a number of properties include more than one home on a single property, traditions no longer allowed by the town’s zoning bylaw. Other than these idiosyncrasies, Harvard’s housing stock is striking for its lack of

---

<sup>6</sup> 2225 units, including Devens. All but one of the 314 Devens units were vacant at the time of the 2000 Census. For purposes of calculating the town’s “fair share” of affordable housing, the state estimates Harvard’s year round housing stock at 2156: the 314 at Devens plus 1842 elsewhere in Harvard (the 1911 total less 69 seasonal units). Harvard’s population, including Devens is 5,981.

diversity. As is true of many communities of similar size and location at the edge of major metropolitan areas, there is not much variety in terms of size, tenure, value, or even style.

**Table 2.1** identifies the town’s affordable housing inventory (i.e., those units that count toward Harvard’s 10 percent goal on the State’s Subsidized Housing Inventory) as of September 2009:

**Table  
2.1  
Harvard's Qualified Affordable Housing  
Inventory  
As of September 2009**

Name	Developer/Owner	Date	Program	Type	Population	Total # Units	Low Income Units
Harvard Inn	Harvard Conservation Trust	1985	Local Initiative*	Rent	Unrestricted	4	4
Great Elms	Harvard Conservation Trust	1987	Local Initiative*	Rent	Unrestricted	5	5
Foxglove	SK Properties	1992	Rural Housing	Rent	Elderly	24	24
Harvard Green	HG Condo Trust	1996	Local Initiative	HO	Unrestricted	32	8
Estates at Harvard Hills	Aspen Development	2002	Local Initiative	HO	Unrestricted	77	13
Harvard HOR Program	Home Owners	2005	CFD II Program	HO	Unrestricted	Existing	5
Trail Ridge**	Fairway Partners	2005	Local Initiative	HO	Mixed	52	2

\* Harvard Inn and Great Elms predated the Local Initiative, but were subsequently qualified for inclusion on the Town's Inventory

\*\* At build out Trail Ridge will consist of 13 Affordable units with a mix of market (15), affordable(13) and age restricted(24) units

\*\*\* The Town is in the process of applying for certification of units at Harvard Common

## Trends in New Construction

New construction since 1990 has been, overwhelmingly, detached single-family homes on large lots, in effect, the only type of residential development allowed under current zoning. The mini-subdivision, accessory apartment and cluster zoning by-laws the town adopted a decade ago were rarely, if ever, used. It is too early to tell if the revised cluster by-law approved by Annual Town Meeting in 2003 or the village center/commercial zoning district approved in 2004 will result in alternative housing types and land use patterns. Both of these bylaws include incentives for the development of affordable units.

Most of the new construction has been on backland or hammerhead lots (4.5-acre minimum) and frontage lots that exceed the 1.5-acre minimum. The Town Plan notes that the 249 single family homes built since 1988 occupy an average of 4.1 acres per dwelling unit, and most development has been targeted to the high end of the home buying market.

The exceptions to this trend are the 24 one-bedroom units at Foxglove Apartments, 32 two and three-bedroom units at Harvard Green Condominiums, the 52 two and three-bedroom units under construction at Trail Ridge and the 12 units under construction at Harvard Common. These locally supported initiatives, both requiring comprehensive permits, ensured that 40 percent of the decade’s new units were of more modest size, containing one, two, and three-bedrooms. (Foxglove was permitted in

1992, Harvard Green in 1995.) By contrast, more than three-quarters of the new single-family homes built during this period contained four or five- bedrooms. Harvard's high concentration of homes with four or more bedrooms is exceeded by only a handful of other Massachusetts communities. This has been the case for more than 20 years, even as the population per household has dropped. Nearly half of all households are now occupied by just one or two people, up from 40 percent in 1980 and 45 percent in 1990.

In part because building lots are still available, though expensive (upwards of \$300,000) and in short supply, Harvard has not yet experienced a significant number of "tear-downs" or "mansionizations," a trend increasingly common in communities closer to Boston with economic and demographic profiles similar to Harvard's. It has, however, witnessed the conversion of a number of seasonal properties to year round residency. Even more than the existing inventory, the new construction is fairly homogeneous in terms of size, price and acreage. It has resulted from a handful of local builders developing one or two units a year on spec and custom units, dispersed throughout the town.

The average annual growth rate over the last decade, one and a half percent, was half the rate experienced during the 1980s and only a quarter of that experienced during the 1970s when several larger subdivisions were built. Because of the increasingly large lot sizes, a reflection both of market demand and physical constraints (site and septic requirements, soil conditions, wetlands, slope, etc.), even this modest rate of growth has resulted in the conversion of about 100 acres per year of forest and agricultural land to residential use. The annual growth rate has slowed to just 0.6 percent since 2000. Harvard's overall growth since 1990 (11 percent in single-family parcels and 12 percent in housing units) are below the regional averages.

### **Rents and Home Prices**

Historically, Harvard has enjoyed a strong housing market with rising values, predictable turnover and low vacancy rates. The exception to these trends was the period from 1990-1992 when the region's economy went into a tailspin, driving housing prices down and vacancies up across Massachusetts. When the region's economy recovered a few years later, home prices renewed their meteoric rise. By 2000, the Census reported vacancy rates of 0.5 percent for homeowners and 2.8 percent for renters, a sharp drop from the 1.2 percent and 6.1 percent recorded a decade earlier.

Like many communities in the area, Harvard is losing the battle to maintain a diversity of housing options. Historically, there have been few units available for rent in the private market. Recent trends include conversion of seasonal cottages to year-round residences and prices being bid up on even the most modest homes in town. The median home price in Harvard increased by 130 percent over the past decade, and it has continued to rise even as the region's economy stalled. The increase between 2000 and 2003 was 30 percent. Many communities closer to Boston have experienced even more dramatic run-ups in price during this time period, with the lower income communities experiencing the greatest increases.

The median asking price of homes listed with the Municipal Listing Service (MLS) in May 2004 (\$775,000) would require a homebuyer to have an annual income of more than \$160,000. There are only 2 listings priced below \$500,000 at this time. Turnover remains low, about 4 percent per year. While the high end of the market has softened (a regional phenomenon) realistically priced properties in the mid and lower price ranges are selling at or near their asking price. More than one third of the single family properties currently listed with MLS have been on the market for six months or more, and several have languished for over a year, suggesting that some sellers may be testing the market, but are not highly motivated.

Rental units that come on the market in Harvard often get rented through word-of-mouth. A review in August 2004 of real estate listings revealed: 2 four-bedroom, 2 three-bedroom, 1 two-bedroom and 2 one-bedroom rentals with rents ranging from \$825 to \$2,975 per month.

Like rents and home prices, land costs have escalated, and are now in excess of \$300,000 for developable lots with permits in place. In fact, it is the high land costs, more than anything else, that drives up home prices and dictates what gets built. Large lot zoning, Title V requirements and private wells all contribute to high development costs. Fewer than a dozen building lots are sold each year. More often, a builder will sell a lot and construct a home for the buyer. As of May 2004, there were 9 parcels listed with Multiple Listing Service. They ranged in size from 2.3 acres to 24 acres and were priced from \$250,000 to \$2,900,000, with a median asking price of \$725,000.

### **Affordability Gap**

Until about twenty years ago, there was a fairly good match between family income of local residents and income required to purchase the typical, or median priced, home. In 1980, Harvard's median household income, \$37,000, was sufficient to purchase the typical \$101,000 home, using standard underwriting assumptions. But, as elsewhere in the region, home prices in Harvard have risen faster than incomes, and the median priced home in 2003 sold for more than \$500,000. Still, the town has fared better than most eastern Massachusetts communities: its 2003 median priced home was still affordable to the median income family, who earned an estimated \$121,000 in 2003...but just barely, and only because mortgage interest rates are at near record low levels.<sup>7</sup>

With homes rarely available now for less than \$300,000, affordability is a major problem in Harvard. Teachers, municipal workers and public safety personnel who don't already live in town, but would like to, find it especially challenging to locate affordable housing in Harvard. The starting salary for teachers with a bachelor's degree is just over \$35,500; the median teacher salary in 2003 was about \$58,000. The median police salary was \$67,000; for the DPW, it was \$42,000. The town's new police chief was hired at a base salary of about \$72,000. The EMT and fire departments are staffed by volunteers who are

---

<sup>7</sup> Sudbury, Stow, Bolton, and Westford are other affluent communities where the median income could support the median priced home in 2003.

required to either work and/or live in town.

The least expensive home currently listed with the Multiple Listing Service in Harvard has an asking price of \$385,000 (May 2004). Assuming an 80 percent mortgage at today's favorable low rates (6 percent), and allowing 33 percent of income for principal, interest, real estate taxes, and homeowners insurance, a homebuyer would need an income of nearly \$85,000 – and a similar amount in cash – to purchase the five-room, seasonal cottage. *Only seven municipal or school department employees were paid enough in 2003 to afford the least expensive home in the town where they work.*

Renters face an even greater challenge. Units are scarce, and turnover is low. The income of renter households in Harvard is less than 40 percent of what it is for homeowners. At this income, a household can afford to spend about \$1,100 in monthly rent. This is a comparatively generous rent budget, but it would not go far in Harvard where rental units (when they are available at all) fetch more than twice that amount.

### Populations in Need of Housing Assistance

The housing needs and priorities identified in this plan follow commonly used federal and state standards for classifying income, affordability and housing problems. Housing is affordable if gross rent (including the cost of utilities borne by the tenant) or homeowner costs (including mortgage payment, real estate taxes and homeowners insurance) do not exceed 30 percent of household income. Households paying in excess of 30 percent are considered *cost burdened*; those paying in excess of 50 percent are considered *severely cost burdened*. **Table 2.1a** illustrates the targeted income levels for most affordable housing programs in the Eastern Worcester County area, which includes Harvard.

**Table 2.1a**  
2009 Income Eligibility Guidelines for Various Programs

Household Size	150 percent AMI	110 percent AMI	East Worcester Area Median Income	95 percent AMI Moderate Income	80 percent AMI Low Income	50 percent AMI Very Low Income	30 percent AMI Extremely Low Income	Federal Poverty Level
1	\$86,850	\$63,663		\$54,981	\$46,300	\$35,850	\$21,500	\$10,830
2	\$99,300	\$72,806		\$62,878	\$52,950	\$40,950	\$24,550	\$14,570
3	\$111,600	\$81,881		\$70,716	\$59,550	\$46,100	\$27,650	\$18,310
4	\$124,050	\$90,956	\$103,800	\$78,553	\$66,150	\$51,200	\$30,700	\$22,050
5	\$133,950	\$98,244		\$84,847	\$71,450	\$55,300	\$33,150	\$25,790
6	\$143,850	\$105,531		\$91,141	\$76,750	\$59,400	\$35,600	\$29,530

Source: HUD User.com

**Low and Moderate Income Cost Burdened Households.** Even though its economic profile places Harvard in the top 3 percent of communities statewide, many residents are not faring so well. As previously noted, 14 percent of the town’s households are considered extremely low, very low, or low income by the federal Department of Housing and Urban Development, and 2 percent live below the federal poverty level. Another 7 percent are considered moderate income.<sup>8</sup> Many of these households face excessive cost burdens. (See **Table 2.2.**)

**Table 2.2**  
**Summary of Housing Problems by Income Classification**

Income Classification	Renters			Homeowners			All Households		
	Total	Housing or Afford Problems	No Housing or Afford Problems	Total	Housing or Afford Problems	No Housing or Afford Problems	Total	Housing or Afford Problems	No Housing or Afford Problems
<= 30% of Area Median Inc.	28	24	4	19	15	4	47	39	8
>30%, but <=50%	39	4	35	54	30	24	93	34	59
>50 %, but <=80 %	8	0	8	77	29	48	85	29	56
>80 %, but <=95 %	15	0	15	105	55	50	120	55	65
>95 %, but <=100 %	8	4	4	10	10	0	18	14	4
>100 %, but <=115 %	4	4	0	55	25	30	59	29	30
>115 %, but <=120 %	4	0	4	50	25	25	54	25	29
>120 %, but <=140 %	4	0	4	155	65	90	159	65	94
>140 %	45	0	45	1105	85	1020	1150	85	1065

Source: HUD-Census Special Tabulation data, Tables MA A6A060r and MA A6B060r

Overall, one third of all low income households are renters. Sixty percent of those with *extremely low incomes* rent, as do 42 percent of those with *very low incomes* and 9 percent of those in the *low income* (50-80 percent of area median income) category. Twenty-eight of the low income renters (37 percent) experience affordability problems, as do nearly half of the 150 low income homeowners. Eighty percent of these low income, cost burdened renters are under the age of 65. The majority of cost burdened, low income homeowners, on the other hand – there are at least 50 of them – are aged 65 or over (55 percent). Most of these older homeowners have no mortgage outstanding; they are cost burdened due to relatively high taxes, insurance premiums reflecting high property values, and relatively low incomes. The cost burdened non-elderly are, overwhelmingly, small families or non-family households.

In addition to those *already* facing cost burdens, another 60 elderly and 16 non-elderly households are deemed *at risk* of becoming cost burdened because of low incomes. (Also

<sup>8</sup> Current HUD income classifications are as follows: extremely low income - household income 30 percent or less of the HUD area median family income (HAMFI, or AMI); very low income - household income greater than 30 percent but not more than 50 percent of HAMFI; low income - household income greater than 50 percent but not more than 80 percent of HAMFI; and moderate income - household income greater than 80 percent but not more than 95 percent of HAMFI.

included in this number are a handful of “subfamilies,” the term the Census uses to describe housing units that are occupied by more than one household.)

**Other (non-low income) Cost Burdened Households.** High housing costs have made housing affordability an issue even for middle and upper income households. Five percent of the middle and upper income renters and 15 percent of the middle and upper income homeowners in Harvard also face cost burdens. The more detailed **Table 2.3** illustrates the breadth of the affordability problem, based on the 1999 housing costs and household incomes reported in the 2000 Decennial Census. This table illustrates that the cost burden is greatest for young renter households, while the cost burden for homeowners is severe for households at both ends of the age spectrum, those headed by the young and by the elderly.

**Housing Conditions.** While only a handful of homes in Harvard are deemed to be substandard (lacking kitchen facilities or plumbing or having serious code violations), upgrading such units is considered a high priority. Five homeowners participated in MassHousing home improvement loan programs in recent years, and the Montachusett Regional Planning Commission indicates that additional homeowners may be served under the regional home repair program funding under the Community Development Fund II Program.

The number of low income homeowners, including those with rental units, who may need financial help to maintain their units; remove lead paint, asbestos, or other toxins; repair or replace failing septic systems; or comply with housing codes, is estimated to be much greater (40-50). Many of these are low income elderly homeowners who want to get out of “high maintenance” housing situations entirely and convert some of their home’s equity to cash for other basic needs.

**Special Needs.** A small number of Harvard residents have more specialized needs. The Census enumerated more than 400 households in which one or more member reported some type of physical, mental or sensory disability. This represents about 22 percent of all households, about half the statewide figure, but comparable to similar communities. Only 86 of these households reported that their disabilities presented mobility or self-care limitations. About one quarter of the households with such limitations are elderly, roughly the same proportion as are low income. There are also a small number of residents, or former residents, whose health and/or other issues require specialized housing services. The numbers are small (estimated at fewer than a dozen), and their needs may be temporary or episodic. Not all such needs can be met locally, but it is important to recognize that Harvard residents contribute to a regional demand for group homes, transitional housing, shelter beds, etc.

**Lack of Housing Choice.** While some households need help with affordability, home repairs, or have special needs, many others (across a range of incomes) simply need greater housing *choice*: alternatives to large single family homes on large lots. Harvard homes and lots sizes are among the largest in the state, and many homeowners are residing in houses that are no longer appropriate to their needs or means. The choice of alternatives (smaller units, rentals, condominiums, etc.) is among the most limited of any community in the Commonwealth. Fewer than 10 percent of households rent, and nearly 60 percent of those rent single family homes. There are four condominium

developments in Harvard (Harvard Green, the townhouses in the Estates at Harvard Hills and two under construction, Trail Ridge and Harvard Common). The only multi-family property, Foxglove, was built specifically as a rental, offers 24 units, and is restricted to those over age 62. With the permitting of the proposed senior rental housing on Ayer Road and additional 42 rental units will be available to help meet the rental needs identified.

**Regional Needs.** The regional needs are greater and more complex. None of the towns abutting Harvard, or the communities abutting them, is at the 10 percent “affordable” threshold. While most offer greater housing choice in terms of size, type, tenure, and cost than Harvard, rental *and* ownership options for low and moderate income households are limited throughout the region. In fact, rentals in all price ranges are in short supply, due to the fact that fewer than 500 new rental units have built in the 20-town area since 1990.

**Table 2.3**  
**Cost Burdened Households**

**Renter Households**

By Age of Householder	15-24	25-34	35-44	45-54	55-64	65-74	75+	Total
Total Households in Age Group for Whom Rent Burden Was Computed	8	26	12	44	13	6	20	129
Age Group as % of All Households	6.2%	20.2%	9.3%	34.1%	10.1%	4.7%	15.5%	100.00%
Less than 20 percent	0.0%	26.9%	50.0%	40.9%	53.8%	0.0%	30.0%	
20 to 24 percent	0.0%	0.0%	0.0%	13.6%	0.0%	100.0%	35.0%	
25 to 29 percent	0.0%	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%	
30 to 34 percent	0.0%	0.0%	0.0%	15.9%	0.0%	0.0%	0.0%	5.43%
35 percent or more	100.0%	23.1%	0.0%	29.5%	46.2%	0.0%	35.0%	31.01%
# of Cost Burdened w/in Age Group	8	6	0	20	6	0	7	47

By Income of Householder	<\$10,000	\$10,000-19,999	\$20,000-34,999	\$35,000-49,999	\$50,000-74,999	\$75,000-99,999	\$100,000 +	Total
Total Households in Income Bracket for Whom Rent Burden Was Computed	13	41	25	19	25	14	18	155
Income Bracket as % of All Households	8.4%	26.5%	16.1%	12.3%	16.1%	9.0%	11.6%	100.00%
Less than 20 percent	0.0%	17.6%	33.3%	0.0%	46.2%	100.0%	66.7%	
20 to 24 percent	0.0%	38.2%	0.0%	0.0%	0.0%	0.0%	33.3%	
25 to 29 percent	0.0%	0.0%	33.3%	68.4%	0.0%	0.0%	0.0%	
30 to 34 percent	0.0%	20.6%	0.0%	0.0%	0.0%	0.0%	0.0%	5.16%
35 percent or more	100.0%	23.5%	33.3%	31.6%	53.8%	0.0%	0.0%	32.26%
# of Cost Burdened w/in Income Bracket	13	18	8	6	13	0	0	58

**Owner Occupied Households**

By Age of Householder	15-24	25-34	35-44	45-54	55-64	65-74	75+	Total
Total Households in Age Group for Whom Cost Burden Was Computed	0	62	350	545	304	113	60	1434
Age Group as % of All Households	0.0%	4.3%	24.4%	38.0%	21.2%	7.9%	4.2%	100.00%
Less than 20 percent		29.0%	52.0%	56.5%	59.2%	71.7%	33.3%	
20 to 24 percent		29.0%	22.9%	15.4%	13.2%	5.3%	33.3%	
25 to 29 percent		0.0%	1.7%	8.6%	8.2%	11.5%	0.0%	
30 to 34 percent		21.0%	7.4%	8.4%	4.6%	0.0%	11.7%	7.39%
35 percent or more		21.0%	16.0%	11.0%	14.8%	11.5%	21.7%	13.95%
# of Cost Burdened w/in Age Group	0	26	82	106	59	13	20	306

By Income of Householder	<\$10,000	\$10,000-19,999	\$20,000-34,999	\$35,000-49,999	\$50,000-74,999	\$75,000-99,999	\$100,000-149,999	\$150,000 +	Total
Total Households in Income Bracket for Whom Cost Burden Was Computed	0	20	84	84	118	272	314	542	1434
Income Bracket as % of All Households	0.0%	1.4%	5.9%	5.9%	8.2%	19.0%	21.9%	37.8%	100.00%
Less than 20 percent		0.0%	22.6%	15.5%	37.3%	43.0%	40.4%	86.5%	
20 to 24 percent		0.0%	29.8%	32.1%	15.3%	14.7%	25.5%	10.7%	
25 to 29 percent		30.0%	8.3%	0.0%	0.0%	12.1%	12.1%	1.3%	
30 to 34 percent		0.0%	8.3%	7.1%	10.2%	16.5%	8.9%	1.5%	7.39%
35 percent or more		70.0%	31.0%	45.2%	37.3%	13.6%	13.1%	0.0%	13.95%
# of Cost Burdened w/in Income Bracket	0	14	33	44	56	82	69	8	306

Source: Census 2000 SF3, Tables

## Needs Assessment Summary

Harvard's lack of affordable housing options has impacted some groups more than others:

- Low income renter households
- The elderly and others on fixed incomes
- Lower income homeowners (nearly 60 percent of Harvard households with incomes below \$35,000 are homeowners)
- Young adults and families locked out of homeownership

The greatest demand is for smaller, moderately priced ownership units and rentals in a range of price levels. The demand for both comes primarily from the same two groups: 1.) young people (mostly individuals and small families) who work in the area but cannot afford to buy, and 2.) older homeowners wishing to downsize, but with no alternatives available locally, either for rent or purchase. Often the latter are seeking lower maintenance properties, single floor living and, in a smaller number of cases, supportive services. In each of the most recent surveys, a small number of respondents specified the need for barrier-free accommodations. Demand also comes from school and municipal employees; families with children in Harvard schools under the Choice Program; parents, children or siblings of current residents; current residents facing financial setbacks; and households that have split up due to divorce. Several members of the town's volunteer emergency services, have indicated that they will be forced to relocate out of the area because of the lack of affordable housing. Finally, there is a demand for alternatives, both rental and ownership, to "large houses on large lots" among those who can afford to pay market, or near market prices.

Notwithstanding some significant challenges, Harvard is in an enviable position. Its housing market is strong, but not overbuilt. Its housing needs are manageable. About 155 units of affordable housing are needed to bring the town up to its current 10 percent goal. A build-out analyses conducted by the Montachusett Regional Planning Commission put the potential number of new units the town could absorb, given its current zoning, at between 2,200-3,200. Absent public sewers or widespread use of alternative technologies for wastewater disposal, however, these are extremely aggressive estimates.

### **Impediments to Expanding the Supply of Affordable Housing**

The factors that impede the development of affordable housing in Harvard can be classified into four related categories:

- high production costs
- development constraints
- zoning and regulatory restrictions
- limited municipal infrastructure and local capacity

**Cost to Produce.** Housing prices in Harvard are among the highest in the state. Land costs drive development costs, but many factors contribute to the high land prices.

Among them are large-lot zoning (1.5-acre minimum lot size), Title V requirements, private wells, and the desirability of a community by those wishing and able to “buy in.”. Most of the town, with its scenic vistas and orchards, is included in the Massachusetts Scenic Landscape Inventory. Open space constitutes about 40 percent of the town’s landmass and is its most distinguishing feature, but only half of the open space is permanently protected. Many of the orchards, farms and large tracts of open space that give Harvard its rural ambiance benefit from property tax laws (Chapter 61) that encourage forestry or agriculture and outdoor recreation, or have been acquired for conservation purposes.<sup>9</sup> There is a regional benefit to these uses that extends beyond Harvard, but they result in fewer parcels being available for development.

**Development Constraints.** Harvard has limited infrastructure and soils that pose moderate to severe limitations for residential development throughout much of the town. There is no public sewer service and only limited water service. Most homes and businesses are served by individual wells for water and individual on-site septic systems to treat and dispose of waste. While groundwater quality is generally good and in adequate supply to accommodate reasonable future growth, Harvard’s soil conditions, shallow depth to bedrock and high groundwater levels are not well suited to traditional septic systems. This has resulted in larger lot development as the more suitable soils capable of supporting development on smaller lots have already been developed.

**Local Zoning and Regulatory Restrictions.** According to the Master Plan, the town’s zoning bylaw was based on legitimate environmental concerns that reflected Harvard’s limited infrastructure and inhospitable soils. That Plan cautioned, however, that the bylaw has evolved as a tool for *quantitative* rather than *qualitative* development control that impedes efforts to diversify the housing stock and create more affordable options. With no multiple residence district and “ambiguous, overly complex and prescriptive zoning requirements,”<sup>10</sup> the Master Plan concluded that the bylaw inhibits both new construction and more efficient use of the existing inventory through the creation of new, smaller units within existing structures.

Even though the State has developed a list of approved alternative technologies that could open up more land for development, Harvard has not embraced any of these. It continues to rely on uniform, large lot zoning and stringent site controls to mitigate the risks associated with conventional septic systems. Advancements in wastewater technology continue to reduce some of the traditional development barriers, but Harvard’s prohibition against shared septic systems presents an enormous obstacle to their use.

In terms of zoning, the Master Plan observed that Harvard’s one-size-fits-all approach has exacerbated the problem of preserving and expanding the supply of affordable housing. Ninety-seven percent of the town is zoned Agricultural-Residential, requiring a minimum of 1.5 acres for frontage lots and 4.5 acres for backland, or hammerhead, lots. The town

---

<sup>9</sup> *Harvard, Massachusetts Master Plan November 2002*, p. 1.2

<sup>10</sup> *Ibid.*, p.3.4

has never zoned any land for multi-family housing. Accessory apartments and the conversion of older homes to two-family or multi-family use are classified as special permit uses, the land area and other requirements have rendered them unworkable.

**Municipal Infrastructure and Local Capacity.** Typical of many small Massachusetts towns, Harvard is a largely volunteer-run community. It employs a town administrator; the five-member Board of Selectmen, Planning Board, Zoning Board of Appeals, Board of Health, Conservation Commission, Community Preservation Committee, and Housing Authority are all elected. The Finance Committee and Housing Partnership are appointed. Even the town's fire and ambulance services are staffed by volunteers. Its small size, limited organizational infrastructure and limited commercial-industrial tax base have made it difficult for the town to develop and sustain an aggressive housing agenda.

### **Mitigation Measures**

The recently adopted Master Plan establishes the framework for overcoming some of these barriers. The Plan notes that advancements in wastewater technology and Title V flexibility that didn't previously exist now enable Harvard to facilitate a wide range of housing types if the town provides effective zoning incentives. And, notwithstanding the town's generally poor soil conditions, several areas have been identified as potentially suitable for more intense development, and technology and economics continue to make parcels once dismissed as unsuitable, possible housing sites. The Master Plan laid out an ambitious schedule for implementing important zoning reforms, two of which have already been adopted.

Because of its abundance of highly visible, undeveloped land, Harvard is uniquely positioned to consider flexible, non-uniform patterns of residential development, and it can use the comprehensive permit to its advantage in doing so, even absent substantial zoning reforms. In addition, the Town has acquired property for other uses that might be suitable for development of affordable housing.

### **Affordable Housing in Harvard: A Brief History**

For-profit and nonprofit developers have been responsible for the creation and management of the town's limited affordable housing and, of these, only the Harvard Conservation Trust has undertaken more than one project. The Trust acquired and preserved the Harvard Inn and Great Elms as affordable housing, but it recently decided to exit the housing business, leaving a void in the town's ability to undertake development directly. Trust leadership has indicated a willingness to assist others in town in the establishment of a successor organization that can continue to undertake similar types of projects, and the presumption that Harvard will maintain a local nonprofit development capability is a key underpinning of the town's affordable housing strategy.

MassDevelopment, the lead agency for the redevelopment of the former Fort Devens<sup>11</sup> oversees all development including transitional, affordable and market-rate housing on Harvard lands within the Devens Enterprise Zone. The Reuse Plan for Devens calls for the development of 282 units of permanent housing, 25 percent affordable, of which 241 will be located in Harvard. Phase One was completed in 2002, and Harvard's share of the 102 unit homeownership development (77 units, 13 affordable) were added to the State Subsidized Housing Inventory in September 2003.

In January 2004, the Montachusets Regional Planning Commission, of which Harvard is a member, submitted the Town's first request for housing certification under the State's Executive Order #418 and two applications on the town's behalf for funding under the CFD II Program. The first application, which requested funding for Harvard's participation in a regional housing rehabilitation program with the towns of Lancaster, Lunenburg and Sterling, was approved for funding. Unfortunately, the second, which sought funding of a feasibility study to support the local Housing Authority's effort to build senior housing on town-owned land, was denied.

**Table 2.4**, based on DHCD data of September 29, 2009 , compares Harvard's affirmative efforts to expand its housing supply to those of surrounding cities and towns.<sup>12</sup> By most measures, the town's performance is lagging behind the region's communities in expanding affordable housing options, but the region as a whole lacks affordability and diversity in its housing inventory.

---

<sup>11</sup> The closure of Fort Devens was announced in 1991; the base officially closed in 1995.

<sup>12</sup> Comparator communities are Harvard's abutters and the cities and towns that abut them.

**Table 2.4**  
**Affordable Housing Report Card**  
**As of September 29, 2009**

City/ Town	Total Year Round HUs	DHCD Subsidized Units	% Subsidized Units	10% State Goal	Deficit
Acton	7,645	514	6.7%	765	251
Ayer	3,141	293	9.3%	314	21
Berlin	891	60	6.7%	89	29
Bolton	1,472	47	3.2%	147	100
Boxborough	1,900	24	1.3%	190	166
Clinton	5,817	560	9.6%	582	22
Groton	3,339	192	5.8%	334	142
Harvard	2,156	61	2.8%	216	155
Hudson	7,144	733	10.3%	714	0
Lancaster	2,103	104	4.9%	210	106
Leominster	16,937	1,418	8.4%	1,694	276
Littleton	3,018	245	8.1%	302	57
Lunenburg	3,605	66	1.8%	361	295
Maynard	4,398	365	8.3%	440	75
Shirley	2,140	60	2.8%	214	154
Sterling	2,611	69	2.6%	261	192
Stow	2,108	132	6.3%	211	79
Sudbury	5,582	265	4.7%	558	293
Townsend	3,162	126	4.0%	316	190
Westford	6,877	636	9.2%	688	52
<b>TOTAL</b>	<b>86,046</b>	<b>5,970</b>	<b>6.9%</b>	<b>8,605</b>	<b>2,635</b>

In addition to the 61 units of housing that currently qualifies on the State Inventory, there are additional projects in various stages of development. **Table 2.5** identifies Harvard's current existing and planned affordable housing inventory. If all proposed projects move into construction as planned, Harvard will significantly increase its affordable housing, by adding 173 new units over the next five years, potentially raising its subsidized inventory closer to the required 10 percent. The proposed projects will also serve to diversify the town's housing stock in other important ways as well, by adding badly needed rental units for seniors, mixed-income rental units, homeownership opportunities for households earning between 80-120 percent of the area median income, and by adding two-bedroom townhouse units.

**Table 2.5  
Harvard's Qualified Affordable Housing Inventory**

Name	Developer/Owner	Date	Program	Type	Population	Total # Units	Low Income Units
<b>Existing</b>							
Harvard Inn	Harvard Conservation Trust	1985	Local Initiative*	Rent	Unrestricted	4	4
Great Elms	Harvard Conservation Trust	1987	Local Initiative*	Rent	Unrestricted	5	5
Foxglove	SK Properties	1992	Rural Housing	Rent	Elderly	24	24
Harvard Green	HG Condo Trust	1996	Local Initiative	HO	Unrestricted	32	8
Estates at Harvard Hills	Aspen Development	2002	Local Initiative	HO	Unrestricted	71	13
Harvard HOR Program	Home Owner	2005	Existing	HO	Unrestricted	5	5
Trail Ridge	Fairway Partners	2004	NEF	HO	24 Units Restricted to 55 years & older	20	5
<b>Under Construction</b>							
Trail Ridge	Fairway Partners	2007	NEF	HO	24 Units Restricted to 55 years & older	32	8
Harvard Common	Harvard Common, LLC	2009	Local Initiative	HO	Unrestricted	12	3
<b>Proposed</b>							
Vicksburg Sq Devens	MassDev	2012	tbd	HO	Rental	60	60
Grant Rd Devens	MassDev	2013	tbd	HO	Unrestricted	170	43
Ayer Road Senior Hsg	Wheeler Realty Trust	2009	Local Initiative	Rent	Elderly	42	42
Pine Hill Village	Transformation	2010	Local Initiative	HO	Unrestricted	24	6
Village at Harvard	Harvard Village, LLC	2013	Local Initiative	HO	Unrestricted	32	8

\* Harvard Inn and Great Elms predated the Local Initiative, but were subsequently qualified for inclusion on the Town's Inventory

## The Devens Factor

No discussion of Harvard's future development would be complete without a reference to the "elephant in the room," Devens. Following the announcement in 1991 of the closure of Fort Devens, the largest military base in New England, the Commonwealth negotiated to buy the 4,400 acre property from the federal government. Through state legislation in 1993, and votes on a Reuse Plan and Zoning By-Law the following year by Harvard, Ayer and Shirley, MassDevelopment became the owner of lands within the Devens Regional Enterprise Zone (Devens) in 1996. The Army retained responsibility for remediation of sites contaminated by its activities, but a new, unified permitting agency – the Devens Enterprise Commission (DEC) – became the regulatory body. The Devens Reuse Plan, a comprehensive strategy to reuse the buildings, infrastructure, land and open space to produce jobs and environmental protection, became the mechanism for ensuring an orderly transition from military to civilian use, a process that was expected to take 20-40 years. The plan envisioned a large industrial and office park threaded with conservation and recreational open space, with small pockets of housing, adaptive reuse of historic military buildings, and business-serving retail services.<sup>13</sup> Twenty-five percent of the planned 282 units of housing (241 in Harvard), were to be reserved for low or moderate income households.<sup>14</sup>

Implementation has occurred far more rapidly than expected, and nearly two-thirds of the allowed buildout is already in place, or has been committed to. Some 100 families now call Devens home. The two agencies (DEC and MassDevelopment) and three host

<sup>13</sup>Tri-Town Five Year Review of the Devens Reuse Plan

<sup>14</sup>Defined at the time as households earning not more than 80 percent of area median income.

communities<sup>15</sup> have completed their five-year reviews of the implementation of the Reuse Plan. And, following one of the recommendations of this five-year review, the host towns of Ayer, Harvard and Shirley, MassDevelopment, and the DEC have agreed to begin the disposition planning effort which will determine the final governance structure of Devens (whether jurisdiction reverts to the towns or it becomes the state's 352nd municipality). If the host towns and MassDevelopment agree that more housing should be allowed on Devens, great care will need to go into its planning and implementation. This may be a unique opportunity to create an exciting new residential community that includes a significant number of affordable units in the mix, but the challenges are daunting.

---

<sup>15</sup> Ayer, Harvard and Shirley. The Lancaster portion of Fort Devens—the South Post—was not part of the base closure area and so is not part of Devens.

### III. AFFORDABLE HOUSING GOALS

#### A. Overall Objectives

In addition to the Master Plan, which identified the need to establish a strategy for addressing the Town's need for diversified housing (including affordable and workforce housing), the Town also established priorities for the use of Community Preservation Act and other funds to support the production of affordable housing. Numerous public meetings were held to ascertain the most pressing housing needs and to identify the most appropriate strategies. Four recurrent themes emerged, which form the foundation on which the affordable housing strategies, described in Section IV, Affordable Housing Strategy, is crafted. The four overarching goals call for Harvard to:

- Preserve and increase the diversity of housing stock to enable Harvard to be more inclusive of families and individuals in a broad range of age and income and need.
- Ensure that new affordable housing is harmonious with the existing community.
- Meet the 10 percent state recommended standard for affordable housing, providing the town's fair share of affordable housing while retaining control of local development.
- Leverage other public and private resources to the greatest extent possible.

#### B. Specific Affordable Housing Goals

This plan is designed to increase the town's affordable housing inventory to 10 percent, currently 216 units based on 2000 census data.<sup>16</sup> This affordable housing inventory requirement will be evaluated and adjusted once the 2010 census data becomes available. However, current housing data indicates that the town will not see a significant change as a result of the 2010 census. As of September 2009, 61 (2.8 percent) of the town's housing units qualify as affordable on the State's Subsidized Housing Inventory, leaving a current shortfall of 155 units.<sup>17</sup> See **Appendix A** for "Affordable Housing Production Goals 2011 - 2015." The town intends to make up this shortfall by replicating its existing affordable housing success stories: small, scattered site, mixture of new and rehabilitation, distributed throughout the town.

---

<sup>16</sup> The 10 percent "affordable" threshold is a moving target. While the new affordable units get added to the inventory as they are created, and the inventory itself is updated every two years, the year-round housing base from which the 10 percent is calculated is only updated every ten years, based on the decennial census. Anticipating that the pipeline projects move forward, as expected, and that market production adds new units, Harvard's 10 percent figure is expected to rise. Alternately, the future disposition and/or development of housing at Fort Devens could potentially change Harvard's 10 percent figure. It is the Town's intent to achieve *and maintain* the 10 percent threshold.

<sup>17</sup> This includes the 13 units created at Harvard Hills under Phase I of the Devens Reuse Plan. The 314 housing units at Devens that were considered part of Harvard's housing stock in 2000 have been reduced to 77 units having a significant impact on Harvard's year round housing base. The number of affordable units (13) remains the same. Based on currently available data on housing in Harvard and at Devens, the 2010 census data is not expected to have a significant impact on Harvard's production goals. Appendix A includes the anticipated affordable housing development at Devens over the next five years.

Under the recently revised DHCD rules (760 CMR 56.00), the town's current annual production goal is 11 units (one-half of one percent (0.50 percent)). This will meet production goals through 2011. When the 2010 census data becomes available the required production goal will need to be evaluated and adjusted as required. If the town achieves these annual production goals, it may deny comprehensive permit requests that are incompatible with its plan. Production of 22 units (1.0 percent) can provide a two-year safe harbor from comprehensive permit requests that are incompatible with the plan.

If the Applicant wishes to challenge the ZBA's assertion, it must do so by providing written notice to DHCD, with a copy to the ZBA, within 15 days of its receipt of the ZBA's notice, including any documentation to support its position. DHCD shall review the materials provided by both parties and issue a decision within 30 days of its receipt of all materials. The ZBA shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be Consistent with Local Needs, provided, however, that any failure of DHCD to issue a timely decision shall be deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days.

In addition to adding units that are affordable by, and restricted to, households earning not more than 80 percent of the area median income (i.e., those that qualify for inclusion on the State's Subsidized Housing Inventory), the Town will strive to ensure that an additional 10 percent of the units in publicly-supported developments serve moderate and middle income households (those earning between 80-150 percent of the area median income). It will work with private developers to promote a diversity of housing types appropriate to the needs of different population groups, including families, seniors, individuals, and those with special needs.

While the top priority of this plan is to expand the supply of affordable housing eligible for inclusion on the State Subsidized Housing Inventory, an important secondary goal is the diversification of the town's housing stock, in general. Zoning techniques to diversify the types of new homes built in Harvard and to facilitate the process by which existing structures both residential and non-residential) could be converted to provide more, smaller dwelling units are an important component of the Town's strategy.

Meeting these production goals will be extremely challenging. Currently there is a 155-unit gap between existing affordable units (61) included in the SHI and the required 10% of the Town's year-round housing units (216). This plan anticipates that there will need to be the creation of additional well designed, sustainable, affordable housing units, both rental and ownership, to meet any additional requirements which may result from the 2010 census and future increases in the Town's housing base. In addition, the Town will need to have implemented adequate provisions for ensuring that this level of affordability is maintained in the future. A secondary measure of success will be the extent by which the town has diversified its housing stock to allow current residents to remain in Harvard despite changing housing needs (e.g., the creation of accessory apartments, the conversion of existing large structures to smaller dwelling units, senior residential developments, or supportive housing alternatives). It is also recognized that the current depressed market conditions will create additional challenges for new development.

### C. Guiding Principles

The Town will be guided by the following principles, drawn in large measure from the Master Plan, as it implements its affordable housing strategy.

- Provide a variety of types of affordable housing, appropriate to the needs of Harvard residents and the region. The mix should include both rental and ownership; detached single family homes and compact development options (duplex, quads, townhouse, etc.); housing for families and individuals of all ages and units tailored specifically to the needs of senior citizens and those with special needs.
- Seek opportunities to combine affordable housing with open space protection through limited development on parcels acquired for conservation.
- Distribute affordable housing equitably throughout the town seeking development in accordance with the State's smart growth policy and incentives. Residential growth in general, however, should be channeled to those areas that can sustain higher densities.
- Target town-owned sites and other properties that can be obtained at discounted prices
- Encourage a range of incomes in multi-family developments (5+ units), unless restricted by funding source. Smaller projects (1-4 unit structures) may, as appropriate, serve entirely income-eligible households.
- New affordable housing should be well designed, context sensitive, and harmonious with its surroundings. To the extent practical, design, construction and environmental standards for the new affordable development should be consistent with those for other types of development.
- Seek opportunities to expand the supply of affordable housing within the existing built environment through adaptive reuse of non-residential structures and increased density in existing residential properties.
- Negotiate assertively with developers seeking special or comprehensive permits for appropriate public benefits, with the highest priority assigned to maximizing affordability.
- Maximize local control over the development of affordable housing. This can be achieved by attaining the ten percent threshold that allows a community to deny comprehensive permit requests without the threat of appeal to the State Housing Appeals Committee. In the interim, the town can preempt incompatible comprehensive permit requests by producing at least 11 qualified units per year (one-half of one percent of the year round housing stock of the town), in accordance with an approved plan, until it achieves 10 percent.

- Implement local selection preference within DHCD guidelines that give priority in lottery for affordable housing to: current residents, municipal employees; employees of local businesses; and households with children attending the locality's schools.

## IV. AFFORDABLE HOUSING STRATEGY

Achieving the goals set forth in Section III will require appropriate tools and regulations (or regulatory relief), financial resources, development capacity, and political will. The proposed set of strategies is based on recommendations included in the Master Plan and other studies as well as the experiences of comparable communities in the region and elsewhere in the Commonwealth.

The strategies are organized into the following categories: production initiatives; preservation strategies; planning and regulatory strategies; building local development and management capacity (including funding). Where action is required to implement the strategy the action required is categorized by level of priority. Priority 1 actions are those that will begin within the next two years, most of which will involve some immediate action. Priority 2 actions are those that will involve focused attention over the next couple of years, working towards implementation after Year 2 but before the end of Year 5. An estimated timetable for implementation follows the narrative. Some of the strategies represent works in progress and enjoy considerable public support. Because of the changing nature of public funding and the public approval process, however, it is likely that some of the specific developments will move into production according to the schedule outlined while others will lag, or may never come to fruition. The plan anticipates some substitution of projects, and as long as new proposals are consistent with the goals and principles laid out here, such substitutions should not be problematic.

This revision to Harvard's 2004 Plan reflects the recent changes (2008) to state housing production requirements that ask communities to address the following five major categories of strategies to the greatest extent applicable. Reference as to where these are addressed in the Plan and priority, where required, is also provided.

- *Identification of zoning districts or geographic areas in which the municipality proposes to modify current regulations for the purposes of creating affordable housing developments to meet its production goals.*
  - Pursue development of "new" residential zoning districts Section IV.C.1(Priority 2)
  - Conversion for Multiple Residence Section IV.C.3 (Priority 1)
  - Cluster Bylaw Section IV.C.5 (Priority 1)
  - Development of Nonconforming Lots Section IV.C.7 (Priority 2)
- *Identification of specific sites for which the municipality will encourage the filing of comprehensive permit projects.*
  - Promote Mixed-Use Development Section IV.C.6 (Priority 2)
- *Characteristics of proposed residential or mixed-use developments that would be preferred by the municipality.*
  - Guidelines for LIP projects Section IV.C.4
  - Promote Mixed-use Development Section IV.C.6 (Priority 2)

- *Municipally owned parcels for which the municipality commits to issue requests for proposals to develop affordable housing.*
  - Make suitable public land available for affordable housing Section IV.A.2 (Priority 2)
- *Participation in regional collaborations addressing housing development.*
  - Secure housing resources (technical and financial) Section IV.D.3 (Priority 1)

## **A. Production Initiatives**

The Planning Board has and will continue to work with private developers who propose to create housing that meets community needs. The Planning Board’s practice is to meet with developers who are interested in a Chapter 40B project on a particular property, discuss their conceptual plan and provide initial feedback. When the developer has a more defined proposal the Planning Board schedules a meeting for the developer to present his proposal to town boards and agencies and the public. The purpose of this "all boards" meeting is to provide the developer additional input in order to further refine the project. The Town’s goal is to facilitate submission of as complete an application as possible to the Zoning Board of Appeals, thereby encouraging a smoother permitting process.

In time, the Town and/or other local nonprofit organizations may develop the capacity to address the town’s housing needs directly, but in the short term “friendly comprehensive permits” and “local initiative projects” undertaken cooperatively with private developers will continue to represent a portion of the town’s affordable housing production.

The following strategies provide the basic components for the Town to meet its production goals:

### **1. Pursue development of “new” Residential Zoning Districts**

Identify new zoning districts and develop associated bylaws that specifically address and encourage diversified housing to include affordable and moderate priced housing consistent with the Town’s smart growth goals and maintenance of the town’s rural character. The bylaw should include provisions for flexible zoning requirements, higher density and incentives that promote the development of affordable and moderate housing.

### **2. Make Suitable Public Land Available for Affordable Housing**

The contribution or sale of land owned by public entities, including the Town, that are not essential for public purposes is a critical component of the Town’s production strategy. The Town will work to identify a list of potential publicly-owned parcels that might be developed as affordable housing (see Section IV.D.2). Final determination of the use of these parcels for affordable housing is subject to thorough feasibility analysis of site conditions and Town Meeting approval. A critical component of offering such parcels as a project resource is that the value that the parcel would bring to a developer would provide

leverage for a significantly higher percentage of affordable units than in the typical 40B project.

In addition to parcels owned by the Town, the Town may decide that it will acquire privately owned sites for the purpose of protecting open space and developing an amount of diversified, to include affordable, housing, through cluster development or in-fill on small or nonconforming sites.

A number of financial and technical resources will be required to support the above both private and governmental.

This is a Priority 2 action item. Planning Board will initiate development of guidelines and criteria for identifying land suitable for development of affordable housing and development of Property Inventories of Town owned land and potential privately owned land consistent with these guidelines and criteria.

### 3. Continue to Support Private Development consistent with Local Guidelines

With the guidelines identified in the town's Local Initiative Procedure (LIP), incentives that will be created in the Town's Protective Bylaw (Zoning Bylaw) to promote affordable housing (see Section IV.C) and with local policies that provide guidance on what the Town would like to see with respect to new development, the Town will be in a position to work cooperatively with developers, both for profit and non-profit, to guide new development that incorporates affordable units. This Plan promotes changes that will encourage the following types of housing:

- Mixed-use development in appropriate locations,
- Smaller infill housing on nonconforming lots,
- Small multi-family housing,
- Cluster development consistent with smart growth principles, and
- A more diversified housing stock.

## B. Preservation Strategies

As a complement to its new production strategies, the Town will pursue several preservation strategies to preserve the limited affordable units that currently exist.

1. Ensure no loss of existing 40B units. Because most of Harvard's privately owned subsidized housing, Foxglove, Harvard Green, Trail Ridge, Harvard Common (under construction), and Pine Hill Village (under development), were approved under the comprehensive permit provisions of MGL Chapter 40B, the town has leverage that it otherwise would not have, to ensure that they remain affordable over the long term.<sup>18</sup> The Estates at Harvard Hills, built under the Local Initiative Program with the town of Harvard partnering with the developer, received its approval from the Devens Enterprise Commission (DEC), the one-stop permitting entity for all development on the former Fort Devens. The special state legislation establishing Devens and the DEC mandated that 25 percent of its units remain affordable. The long term affordability of the units in Great Elms is protected by the Town's right of first refusal to repurchase the property from the Trust.

Still, the town needs to be vigilant to ensure that the affordable ownership units are not lost upon turnover as they can all be sold as market rate units if potential buyers are not found or cannot qualify because units increased in value at a faster rate than incomes did. The Town should build a fund to enable it to purchase available units or to cover the shortfall between increased cost of such units and the maximum allowable cost for buyer earning no more than 80 percent of median income. In addition, the 9 rental units presently managed by the nonprofit Harvard Conservation Trust (Harvard Inn and Great Elms) need considerable upgrading. The town's Community Preservation Fund represents one potential source of revenue that is being investigated to fund both of these initiatives.

This is a Priority 2 action item. Given the current housing market and scarcity of funds, this action is not expected to be addressed until calendar year 2013 or 2014.

2. Preserve existing stock. Actively participate in programs and initiatives to preserve and maintain existing rental and home ownership units that currently serve low and moderate income residents. Often housing units owned by lower income residents are prone to deferred maintenance or deterioration. The town will continue to seek opportunities for funding rehabilitation and basic maintenance on such structures. As of September 2008 there were 5 units that had been rehabbed under a CDBG (CDF II) grant administered by MRPC and included in the Town's SHI.

---

<sup>18</sup> In 2000, the Town of Wellesley's Zoning Board of Appeals filed suit to prevent the owner of a rental property from converting 9 low income units to market rate. In ruling in Wellesley's favor, the Massachusetts Supreme Judicial Court affirmed: "Where a comprehensive permit itself does not specify for how long housing units must remain below market, the [Comprehensive Permit Law] requires an owner to maintain the units as affordable for as long as the housing is not in compliance with local zoning requirements, regardless of the terms of any attendant construction subsidy agreements."

3. Preserve farmsteads and large older houses. Adopt a zoning bylaw to allow the subdivision of older farmsteads or larger homes into one and two bedroom affordable units. In addition, such a bylaw should allow additional affordable units to be built on the site.

### **C. Planning and Regulatory Strategies**

1. Pursue the establishment of new zoning districts and adoption of Bylaw amendments that specifically addresses and encourages diversified housing development that includes affordable and moderate rate housing units. This is a Priority 2 action item. The Planning Board will develop appropriate Zoning Districts and Bylaw Amendments for presentation at 2013 Annual Town Meeting (ATM).
2. Accessory Apartment Bylaw. Harvard's bylaw was amended in March 2006 to eliminate the requirement that the structure to which an accessory apartment may be added be at least five years old, and with no restrictions on the relationship of the occupants to the owner.
3. Amend the Bylaw for Conversion for Multiple Residence. The current Town Bylaw allows conversion to Multifamily Residence in both primary and accessory structures (referred to as "barns," but not requiring prior agricultural use). It states, however, as the intent in allowing for conversion, that it should be allowed in the case of 'oversize or other condition' that renders the current use one that 'cannot reasonably be continued or adapted for the existing use other uses regularly permitted in the district.' The Town has determined that it would be beneficial, both from the perspective of facilitating the creation of small scattered site affordable housing, and assisting existing moderate income and aging homeowners, to allow more flexibility in the choice to convert a portion of their dwelling and/or accessory structure for multifamily use.

An amendment to this bylaw striking the requirement that the conversion may occur only if the dwelling 'cannot reasonably be continued or adapted for the existing use or other regularly permitted in the district and the removing the current requirement of an additional 0.50 acre per dwelling unit beyond the first for conversion to multifamily,' would be appropriate in providing existing homeowners in need of assistance (e.g., elderly homeowners, single parents, moderate income families) with an option for generating the additional income that could allow them to remain in their homes and at the same time help to meet Harvard's goals for increasing its supply of affordable housing in a low impact and cost effective way.

This is a Priority 1 action item. Planning Board to develop an amendment for presentation at the 2012 ATM.

4. Guidelines for Local Initiative Program (LIP) Projects. In August 2008 the Town adopted a Procedure for Partnering on a Local Initiative Program Project identifying the Planning Board as the lead on reviewing proposed LIP projects. The purpose of this process is to help an

applicant in partnering with the town in the development of a 40B affordable housing project. The procedure clearly identifies the characteristics of proposed residential developments that are preferred by the town and a process that enhances the potential to secure more than the standard 25% affordable units. The Planning Board collects information on the project, holds public hearings and decides whether or not to recommend a LIP endorsement submitting their recommendations and supporting information to the Board of Selectmen for final decision on whether or not to proceed with a LIP Application.

5. Revisit Cluster Bylaw to more effectively address affordable housing needs. The Cluster Bylaw (Open Space and Conservation – Planned Residential Development), adopted in 2003, allows for cluster development as a more sensitive alternative to traditional subdivisions. In the fall of 2004, the Planning Board issued the first Special Permit under this bylaw. While the bylaw already offers density incentives for projects that set aside at least 10 percent of the lots for affordable units, there may be other, more flexible zoning provisions, that could encourage greater variety in terms of size, accessibility, affordability, etc. One such example might be the establishment of base density by bedroom count (per septic system and land area) rather than by dwelling unit, as it is now the case. Potential amendments will be developed for presentation at the 2012 Annual Town Meeting.

This is a Priority 1 action item. Development of this amendment by the Planning Board is planned for presentation at the 2012 ATM as part of a “package” of bylaw amendments addressing affordable housing.

6. Promote Mixed-Use Development. The Town encourages and supports projects within the Commercial District (along Ayer Road) that incorporate affordable units in multifamily residential and/or mixed use buildings. In 2004 the Town amended its Protective Bylaw to add an Ayer Road Village Special Permit Bylaw that promotes mixed use village development, particularly mixed-use commercial and residential uses in areas that allow commercial development, where somewhat higher density makes sense as a village center or commercial corridor, with a goal of encouraging “mixed use development, pedestrian interaction, and a vibrant village atmosphere.” There have been three applications since this bylaw was adopted resulting in two projects, for senior rental housing with 25% of the units being affordable and the second a mixed-use commercial/residential project, being granted a Special Permit. The third project, an assisted living project, is in the planning stage. The Town will continue to work with developers, whenever the opportunity arises, to encourage projects (under this bylaw) that will create harmonious mixed-use development that enrich the variety, and accessibility, and affordability of housing in Harvard and identifies the characteristics of mixed-use development that is preferred by the town.

This is a Priority 2 action item. The town will continue to work with these three developments to ensure success as well as promoting additional development under this bylaw.

7. Allow Development of nonconforming lots. Harvard’s minimum lot size is 1.5

acres. If an existing lot is less than 1.5 acres and can meet Title V and water supply requirements, the Protective Bylaw needs to be amended to allow development of these lots for affordable housing for 2BR housing that would diversify the town's housing stock.

This is a Priority 2 action item. The Planning Board plans to develop such a Bylaw amendment for presentation at the Town's 2013 ATM.

8. Harvard Municipal Affordable Housing Trust Fund (MAHTF). In 2006 the Town established the MAHTF, pursuant to Chapter 491 of the Acts of 2004, to provide for the creation and preservation of affordable housing for low and moderate income households. As a quasi-government agency the MAHTF would be capable of acting quickly and decisively to take advantage of opportunities to create or preserve affordable housing in keeping with the Town's rural landscape. Since it was established the MAHTF has contributed to the support of a number of affordable housing initiatives to include site plan development and development of senior affordable housing projects.

This is a Priority 1 action item. The MAHTF will continue to encourage and pursue potential opportunities for the preservation and creation of affordable housing in the Town.

9. Community Preservation Act (CPA). Harvard is committed to and will continue to allocate Community Preservation Act funds to support affordable housing. Since 2002 the Town has allocated \$690,209 from CPA funds to affordable housing projects through Harvard's Municipal Affordable Housing Trust Fund. This represents 28% of the total CPA revenue generated by the local surcharge and state match, significantly above the mandatory 10% minimum to be reserved for community affordable housing.

This is a Priority 1 action item. The Town will continue to encourage the use of CPA funds to support affordable housing development, by both private and public initiatives.

#### **D. Building Local Development and Management Capacity**

In order to carry out the strategies included in this Plan and meet production goals, it will be important for the Town to build its capacity to promote affordable housing activities. This capacity includes gaining access to greater resources, financial and technical, as well as building local political support, developing partnerships with public and private developers and lenders, and creating and augmenting local organizations and systems that will support new housing production.

It will be a substantial challenge for the Town to meet the prescribed annual affordable housing production goal of 11 units, based on 0.50% of the town's year round housing stock. Housing growth is expected to continue to drive-up the 10% goal.

The following strategies are specific actions to help build local capacity to meet local housing needs and production goals. While these strategies do not directly produce affordable units, they provide the necessary support to implement a proactive housing agenda that ultimately will produce new units.

1. Secure Professional Support to Implement the Plan. If the Town wants to assume a more proactive role in promoting affordable housing and effectively implement actions included in this Plan, it will have to augment its capacity to coordinate these activities. Being a small community, the Town does not currently have a Town Planner or other Town staff personnel with substantial affordable housing expertise. The Planning Board and Board of Selectmen (BOS) will coordinate an effort to hire a part-time Planner, perhaps through a sharing of such a person with a nearby community.

This is a Priority 1 action item. The Planning Board and Board of Selectmen will work to provide funding for this position for presentation at the 2012 Annual Town Meeting or earlier if there is a Special Town Meeting called prior to the ATM.

2. Create an Inventory of Properties Potentially Suitable for Affordable Housing. The Town currently has two publically owned sites that are potential sites for Town initiated development of (the “Hildreth House” site and the “Gravel Pit” site). In addition the Town will develop a list of other potential public sites that may be suitable for the development of housing, including some amount of affordable housing. A comprehensive list of existing properties would be helpful in determining future opportunities to create affordable housing to help meet the needs and production goals included in this Plan. The Town will also consider what privately-held properties might be suitable for affordable housing and work with existing owners to develop or acquire.

This is a Priority 1 action item. The Town (BOS) will update and consolidate existing lists by mid 2011 to support actions being taken to meet housing production goals.

3. Promote participation in a regional Housing Rehabilitation Program. The Town received funding under the Community Development Block Grant (CDBG) (CFD II funding) Program to support rehabilitation of up to seven qualifying homes. In order to be eligible applicants must meet low and moderate income guidelines. Also, the program will help to further open the dialogue within the town of our affordable housing needs and of positive and sensitive approaches that will help us to preserve our community and its residents in addressing the issues that we face. Five qualifying homes have taken advantage of this program and have received certification as part of the Town’s subsidized housing inventory.

This is a Priority 1 action item. This is an ongoing priority that needs continued public outreach but is also dependent on the availability of CDBG funding.

4. Public Outreach. Provide informational and educational forums to encourage general dialogue and understanding of our local affordable housing issues and also to discuss possibilities relative to specific projects as they may arise. This Affordable Housing Plan and the strategies developed provides a concrete basis for a comprehensive effort to increase awareness of how affordable housing in the Town of Harvard is linked to a

number of other issues that are discussed in the Town's Master Plan. This can serve as a strong springboard from which to create an ongoing dialogue with the public, public officials, and other ongoing committees addressing related issues in the Master Plan (such as the development of the Town Center and the Commercial District). These forums will be focused on building community awareness, involvement, and support for the sensitive and harmonious development of affordable housing in the Town. A recent public affordable housing forum (October 2009) consisting of members from the various Town boards and committees as well a representative from DHCD was well received. The forum provided valuable public feedback as well as providing the public an exposure to the various aspects of addressing affordable housing needs in the Town.

This is a Priority 1 action item. The Planning Board will continue to promote these types of discussion as well as others as a basis for a public outreach program.

5. Encourage Training for Board and Committee Members. Local boards such as the Planning Board, Zoning Board of Appeals, Harvard Municipal Affordable Housing Trust Fund and other interested local leaders should receive training on affordable housing issues including the comprehensive permit process, the new regulations and guidelines in particular. Well advised and prepared board and committee members are likely to conduct Town business in a more effective and efficient manner. New members without significant housing experience would benefit substantially from some training and orientation regarding their responsibilities. Moreover, requirements keep changing and local leaders must remain up-to-date. Funding for this professional development of staff would also help keep professionals informed on important new developments, best practices and regulations.

Organizations and agencies, such as University of Massachusetts Extension's Citizen Planner Training Collaborative (CPTC), DHCD, Massachusetts Housing Partnership, Citizens Housing and Planning Association and the Community Preservation Coalition provide conferences, workshops and training sessions on a wide variety of housing issues that would be useful for local officials and staff personal to attend. In addition, there are numerous written resources available from these organizations on housing issues related to affordable housing.

This is a Priority 1 action item. The Town (BOS) will encourage, support and make funds available to members of appropriate boards and committees to attend statewide and regional workshops and training sessions on housing-related issues serve as a strong springboard from which to create an ongoing dialogue with the public, public officials, and other ongoing committees addressing related issues in the Master Plan (such as the development of the Town Center and the Commercial District). These forums will focus on building community awareness, involvement, and support for the sensitive and harmonious development of affordable housing in Harvard.

## 5. USE RESTRICTIONS

### Existing

A variety of measures are in place to ensure that Harvard's existing affordable housing developments continue to serve low and moderate income residents. The Town sold Great Elms to the nonprofit Harvard Conservation Trust specifically to maintain its affordable rental units, and it retains the right of first refusal if that property is sold. Most of Harvard's other subsidized housing (Foxglove, Harvard Green, and Trail Ridge) were approved under the comprehensive permit provisions of MGL Chapter 40B, giving the Town leverage that it otherwise would not have, to ensure that they remain affordable over the long term. (See reference to the Massachusetts Supreme Judicial Court *Ardmore* decision in Section 4.) The Estates at Harvard Hills, a LIP project, which the town of Harvard partnered with the developer, received its approval from the Devens Enterprise Commission (DEC), the one-stop permitting entity for all development on the former Fort Devens. The special state legislation establishing Devens and the DEC mandated that 25 percent of its units remain affordable.

The homeownership projects all include resale provisions to ensure that units will remain affordable to future purchasers in the targeted income groups. The deed restrictions for Harvard Green and the Estates at Harvard Hills, both homeownership projects developed under the Local Initiative Program (LIP), limit resale prices of the affordable units to the same "discount" (from the market rate units) as the original low/moderate income purchaser received. These developments used the deed restrictions that were recommended by DHCD and MassHousing at the time of their approval.

### Proposed

Many housing advocacy groups and funders now recommend tying the allowable increase in sales price to what a purchaser earning no more than 80 percent of the area median income could afford, at the time of resale, given the mortgage interest rates then in effect. The Trail Ridge development, for which financing is provided by Citizens' Bank under the New England Fund Program is structured according to the guidelines specified for that program. Other developments will adhere to the requirements of the subsidy program. The New England Fund use restriction is described in the *Guidelines for Housing Programs in Which Funding is Provided Through a Non-Government Entity*, published by the Department of Housing and Community Development (DHCD):

### Use Restriction

There shall be a use restriction in a form specified or approved by the DHCD. The use restriction and any regulatory agreement shall include provision for satisfaction of pertinent requirements, including:

(a) The Project Administrator or other public or quasi-public entity approved by DHCD must be a holder of the restriction with the right and the obligation to monitor and enforce it during the term of affordability;

(b) The restriction must provide for effective monitoring and enforcement by the Project Administrator, which may enter into a contract for monitoring services with a public, quasi-public, or private entity experienced in affordable housing operation. The Project Administrator retains final responsibility for ensuring compliance with the restriction;

(c) The restriction shall provide for selection of eligible tenants of rental units or owners of ownership units in a fair and reasonable manner in compliance with fair housing laws, and such tenants and owners shall be required to occupy the units as their domiciles and principal residences;

(d) There shall be a term of affordability for as long as practically possible but for no less than 30 years.

For rental and cooperative housing projects, a regulatory agreement between the developer/owner/manager of a project, the Project Administrator and DHCD may incorporate the necessary use restriction. In homeownership projects, a regulatory agreement incorporating the use restriction will not by itself be sufficient since the units will be sold by the developer upon completion of the project. In such cases a separate use restriction shall be attached to each low or moderate-income unit in the form of a deed restriction or deed rider (as well as in a mortgage where appropriate). In homeownership projects, the use restriction on an affordable unit shall be renewed each time the unit is resold, although failure to do so shall not affect the validity of the restriction.

### **Affordability of Ownership Units**

Initial purchase prices shall be established so that appropriately sized households for a unit are not required to spend more than 30 percent of the gross income of a similarly sized household earning 70 percent of area median income based on household size, as determined by HUD, for annual debt service on a mortgage (at 30-year fixed-interest rates at the time of initial sale), taxes, homeowners insurance, mortgage insurance and condominium or homeowners fees with no more than a 5 percent down-payment, including any required entrance deposit. The maximum resale price shall be the initial purchase price increased by the percentage increase in area median income since the time of initial sale. In the event area median income shall have declined the maximum resale price shall be the initial purchase price. The procedure to be followed by a seller desiring to sell a unit shall be specified in the use restriction. The use restriction may permit an adjustment in selling price on account of closing costs and brokers' fees.

APPENDIX A – PLANNED PRODUCTION MATRIX

**AFFORDABLE HOUSING PRODUCTION GOALS, TOWN OF HARVARD**

**2011 - 2015**

	<b>HOUSING PRODUCTION, DESCRIPTION</b>	<b># UNITS</b>	<b>LOCAL CAPACITY BUILDING</b>	<b>PLANNING AND REGULATORY ACTION</b>
2011	Trail Ridge Housing Project	8		
	Ayer Road Senior Rental Housing	42		
	MRPC Housing Rehabilitation Program	2	Promote MRPC Rehabilitation Program – Apply for 2011 Funding	
	Harvard Common – Littleton Road	3		
	Pine Hill Village – Stow Road	6		
	Accessory/In-Law Apartment	1		
<b>2011 PROJECTED TOTAL</b>		<b>62</b>		
2012	Mixed Use or Higher Density Residential Development on Ayer Rd	10		Develop “new” residential zoning districts and Bylaw for higher percentage affordable and moderate rate housing
	Accessory/In-Law Apartment	1		
<b>2012 PROJECTED TOTAL</b>		<b>11</b>		
2013	Accessory/In-Law Apartments	1		Amend Zoning to allow mixed use (requires approval by Ayer, Harvard & Shirley)
	Vicksburg Square (Devens) rental housing 25 percent affordable	60		Amend Zoning to allow mixed use (requires approval by Ayer, Harvard & Shirley)
<b>2013 PROJECTED TOTAL</b>		<b>61</b>		
2014	Accessory/In-law Apartment	1		
	Village at Harvard – Ayer Road	8		
<b>2014 PROJECTED TOTAL</b>		<b>9</b>		
2015	Grant Rd Housing Project (Devens) Mixed Income Housing	43		
	Accessory/In-Law Apartments	1		
	Develop on town land or private land @50% affordable and 25-50% moderate income	12	Identify town land and potential private land with potential for development of housing under town initiatives	
<b>2015 PROJECTED TOTAL</b>		<b>56</b>		
<b>FIVE YEAR TOTAL</b>		<b>199</b>		