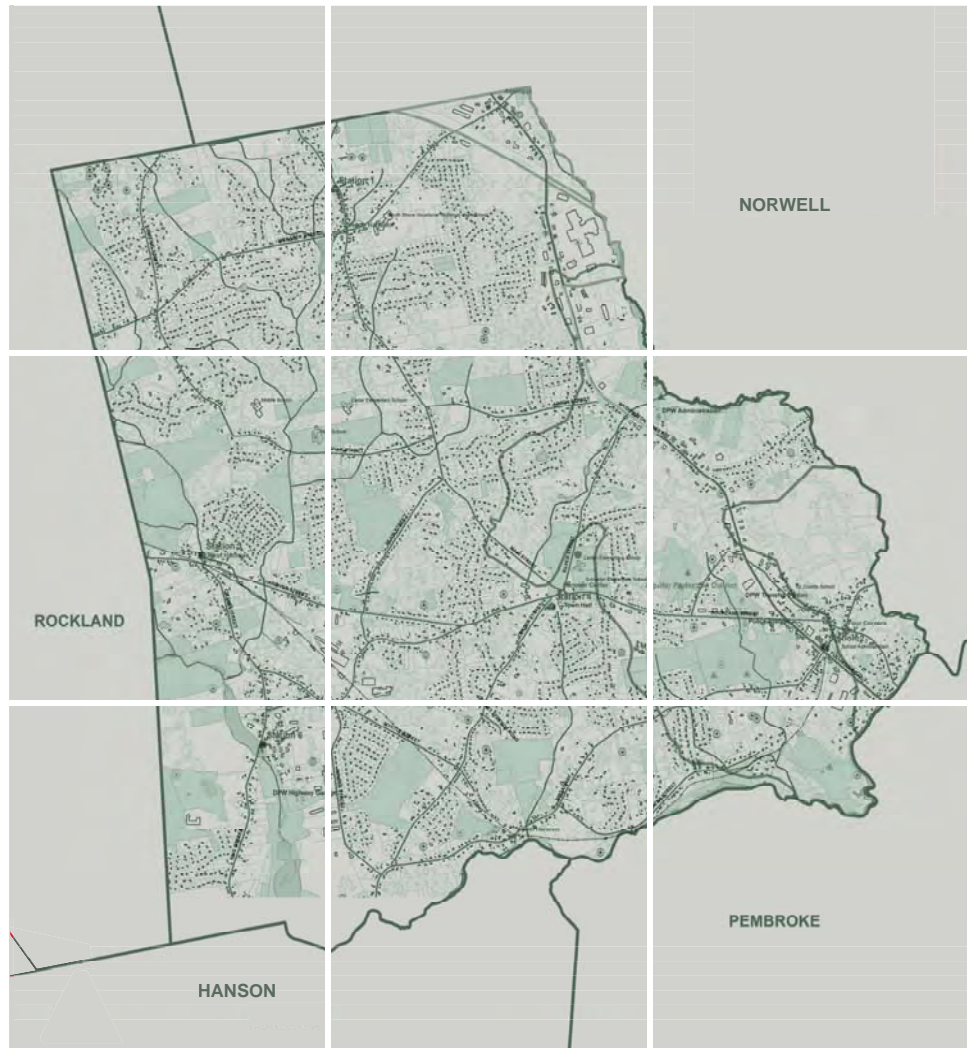


# HANOVER HOUSING AUTHORITY

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## **“Planned Production” Affordable Housing Plan**

TOWN OF HANOVER



January 23, 2008



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January 23, 2008

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# Section 1

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## **Executive Summary**

- 1.1 Introduction
- 1.2 Housing Goals and Challenges
- 1.3 Summary of Housing Needs Assessment
- 1.4 Summary of Planned Production Goals
- 1.5 Summary of Housing Action Plan
- 1.6 Summary of Use Restrictions

# TOWN OF HANOVER

## AFFORDABLE HOUSING PLAN

### 1. EXECUTIVE SUMMARY

#### 1.1 Introduction

About 100 years after the Pilgrims landed in Plymouth, the Town of Hanover was incorporated in 1727, although settlers were evident as early as 1649. The earliest settler, William Barstow, built a rough dwelling near the Four Corners area and constructed what is credited to be the first bridge in the Colony, over the North River. During its early history, Hanover's economy was primarily based on agriculture and lumbering, and the town became well known for shipbuilding in the Four Corners area and early mills along the smaller streams. These early businesses eventually gave way to larger enterprises including the Clapp Rubber mill, shoe factories and National Fireworks. Manufacturing and farming are now part of the past, and Hanover has grown into a suburban town with a population of more than 14,000.

Hanover is primarily a residential community approximately 25 miles southeast of Boston, bordered by the four communities of Norwell, Pembroke, Hanson and Rockland. The community has striven to maintain its "country town" character and prides itself on its history and distinct sense of place on the South Shore. The social and physical focus of the town is divided among a number of villages including West Hanover, North Hanover, South Hanover, Assinippi, Hanover Center and the historic Four Corners. Hanover Center and the nearby intersection of Routes 53 and 139 include a concentration of public services, businesses and traffic. Route 53 was once in fact the major route to Cape Cod and is still the town's primary commercial thoroughfare. The physical and historical distinctions of Hanover are still widely evident throughout town with open vistas, canopied roads, and farming structures reflecting the town's rural history and character, highly valued by its citizens and those willing to pay the increasingly escalating prices associated with a move to Hanover.

Population growth has put significant pressures on the housing market, especially between 1950 and 1970 when the population tripled in size. The rate of growth slowed down somewhat after that but has spiked a bit since 1990 as the Town's population increased by 18% or by 2,200 residents through the end of 2006. Hanover had 4,445 housing units in 2000,<sup>1</sup> and recent growth has increased the housing stock to 4,887 units, almost 90% of which are owner-occupied, single-family houses on typically large lots with average price tags now well above \$400,000. The escalating market prices, while out of reach for most long-term residents, are attracting greater attention from private developers interested in other high-end housing development or Chapter 40B comprehensive permit projects and causing Town leaders and residents to recognize that different strategies are required to better plan for housing development and insure that it is more directed to serving local needs and objectives.

According to Chapter 40B regulations, if a municipality has less than 10% of its year-round housing set-aside for low- and moderate-income residents, it is not meeting the regional and local need for affordable housing. Not meeting this affordability standard makes the town susceptible to a state override of local zoning if a developer chooses to create affordable housing through the Chapter 40B comprehensive permit process.<sup>2</sup>

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<sup>1</sup> While there are 4,445 total housing units cited in the 2000 census, there are 4,440 year-round housing units on which the 10% state Chapter 40B goal is based.

<sup>2</sup> Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low-



Based on the Massachusetts Department of Housing and Community Development's most recent data on the Chapter 40B Subsidized Housing Inventory, Hanover has 4,440 year-round housing units, of which 375 can be counted as affordable, representing 8.45% of the year-round housing stock. Hanover is therefore vulnerable to losing control over housing development through Chapter 40B comprehensive permit applications. To meet the 10% standard, at least 444 of the existing units would have to be "affordable" based on the state's definition, requiring at least another 69 more housing units to be converted to affordability to meet just the 10% standard. Assuming future housing growth, this 10% figure is a moving target and ultimately the required minimum number of year-round units will increase over time. Additionally, as the Housing Needs Assessment indicates, there are needs that extend beyond what would be required to reach the 10% threshold, and the Town should also attempt to exert some control related to the appropriateness of new development including siting, renewing critical areas in town, promoting pedestrian circulation, etc.

Early in 2007, Hanover's Housing Authority issued a Request for Proposals to select consultants to help them prepare an Affordable Housing Plan for the Town that would meet the requirements of 760 CMR 31.07 (1)(i) under the state's Planned Production Program as well as state requirements of Executive Order 418. Approval and certification under these regulations will enable the town to deny unwelcome Chapter 40B comprehensive permit applications and be more competitive for state subsidies for transportation, economic development, environment, infrastructure and housing. The Housing Authority selected a team of consultants in February 2007.

This Affordable Housing Plan suggests a range of options to meet pressing local housing needs, as identified in the Housing Needs Assessment, and to enable Hanover to meet the state 10% affordable housing threshold, presenting a proactive housing agenda of Town-sponsored initiatives. Due to the rising costs of homeownership, including escalating costs associated with taxes and utilities, many residents are finding it increasingly difficult to afford to remain in Hanover. Children who grew up in the town are now facing the possibility that they may not be able to return to raise their own families locally. Long-term residents, especially the elderly, are finding themselves less able to maintain their homes and keep up with increased real estate taxes (primarily due to increased valuations) but hard-pressed to find alternative housing that better meets their current life styles. Families are finding it more difficult to "buy up," purchasing larger homes as their families grow. Town employees and employees of the local businesses are increasingly hard pressed to find housing that is affordable in Hanover. More housing options are required to meet these local needs and produce Hanover's fair share of regional needs. The Affordable Housing Plan represents a critical step forward, and an opportunity for the town to chart its own course on affordable housing development.

## 1.2 Housing Goals and Challenges

As part of the community planning process undertaken in 1997 in the preparation of the Local Comprehensive Plan, residents had the opportunity of coming together to share their visions for Hanover's future. The following housing-related goal emerged from this community visioning process:

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and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

*To promote the provision of far, decent, safe, affordable housing which meets the needs of present and future Hanover residents.*

The 1997 planning process also identified a key policy direction to “encourage the development of innovative strategies designed to address the housing needs of Hanover residents”. With this context in mind, the following housing specific goals have been established that represent the building blocks of the Two-Year and Five-Year Action Plans included in this Affordable Housing Plan:

- *Meet local housing needs along the full range of incomes, promoting social and economic diversity and the stability of individuals and families living in Hanover.*
- *Leverage other public and private resources to the greatest extent possible.*
- *Insure that new housing creation is harmonious with the existing community.*
- *Meet the 10% state standard and planned production goals for affordable housing.*
- *Provide a wide range of housing alternatives to meet diverse housing needs.*
- *Revitalize Hanover’s villages.*
- *Promote smart growth development.*
- *Preserve the existing affordable housing stock.*

While housing goals articulate a commitment to producing affordable housing in Hanover, obstacles to new development exist that will challenge new initiatives including:

- *Zoning*

As is the case in most American communities, a zoning bylaw or ordinance is enacted to control the use of land including the patterns of housing development. Like most localities in the Commonwealth, Hanover’s Zoning By-law largely embraces large-lot zoning of at least 30,000 square feet. While this zoning was put in place to slow development, preserve the town’s rural character and accommodate septic systems in compliance with Title V requirements, the zoning maintains low housing densities, severely constrains the construction of affordable housing, and promotes sprawl that unless checked may ultimately degrade the community’s rural charm, scenic resources, wildlife habitats, and air quality. Zoning reforms are required to better guide and promote affordable housing.

- *Environmental Concerns*

Hanover’s wetlands, rivers, water resources and open spaces give the town a sense of character. Most residents are aware of the town’s natural treasures and are rightly concerned about conserving them. Since most areas of town do not have sewer services and are reliant on septic systems, controlling construction has also been a major concern. While regulations to protect the environment (e.g., wetlands, aquifers, septic systems) are important and essential, they present challenges to development by reducing the amount of buildable land, limiting the amount of construction allowed, and increasing the time and costs of developing new housing. It will be important to insure, however, that any new development is sensitive to environmental issues.

- *Transportation*

To accommodate new development, state build-out projections anticipate that another 39 miles of roadway will be created. In view of present traffic and projected increases, it is essential that the Town evaluates and selects appropriate measures to relieve the impact of growth on traffic yet still grow incrementally, a formidable challenge. It is also worth

noting that public transportation is limited and residents must rely on the automobile, which presents an additional cost burden for those with limited incomes, particularly those on fixed incomes. Coordinating transportation in Hanover with regional transportation networks will be important as both the town and the region have experienced significant growth.

- *School Enrollment*

While the Town has a sound reputation for its schools, existing schools, particularly the High School, require significant upgrading. School enrollments continue to climb and conditions at the high school are already overcrowded. The School Building Needs Committee continues to meet and is working towards building projects to remedy these conditions.

- *Availability of Subsidy Funds*

Financial resources to subsidize affordable housing preservation and production as well as rental assistance have suffered budget cuts over the years making funding more limited and extremely competitive. Communities are finding it increasingly difficult to secure necessary funding and must be creative in determining how to finance projects and tenacious in securing these resources. Hanover is fortunate to have passed the Community Preservation Act that provides an important local resource for affordable housing in over 100 other communities across the state, but it will have to leverage additional public and private financing to make affordable development feasible.

- *Community Perceptions*

Affordable housing, subsidized housing, low-income housing, projects, Section 8, etc. – these terms can conjure images of potential neglect, plunging property values, increased crime, and even tensions concerning class and race. On the other hand, with soaring real estate prices, community perceptions are beginning to tilt towards the realization that affordable housing is needed in the community. More people are recognizing that the new kindergarten teacher, their grown children, or the elderly neighbor may not be able to afford to live or remain in the community. It is this growing awareness, impending 40B developments, and some appreciation that affordable housing can be well designed and integrated into the community, which are spurring communities such as Hanover to take a more proactive stance in support of affordable housing initiatives. Also, once residents understand that the Town can reserve at least 70% of the affordable units in any new development for those who have a connection to Hanover, referred to as “community preference”, greater local support is typically more forthcoming.<sup>3</sup>

Additional opportunities to engage the community in discussions on affordable housing and to present information on the issue are needed to continue to dispel myths and help galvanize local support, political and financial, for new affordable housing production. These outreach efforts are mutually beneficial as they provide useful information to community residents and important feedback to local leaders on concerns and suggestions.

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<sup>3</sup> Hanover’s local preference criteria include a current resident, parent of current resident, past graduate from the Town’s school system, and current Town employee.

### 1.3 Summary of Housing Needs Assessment

The Housing Needs Assessment presents an overview of the current housing situation in the town of Hanover, providing the context within which a responsive set of strategies have been developed to address housing needs and meet production goals. Table 1-1 summarizes demographic and housing characteristics in Hanover and compares this information to that of Plymouth County and the state.

Table 1-1  
Summary of Key Demographic and Housing Characteristics for  
Hanover, Plymouth County and the State, 2000<sup>4</sup>

Characteristics	Hanover	Plymouth County	Massachusetts
<b>Household Characteristics</b>			
Total Population	13,164	472,822	6,349,097
% less than 18 years	28.8%	26.8%	23.6%
% 20 to 34 years	13.9%	30.5%	21.0%
% 45 to 54 years	15.7%	14.7%	13.8%
% 65 years or more	10.5%	11.8%	13.5%
Median age	37.5 years	36.8 years	36.5 years
% non-family households	18.0%	27.3%	36%
Average household size	3.02 persons	2.74 persons	2.51 persons
<b>Characteristics</b>	<b>Hanover</b>	<b>Plymouth County</b>	<b>Massachusetts</b>
<b>Household Characteristics Continued</b>			
Median income/ Adjusted income* \$73,838/\$92,888		\$55,615	\$50,502
Individuals in poverty	2.3%	6.6%	9%
% earning less than \$25,000	12.9%	20.5%	24.6%
% earning more than \$100,000	32.7%	18.8%	17.7%
<b>Housing Characteristics</b>			
% occupied housing	97.8%	92.7%	93.2%
% owner-occupied	87.4%	75.6%	61.7%
% renter-occupied	12.6%	24.4%	38.3%
% seasonal or occasional use	0.1%	4.7%	3.6%
% in single-family, detached structures	88.3%	71.7%	52.4%
Median sales price	\$252,600/\$454,200**	\$179,000	\$185,700

Source: U.S. Census Bureau, 2000

\* Income adjusted by percentage change in HUD area median income levels from 2000 to 2007.

\*\* The Warren Group, as of March 11, 2007

<sup>4</sup> Updated data is provided where available, but for many demographic and housing characteristics, the 2000 census is the only source available.

This data confirms that Hanover has been a place that has attracted families who have typically been able to purchase their own homes. This information also shows some sizable differences and similarities from other communities in the region and the state such as:

- *Population and Housing Growth*

Population growth since the mid-20<sup>th</sup> century has increasingly put pressures on the housing market, especially between 1950 and 1970 when the population tripled in size. The Town's annual census also indicates significant population growth since 1990, as the population increased by 18% through the end of 2006 with 2,200 new residents and a total population count of 14,148. From 1980 to 2000, Hanover's housing units increased by 1,227 units. The 2000 census counted 4,445 total housing units in the town of Hanover, up 16% from 3,837 units in 1990 and a 38% increase from 3,218 units in 1980. The rate of housing growth decreased somewhat from 1980 to 2000 as growth was 19% from 1980 to 1990 and 16% from 1990 to 2000. Nevertheless, this rate of growth was higher than that for the state where housing growth decreased from a 12% rate between 1980 and 1990 to 6% from 1990 to 2000.

- *Level of Homeownership*

Out of 4,445 total housing units in 2000, Hanover had 4,349 occupied units, of which 3,803 or 87.4% were owner-occupied while the remaining 546 units or 12.6%, were rental units. These figures represent a considerably higher level of owner-occupancy than that for Plymouth County as a whole with 76% and for the Boston region with 57% owner-occupancy.

- *Age of Population*

In comparison to Plymouth County and state in general, Hanover's population tends to on average be a bit older, with a median age of 37.5 years as opposed to 36.8 years for the county and 36.5 years for the state. Nevertheless, the town has a greater proportion of school-age children with 28.8% of the population less than 18 years of age versus 26.8% and 23.6% for the county and state, respectively. However, the town has a considerably smaller number of those aged 20 to 34 who are forming new families and entering the labor market, 13.9% of all households in Hanover but 30.5% for the county and 21% for the state. The escalating costs of homeownership are likely creating barriers for this age group, making it increasingly more likely that those who were raised in Hanover will be less able to raise their own families locally. Hanover also had a higher percentage of those 45 to 54 years of age who are entering the prime of their earning potential and better able to afford the higher cost of housing, 15.7% as opposed to 14.7% for the county and 13.8% for the state. On the other hand, Hanover has a somewhat smaller portion of seniors, 65 years of age or older, 10.5% versus 11.8% for the county and 13.5% for the state.

- *Types of Households*

Hanover also has a significantly lower proportion of non-family households, 18% versus 27.3% for the county and 36% for the state. This correlates to the relatively higher number of children in Hanover and the higher median household size of 3.02 persons as opposed to 2.74 persons in Plymouth County and 2.51 persons in the state.

- *Higher Incomes*

Median income levels per the 2000 census were substantially higher in Hanover than the county or state, \$73,838 as opposed to \$55,615 and \$50,500 for the county and state, respectively. Additionally, the percentage of those earning less than \$25,000 annually was substantially lower in Hanover, 12.9%, while it was 20.5% for the county and 24.6% for the state. Also, Hanover had a lower proportion of residents living in poverty, 2.3%, while the percentage for the county was 6.6% and state was 9.0%. There were also much higher proportions of Hanover residents earning more than \$100,000, 32.7% as opposed to 18.8% for the county and 17.7% for the state.

- *Housing Market Conditions*

The 2000 median housing prices provides a comparison of the Hanover housing market to that of Plymouth County and the state, with higher market values -- \$252,600 for Hanover, \$179,200 for the county and \$185,700 for the state. Since that time housing prices have nearly doubled as the median house value in 2006 was \$454,200, a higher price level than any of its neighbors with the exception of Norwell. To afford this price a household would have to earn about \$130,000, significantly higher than adjusted median income levels of almost \$93,000. Escalating housing prices are also reflected in increased property taxes, which in combination with rising energy bills and insurance costs, cause a serious financial strain on long-term residents, particularly those with fixed incomes.

- *Supply of Workforce Housing*

Based on recent sales data from the Multiple Listing Service for single-family homes, there are no longer homes available in Hanover for under \$200,000 that would be affordable to low- and moderate-income households, and even homes for less than \$300,000 are scarce. The only house that was priced at less than \$200,000 was sold in 2006, involving a small ranch that required significant work with only 840 square feet of living space and without a garage. The houses that were sold in the \$200,000 to \$300,000 range likewise tended to be older homes, typically smaller capes marketed as “handyman specials” or requiring lots of “TLC”. Based on the Massachusetts Department of Housing and Community Development’s most recent data on the Chapter 40B Subsidized Housing Inventory, Hanover had 4,440 year-round housing units, of which 375 were counted as affordable, representing 8.45% of the year-round housing stock. Assuming future housing growth, the 10% state goal under Chapter 40B is a moving target and ultimately the required minimum number of year-round units will increase over time. Nevertheless, Hanover has a reasonable shot at reaching the 10% state affordable housing goal within the foreseeable future.

Based on the Housing Needs Assessment, there are a number of key indicators that suggest there are significant local needs for affordable housing that go beyond what is required to meet the 10% state goal including:

1. *Households with Limited Incomes*

*Need: Given the high costs of housing, more subsidized rental housing is necessary to make living in Hanover affordable, particularly to residents who have very limited financial means.*

## 2. *Disabilities and Special Needs*

*Need: Some amount of new housing should be built adaptable or accessible to the disabled, including seniors, and supportive services integrated into housing for these populations as well.*

## 3. *Gaps in Affordability and Access to Affordable Housing*

*Need: Wider range of affordable housing options including first-time homeownership opportunities, particularly for younger households entering the job market and forming their own families, as well as senior housing.*

## 4. *Housing Conditions*

*Need: Programs to support necessary home improvements, including deleading and septic repairs for units occupied by low- and moderate-income households, particularly the elderly living on fixed incomes, and including investor-owned properties tenanted by qualifying households.*

There is a sizable population of those who are seniors, have special needs and/or have very low incomes who have significantly reduced capacity to secure decent, safe and affordable housing in Hanover. A broader range of housing options is required to meet these varied needs.

### 1.4 Summary of Planned Production Goals

The state administers the Planned Production Program that enables cities and towns to adopt an affordable housing plan that demonstrates production of .75% over one year or 1.5% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.<sup>5</sup> Hanover would have to produce at least 33 affordable units annually to meet these production goals through 2010. When the 2010 census figures become available in 2011, this number will be higher, most likely closer to 38 units. If the state certifies that the locality has complied with its annual production goals, the Town may, through its Zoning Board of Appeals, deny comprehensive permit applications without opportunity for appeal by developers.

Using the strategies summarized under the Housing Action Plan described in Section 7.0, the Town of Hanover has developed a Planned Production Program to project affordable housing production activity over the next five years. The projected goals are best guesses at this time, and there is likely to be a great deal of fluidity in these estimates from year to year. The goals are based largely on the following criteria:

- To the greatest extent possible, at least 50% of the units that are developed on publicly owned parcels should be affordable to households earning at or below 80% of area median income and at least another 10% affordable to those earning up to 120% of area median income, depending on project feasibility. The rental projects will also target some households earning at or below 50% or 60% of area median income depending upon subsidy program requirements.

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<sup>5</sup> The state has prepared draft changes to Chapter 40B, including proposed modifications to the Planned Production requirements. For example, the annual production goals are instead based on one-half of one percent of total housing units and plans are now referred to as Housing Production Plans (HPP).

- Projections are typically based on a minimum of four units per acre. However, given specific site conditions and financial feasibility it may be appropriate to increase or decrease density as long as projects are in compliance with state Title V and wetlands regulations.
- Because housing strategies include some development on privately owned parcels, production will involve projects sponsored by private developers through the standard regulatory process or “friendly” comprehensive permit process. The Town plans to promote increased affordability in these projects.
- The projections involve a mix of rental and ownership opportunities. The Town will work with private developers to promote a diversity of housing types directed to different populations with housing needs including families, seniors and other individuals with special needs to offer a wider range of housing options for residents.

Planned production goals over the next five years include the creation of 156 affordable units and 29 middle-income units, with 317 total projected number of housing units created.

## 1.5 Summary of Housing Action Plan

The strategies outlined below are based on previous plans, reports, studies, the Housing Needs Assessment, and the experience of other comparable localities in the region and throughout the Commonwealth. The strategies are grouped according to the type of action proposed – Building Local Capacity, Zoning and Regulatory Reforms, Housing Production, and Housing Preservation – and categorized by Two-Year and Five-Year Action Plans.

### *Build Local Capacity*

In order to be able to carry out the strategies included in this Affordable Housing Plan and meet the Planned Production goals, it will be important for the Town of Hanover 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.

- *Establish an Municipal Affordable Housing Trust*

Create a dedicated tax-exempt housing fund that will enhance Hanover’s ability to support the development of affordable housing.

- *Hire an Assistant Town Planner*

Hire the necessary professional support to provide ongoing staff-support to effectively coordinate the implementation of various components of the Affordable Housing Plan.

- *Access housing resources*

Reach out to private, public and nonprofit entities to secure additional housing resources – technical and financial – in support of efforts to produce affordable housing, using Community Preservation funding as important leverage.



- *Conduct ongoing educational campaign*

Continue to engage the community in discussions on affordable housing to present information on the issue needed to dispel myths and negative stereotypes and to help galvanize local support, political and financial, for new production.

- *Create an inventory of properties potentially suitable for affordable housing*

In concert with other Town boards and committees, review the inventory of publicly-owned properties and determine which parcels might be appropriate for some amount of affordable housing development.

- *Establish Annual Housing Summits*

Establish at least annual meetings of relevant Town boards and committees to focus on affordable housing issues, promoting more effective communication and coordination on housing initiatives.

- *Encourage training for board and committee members*

Promote opportunities for Town board and committee members to take advantage of ongoing training and educational programs related to affordable housing.

### **1.5.2 Planning and Regulatory Reforms**

The Town of Hanover should consider the following planning and zoning-related strategies to provide appropriate incentives and guidance to promote the creation of additional affordable units.

- *Adopt inclusionary zoning*

Adopt inclusionary zoning to ensure that any new residential development in Hanover provides a percentage of affordable units.

- *Amend the accessory apartment bylaw*

Amend the existing accessory apartment bylaw to better promote new accessory units that meet a range of local needs and help diversify the housing stock without significant impacts on the surrounding neighborhood.

- *Pursue tax title properties*

Monitor the status, availability and suitability of tax title property for affordable housing and convey suitable properties based on competitive requests for proposals.

- *Change permit fee policies*

Consider waiving various permit fees as additional incentives and financial support for affordable housing.

- *Adopt Affordable Housing Guidelines*

Prepare and approve Affordable Housing Guidelines to provide guidance to developers on the types of housing proposals that will be acceptable to the community.

- *Revise the Village Planned Unit Development bylaw*

Amend the Zoning Bylaw to expand opportunities to revitalize Hanover's villages, allowing mixed-use development and some multi-family housing and including the integration of affordable housing.

- *Allow starter housing on noncomplying lots*

Explore zoning options for promoting starter homes on lots that do not meet minimum area or dimensional requirements but might still be suitable for the development of smaller homes, and prepare and adopt a zoning bylaw to enable these lots to be developed under specific criteria.

- *Adopt an Open Space Residential Development Bylaw*

Review model bylaws with respect to more flexible and clustered zoning provisions and amend the existing bylaw.

- *Allow residential development under more conditions*

Amend the Zoning Bylaw to allow more types of housing in more areas, accompanied by design guidelines.

- *Explore use of 40R/40S*

Explore the adoption of 40R and 40S to promote smart growth and mixed-use, mixed-income development in suitable locations, securing important state subsidies to help make projects financially feasible and cover financial burdens related to additional school costs.

### 1.5.3 *Housing Production*

To accomplish the actions included in this Affordable Housing Plan and meet production goals, it will be essential for the Town of Hanover to reach out to the development community and sources of public and private financing to secure the necessary technical and financial resources to create actual affordable units. While some of the units produced will rely on the participation of existing homeowners, most of the production will require joint ventures with developers – for profit and non-profit – to create affordable housing. In addition to the active participation of the development community, it will be important for Hanover to actively seek support from state and federal agencies.

- *Make publicly-owned land available for affordable housing*

Conduct necessary feasibility studies to publicly-owned properties and convey suitable properties for some amount of affordable housing.

- *Implement an ECHO (Equity Conversion and Homeownership) Pilot Program*

Convert existing market units to affordable ones through a pilot initiative, the Equity Conversion and Homeownership Program (ECHO).

- *Explore adaptive re-use*

Identify and redevelop abandoned, underutilized, or obsolete nonresidential property for residential use, including affordable housing.

- *Promote mixed-use development*

Promote mixed residential and commercial development that is well suited to village centers and commercial corridors.

- *Support infill housing*

Work with non-profit and for profit developers as well as with abutters of vacant land to develop new infill housing on available vacant sites scattered throughout town.

#### **1.5.4 Housing Preservation**

Housing production is critical, but the Town also needs to be concerned that it does not lose units already counted as part of its Subsidized Housing Inventory and provides resources to support the deferred home maintenance needs of lower income residents, including seniors.

- *Insure long-term affordability*

Insure that all affordable units, current and future, remain a part of the Town's Subsidized Housing Inventory to the greatest extent possible.

- *Help qualifying homeowners access housing assistance*

Disseminate information and make referrals to local, regional and state programs that provide technical and financial assistance to help qualifying property owners make necessary home improvements including building code violations, septic repairs, handicapped accessibility improvements and lead paint removal.

## 1.6 Summary of Use Restrictions

Hanover is committed to maintaining its Subsidized Housing Inventory for as long a period as possible. Affordable units must serve households with incomes no greater than 80% of the area median income for which the unit is located. Units must be subject to use restrictions or re-sale controls to preserve their affordability as follows:

- For minimum of thirty years or longer from the date of subsidy approval or construction for new construction.
- For a minimum of fifteen years or longer from the date of subsidy approval or completion for rehabilitation.
- Alternatively, a term of perpetuity is encouraged for both new construction and completion of rehabilitation and is required for homeownership.

Units are or will be subject to an executed Regulatory Agreement between the developer and the subsidizing agency unless the subsidy program does not require such an agreement. The units have been, or will be marketed in a fair and open process consistent with state and federal fair housing laws.





## Section 2

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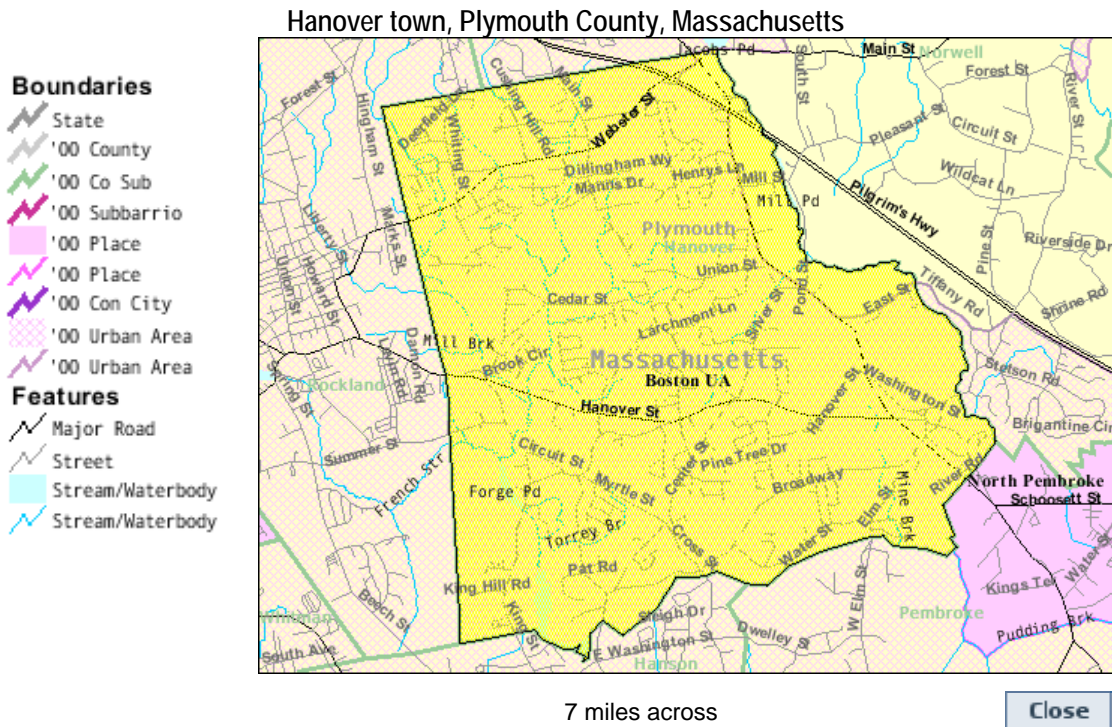
### **Introduction**

- 2.1 Purpose
- 2.2 Housing Goals
- 2.3 Planning Process
- 2.4 Past Patterns of Development



## 2. INTRODUCTION

Hanover is a residential community approximately 23 miles southeast of Boston, served by a network of state highways including Routes 3, 53, 123 and 139, facilitating transportation access to the Town's many commuters. Bordered by Norwell on the north and east, Pembroke and Hanson on the south, and Rockland on the west and northwest, Hanover is one of the smaller towns in Plymouth County encompassing about 16 square miles.



The Local Comprehensive Plan, which was prepared by the Town's Planning Board in 1997, offered the following overriding vision statement:

*Hanover is a Town that retains and improves the pleasing character of its civic, historic, economic, and residential areas in a manner that is sensitive to its natural and built environments.*

This 1997 Plan acknowledged that Hanover needed to keep pace with modern society, but states that residents had been hesitant to allow changes.<sup>6</sup> Nevertheless, the town has experienced significant transformation, most notably the extensive commercial sprawl along the Route 53 corridor, significant residential suburban sprawl as farms were converted into high-end subdivisions and the price escalation of the Town's predominantly single-family housing stock. These developments have largely been fueled by the out-migration of those living in or in close proximity to Boston seeking more affordable living conditions.

Population growth has put significant pressures on the housing market and local services, especially between 1950 and 1970 when the population tripled in size. The rate of growth has slowed down since

<sup>6</sup> Beals and Thomas, Inc. and Thomas Planning Services, Inc., Local Comprehensive Plan, May 1997.



that time, but the town is still gaining new residents who have been accommodated through comparable growth in the housing stock. Hanover had 4,445 housing units as of the 2000 census,<sup>7</sup> and new development has added another 442 units to the housing stock. Almost 90% of Hanover's dwellings are owner-occupied, single-family houses and most are built on relatively large lots that are typically at least 30,000 square feet with average price tags now well above \$400,000. The escalating housing prices in the current market are attracting greater attention from private developers interested in Chapter 40B development and causing Town leaders and residents to recognize that different strategies are required to better plan for housing development and insure that it is more directed to serving local needs and objectives. Channeling development to areas where construction could benefit the town, using housing development as a way to rehab and preserve historic buildings, clustering development to preserve open space, promoting walkable communities, and creating incentives for affordability are some of the strategies that have been considered.

Table 2-1 identifies the level of population growth since the mid-20<sup>th</sup> century. The Town's annual census also indicates significant population growth since 1990, as the population increased by 18% through the end of 2006 with 2,200 new residents and a total population count of 14,148. It has subsequently gone down somewhat to 14,030 as of mid-2007.

Table 2-1  
Hanover, Population  
1930-2006

Population Increase From Previous Period

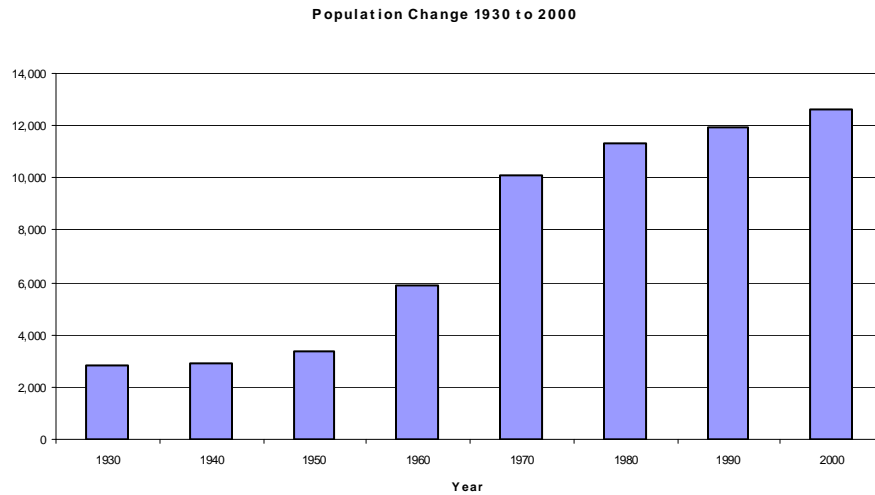
<b>Year</b>	<b>Population</b>	<b>Increase in # Residents</b>	<b>Percentage Increase</b>
1930	2,808	--	--
1940	2,875	67	2.4
1950	3,389	514	1.8
1960	5,923	2,534	74.4
1970	10,107	4,184	70.6
1980	11,358	1,251	12.4
1990	11,912	554	4.9
2000	13,164	1,252	10.5
2006	14,148	948	7.5
Mid-2007	14,030	(118)	(8.3)

Source: U.S. Census Bureau and Town of Hanover

Population growth in Hanover over the decades since 1930 is graphically presented in Figure 2.1.

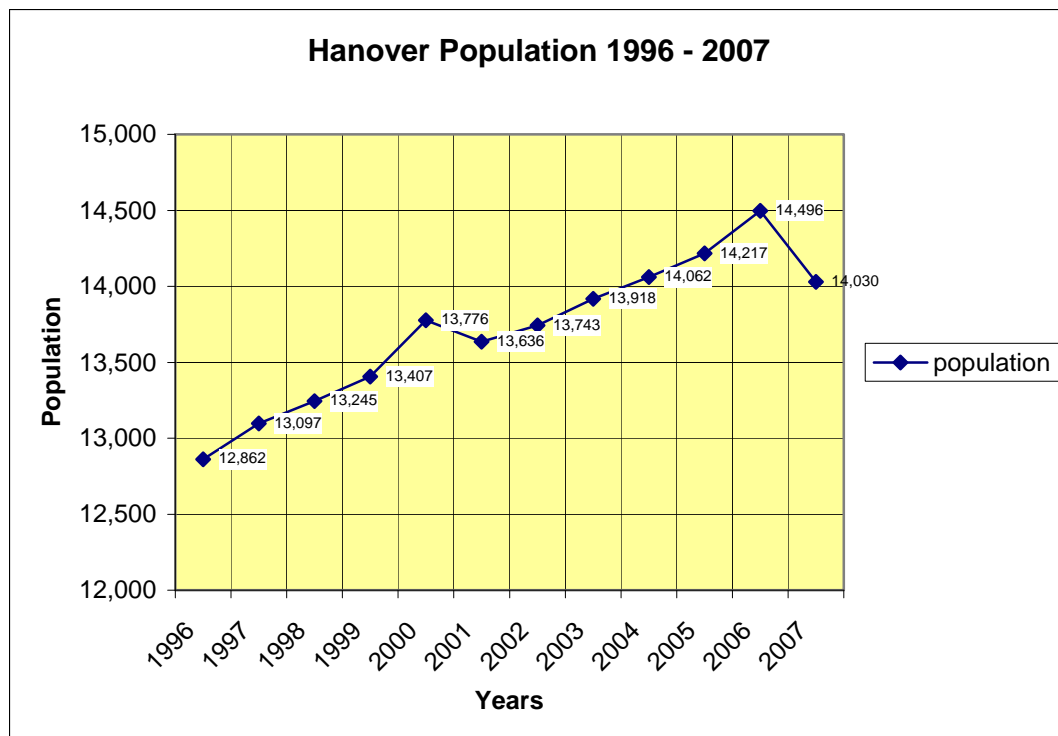
<sup>7</sup> While there were 4,445 total housing units cited in the 2000 census, there were 4,440 year-round housing units on which the 10% state Chapter 40B goal is based until the next census is issued.

Figure 2-1



Despite rather steady growth since 1996, there have been a couple of dips in population, one during 2000 and another more recently, as mentioned above and graphically presented in Figure 2-2.

Figure 2-2



Despite this recent dip, population growth will continue, and it will be incumbent on Town officials to provide important guidance to insure it is directed to appropriate locations and is more aligned with community needs. To do this will involve new development strategies, substantial technical and financial resources, community support and better planning.

## 2.1 Purpose

This Affordable Housing Plan suggests a range of options to meet community housing needs and to achieve the state 10% threshold under Chapter 40B while strengthening the physical and neighborhood character of the town. Due to the rising costs of homeownership, including escalating costs associated with taxes and utilities, many residents are finding it increasingly difficult to afford to remain in Hanover. Children who grew up in the town are now facing the likely possibility that they may not be able to return to raise their own families locally. Long-term residents, especially the elderly, are finding themselves less able to maintain their homes and keep up with increased real estate taxes but unable to find alternative housing that better meets their current life styles. Families are finding it more difficult to “buy up,” purchasing larger homes as their families grow. Town employees and employees of local businesses are increasingly hard pressed to find housing that is affordable in Hanover. More housing options are required to meet these local needs and produce Hanover’s fair share of regional needs.

The first part of the document, the Housing Needs Assessment, represents a critical step forward in better understanding housing issues in Hanover including the review and assessment of documentation and research already compiled as well as the collection and analysis of new information to document the range of local needs and existing resources, remaining gaps in housing services and programs, as well as current obstacles to development. This information, in addition to substantial opportunities for community input, provided the foundation for establishing the comprehensive Affordable Housing Plan that can be used as a blueprint for how the Town will produce affordable units over the next few years. While Town leaders have recognized the importance of becoming more proactive on the issue, the skyrocketing housing prices and heightened interest from developers in producing housing in Hanover through the Chapter 40B comprehensive permit process, has created some urgency in the matter, establishing the importance of learning more about existing housing needs and detailing strategies to meet these needs that would create new affordable housing opportunities more in line with community priorities. The development of Planned Production goals of 33 affordable units per year would further enable the Town to deny unwanted comprehensive permit applications and better control new housing production.

As previously noted, the Affordable Housing Plan will meet state requirements under Planned Production and Executive Order 418.

### *Planned Production*

The Massachusetts Department of Housing and Community Development (DHCD) is administering the Planned Production Program in accordance with regulations that enable cities and towns to prepare and adopt an affordable housing plan that demonstrates production of an increase of .75% over one year or 1.5% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.<sup>8</sup> Hanover will have to produce at least 33 affordable units annually to meet these production goals through 2010. When the 2010 census figures become available in 2011, this number will be higher, most likely closer to 38 units. If DHCD certifies that the locality has complied with its annual production goals, the Town may, through its Zoning Board of Appeals, deny comprehensive permit applications without opportunity for appeal by developers.

The state has recently proposed significant changes to Chapter 40B regulations, including a number of modifications to the Planned Production Program – referred to as Housing

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<sup>8</sup> Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

Production Plans. A substantial change would reduce the annual production goal to one-half of one percent of the housing stock.

#### *Executive Order 418*

This state executive order, subtitled “Assisting Communities in Addressing the Housing Shortage,” was issued in 2000. Up to \$30,000 in state funding to each community in the Commonwealth was offered to help towns and cities better plan for new housing opportunities while balancing economic development, transportation, infrastructure improvement, and open space preservation needs. It also gave priority for discretionary funding to those towns and cities that were certified as having taken steps to increase the supply of housing to individuals and families across of broad range of incomes.

## 2.2 Housing Goals

As part of the community planning process undertaken in 1997 in the preparation of the Local Comprehensive Plan, residents had the opportunity of coming together to share their visions for Hanover’s future. The following housing-related goal emerged from this community visioning process:

*To promote the provision of fair, decent, safe, affordable housing which meets the needs of present and future Hanover residents.*

The 1997 planning process also identified a key policy direction to “encourage the development of innovative strategies designed to address the housing needs of Hanover residents”. With this context in mind, the following specific housing goals have been established that represent the building blocks on which the Two-Year and Five-Year Action Plans were developed in the Affordable Housing Plan:

- *Meet local housing needs along the full range of incomes, promoting social and economic diversity and the stability of individuals and families living in Hanover.* Diversity in a community has been found to contribute to local health and vitality, and town residents are becoming increasingly diverse as the number of minority households and non-family households have increased over the past couple of decades. However, housing price escalation threatens to price out all but the very wealthy.

The preservation and production of affordable housing is a proven method for promoting diversity, allowing those individuals and families with more limited means to afford to live in town. Solutions need to be found to enable children who grew up in town to return to raise their own families here, to offer town employees the opportunity to live in the community in which they work, to provide housing alternatives to elderly residents who have spent much of their lives in town but now require alternatives to their large single-family homes, and to offer families the flexibility of moving to larger homes as their families grow. In fact, for most new affordable housing, at least 70% of the new units produced can be reserved for those who are residents, parents of current residents, past graduates of the Town’s school system and current municipal employees.

- *Leverage other public and private resources to the greatest extent possible.* Because Hanover is a small town that does not receive federal funding for affordable housing on an entitlement basis<sup>9</sup> and because it does not have large pockets of poverty that make it a target for state and federal funding, the town needs to be creative in how it can leverage both public and private resources to make affordable housing development possible. State agencies recognize the importance of suburban localities doing their fair share in housing lower income households and want to be supportive of affordable housing initiatives. Nevertheless, the Town needs to be strategic in how it invests its limited resources, including its Community Preservation Funds, towards the production of new housing opportunities. Housing conversions that preserve historic buildings, housing that is clustered to preserve open space, and development on “brownfield” sites that require environmental remediation can possibly leverage funding for a number of community benefits.
- *Insure that new housing creation is harmonious with the existing community.* New affordable housing development should be harmonious with the existing community to the greatest extent possible, becoming an amenity that blends well within the rural and historical character of Hanover. Therefore, developments should incorporate a number of characteristics – mixed-income, covering a wide range of income needs; low to medium density, eliminating huge impacts in any one residential neighborhood; and well designed to make maximum use of any natural attributes of development sites and comply with the architectural context of the community. Housing that reinforces the centrality of Hanover’s traditional village centers and contributes to an environment that is more hospitable to pedestrians along its commercial corridors should be pursued along with the leveraged development noted above.
- *Meet the 10% state standard and planned production goals for affordable housing.* There is currently a 69-unit gap between the state’s affordable housing standard (10% of the year-round housing stock that has been subsidized by the federal or state government to benefit those earning up to 80% of median income) and the affordable stock currently in place in Hanover, currently 375 units. Population growth and associated increases in the housing stock will shift the number of units needed to meet the 10% goal upward. Since the 2000 census count another 442 units have been added to Hanover’s housing stock based on building permit data, requiring another five (5) units of affordable housing beyond the 69 indicated above for a total of 74 affordable units. Based on a projected increase of at least 50 units of new privately-sponsored housing per year, another 15 units of affordable housing will be required through the end of the decade considering only projected private market activity for a total of 89 affordable units. Looking at state buildout projections, this gap is even greater. State buildout projections, developed in about 2000 by the Executive Office of Environmental Affairs, which were based on current zoning patterns, calculated a total buildout of about 6,700 units. This suggests that Hanover will need to ultimately produce about 300 new affordable housing units comprising almost 17% of the new units to be produced to meet the 10% goal. In the interim, Hanover plans to produce at least .75% of its year round housing stock annually through its Planned Production Program, the equivalent of 33 units a year, to enable it to deny unwanted comprehensive permit applications and work with developers who will build housing that reflects local needs and priorities.
- *Provide a wide range of housing alternatives to meet diverse housing needs.* This Affordable Housing Plan identifies a range of housing needs based on limited opportunities for first-time homeownership, special needs housing, rental units for young families and smaller households,

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<sup>9</sup> Cities with populations of more than 50,000 receive federal funds, such as the Community Development Block Grant and HOME Program funding, directly from the federal government on a formula basis and are referred to as entitlement communities.

and more options for households interested in downsizing but remaining in the community. To accommodate this range of needs, the Town should stimulate the production of a variety of housing types, particularly for those who are priced out of the private housing market. For example, housing types like residential over retail can respond to both the need for affordability and the desire to reinforce Hanover's traditional village character and smaller starter homes would also make homeownership more accessible to young families.

- *Revitalize Hanover's Villages.* Hanover is comprised of a number of villages including West Hanover, North Hanover, South Hanover, Assinippi, Hanover Center and the historic Four Corners. The conditions of these village centers have declined in many cases over time, and efforts to redevelop underutilized and deteriorating properties through housing or mixed-use development can provide an economic boost and add vitality and pedestrian access to these important areas of town.
- *Promote smart growth development.* Smart growth development is a response to the problems associated with unplanned, unlimited suburban development – or sprawl. Smart growth principles call for more efficient land use, compact development patterns, less dependence on the automobile, a range of diverse housing opportunities and choices, equitable allocation of the costs and benefits of development, and an improved jobs/housing balance. Examples of smart growth development and planning that incorporate affordable housing include:
  - 1) Providing mixed-use development near the town and village centers;
  - 2) Locating housing in close proximity to public transportation;
  - 3) Allowing higher density housing or mixed-use development near transit stops, along commercial corridors or in town and village centers;
  - 4) Redeveloping environmentally impacted or brownfields sites;
  - 5) Restoring vacant and abandoned residential buildings to productive use;
  - 6) Converting vacant or underutilized former manufacturing, commercial or municipal buildings to housing;
  - 7) Encouraging the development of housing and preservation of open space so that the goals of each will be mutually satisfied using techniques such as cluster zoning, transfer of development rights, or other innovative zoning or regulatory devices;
  - 8) Promoting the redevelopment of vacant infill parcels; and
  - 9) Participating in regional responses to addressing affordable housing needs.

Although not all of these strategies are necessarily appropriate for Hanover, they should be considered as part of a local and regional plan for dealing with traffic, loss of open space, and the loss of traditional pedestrian scaled retail centers.

- *Preserve the existing affordable housing stock.* Despite escalating prices, there are still some rental and homeownership units included in the town's private housing market that would be considered affordable as the occupants have incomes of not more than 80% of area median income and are not paying more than 30% of their incomes on housing expenses. There are also housing units where occupants have incomes of not more than 80% of the area median but they are paying too much for housing – beyond the 30% of income threshold – and are facing difficulties in remaining in their homes. Many of these households are elderly on fixed incomes who have to strain their pocketbooks to pay higher taxes and utility expenses and are likely to have deferred maintenance problems. The Town of Hanover should consider how it might support these households in

remaining independent in their homes, making necessary home improvements and slowing housing turnover. The Town also needs to insure that the units that are counted as part of its Subsidized Housing Inventory remain affordable for as long a period of time as possible.

## 2.3 Planning Process

In January 2007, the Town of Hanover, through the Hanover Housing Authority, issued a Request for Proposals to solicit interest from planning consultants for the creation of a Community Housing Plan (Affordable Housing Plan) that would meet state requirements under Planned Production and Executive Order 418 and help local leaders better understand housing needs and develop strategies for addressing them. Proposals were due in late February, and the Housing Authority selected the team of Karen Sunnarborg Consulting and Abacus Architects + Planners to undertake the work.

After initial meetings with the Hanover Housing Authority and Town Planner, the Consultants facilitated meetings with local leaders representing a wide range of local boards and commissions to present the highlights of the Housing Needs Assessment and to solicit input on the concerns, challenges and opportunities for affordable housing in Hanover. An essential component of this planning process has been an analysis of the physical structure of Hanover and the development patterns that define the town. Enhancing village centers, clustering housing to preserve open space and control sprawl, and defining a broad range of building types that can be compatible with the town's existing character complement the needs analysis and development of affordable housing strategies, development scenarios and policy proposals, and have been a major component of public meetings.

On a somewhat parallel timeframe, the Planning Board is coordinating a master planning process addressing a wide range of public issues and challenges including land use and growth management. Initial input from public hearings and surveys on the housing component suggests the following major planning issues:

- High land values leading to expensive lots and mansion-sized homes.
- A limited amount of affordable housing and few alternatives to large/expensive single-family homes.
- Rising cost of housing, including property taxes, particularly for the elderly.
- Threat of higher property taxes from school-age children and other Town services required by new families.

This initial input from the master planning process also led to some preliminary feedback on what actions related to housing might be appropriate to pursue in Hanover including:

- Develop comprehensive plan for housing.
- Pursue “friendly” 40B developments by channeling development pressure in directions desirable to Hanover.
- Increase lot sizes to reduce overall residential buildout.
- Increase affordable housing options, with particular emphasis on seniors.
- Increase the number of “moderately” priced homes.
- Develop Open Space Residential Development (OSRD) Bylaw with Inclusionary Housing component (carrot: density).

- Develop Inclusionary Housing bylaw for new residential development (maintain 10% threshold – stick: required).
- Examine additional provisions for accessory dwelling units as an alternative housing option (amnesty).
- Study/consider options to incorporate accessory dwelling units on affordable housing inventory (SHI).
- Revitalize older neighborhoods.

The process of preparing this Affordable Housing Plan has enabled the Town to better explore and determine the relative merit (or lack thereof) and feasibility of the above actions in the context of documented local needs, current regulations, and available resources.

On July 18, 2007, the Hanover Housing Authority sponsored a public forum to get resident feedback on these issues and to present the key findings from the Housing Needs Assessment through a PowerPoint presentation. Approximately 40 residents attended this forum, and a summary of the results is included in Appendix 1.

Following the completion of a draft Affordable Housing Plan, the Town convened another public forum on November 8, 2007, to present the Housing Plan and obtain comments for consideration in finalizing the document for presentation and approval by the Board of Selectmen and subsequent submission to the state's Department of Housing and Community Development. The presentation of the Housing Plan was among other presentations to update community residents on the Town's master planning effort including the Open Space and Recreation Plan, Parks and Recreation Master Plan and Historical Preservation Plan.

## 2.4 Past Patterns of Development

Hanover's patterns of residential development respond to the natural topographic conditions of the region, the roads that have been threaded through them over the last hundred years or more, and the commercial development that has grown up along them. Together they have established some of the constraints and opportunities within which housing has developed in the past, and create the physical context within which new housing will be developed.

### 2.4.1 *Natural Landscape*

There is very little topographic variation in Hanover – hills and valleys – to help define the town and give specific places a sense of identity based on natural conditions. Nor are there significant bodies of water to create a focus for civic life, although there are a number of rivers, the largest of which border the town. Nevertheless, natural conditions, especially wetlands, have been a determining factor in how the town has grown and will continue to influence what is built and where.

Subtle changes in topography and soil conditions have led to a series of wetlands that are distributed throughout the town. As the region has developed over the last two centuries, roads have tended to occupy the slightly higher and drier ground or have been built on fill, connecting as directly as possible to surrounding towns while arcing around unbuildable areas. The result is a series of major thoroughfares that wind their way through Hanover with no discernable grid pattern or geometrical clarity, but provide a sense of rural charm. These wetlands are now protected, preserving them as an integral part of the town's character but limiting future development.



### *2.4.2 Historic Development*

Historically, intersections of major roads have become village centers, punctuating the flat landscape. They were obvious places to locate small stores, civic buildings or churches that were within walking distance to most local residents or relatively accessible to those passing through the community. At Hanover Center, where six streets come together, a collection of prominent civic and institutional buildings have been built, although there is no commercial development.

Until the last several decades, Hanover has been primarily rural, with houses clustered at intersections, in proximity to village centers, and spread out along major corridors such as Main Street and Rockland Street. Houses have been dotted throughout the surrounding landscape, farther apart the further they are from major intersections, and more connected to farming and animal husbandry. Most of these older houses are built quite close to the paving, both to limit costs and to help define streets and country roads as a part of a civic realm. Trees and stonewalls help connect houses together and reinforce the neighborhood character. Front porches often address the street, helping to create bonds between neighbors.

The automobile changed the character and perception of Hanover. Although the town remained a collection of villages centered on intersections, Washington Street became the dominant commercial street lined by auto-oriented strip retail. The construction of Route 3 only reinforced the importance of Washington Street. The Hanover Mall established the area around Route 3 at Washington Street as a significant regional commercial center, with Washington at Rockland Street, Broadway and Columbia Road as a secondary commercial area. Stores, offices, and service providers were increasingly reached by automobile, becoming more separate from the residential areas around them.

Residential patterns of development changed as well, especially after WWII. Properties lining major streets were subdivided and smaller houses on smaller lots were built – part of a national trend responding to returning veterans’ need for housing. Most residents had cars and commuted to work, so they did not need to live close to village centers and were less tied to the land than earlier Hanover residents. Garages rather than porches increasingly dominated the fronts of these houses. Most were still built close to the street, often backing up to wetlands with limited opportunity to push further back.

### *2.4.3 More Recent Development*

As the region has developed over the last four decades, Hanover has increasingly become a bedroom community for Boston and other employment centers with a growing demand for housing. Following patterns familiar throughout the United States, developers have bought parcels that were once farms or woodlands, created a network of smaller streets and cul-de-sacs, and built housing on much of the buildable land in town.

Hanover is perceived to be an attractive community to regional homebuyers so much of the recent development has been large houses on large lots on newly built streets that are off of the regional network of roads. There has been an attempt to create a bucolic rural character in many of these developments, although they are accessed almost exclusively by car and are quite remote from both village centers and the agrarian landscape that may have attracted people in the first place. Porches are often more decorative than useful, and three-car garages on broad strips of asphalt make the automobile orientation apparent. The large lots leave little natural open space, resulting in a homogenous suburban quality that is neither village-like nor really pastoral.

This recent residential development is also unaffordable to a large percentage of area buyers. This is part of a regional shortage related to limited amounts of buildable land, the high cost of construction, and both zoning bylaws and market conditions that seem to favor large-lot, high-end development.

As the pace of new development hidden from view has accelerated, the village centers, with the exception of Four Corners and Hanover Center, have declined in importance. Many houses have not been maintained, commercial enterprises have lost their village character, and the landscape has been degraded. These centers may provide a coherent sense of place, but perhaps only because they have stoplights or stop signs that break the rhythm of fast moving traffic. Four Corners and Hanover Center remain exceptions where houses, commercial, and civic buildings coexist as a reminder of Hanover's past, and much of the local charm has been maintained.

Although Hanover residences are overwhelmingly single-family houses there is multi-family housing as well. Much of it is subsidized, keeping Hanover's affordability level at over 8% of the year-round housing stock. With the growing demand for senior housing, market rate 55+ housing has been developed as well, although most of these units have been priced beyond the means of most local seniors. Some of this multi-family housing is on major thoroughfares, but other developments are behind the rows of houses that line the street like many of the recent single-family home developments. Larger multi-family buildings are considered by many to be out of scale with most everything else in town.

#### *2.4.4 Future Development*

Much of Hanover's developable land has been built on so there are limited opportunities for the kind of large parcel subdivisions that have been built recently. These remaining opportunities should be carefully considered so that issues of affordability and character are part of a larger civic dialogue. Regional and national building trends have begun to change, setting the stage for this kind of consideration.

In Massachusetts these trends have been encouraged by recent legislation. "Smart growth" approaches to development encourage a clustering of development along existing streets near commercial centers to reinforce the character and importance of village centers. They also encourage a clustering of houses in "greenfield" development areas to leave as much of the open space as possible in a natural condition and reduce the amount of paving required. More and more of this kind of development is happening throughout the region, and is beginning to appear in proposals in Hanover.

Although this planning effort recognizes how integral the automobile is in contemporary life, it suggests that pedestrian streets, mixed-use buildings, and houses spaced closely together with natural or agrarian landscapes surrounding them can be more than a nostalgic evocation of the past. They can provide attractive, sustainable and affordable ways to build that connect to the past while addressing the needs of today.

## Photographs

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Hanover Center, unlike many New England town centers, has very few residences near the civic heart of town.



Four Corners combines commercial and residential uses creating a walkable neighborhood center.



Main Street, like many of Hanover's older streets, connects one crossroad to another and is lined with houses close to the roadway.



West Hanover was once a village center, but has lost its pedestrian orientation and its neighborhood character.



## Section 3

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### Housing Needs Assessment

- 3.1 Demographic Characteristics
- 3.2 Housing Characteristics
- 3.3 Housing Market Conditions
- 3.4 Cost Analysis of Existing Market Conditions
- 3.5 Subsidized Housing Inventory
- 3.6 Gaps Between Existing Needs and Current Supply

### 3. HOUSING NEEDS ASSESSMENT

This Housing Needs Assessment presents an overview of the current housing situation in the town of Hanover, providing the context within which a responsive set of strategies can be developed to address housing needs and meet production goals.

#### 3.1 Demographic Characteristics

##### 3.1.1 Population, Race and Household Type

Hanover is growing. The 2000 census data indicated that the town of Hanover had a total population of 13,164, a 10.5% increase over the 1990 population of 11,912 and a 15.9% increase since 1980 when the population was 11,358. These figures represent significant growth, especially in comparison to the approximately 6% growth rate experienced in the overall Boston region from 1990 to 2000<sup>10</sup>. Since 2000, the town has welcomed more than another 2,000 residents, bringing the population total to 14,148 as of the end of 2006 and then down a bit to 14,030 as of mid-2007.

Table 3-1  
Hanover, Demographic Characteristics  
1980-2000

	1980		1990		2000	
	#	%	#	%	#	%
Total Population	11,358	100.0	11,912	100.0	13,164	100.0
Minority Population*	71	0.6	206	1.7	306	2.3
Total Number Households	3,132	100.0	3,742	100.0	4,349	100.0
Family Households**	2,846	90.9	3,120	83.4	3,567	82.0
Female Heads of Households**	195	6.2	322	8.6	349 (141 w/children)	8.0 (3.2)
Non-family Households**	286	9.1	622	16.6	782	18.0
Average Household Size	Not available		3.14 persons		3.02 persons	

Source of above table: 1980, 1990 and 2000 U.S. Census Bureau

\*All non-White classifications

\*\* Percent of all households

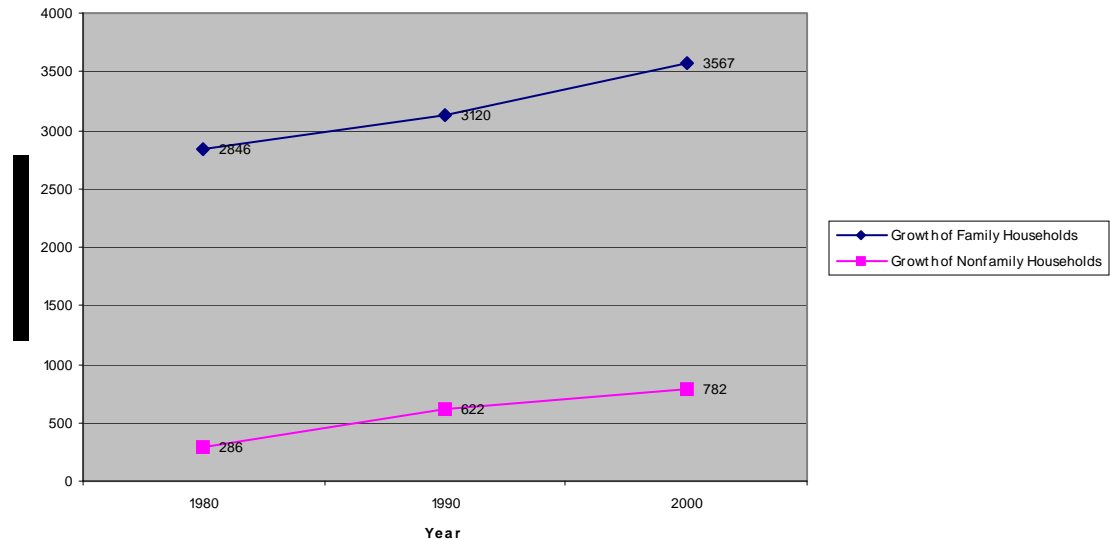
The population has remained predominately White although the growth in minority households has been steadily increasing over the past two decades. For example, in 2000 the census describes 306 persons or 2.3% of the population as minorities, up substantially from 206 persons in 1990 and only 71 persons in 1980. Approximately one-third of the 2000 minority population identified themselves as Asian with another quarter as African-American or Black, and the remainder Hispanic or Native American.

<sup>10</sup> The Boston region is defined here as the area stretching west from Boston to include most of the communities inside the I-495 corridor, consisting of 22 cities and 79 towns, as part of the Metropolitan Area Planning Council's (MAPC) planning area that includes the town of Hanover.



Figure 3-1

**Growth of Household Types**



Non-family households have almost tripled since 1980, becoming a more significant part of Hanover and representing close to 20% of the number of households. These non-family households increased by almost 500 households, up from 9.1% of all households in 1980 to 18.0% in 2000. While family households increased by 721, they decreased as a proportion of all households from 1980 to 2000, from 90.9% to 82.0%. An additional 154 female-headed households were added to the population from 1980 to 2000 but decreased somewhat as a percentage of all households from 1990 to 2000. The average number of persons per household declined a bit as well from 3.14 persons in 1990 to 3.02 in 2000, related largely to the increase in non-family households in Hanover.

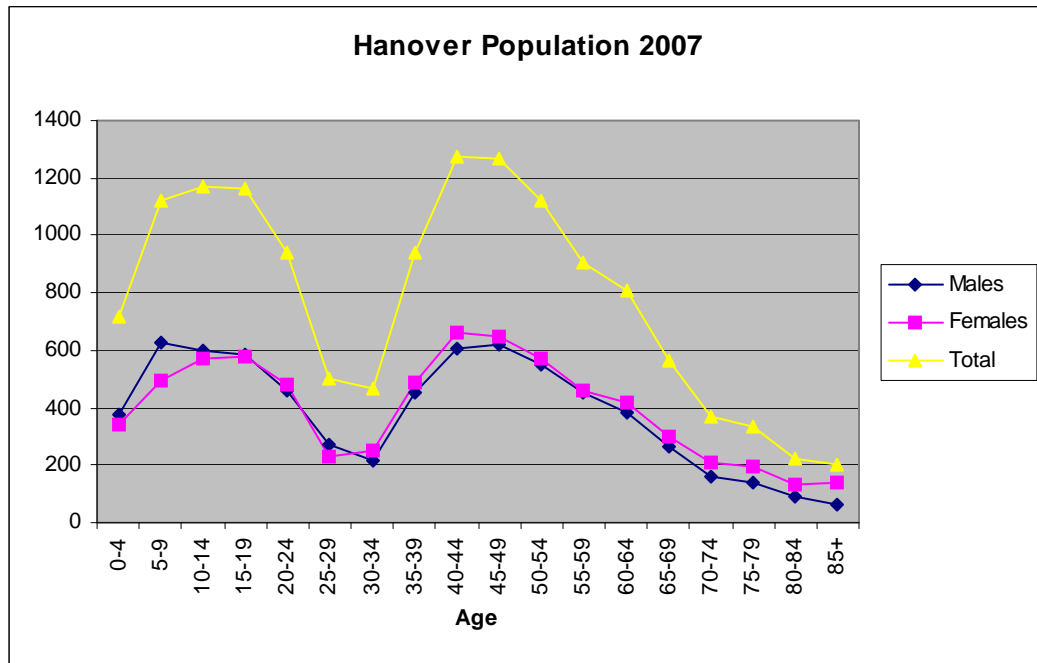
### 3.1.2 Age Distribution

The town's population is aging. In 2000 there were 1,379 persons 65 years of age or older, representing 10.5% of the population, as compared to 675 or 5.9% of the total population in 1980. Despite this increase, the proportion of those 65 or older is lower in Hanover than it is for Plymouth County or the state at 11.8% and 13.5%, respectively.

On the other hand, the school-age population of those under 18 years of age has decreased in numbers and in proportion to the total population since 1980, although it is up somewhat since 1990. In 2000 this group comprised 28.8% of the 2000 population, or 3,921 persons, but were down proportionately from 35.8% of the population in 1980, up somewhat from 27.4% in 1990. The median age was 37.5 years in 2000.

Demographic trends also suggest that escalating housing costs may be pricing younger individuals and families out of the housing market as graphically presented in Figure 3-2.

Figure 3-2



Those entering the labor market and forming new families have been dwindling in numbers, reducing the pool of entry level workers and service employees as well as potentially forcing the grown children who were raised in town to relocate outside of Hanover. While the number of those age 55 to 64 increased 44% from 879 residents in 1980 to 1,267 in 2000, those between the ages of 21 and 34 decreased 20%, from 2,163 in 1980 to less than 1,719 in 2000 despite overall population growth. Additional information on the distribution of ages is presented in Table 3-2.



Table 3-2  
Hanover, Age Distribution 1980-2000

Age Range	1980		1990		2000	
	#	%	#	%	#	%
Under 5 Years	762	6.7	856	7.2	1,013	7.7
5 – 17 Years	3,304	29.1	2,404	20.2	2,908	22.1
18 – 20 Years	646	5.7	591	4.9	354	2.7
21 – 24 Years	493	4.3	674	5.7	382	2.9
25 – 34 Years	1,670	14.7	3,761	31.6	1,337	10.2
35 – 44 Years	1,784	15.7			2,457	18.7
45 – 54 Years	1,145	10.1	1,572	13.2	2,067	15.7
55 – 59 Years	413	3.6	530	4.4	792	6.0
60 – 64 Years	466	4.1	425	3.6	475	3.6
65 – 74 Years	451	4.0	691	5.8	752	5.7
75 – 84 Years	171	1.5	319	2.7	484	3.7
85 Years and Over	53	0.5	89	0.7	143	1.1
Population Age 65+	675	5.9	1,099	9.2	1,379	10.5
Population Under 18	4,066	35.8	3,260	27.4	3,921	28.8
Total	11,358	100.0	11,912	100.0	13,164	100.0
Median Age	Not available		Not available		37.5 years	

Source: 1980, 1990 and 2000 U.S. Census Bureau

Based on population projections prepared by the Metropolitan Area Planning Council, Hanover may face the following demographic trends over the next 15 to 20 years<sup>11</sup>:

- Decline in the number of pre-school children and the school-age population from 5 to 14 years old;
- Increase and then a decline after 2015 in the number of high school-age children;
- Growth in the household-formation years of 20 to 29;
- Drop in trade-up demand fueled by declining numbers of those between the ages of 35 and 44 and some increase and slight drop-off of those 45 to 49;
- Large overall growth in empty-nesters age 50 to 59 and then a drop-off from 2020 to 2030;
- Increase and then a slight decline after 2020 in early seniors aged 60 to 64;
- Large increase in seniors age 65 to 74; and
- Increase in seniors over the age of 75.

Just as the baby-boomers have driven trade-up demand in the last decade, the aging of this large group will result in an additional 731 empty nesters (age 50 to 59) and 649 early seniors by 2030. This may increase the demand for smaller units that are easier to maintain than the average single-family home. Conversely, the population of seniors over 75, who are typically most in need of support and services, will increase overall by almost 500 residents, suggesting some need for assisted living options in the long-term. Another consideration is the increase of those in the household formation years of 20 to 34 of a projected 247 residents may suggest the need for some

<sup>11</sup> Metropolitan Area Planning Council Community Population Forecasts, 1990 to 2030 as of January 31, 2006.

first-time homebuyer options that are affordable to those who do not have equity from a previous house to enable them to enter the private housing market.

### 3.1.3 Income Distribution

Residents of Hanover are also becoming significantly more affluent. The median household income in 1999 was \$73,838, up 35% from the 1989 median income of \$54,759 and a huge increase of 180% over the median income in 1979 of \$26,308, not adjusted for inflation. Based on the change in HUD's median income levels from 2000 to 2007, from \$65,500 to \$82,400, an adjusted income level of \$92,888 for Hanover can be calculated that perhaps better reflects the current economic conditions.

A comparison of 1979, 1989 and 1999 income figures is presented in Table 3-3.

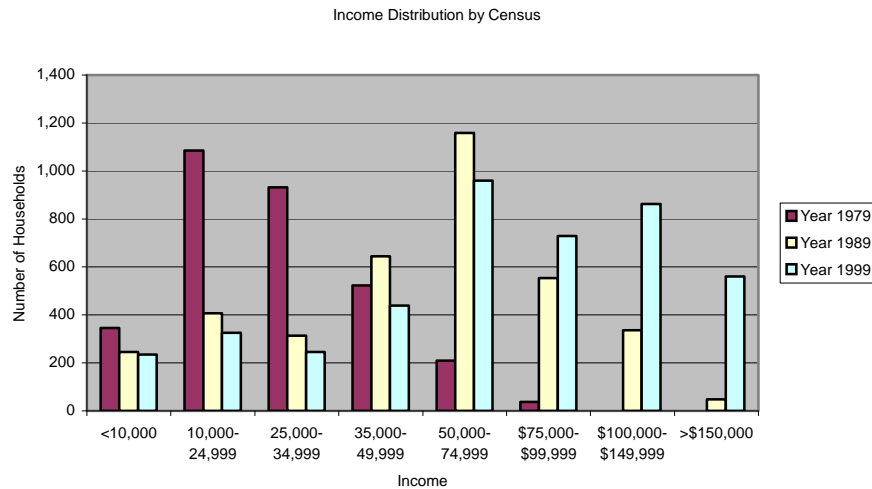
**Table 3-3**  
**Hanover, Income Distribution by Household**  
**1979-1999**

	1979		1989		1999	
	#	%	#	%	#	%
Under \$10,000	346	11.0	246	6.6	235	5.4
10,000-24,999	1,085	34.6	407	11.0	326	7.5
25,000-34,999	932	29.8	313	8.4	245	5.6
35,000-49,999	523	16.7	644	17.4	439	10.1
50,000-74,999	209	6.7	1,158	31.2	959	22.0
75,000-99,999	37	1.2	554	15.0	729	16.7
100,000-149,999			336	9.1	862	19.8
150,000 or more			48	1.3	560	12.9
Total	3,132	100.0	3,706	100.0	4,355	100.0
Median income	\$26,308		\$54,759		\$73,838	

Source: 1980, 1990 and 2000 U.S. Census Bureau

There were decreases in the numbers of households in all of the income ranges except for those earning in the income categories above \$50,000 between 1980 and 2000, and even a decrease in those earning between \$50,000 and \$75,000 from 1990 to 2000. Those households earning more than \$100,000 almost quadrupled from 1989 to 1999 – from 384 to 1,422 households. The income distribution for those households that include children – families – is somewhat higher with a median family income in 1999 of \$86,835, with 1,381 families or almost 40% of all families earning more than \$100,000, including 305 or 8.6% earning more than \$200,000.

Figure 3-3



The chart above clearly demonstrates the tremendous increase in income levels for households in Hanover over the past two decades. Despite inflation these figures are dramatic, as more recent data shows that those earning above \$100,000 now comprise about one-third of all households residing in Hanover, while 20 years ago there were few if any in this income category.

These income levels are in fairly striking contrast to those for Plymouth County when viewed proportionately as demonstrated in the following table:

Table 3-4  
Income Distribution by Household: Plymouth County vs. Hanover – 1999

	Plymouth County		Hanover	
	#	%	#	%
Under \$10,000	10,990	6.5	235	5.4
10,000-24,999	23,509	14.0	326	7.5
25,000-34,999	15,827	9.4	245	5.6
35,000-49,999	24,301	14.4	439	10.1
50,000-74,999	37,053	22.0	959	22.0
75,000-99,999	25,077	14.9	729	16.7
100,000-149,999	20,722	12.3	862	19.8
150,000 or more	10,969	6.5	560	12.9
Total	168,448	100.0	4,355	100.0
Median income	\$55,615		\$73,838	

Source: 1990 and 2000 U.S. Census Bureau

The percentage of those earning less than \$75,000 was about two-thirds for Plymouth County in contrast to half of all households for the town of Hanover, whereas those earning above the \$100,000 threshold included approximately one-fifth of households in the County versus one-third of the households in Hanover. Hanover's median income was also 75% higher than the median for Plymouth County as a whole as well as the Boston region with a median income in 2000 of \$55,234.

Despite increasing household wealth, there still remains a population living in Hanover with very limited financial means. Of the 4,355 total households counted in 1999, 235 or 5.4% had incomes of less than

\$10,000 and another 326 or 7.5% had incomes between \$10,000 and \$24,999, representing extremely low-income levels at or below 30% of area median income. An additional 431 households had incomes within what public agencies would define as very low-income levels, within 50% of area median income. The total number of households within these income categories was almost 1,000 households in 2000 or almost one-quarter of all Hanover households, not an insignificant number given the general affluence of the community. Additionally, based on this income information, approximately 37% of Hanover households (or about 1,611 households) would likely qualify for housing assistance as their incomes were at or below 80% of area median income defined by the U.S. Department of Housing and Urban Development (HUD) or \$59,550 for a family of three.<sup>12</sup>

### *3.1.4 Employment*

The 2000 census indicated that 43.5% of Hanover's workers were involved in management or professional occupations and most of the rest were employed in more retail and service oriented jobs including construction and maintenance occupations (9.3%), sales and office occupations (28.8%), and service occupations (10.5%). While 78.5% were salaried workers, another 13.7% were government workers and 7.7% were self-employed.

Additional information on employment patterns indicated that of those Hanover residents who are employed over the age of 16, or 6,717 workers, 1,296 or about 19% worked in the community, indicating a fair number of local employment opportunities. The mean travel time to work, however, was 31.5 minutes suggesting that on average workers commuted to their jobs, 92.5% by car.

### *3.1.5 Poverty*

The 2000 census stated that the absolute numbers of those with incomes below the poverty level (\$9,310 for an individual and \$15,670 for a family of three in 2004) decreased between 1979 and 1999 as Table 3-6 indicates. While the relative numbers of those in poverty remained relatively low, 308 or 2.3% of all residents in 2000 and 50 or 1.4% of all families, the number and percentage of those 65 years of age or older who fall below poverty level increased from 36 individuals or 5.3% of seniors in 1979 to 107 or 7.8% of all seniors in 1999. Clearly, there remains a population within the town of Hanover with substantial income limitations who require public assistance to meet their housing needs.

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<sup>12</sup> While these households' incomes might be at or below 80% of area median income, many households are likely to have assets that are more than the allowable state or federal standards that would disqualify them from housing assistance.

**Table 3-6**  
**Hanover, Poverty Status, 1979-1999**

	<b>1979</b>		<b>1989</b>		<b>1999</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Individuals Below Poverty	485	4.3	183	1.6	308	2.3
Families	112	3.9	27	0.9	50	1.4
Related Children Under 18 Years (Under 17 Years for 1980 data)	62	1.5	49	1.5	61	1.60
Individuals 65 and Over	36	5.3	65	6.1	107	7.8

Source: 1980, 1990 and 2000 U.S. Census Bureau

\*Percentage of total population

\*\*Percentage of all families

\*\*\*Percentage of all related children under 18 years

\*\*\*\*Percentage of all individuals age 65+

### **3.1.6 Education**

In 2000, almost all adults, or 96.8% of those 25 years and older, had a high school diploma or higher, and 38.8% had at least a Bachelor's degree. These levels are higher than the 2000 figures for at least college attainment of 27.7% for Plymouth County and not much lower than 41% for the Boston region. Moreover, these figures represent a significant improvement in overall educational attainment from 1990 of 91% with at least a high school degree and 28.7% with at least a college degree.

Those enrolled in school (nursery through graduate school) totaled 4,092 or 31.0% of the population, and those enrolled in nursery school through high school totaled 3,372, 82.4% of those who were enrolled in school and 25.6% of the total population. These figures are 30% higher than the 1990 enrollment figures of 2,592 students in local schools, a gain of 780 students.

### **3.1.7 Disability Status**

Of the 2000 population age 5 to 20 years old, 189 or 5.7% had some disability, and of the population age 21 to 64, 635 or 8.5% claimed a disability, but 72.3% of this group was employed leaving more than another quarter who were unemployed, likely due to disability. In regard to the population 65 years of age or older, 373 or 27.1% claimed some type of disability. With the exception of those in the five to 20-year category, these levels of disability are lower than the Boston region as a whole where 7.9% of those five to 20 years of age claimed a disability, 16.5% of those 21 to 64 claimed a disability (38.2% of whom were not employed), and more than one-third, 37.1%, of those over 65 were disabled.<sup>13</sup>

### **3.1.8 Residency in 1995**

More than one-quarter of the households in Hanover, 27.6% or 3,357 persons, moved to a new residence from 1995 to 2000. Of these, 14.5% came from within Plymouth County, 12.8% came from a different county, with 9.9% coming from the same state and 3.0% coming from a different state or elsewhere, representing significant mobility of the town's population but not as high as the county's where 36.5% of

<sup>13</sup> These figures were based on 2000 census data for the Boston SMSA.

all households moved during this same time period. It can be noted that turnover tends to drive up housing prices in an escalating housing market and buyers tend to be more affluent than sellers.

### 3.2 Housing Characteristics

Table 3-7 provides a summary of the key characteristics of Hanover's housing stock.

**Table 3-7  
Hanover, Housing Characteristics  
1980-2000**

	1980		1990		2000	
	#	%	#	%	#	%
Total # Housing Units	3,218	100.0	3,837	100.0	4,445	100.0
Occupied Units *	3,160	98.2	3,742	97.5	4,349	97.8
Occupied Owner Units **	2,904	91.9	3,223	86.1	3,803	87.4
Occupied Rental Units **	256	8.1	519	13.9	546	12.6
Total Vacant Units/ Seasonal, Recreational or Occasional Use*	58/12	1.8/0.4	95/5	2.5/0.1	96/5	2.2/0.1
Average House- Hold Size of Owner-Occupied Unit	***		3.33 persons		3.18 persons	
Average House- Hold Size of Renter-Occupied Unit	***		1.95 persons		1.90 persons	

Source: 1980, 1990 and 2000 U.S. Census Bureau

\* Percentage of total housing units

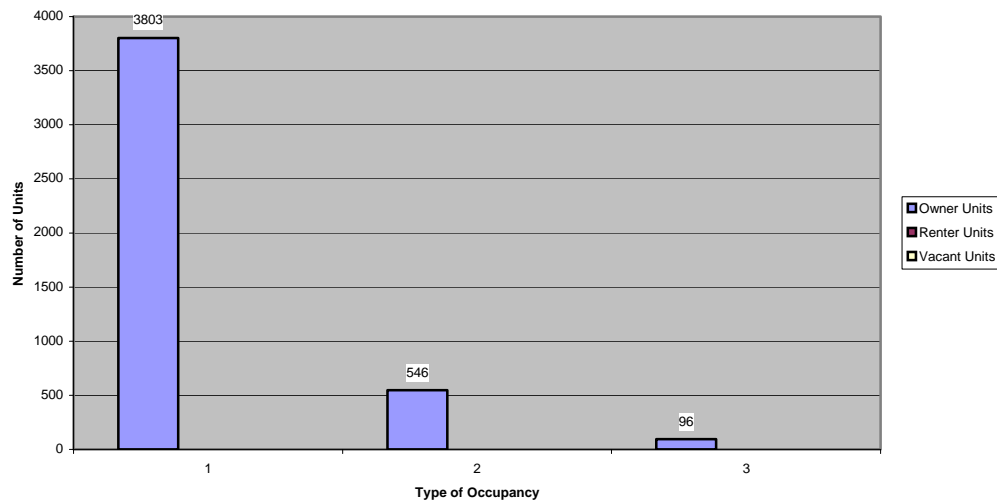
\*\* Percentage of occupied housing units

\*\*\* Data not available

The 2000 census counted 4,445 total housing units in the town of Hanover, up 16% from 3,837 units in 1990 and a 38% increase from 3,218 units in 1980. Out of total housing units, Hanover had 4,349 occupied units, of which 3,803 or 87.4% were owner-occupied while the remaining 546 units or 12.6%, were rental units. These figures represent a considerably higher level of owner-occupancy in 2000 than that for Plymouth County as a whole of 75.67% and for the Boston region of 57%. Figure 3-4 presents this housing occupancy data.

Figure 3-4

Housing Occupancy



Total growth in Hanover's housing stock from 1980 to 1990 was 619 units and from 1990 to 2000 was a fairly comparable 608 units. Most of this increase was in the owner-occupied housing stock, however, 290 rental units were also created between 1980 and 2000.

The 2000 census counted 2.2% of the housing stock, or 96 units, as vacant, of which five units involved seasonable, recreational or occasional use. The homeowner vacancy rate was 0.9%, down only marginally from 1.0% in 1990; and the rental vacancy rate of 1.6% also represented a decline from 5.3% in 1990. These vacancy statistics reflect tightening housing market conditions as anything below 5% is considered to represent very limited housing vacancy reflecting normal patterns of housing turnover. As Table 3-8 further indicates, the 2000 vacancy rates in Hanover were considerably lower than state and national levels.

Table 3-8  
Hanover, Vacancy Rates  
1990 and 2000

Vacancy Rates by Tenure				
	1990	2000	MA 2000	Nation 2000
Rental	5.3	1.6	3.5	5.0
Owner-Occupied	1.0	0.9	0.7	3.0

Source: 2000 U.S. Census

The 2000 census indicates that the vast majority of the existing housing units were in single-family detached structures, 3,925 units or 88.3% of the housing stock, significantly higher than the 71.1% level for the county, 44% for the Boston region, and 52.4% for the state. Another 68 units were located in

single-family attached dwellings, 201 in two to four-unit buildings, and only nine (9) in five to nine-unit structures. More than 5% of the housing stock was included in developments of more than ten units. There were also ten (10) mobile homes counted as part of the 2000 census.

Table 3-9  
Hanover, Units in Structure  
1990 – 2000

Type of Structure	1990		2000	
	#	%	#	%
1 Unit Detached	3,329	86.8	3,925	88.3
1 Unit Attached	28	0.7	68	1.5
2 to 4 Units	199	5.2	201	4.5
5 to 9 Units	16	0.4	9	0.2
10 or More Units	234	6.1	232	5.2
Other	31	0.8	10	0.2
Total	3,837	100.0	4,445	100.0

Source: 1990 and 2000 U.S. Census Bureau

More than half of Hanover's housing stock, 2,490 units or 56%, was built prior to 1970, however there were significant numbers of units produced between 1970 and 1990, totaling 1,480 units or one-third of the housing stock. For the county as a whole, almost 60% of the units were built prior to 1970, suggesting that Hanover demonstrated a somewhat higher level of housing growth over the last several decades than Plymouth County.

Table 3-10  
Hanover, Year Structure Built  
2000

	#	%
1999 to March 2000	64	1.4
1995 to 1998	224	5.0
1990 to 1994	187	4.2
1980 to 1989	946	21.3
1970 to 1979	534	12.0
1960 to 1969	893	20.1
1940 to 1959	882	19.8
1939 or earlier	715	16.1
Total	4,445	100.0

Source: 2000 U.S. Census Bureau

Hanover also had a somewhat higher level of housing growth in recent years than most of its neighbors with 44% of its housing stock (based on the 2000 census count of 4,445 units) constructed after 1970. Only Pembroke had about the same level of more recent construction activity. This level of housing growth is higher than the county, with 40.6% of its housing stock added since 1970, and significantly higher than the state's at 32.3%.



Table 3-11  
Recent Housing Development  
Hanover and Neighboring Communities

<b>Community</b>	<b># Units Built Since 1970</b>	<b>% Units Built Since 1970</b>
Abington	1,661	31.1
Hanover	1,955	44.0
Hanson	1,249	39.3
Marshfield	4,158	41.8
Norwell	1,343	40.5
Pembroke	2,624	44.5
Rockland	2,321	34.9
Plymouth County	73,719	40.6
State	847,922	32.3

Source: 2000 U.S. Census Bureau

The median number of rooms per housing unit was 7.2, indicating that the average home had three to four bedrooms. The dwelling size ranged from 444 units or 10% with four rooms or less to 904 units or 20.3% of the housing stock with nine (9) rooms or more. Nine (9) housing units involved single rooms. Almost 80% of households had two or more vehicles, which is not surprising given Hanover's lack of proximity to public transportation.

The building permit data summarized below in Table 3-12 indicates a high of 96 permits issued in 2004 to a low of 22 permits issued in 1990, with an average of 52 permits per year from 2000 through 2006, focusing solely on single-family units. Since the last census through May 2007, an additional 364 single-family units and 78 multi-family units have been added to the housing stock bringing the total number of housing units to 4,887.

Table 3-12  
Hanover Building Permit Data 1990 through May 2007

<b>Year</b>	<b># Building Permits for New Units</b>
1990	22
1991	41
1992	52
1993	59
1994	65
1995	56
1996	38 Jan-Aug
1997	NA
1998	NA
1999	NA
2000	48
2001	35
2002	48
2003	61
2004	96
2005	47
2006	27
As of May 23, 2007	2
<b>Total</b>	<b>697</b>
<b>Total 2000-May 2007</b>	<b>364</b>
<b>Average Per Year 2000-2006</b>	<b>52</b>

Source: Hanover Building Department

Notes: Data for 1996 through 1999 was difficult to retrieve and are not recorded. The data listed above includes permits for single-family units but an additional two (2) multi-family properties were permitted in 2003, each with 39 units.

### 3.3 Housing Market Conditions

#### 3.3.1 Ownership

Census data also provides information on housing values based on 2000 data. The census indicates that the 2000 median house value was \$252,600, up about 30% from the median in 1990 of \$195,100. In 2000, only 12 homes were valued at less than \$100,000 but another 940 were valued between \$100,000 and \$199,999, making up the bulk of the more affordable housing stock.<sup>14</sup> This number of more affordable homes outnumber the 1,218 homes valued at more than \$300,000, priced beyond the means of the average Hanover household and including 199 homes valued at more than \$500,000. Census housing values are summarized Table 3-13.

It should also be noted that housing prices in Hanover were 40% higher than Plymouth County's with a median house value of \$179,200, based on the 2000 census.

<sup>14</sup> Census housing values are derived from Assessor's data, which typically underestimates housing values somewhat.

**Table 3-13**  
**Hanover, 2000 Housing Values**

<b>Value</b>	<b>Number of Units</b>	<b>% Units</b>
Less than \$50,000	12	0.3
\$50,000 to \$99,999	0	0.0
\$100,000 to \$149,999	241	6.8
\$150,000 to \$199,999	699	19.6
\$200,000 to \$299,999	1,391	39.1
\$300,000 to \$499,999	1,019	28.6
\$500,000 to \$999,999	189	5.3
\$1 million or more	10	0.3
<b>Total</b>	<b>3,561</b>	<b>100.0</b>
<b>Median (dollars)</b>	<b>\$252,600</b>	

Source: 2000 U.S. Census Bureau

While census data is derived primarily from Assessors' information that typically underestimates market value, more updated market data is tracked by The Warren Group from Multiple Listing Service data based on actual sales. This market information since 1988 is summarized in the following table:

**Table 3-14**  
**Hanover, Median Sales Prices**  
**January 1988 – February 2007**

<b>Year</b>	<b>Months</b>	<b>Single-family</b>	<b>Condo (#)</b>	<b>All Sales</b>	<b># Sales</b>
2007	Jan – Feb	\$437,500	0	\$450,000	23
2006	Jan – Dec	417,500	489,950 (38)	454,200	220
2005	Jan – Dec	429,450	489,000 (35)	462,000	229
2004	Jan – Dec	393,750	449,900 (37)	411,000	320
2003	Jan – Dec	395,000	308,750 (6)	389,000	239
2002	Jan – Dec	355,000	130,000 (7)	334,950	254
2001	Jan – Dec	285,000	125,000 (9)	277,450	266
2000	Jan – Dec	290,000	0	267,000	275
1999	Jan – Dec	247,300	220,000 (3)	226,000	257
1998	Jan – Dec	209,950	0	210,000	249
1997	Jan – Dec	180,000	250,000(3)	175,000	236
1996	Jan – Dec	167,500	112,500 (4)	160,000	270
1995	Jan – Dec	160,000	100,000 (5)	150,000	207
1994	Jan – Dec	150,900	111,500 (3)	137,250	242
1993	Jan – Dec	159,250	0	157,250	246
1992	Jan – Dec	158,500	53,000 (3)	145,800	219
1991	Jan – Dec	150,000	212,000 (4)	150,000	179
1990	Jan – Dec	160,000	155,595 (6)	154,900	165
1989	Jan – Dec	168,000	0	160,500	214
1988	Jan – Dec	180,000	222,500 (4)	175,500	255

Source: The Warren Group, March 11, 2007

The number of home sales in Hanover (for full years) ranged from a low of 165 sales in 1990 to a high of 320 in 2004. In 2006 there were 220 total sales with an average sales price for single-family homes of \$417,500, affordable to households earning at least \$120,000 annually, well above the town's adjusted median income \$92,888. After a decline in market prices in the early 1990's, due largely to the economic slump, the market began to revive in the mid-90s but did not surpass the 1988 median sales price until

1998. Since then the market has escalated precipitously, more than doubling, up 116%, from \$210,000 in 1998 to \$454,200 by the end of 2006 for all sales. Single-family home prices climbed 60%, from \$209,950 to \$417,500 during this same period. New high-end over 55 developments bolstered the condo market with median sales figures that averaged higher than single-family homes during the last several years.

Table 3-15 and Figure 3-5 compare median sales data for Hanover and neighboring communities for single-family homes as well as all sales in 2006. These median sales prices are listed below.

Table 3-15  
Median Home Prices – 2006

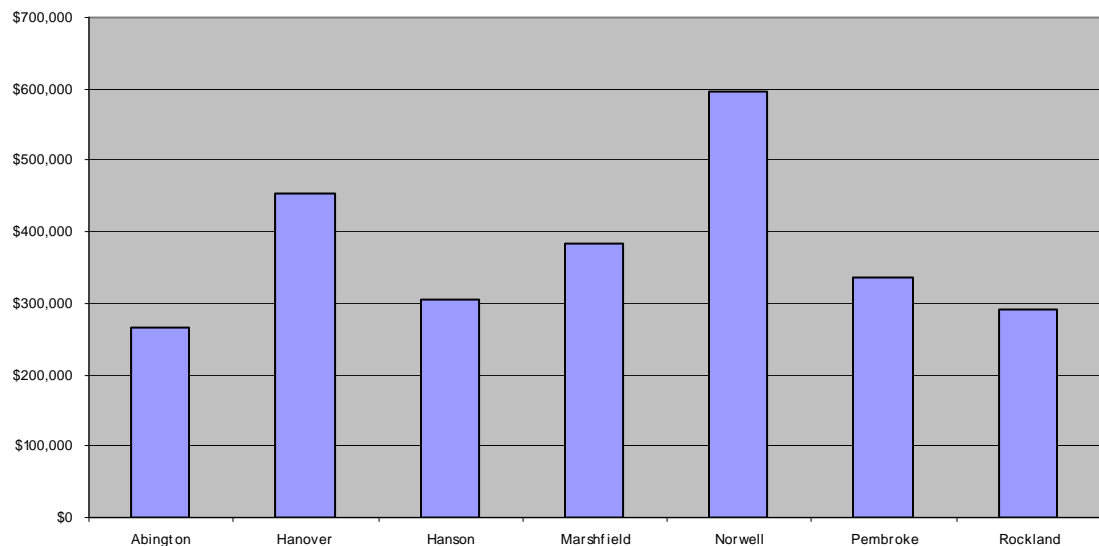
<b>Town</b>	<b>Median Price for Single-family Homes</b>	<b>Median Price for All Sales</b>
Abington	\$255,000	\$265,000
Hanover	417,500	454,200
Hanson	306,000	305,450
Marshfield	390,000	384,500
Norwell	597,000	597,000
Pembroke	344,000	337,000
Rockland	300,000	290,000

Source: The Warren Group, April 2, 2007.

As is so visually clear, Hanover's market values exceed all of its neighbors with the exception of Norwell with median prices approaching \$600,000.

Figure 3-5

**Median Sales Prices: Hanover and Neighboring Communities**



Source: The Warren Group, April 2, 2007. Prices are for all sales.

Information from the Town Assessor on the assessed values of residential property in Hanover is presented in Table 3-16. This table indicates that there are few residential properties that are valued affordably. In addition to five (5) properties that were valued below market and were unfinished or uninhabitable, there were only nine (9) condominiums valued at less than \$200,000, representing 0.2% of Hanover's residential tax base. On the other hand, there were quite a few residences assessed in the higher ranges as almost one-third of residential dwellings were valued above \$500,000. Approximately another third of Hanover's residences were assessed in the \$300,000 to \$399,999 range and about 30% in the \$400,000 to \$499,999 range, representing the bulk of the Town's housing inventory.

**Table 3-16**  
**Assessed Values of Residential Properties**

<b>Assessment</b>	<b>Single-family Dwellings</b>		<b>Condominiums</b>		<b>Multi-family Dwellings*</b>		<b>Total</b>	
	#	%	#	%	#	%	#	%
0-\$99,999	2**	0.05	3**	2.2	0	0.0	5**	0.1
\$100,000-199,999	0	0.0	9	7.0	0	0.0	9	0.2
\$200,000-\$299,999	178	4.4	10	7.8	3	2.9	191	4.5
\$300,000-399,999	1,342	33.1	7	5.4	27	26.5	1,376	32.1
\$400,000-499,999	1,194	29.4	85	65.9	43	42.2	1,322	30.8
\$500,000-599,999	597	14.7	15	11.6	22	21.6	634	14.8
\$600,000-699,999	309	7.6	0	0.0	2	2.0	311	7.3
\$700,000-799,999	191	4.7	0	0.0	2	2.0	193	4.5
\$800,000-899,999	116	2.9	0	0.0	1	1.0	117	2.7
\$900,000-999,999	46	1.1	0	0.0	1	1.0	47	1.1
Over \$1 million	80	2.0	0	0.0	1	1.0	81	1.9
<b>Total</b>	<b>4,057</b>	<b>100.0</b>	<b>129</b>	<b>100.0</b>	<b>102</b>	<b>100.0</b>	<b>4,286</b>	<b>100.0</b>

Source: Hanover Town Assessor, March 2007.

\* Includes two-family, three-family, multiple homes on one lot, and four to eight-unit properties.

\*\* Includes properties assessed at less than market value including a Habitat for Humanity house, unfinished condos that will ultimately be priced above \$400,000, and a bungalow currently unfit for occupancy.

There are relatively few large multi-family properties in Hanover, 232 units in structures of ten units or more according to the 2000 census. These include some subsidized developments or comprehensive permit projects such as North Pointe (Washington Crossing). Assessor's records list two apartment developments including Frank's Lane/Hanover Woods (60 units) and 511-525 Washington Street, with values of \$5.76 million and \$8.7 million respectively.

There are also a limited number of condominiums, 129 units, a substantial number of which have been built through three (3) recent over 55 developments that are priced beyond the means of most Hanover residents, fetching prices of more than \$400,000.

Assessor's records also include eight mixed-use properties that include residential units, five of which range in value from \$335,300 to \$477,900 and another two assessed at \$644,900 and \$806,600. Two mobile homes were included as well with values of \$193,700 and \$207,700, with most of the value based on the property as opposed to the dwellings.

Table 3-17 provides a breakdown of the number of units existing within various affordability ranges. According to Assessor's data, about 86% of the Hanover's single-family homes are affordable only to households earning 120% or more of the Area Median Income (\$82,400) in 2007. These houses cost at least \$345,000. There were virtually no affordable houses valued within the means of those low- and moderate-income households earning at or below 80% of area median income, or \$59,550 for a household of three. Only another 2.5% of the single-family houses in Hanover can be considered moderately-priced, affordable to households earning between 80% and 100% of the area median income, and another 11.2% valued within the means of those earning between 100% and 120% of the area median.

Table 3-17  
Approximate Cost of Homeownership Units in Hanover, 2006

Approximate Home Price Range	Affordability Range (% HUD Median Family Income for 2006/2007)	Single-Family Units Available in Home Price Range	
		Number	%
Less than \$135,000	Less than 50% (Less than \$37,850)	2*	.05
\$135,000 - \$204,999	50% - 80% (\$37,850 - \$59,550)	0	0.0
\$205,000 - \$284,999	80% - 100% (\$59,550 - \$82,400)	103	2.5
\$285,000 - \$344,999	100% - 120% (\$82,400 - \$98,880)	455	11.2
More than \$345,000	More than 120% (More than \$98,880)	3,497	86.2
<b>Total</b>		<b>4,057</b>	<b>100.0</b>

Source: Town of Hanover Assessor's Database. Please note that as a standard practice, assessed value is assumed to be 93% of actual value or potential sale price.

\*\* Includes one house assessed at less than market value (Habitat for Humanity house) and another currently determined unfit for habitation.

Another analysis of housing market data is presented in Table 3-18, which demonstrates the escalation of prices based on a breakdown of sales data from the Multiple Listing Service for single-family homes. This data indicates that there are no longer homes available in Hanover for under \$200,000 that would be affordable to low- and moderate-income households, and even homes for less than \$300,000 are scarce. The only house priced at less than \$200,000 was sold in 2006, involving a small ranch with 840 square feet of living space, no garage, and requiring significant work. The houses in the \$200,000 to \$300,000 range likewise tend to be older homes, typically smaller capes, marketed as "handyman specials" or requiring lots of "TLC". The bulk of the sales have been in the \$300,000 to \$600,000 range, involving approximately two-thirds of all recent sales.

Average sales prices are significantly higher than the median, largely skewed by those houses in the high-end subdivisions such as Stone Meadow, Whiting Village, and Saddle Lane, with prices of more than \$900,000. In fact, 21 houses have come on the market or have been sold above \$1 million with another 20 priced between \$800,000 and \$1 million.

It is also interesting to note that despite headlines about dire market conditions and the softening of the housing market, housing prices have not only held stable in Hanover but are increasing somewhat. Sales prices have increased between 2005 and 2007, from an average of \$522,589 to \$565,603, an 8% increase. Current listings average about \$600,000 and even with sales prices approximating 95% of those listed, at about \$570,000, some price escalation is still evident. Median sales prices have maintained the same dynamic with current prices above the two previous years.

However, while sales prices remain robust, the average days on the market has increased, from 117.58 days in 2005 to more than 200 days in 2007, suggesting that it is taking significantly longer to find willing purchasers. A local realtor stated that buyers are looking for properties in good condition, and those properties that require significant improvements are lingering on the market and ultimately commanding lower prices.

This point was reinforced in a recent Boston Globe article, “Spring Thaw: Making the Sale, 3 Homes Vie for Attention”,<sup>15</sup> which featured three homes in Hanover that were on the market. “Three houses in one town, all at different points of the mid-price range, but each appealing to a similar buyer. They are typically shopping for the kinds of homes they grew up in: the three-bedroom, one-and-a-half bathroom Capes, the Colonials, the split levels.” The article goes on to say that, “Most of the people who are buying these kinds of homes are second-time homebuyers or people with kids... These types of buyers are drawn to a town like Hanover because it’s reasonably priced, has a fantastic school system, and is right off the highway. However, that doesn’t mean buyers want these types of homes to look like their parents’ houses circa 1982. Indeed, mid-price homes, regardless of location, can be among the most difficult to sell unless they are completely updated.” Table 3-18 confirms the large segment of Hanover’s housing stock in the current mid-price range of \$300,000 to \$600,000.

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<sup>15</sup> Boston Globe, “Spring Thaw: Making the Sale, 3 Homes Vie for Attention”, April 15, 2007.

**Table 3-18**  
**Single-family House Sales**

<b>Price Range</b>	<b>Current Listings</b>	<b>Under Agreement</b>	<b>Sold 2005</b>	<b>Sold 2006</b>	<b>Sold thru 3/07</b>	<b>Total #/%</b>
<b>Less than \$199,000</b>	0	0	0	1	0	1/0.3
<b>\$200,000-299,999</b>	0	0	5	4	3	12/3.6
<b>\$300,000-399,999</b>	19	4	36	38	6	103/30.9
<b>\$400,000-499,999</b>	17	4	22	20	1	64/19.2
<b>\$500,000-599,999</b>	14	1	18	19	3	55/16.5
<b>\$600,000-\$699,999</b>	8	1	13	11	0	33/9.9
<b>\$700,000-799,999</b>	6	2	9	5	2	24/7.2
<b>\$800,000-899,999</b>	5	0	1	4	0	10/3.0
<b>\$900,000-999,999</b>	2	1	2	3	2	10/3.0
<b>Over \$1 million</b>	5	2	5	6	3	21/6.3
<b>Total</b>	76	15	111	111	20	333/100.0
<b>Average List/Sales Price</b>	\$599,879	\$622,400	\$543,776/ \$522,589	\$545,298/ \$521,269	\$590,810/ \$565,603	--
<b>Median Price</b>	\$510,000	\$499,000	\$458,000	\$435,000	\$499,555	--
<b>Average # Days on Market</b>	193.37 days	174.27 days	117.58 days	147.49 days	213.80 days	--

Source: Multiple Listing Service, April 4, 2007

Table 3-19 provides a summary of the same information for condominium sales. Almost all of the sales range in price from \$400,000 to \$600,000 as part of three recent over 55 developments including The Elms, Village at Walnut Creek and Spring Meadow. These projects involve townhouse development with two bedrooms, 2 ½ baths, approximately 2,000 square feet of living space, decks, lofts and a community center. Table 3-19 indicates that prices for these units have held pretty constant over the last several years but as with single-family homes, the marketing period has become more prolonged, doubling from about 100 to 200 days between 2005 and 2006.



Table 3-19  
Condominium Sales

Price Range	Current Listings	Under Agreement	Sold 2005	Sold 2006	Sold thru 3/07	Total #/%
Less than \$400,000	0	0	0	0	0	0
\$400,000-499,999	16	2	9	9	1	37
\$500,000-599,999	9	0	5	7	0	21
Over \$600,000	0	0	0	1	0	1
<b>Total</b>	25	2	14	17	1	59
<b>Average List/Sales Price</b>	\$512,848	\$489,900	\$482,150/ \$485,475	\$512,482/ \$513,944	\$479,000/ \$470,000	--
<b>Median Price</b>	\$499,900	\$489,900	\$489,000	\$490,050	\$470,000	--
<b>Average # Days on Market</b>	173.56 days	585.50 days	96.79 days	202.59 days	428 days	--

Source: Multiple Listing Service, April 4, 2007

There have also been several sales of multi-family properties including:

- A two-unit house sold in 2005 for \$345,000
- A two-unit house sold in 2005 for \$500,000
- A three-unit house sold in 2005 for \$582,000
- A three-family house sold in 2006 for \$485,000

All four of these properties involve older if not historic houses with rental apartments ranging in size from one to three-bedrooms and rents from \$850 to \$1,300.

### 3.3.2 *Rentals*

The 2000 census indicated that there were 546 occupied rental units in Hanover and that the median gross rental was \$569, 7.6% higher than the 1990 median rent of \$529 and 77% higher than the 1980 rental of \$322. Rental units remain a relatively small segment of Hanover's housing market, 12.6%, but comprised almost one-quarter of the county's housing stock with a median gross rent of \$679, almost 20% higher than the 2000 median gross rental for Hanover. Because all 375 of Hanover's Subsidized Housing Inventory consists of rental units, approximately 70% of the Town's existing occupied rental stock is publicly assisted and as such has restricted below market rents thus skewing gross rental figures considerably.

Data on the costs of rental units from 1980 through 2000 is included in the following table:

Table 3-20  
Hanover, Rental Costs  
1980-2000

Gross Rent	1980		1990		2000	
	#	%	#	%	#	%
Under \$200	8	3.3	95	18.5	73	13.5
200-299	81	33.3	100	19.5	84	15.5
300-499	99	40.7	13	2.5	81	14.9
500-749	40	16.5	116	22.5	35	6.5
750-999			79	15.4	80	14.8
1,000-1,499			69	13.4	142	26.2
1,500 or more					6	1.1
No cash Rent	15	6.2	42	8.2	41	7.6
Total	243	100.0	514	100.0	542	100.0
Median rent	\$322		\$529		\$569	

Source of above table: U.S. Census Bureau

\* Figures in 1990 census data are listed as \$1,000 or more and do not break numbers into the \$1,500 or more range.

Additionally, like housing values for homeownership units, rental values tend to be underestimated in the census data and actual market rents are typically much higher. Local realtors indicate that market rents range from \$600 to \$800 for studios or accessory apartments, \$800 to \$1,000 for one-bedroom units, \$1,200 to \$1,500 for two-bedroom units, and \$1,400 to \$2,000 for three-bedrooms. Most of the variation is correlated to the location and condition of the apartments. Also, single-family homes in good condition are renting for as much as \$3,000.

### 3.4 Cost Analysis of Existing Market Conditions

As housing prices escalate, the affordability gap widens, defined as the gap between the cost of housing and the proportion of income that is reasonable to pay for housing, typically defined as 30% of gross income. To afford the median sales price of a single-family home in Hanover of \$417,500 (based on The Warren Group information for 2006), a household would have to earn approximately \$120,000,<sup>16</sup> significantly more than the adjusted median income of \$92,888.

The borrowing power of the average household, based on the adjusted median household income of \$92,888, is about \$320,000, somewhat higher than the median house value as reported in the 2000 census of \$252,600 but about \$100,000 less than the 2006 median sales prices for all types of sales (i.e., single-family, multi-family and condominiums) of \$454,200 based on recent sales, requiring an annual income of approximately \$130,000. The affordability gap is then about \$134,200 - the difference between the price of the median priced home and what a median income household can afford. The affordability gap almost doubles to \$249,200 if the analysis focuses on those low- and moderate-income households earning at or below 80% of area median income, or \$59,550 for a family of three (the average household size is 3.02 persons in Hanover), who are unable to afford a house costing more than \$205,000 based on

<sup>16</sup> Figures based on 95% financing, interest of 6.5%, 30-year term, annual property tax rate of \$10.63 per thousand, insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), and private mortgage insurance estimated at 0.3125 of loan amount, and estimated monthly condo fees of \$200.

conventional lending terms. It is likely that almost 80% of Hanover's households have insufficient income to afford the median sales price of \$454,200 based on adjusted income data.

The following table presents a range of homes that sold recently from a small bungalow that needed substantial repairs to progressively more expensive homes priced well beyond the means of many existing year-round Hanover residents.

Table 3-21  
Hanover, Affordability of Existing Housing

House Type	Recent Sale Prices	Estimated Annual Income Required <sup>17</sup>
Cape-style bungalow with full basement, 6 rooms, 2 bedrooms, 1 bath, 1,200 sq. ft. of living space, 1-car garage, ½-acre lot, built in 1900, 161 days on market	\$230,000	\$66,600
Raised ranch with 7 rooms, full basement, 3 bedrooms, 1 bath, 1,500 sq. ft. living space, 30,000 sq. foot lot, 2-car garage and 1 fireplace, built in 1967, 260 days on market	\$375,000	\$108,000
Condo at Spring Meadow (over 55 Development), 7 rooms, 2 bedrooms, 2 ½ baths, 2,175 sq. ft. of living space, 2-car garage, open lay-out, master suite, \$265 condo fee, built in 2005, 428 days on market.	\$470,000	\$146,000
House Type	Recent Sale Prices	Estimated Annual Income Required <sup>18</sup>
Three-family house with 3 rental units including 2, 2-bedroom and 1 bath units (5 rooms), and 1 1-bedroom, 1 bath units (3 rooms), 2,808 sq. ft. of total living area, 1-acre lot, built in 1900, 16 days on market. Rents include \$1,200 for a 2-bedroom unit and \$850 for other units.	\$485,000	\$52,800 if all 3 units rented \$88,880 if best unit is owner-occupied
Colonial with 8 rooms, 4 bedrooms, 2 baths, 1,964 sq. ft. of living space,	\$500,000	\$144,000

<sup>17</sup> Figures based on 95% financing, interest of 6.5%, 30-year term, annual property tax rate of \$10.63 per thousand, insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), and private mortgage insurance estimated at 0.3125 of loan amount.

<sup>18</sup> Figures based on 95% financing, interest of 6.5%, 30-year term, annual property tax rate of \$10.63 per thousand, insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), and private mortgage insurance estimated at 0.3125 of loan amount.

2-car garage, 1 fireplace, full basement, gourmet kitchen, family room, 30,000 sq. foot corner lot, built in 1966, 81 days on market		
Colonial with 10 rooms, 4 bedrooms, 2 full baths, 2 half baths, 3,500 sq. ft. of living space, 2-car garage, 1 stone fireplace in family room with adjoining sun room, gourmet kitchen, deck, 60,000 sq. foot lot, built in 1988, 40 days on market	\$700,000	\$201,000
Colonial in Stone Meadow subdivision 11 rooms, 5 bedrooms, 2 full baths, 2 half baths, 5,200 sq. ft. of living space, 3-car garage, 3 fireplaces, luxury details and finishes, 36,000 sq. foot lot, built in 2003, 337 days on market	\$1,075,000	\$308,500

Source: Multiple Listing Service, April 4, 2007.

As is evident in the above table, all of the units, which included the lowest priced unit sold in 2007, were beyond the means of those earning within 80% of area median income, a requirement of housing affordability under Chapter 40B.<sup>19</sup> The remaining units that include a cross-section of homes that have recently sold, are even too expensive for households earning up to the town's adjusted median income of \$92,888 with the exception of the multi-family property that benefits from rental income. It is interesting to note the relative affordability of this three-family house versus the condo and single-family house, all within a reasonably close price range.

As more homes emerge on the market with sale tags of more than \$500,000, particularly if they are condos and large single-family dwellings, fewer existing longer-term residents will be able to afford them. However, it is important to recognize that those who have owned their homes for some time are likely to have gained significant assets, particularly through the escalating value of their land, despite potentially limited incomes.

Over the years *condos* have represented a relatively small segment of Hanover's housing market with 129 total units, representing about 3% of the existing housing in Hanover. Most of these condos have been developed during recent years in three separate over 55 projects with sales prices of more than \$400,000. For example, the condo listed in the table above sold for \$470,000, requiring an income of about \$146,000. In some cases the condos were on the market for considerable periods such as the 428-day period associated with this condo.

In regard to *rentals*, the gross median rent of \$569, according to the 2000 census, required an income of about \$22,760, well within HUD's current income limit for three-person households earning at 80% of area median income. Nevertheless, based on 2000 data, approximately 500 of Hanover's households would have been unable to afford to rent at this level based on the standard of spending no more than 30% of one's income on housing. Local realtors indicate that market rents are actually higher, ranging from \$600 to \$700 for small studios or accessory apartments, approximately \$900 to \$1,000 for one-bedroom apartments, \$1,200 to \$1,500, and \$1,400 to \$2,000 for three-bedroom units, largely based on condition

<sup>19</sup> The maximum income a four-member household would be eligible to make within the Chapter 40B affordability parameters is \$66,150 in 2007.

and location. Some larger houses in excellent condition are renting for \$3,000 to \$4,000. These prices limit affordability to those earning at least \$36,000 for one-bedroom units, \$48,000 for two-bedrooms, \$56,000 for the three-bedrooms and \$120,000 for the \$3,000 house rental, without calculating the extra costs involved in supporting utility expenses.

While current housing market data tells us that approximately 80% of town residents, or about 3,445 households, do not have sufficient incomes to afford the median sales price of \$454,200, and more than one-quarter of households cannot afford rentals at \$1,200 per month, it is also useful to identify numbers of residents living beyond their means due to the extent of their housing costs. The 2000 census provides data on how much households spend on housing whether for ownership or rental. Such information is helpful in assessing how many households are overspending on housing or encountering housing affordability problems, defined as spending more than 30% of their income on housing. The 2000 census identified that approximately 632 Hanover homeowners, or 17.7% of all owners, spent 35% or more of their household income on housing costs, while an additional 320 or 9% spent between 30% and 34.9%. Of renters, 2000 census data indicated that at least 164 households or 30.3% of renter households spent 35% or more of their monthly income on housing costs, while another 69 or 12.7% spent between 30% and 34.9%. This data suggests that 1,185 households or 27% of all Hanover households were living in housing that by common definition was unaffordable.

HUD provides additional data on housing affordability problems through its CHAS Report. This report, based on 2000 census data for Hanover, indicates the following:

- About 27% of all households were spending too much for housing including almost 9% who were spending more than 50% of their income on housing-related expenses.
- For renters, about 40% of elders, 34% of small families, and 44% of large families (5 or more related family members) were spending too much of their income on housing.
- Almost 30% of elderly renters (50 households) and half of the small family households (10 households) who earned within 30% of area median income were spending more than 50% of their income on housing.
- In regard to renters, all 25 of the small families and eight (8) of the large families earning between 31% and 50% of area median income were spending more than half of their income on housing.
- All 70 elderly homeowners earning at or below 30% of median income were spending more than 30% of their income on housing and about 29% (20 households) were spending at least 50% of income on housing expenses.
- There were 30 small family households who were homeowners who were spending more than 50% of their income on housing.

### 3.5 Subsidized Housing Inventory

The state lists 375 affordable housing units in the current state-approved Subsidized Housing Inventory, 8.45% of the total year-round housing stock in Hanover. Build-out projections estimate that Hanover can support about 6,740 units of housing based on current zoning, 2,295 above the 2000 level of 4,445, which would require at least another 230 units be affordable to comply with the Chapter 40B goal above the current deficit of 69 units.

*But what is affordable housing?*<sup>20</sup> The federal government identifies units as affordable if gross rent (including costs of utilities borne by the tenant) is no more than 30% of a household's net or adjusted income (with a small deduction per dependent, for child care, extraordinary medical expenses, etc.) or if the carrying costs of purchasing a home (mortgage, property taxes and insurance) is not more than 30% of gross income. If households are paying more than these thresholds, they are described as experiencing housing affordability problems; and if they are paying 50% or more for housing, they have severe housing affordability problems.

Affordable housing is also defined according to percentages of median income for the area, and most housing subsidy programs are targeted to particular income ranges depending upon programmatic goals. Extremely low-income housing is directed to those earning at or below 30% of area median income as defined by the U.S. Department of Housing and Urban Development (\$25,250 for a family of four for the Boston area) and very low-income is defined as households earning less than 50% of area median income (\$42,050 for a family of four). Low-income generally refers to the range between 51% and 80% of area median income (\$66,150 for a family of four at the 80% level), and moderate-income from 81% to 100%, and sometimes 120% of median income (\$82,400 and \$98,880, respectively). These income levels are summarized in Table 3-22.

Most state-supported housing assistance programs are targeted to households earning at or below 80% of area median income, as well as some at lower income thresholds. Middle-income, as defined under Executive Order 418, is up to 150% of area median income or \$111,300. The Community Preservation Act allows resources to be directed to those within a somewhat higher income threshold – 100% of area median income – now typically referred to as “community housing”.

Table 3-22  
2007 TARGETED INCOME LEVELS FOR  
AFFORDABLE HOUSING IN THE BOSTON AREA

# Persons in Household	30% of Median Income	50% of Median Income	80% of Median Income
1	\$17,700	\$29,450	\$46,300
2	20,200	33,650	52,950
3	22,750	37,850	59,550
4	25,250	42,050	66,150
5	27,250	45,400	71,450
6	29,300	48,800	76,750
7	31,300	52,150	82,050
8+	33,350	55,500	87,350

**2007 Median Household Income for the Boston PMSA = \$82,400**

In general, programs that subsidize rental units are targeted to households earning within 50% or 60% of median income, and first-time homebuyer programs typically apply income limits of up to 80% of area median income. It is worth noting that according to the 2000 census about 1,600 households, or approximately 37% of all Hanover's households, were likely to be income-eligible for affordable housing using the 80% of area median income level.

In counting a community's progress toward the 10% threshold, the state counts a housing unit as affordable if it meets a number of requirements under Chapter 40B as follows.

<sup>20</sup> Definitions of other terms are included in a Glossary of Terms in Appendix 4.

Figure 3-6

**CHAPTER 40B: WHAT IS AFFORDABLE HOUSING?**

1. Must be part of a “subsidized” development built by a public agency, non-profit, or limited dividend corporation.
2. At least 25% of the units in the development must be income restricted to households with incomes at or below 80% of area median income and have rents or sales prices restricted to affordable levels. Restrictions must run at least 15 years.
3. Development must be subject to a regulatory agreement and monitored by a public agency or non-profit organization.
4. Project sponsors must meet affirmative marketing requirements.

Source: CHAPA, February 2001

*State policies also enable municipalities to reserve up to 70% of the affordable units created in state subsidized developments, including comprehensive permit projects, for those who have a connection to the community, based on locally-defined “community or local preference” criteria.* Hanover has determined that current residents, parents of current residents, past graduates from the Town’s school system, as well of current or past municipal employees would qualify for this community preference status.

Hanover has actually made more significant progress on meeting the 10% state threshold than most communities of its size and certainly more than some of its neighbors as indicated below:

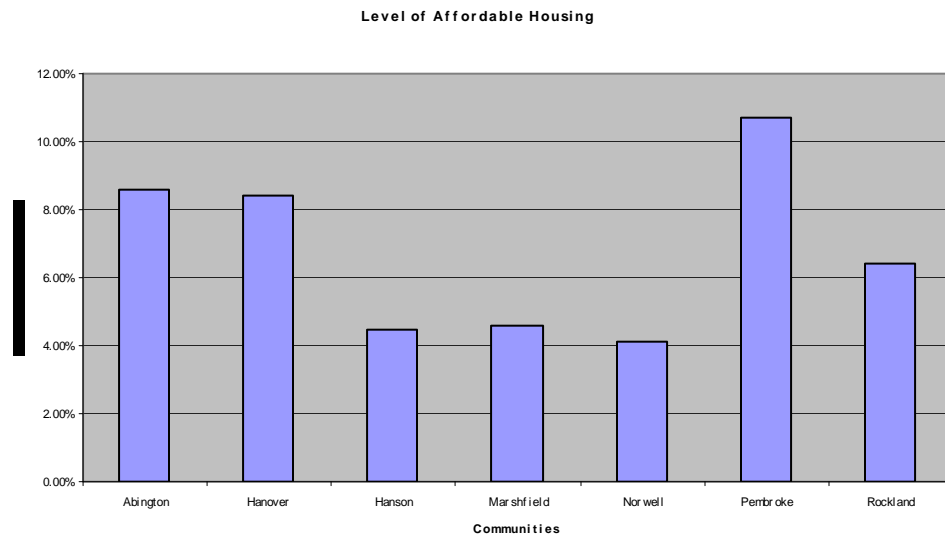
**Table 3-23**  
**Level of Affordable Housing, Hanover and Neighboring Communities**

<b>Town</b>	<b># Year-round units</b>	<b># Affordable Units</b>	<b>% Affordable Units</b>
Abington	5,332	458	8.6%
Hanover	4,440	375	8.4%
Hanson	3,167	143	4.5%
Marshfield	9,117	416	4.6%
Norwell	3,299	134	4.1%
Pembroke	5,834	627	10.7%
Rockland	6,632	425	6.4%

Source: Massachusetts Department of Housing and Community Development, June 1, 2006

Only Pembroke has produced enough affordable units to meet the state target of 10% of its year round housing stock, one of very few towns in the state to do so. Besides Hanover, only Abington and Rockland have yet surpassed 5%, at 8.6% and 6.4% respectively. The chart below clearly indicates that Hanover is behind only two out of six adjoining towns in affordable housing.

Figure 3-7



### 3.5.1 Current Inventory

As mentioned above, of the 4,440 year-round housing units, the state currently counts 375 units, or 8.45%, as part of Hanover's Subsidized Housing Inventory. All of Hanover's affordable units were created under private sector sponsorship as rental properties, most directed to seniors. These developments are summarized in Table 3-24.

Table 3-24 adds Webster Village that was recently approved by the ZBA, a 44-unit Chapter 40B condominium development that will include 11 affordable units for first-time homebuyers. The project site is located in North Hanover on Webster Street. The addition of these units will bring Hanover up to 386 affordable units and 8.69% of its year-round housing stock with a current gap of 58 units.



Table 3-24  
Hanover's Subsidized Housing Inventory

<b>Project Name</b>	<b>Type</b>	<b>Affordable Units</b>	<b>Affordability Expires</b>	<b>Built with a 40B permit</b>	<b>Subsidizing Agency</b>
Cushing Residences	Rental/Elderly	150	2022	No	HUD
Legion Elderly Housing	Rental/Elderly	60	2021	No	HUD
Hanover Woods/Frank's Lane	Rental/Family	60	Perpetuity	Yes	DHCD
Washington Crossing/North Pointe	Rental/Over 55	74	Perpetuity	Yes	MassHousing
DMR Group Homes	Special Needs	31	NA	No	Dept. of Mental Retardation
<b>SUBTOTAL</b>		<b>375</b>			
Webster Village*	Ownership/Condos	11	Perpetuity	Yes	MassHousing
<b>TOTAL</b>		<b>386</b>			

Source: Massachusetts Department of Housing and Community Development, January 16, 2007.

\* Approved by ZBA on June 29, 2007.

It is worth noting that over and above the 150 rental units for seniors at the Cardinal Cushing Residences included in the SHI, the Archdiocese of Boston has another seven buildings at another location in Hanover that provide 11 units of special needs student housing during the academic year. While these units cannot be included in the SHI,<sup>21</sup> they still provide an important local need for special needs housing.

Information on the length of the wait lists for these projects and amount of turnover indicate substantial demand for affordable rental housing. For example, the wait list for Legion Elderly Housing,<sup>22</sup> which is updated annually, includes 45 applicants and waits take at least three years. There are typically no more than five (5) units that turnover in any one year, as low as three (3) during some recent years. Most seniors choose to stay as long as they can, and there are ten (10) original occupants living in the development having stayed since 1982. Occupants live on limited fixed incomes and have few affordable housing options beyond subsidized housing. When tenants leave they most likely are moved to nursing homes with supportive services, and only one occupant has moved to an assisted living project as this option is typically too expensive.

<sup>21</sup> Special needs student housing is not eligible under the state's Local Initiative Program and the units do not meet a range of other LIP requirements such as affirmative fair marketing, affordability restrictions, income limits, etc.

<sup>22</sup> The Legion Elderly Housing project was built in 1982 through HUD's Section 202 Program requiring that 40% of the occupants have incomes within 30% of area median income and the remaining tenants within 50% of area median income.

There are substantial waits for units at Cushing Residences as well with more than 130 applicants on the wait list. Turnover in a typical year is about 12 units. Additionally, some of those who have moved away, particularly to another state, have chosen to come back and reapply to live in the development. The project has 13 units that are accessible to the handicapped, and there was recently one person on the wait list that was accommodated because they transferred another disabled resident, who did not require handicapped accessibility, to a regular unit.

### *3.5.2 Proposed Projects*

There are several residential housing developments that are in the conceptual, planning or regulatory approval process including:

- *Murtha Property*

Town Meeting approved the purchase of this property located in South Hanover on for \$775,000. It is over four acres and includes a 75-year old house as well as an old barn. The owner wanted to demolish the existing house and develop four new units as a small subdivision, but the Town was able to delay the demolition for a year and entered into discussions about purchasing the property. With CPA funding the Town plans to incorporate affordable housing development, open space preservation and historic preservation, assuming the existing buildings can be saved.

- *Legion Drive*

The Hanover Housing Authority owns a vacant 6.6-acre property between the St. Mary's Church property and the existing Legion Elderly Housing development that has 60 units included in the Town's Subsidized Housing Inventory. The deed restricts the development of this parcel to senior housing, and the Housing Authority requested and received \$32,000 in Community Preservation funds to undertake a preliminary feasibility study of the site. This parcel has access off of Legion Drive.

- *St. Mary's Property*

The Hanover Housing Authority is in the process of working out an agreement with the Archdiocese of Boston for a land exchange that would enable the Housing Authority to expand its development at Legion Drive, accommodate some family housing, and improve access for the project. The HHA proposes the following process for this exchange:

- Enter into a contractual agreement with the Archdiocese on the exchange.
- Complete the environmental testing and preliminary feasibility analysis for the Legion Drive parcel supported by Community Preservation funding.
- Issue a Request for Proposals to select a developer for the project. The terms of the RFP will include the developer purchasing a property adjoining St. Mary's at 34 Spring Street that will be given to the Archdiocese for a nominal amount in exchange for approximately three acres of land at the rear of St. Mary's existing property at 392 Hanover Street, also to be conveyed for a nominal amount.
- Execute the exchange and proceed with development.

- *Curtis School*

The Curtis School is a vacant former school building that is owned by the Town of Hanover. The building is small, less than 3,000 square feet, but it has historic charm and is located on about 3½ acres. While there is some interest in developing the site for public benefit, potentially for affordable housing, including the possible expansion of the existing building, nearby traffic conditions would also have to be addressed to make the new development feasible.

- *Sylvester School*

The Sylvester School has also been suggested as a possible site for creating at least some amount of affordable housing. Located in Hanover Center on a site of a former one-room schoolhouse, the school was erected in 1927 and expanded in 1960. It currently serves grades 3 and 4. The adjacent Center School, serving pre-kindergarten to grade 2, and the Sylvester School share a site of approximately 33 acres with an aquifer boundary line passing through the center of the parcel.

Other properties may be added to this list as our work with the Town progresses.

These projects, if completed, would likely enable the Town to surpass the 10% state affordable housing goal, however, they would still not meet the wide range of local needs as described in the section below.

### 3.6 Gaps Between Existing Housing Needs and Current Supply

As the affordability analysis indicates in Section 3.4 above, significant gaps remain between what most current residents can afford and the housing that is available. In fact the current homeownership market is becoming increasingly outside the means of those earning median income and low- and moderate-income households are virtually shutout.

The Buildout analysis that was performed by the state's Executive Office of Environmental Affairs in about 2000, projected that the town of Hanover could support an additional 2,925 housing units based on current zoning. The analysis also projected approximately 1,368 additional school children. Infrastructure requirements to support the added growth include approximately 192,934 gallons of water per day and 3,486 tons of municipal solid waste per year, including about 2,479 tons of non-recycled solid waste.

This analysis indicates that in order to meet the 10% state standard, the projected population growth would require at least an additional 293 units of affordable housing over and above the 69 units required based on the 2000 year-round housing unit count. The relatively recent addition of 74 units in the Subsidized Housing Inventory through the Washington Crossing/North Pointe project, brings the projection to approximately 300 more units of affordable housing that may be required at build-out (once again this is premised on current zoning). Based on past affordable housing development patterns, this goal is ambitious and not likely achievable without a considerable investment of public and private resources and changes to current zoning requirements.

Based on this Housing Needs Assessment, there are a number of key indicators that suggest there are significant local needs for affordable housing that go beyond what is required to meet the 10% state goal including:

## 1. Households with Limited Incomes

- Despite increasing household wealth, there still remains a population living in Hanover with very limited financial means. Of the 4,355 total households counted in 1999, 235 or 5.4% had incomes of less than \$10,000 and another 326 or 7.5% had incomes between \$10,000 and \$24,999, representing extremely low-income levels at or below 30% of area median income. An additional 431 households had incomes within what public agencies would define as very low-income levels, within 50% of area median income. The total number of households within these income categories was almost 1,000 households in 2000 or almost one-quarter of all Hanover households, not an insignificant number given the general affluence of the community.
- Approximately 37% of Hanover households (or about 1,611 households) would likely qualify for housing assistance as their incomes are at or below 80% of area median income defined by the U.S. Department of Housing and Urban Development (HUD) or \$59,550 for a family of three.<sup>23</sup>
- While the relative numbers of those in poverty remains relatively low, 308 or 2.3% of all residents in 2000 and 50 or 1.4% of all families, the number and percentage of those 65 years of age or older who fall below poverty level increased from 36 individuals or 5.3% of seniors in 1979 to 107 or 7.8% of all seniors in 1999.
- About 27% of all households were spending too much for housing including almost 9% who were spending more than 50% of their income on housing-related expenses.
- For renters, 34% of small families and 44% of large families (5 or more related family members) were spending too much of their income on housing.
- Half of the small family households (10 households) who earned within 30% of area median income were spending more than 50% of their income on housing.
- In regard to renters, all 25 of the small families and eight (8) of the large families earning between 31% and 50% of area median income were spending more than half of their income on housing.

**Needs:** *Given the high costs of housing, more subsidized rental housing is necessary to make living in Hanover affordable, particularly to those described above who have very limited financial means.*

## 2. Disabilities and Special Needs

- Of the 2000 population age 5 to 20 years old, 189 or 5.7% had some disability, and of the population age 21 to 64, 635 or 8.5% claimed a disability, but 72.3% of this group was employed leaving more than another quarter who were unemployed, likely due to disability. In regard to the population 65 years of age or older, 373 or 27.1% claimed some type of disability.
- About 40% of elderly renters were spending too much on housing.
- Almost 20% of elderly renters were spending more than 50% of their income on housing.
- All 70 elderly homeowners earning at or below 30% of median income were spending more than 30% of their income on housing and about 29% (20 households) were spending at least 50% of income on housing expenses.
- There are at least three-year waits for those seniors who seek subsidized housing in Hanover.
- Population projections estimate that the population of seniors over 75, who are typically most in need of support and services, will increase overall by almost 500 residents, suggesting some need for assisted living options in the long-term.

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<sup>23</sup> While these households' incomes might be at or below 80% of area median income, many households are likely to have assets that are more than the allowable state or federal standards that would disqualify them from housing assistance.

- There are presently no assisted living options in Hanover.

**Needs:** *Some amount of new housing should be built adaptable or accessible to the disabled, including seniors, and supportive services should also be considered.*

### 3. Gaps in Affordability and Access to Affordable Housing

- Almost 20% of Hanover residents, or about 350 households, are currently living in housing that is by common definition beyond their means and unaffordable, and approximately half of these households were spending more than half of their incomes on housing.
- There are not many more than 100 homes that are currently assessed for under \$285,000 that are affordable to those earning the median area income of \$82,400.
- There are no longer homes available in Hanover for under \$200,000 that would be affordable to low- and moderate-income households, and even homes for less than \$300,000 have dwindled over the past few years from nine homes in 2000 to one in 2004. In fact homes sales have declined since 2000 in all price ranges below \$500,000.
- Approximately 80% of Hanover's households could not afford to buy a home at the median sales price for all sales of \$720,000 that requires an income of about \$225,000, significantly more than the 2000 median income of \$129,811.
- The affordability gap is then about \$134,200 - the difference between the price of the median priced home and what a median income household can afford. The affordability gap almost doubles to \$249,200 if the analysis focuses on those low- and moderate-income households earning at or below 80% of area median income, or \$59,550 for a family of three (the average household size is 3.02 persons in Hanover), who are unable to afford a house costing more than \$205,000 based on conventional lending terms.
- It is likely that almost 80% of Hanover's households have insufficient income to afford the median sales price of \$454,200 based on adjusted income data.
- The 2000 census indicated that the median gross rental was \$569 requiring an income of \$22,760, however, current market rentals for an average two-bedroom unit are more than \$1,000 per month requiring an income of at least \$40,000, not affordable to more than 20% of the households in Hanover.
- There is at least a three-year wait for units that become available in developments where units are counted as part of the Town's Subsidized Housing Inventory.
- While demographic trends suggest that escalating housing costs may be pricing younger individuals and families out of the housing market as those entering the labor market and forming new families have been dwindling in numbers, reducing the pool of entry level workers and service employees as well as forcing the grown children who were raised in town to relocate outside of Hanover. For example, the numbers of baby boomers in the 45 to 59-age range increased by 63% since 1980 while those between 21 and 34 years decreased in numbers from 2,163 in 1980 to 1,719 in 2000 despite significant population growth.
- Population projections suggest that those in the household formation years of 20 to 34 will increase by approximately 250 residents further supporting the need for some first-time homebuyer options that are affordable to those who do not have equity from a previous house to enable them to enter the private housing market.
- Just as the baby-boomers have driven trade-up demand in the last decade, the aging of this large group is projected to result in an additional 731 empty nesters (age 50 to 59) and 649 early seniors by 2030. This may increase the demand for smaller units that are easier to maintain than the average single-family home.

**Needs:** *Wider range of affordable housing options including first-time homeownership opportunities, particularly for younger households entering the job market and forming their own families, as well as affordable condominiums for empty nesters and seniors.*

#### 4. Housing Conditions

- More than half of Hanover's housing stock, almost 3,000 units, was built prior to 1970, and is likely to have traces of lead-based paint, posing safety hazards to children.
- More than one-quarter of the households in Hanover, 27.6% or 3,357 persons, moved to a new residence from 1995 to 2000. It is important to note that housing turnover drives up housing prices in an escalating real estate market, and typically the buyers are more affluent than sellers, fueling demographic changes in the community over time. This suggests that it is useful to find ways to reduce housing turnover, to maintain the affordability in the existing housing stock to the greatest extent possible, and to help those who want to remain in town afford to do so

*Needs: Programs to support necessary home improvements, including deleading and septic repairs for units occupied by low- and moderate-income households, particularly the elderly living on fixed incomes, and including investor-owned properties tenanted by qualifying households.*

There is therefore a sizable population of those who are seniors, have special needs and/or have very low incomes who have significantly reduced capacity to secure decent, safe and affordable housing in Hanover. A broader range of housing options is required to meet these varied needs.







## Section 4

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### **Obstacles to Development/Mitigation Measures**

- 4.1 Infrastructure
- 4.2 Zoning
- 4.3 Environmental Considerations
- 4.4 School Enrollment
- 4.5 Transportation
- 4.6 Availability of Subsidy Funds
- 4.7 Community Perceptions

#### 4. OBSTACLES TO FUTURE DEVELOPMENT AND MITIGATION MEASURES

It will be a challenge for the town of Hanover to create enough affordable housing units to meet local needs, particularly in light of current constraints to new development including the following:

##### 4.1 Infrastructure

**Challenges:** As mentioned earlier, a major constraint and cost factor for new development relates to infrastructure, particularly the lack of sewer services throughout town, which raise concerns among residents about impacts of any new development on water supply and quality. Hanover residents must rely solely on septic systems unless special treatment facilities are integrated into the new development, a costly measure that requires a fairly large project to render feasible.

**Mitigation Measures:** It will be important for any new affordable housing development to address these infrastructure constraints, septic issues in particular, and insure that there are sufficient amounts of subsidies incorporated into the project to adequately service new residents and protect the environment.

##### 4.1 Zoning

**Challenges:** As is the case in most American communities, a zoning bylaw or ordinance is enacted to control the use of land including the patterns of housing development. Like most localities in the Commonwealth, Hanover's Zoning Bylaw embraces large-lot zoning that maintains low housing densities and severely constrains the construction of affordable housing. Specific provisions of the current Hanover Zoning Bylaw that discourage the creation of affordable housing include:

###### *3.010 Establishment of Districts*

Residence A, which allows only single-family dwellings as-of-right, is the only residential zoning district. Rezoning appropriate areas for multi-family dwellings would encourage affordable housing in designated areas.

###### *5.870B General Regulations*

Common drives and drives passing across other lots are prohibited in Residence A, making clustered development and retreat lot development (a lot behind an existing lot) more difficult.

###### *6.000 Residence A*

Residence A zoning limits housing types to single-family homes. There is no Residence B alternative near village centers or busy roadways where denser development may be desirable.

###### *6.010E*

Allows only one single-family dwelling per lot. Allowing additional units within prescribed areas following design guidelines would allow affordable housing to be created without altering the character of the neighborhood.

###### *6.020A*

Allows boarding houses only under very limited conditions. (Special Permit, no more than four (4) persons, no more than 20% of rooms, and incidental to primary use as a private residence.) In certain areas boarding houses may allow affordable living for those working in Hanover without altering the character of the neighborhood.

private residence.) In certain areas boarding houses may allow affordable living for those working in Hanover without altering the character of the neighborhood.

#### *6.020C*

Allows accessory apartments under limited, but not unreasonable conditions (Special Permit, incidental to primary residence, no change to exterior, 600 sq. ft. minimum, Board of Health approval of septic, and no detached buildings to be used for this purpose). Accessory apartments can provide housing for the elderly and those just entering the work force and should be encouraged. Use of outbuildings, some exterior changes or additions, and square footage under 600 sq. ft. should be considered.

#### *6.030*

Allows retreat lot development but only under limited conditions. The development of lots behind existing houses can offer the opportunity to create new affordable housing without significantly changing the character of the streetscape.

#### *6.040*

Allows Planned Residential Development but only for 55 year +(PRDS). Planned Residential Development can be an appropriate way to create affordable multi-family housing in appropriate neighborhoods under design guidelines.

#### *6.040.4bii*

Does not allow modular construction for a PRDS. Modular housing can reduce construction costs and contribute to affordability.

#### *6.040.5a*

Mandates an architectural style for a PRDS, which may limit innovations in housing. This kind of design guideline can result in buildings that are inappropriately sited or scaled, but use features such as pitched roofs and shutters to conform in a superficial way with local requirements.

#### *6.120A*

Only allows single-family detached dwellings, one unit, or PRDS in Business Districts with Special Permit. Business districts may be appropriate locations for multi-family development, adjacent to or above businesses.

#### *6.220M*

Only allows PRDS housing in Commercial Districts. Family housing may be appropriate in some commercial districts.

#### *6.300*

Does not allow housing in Planned Shopping Center District. A recent trend in other towns has been the development of housing adjacent to or within shopping centers. This encourages pedestrian traffic, sharing of parking spaces, patronization of stores and restaurants, and other positive features of town life.

#### *6.410*

Only allows PRDS with Special Permit in Limited Industrial District. Some limited industrial locations may be appropriate areas for housing.

#### 6.500

Industrial and Fireworks Districts do not allow housing. These Districts may be appropriate for housing given the changing patterns of land use in these areas, assuming contaminated areas have been remediated.

#### 6.800

Water Resource Protection District does not suggest a mechanism for clustering housing to both allow denser development and preserve continuous open space in lieu of 60,000 square feet per lot requirement.

#### 6.11.0

Although overall quite positive in its intentions, the Village Planned Unit Development bylaw requirements concentrate on stylistic features rather than encouraging true “smart growth” planning. The limitation to land along Route 53 does not allow VPUD development near existing village centers or other busy roadways where it could reinforce positive development patterns or offer an option to strip development. The requirement for three (3) parking spaces per unit and that no more than 20% of land outside of the Residential A zone can be devoted exclusively to residential use limits housing development options. Requiring a minimum of 25 acres, a height under 48 feet, and a mix of unit sizes limits the number of locations where this kind of development can occur and the flexibility that may make affordable housing economical to produce.

#### 7.1 *Dimensional Regulations*

The 30,000 square foot minimum lot size in Residence A and 44,000 minimum in Business, Commercial, Planned Shopping Center, Limited Industrial, Industrial, and Fireworks discourage cluster development and multi-family development that can help in the production of affordable housing while conserving open space. Large minimum lots sizes often reduce rather than reinforce the rural character of towns. Development on smaller lots as part of a conservation subdivision should be encouraged.

Lot frontage requirements – 150’ in Residence A and Business, and 200’ in other districts, and front setbacks – 50’ in Residence A and 75’ in other districts – further discourage cluster and infill development that may be appropriate in some areas.

***Mitigation Measures:*** This Affordable Housing Plan includes a number of strategies that are directed to reforming local zoning regulations, making them “friendlier” to the production of affordable housing and smart growth development. These include adding inclusionary zoning, modifying accessory apartment provisions, adopting a village center bylaw and flexible zoning, allowing affordable housing on noncomplying lots, amending the Open Space Residential Development bylaw, plus other zoning and related regulatory changes.

## 4.2 Environmental Concerns

***Challenges:*** A significant amount of land in Hanover is wetlands and protected from development. The presence of these un-buildable areas has helped Hanover to maintain its rural character with woodlands woven into all areas of the town. The establishment of conservation land, recreation land and public and quasi-public open space offers further protection and reinforces the value of these unbuilt areas to residents. Both the use of open space and protected land for recreation and the value of these areas as a

green backdrop for civic, commercial, and residential uses limits the amount of land on which new affordable housing can be easily developed.

There may be resistance to building on publicly owned land that could be used for housing if there is a history of recreational uses on the property. The lack of a Town sanitary sewer system and the difficulty of dealing with runoff due to the number of wetlands offer additional obstacles to affordable housing development – both technical and in terms of potential resistance.

The relative scarcity of developable land raises its value and the costs associated with acquisition and building. Environmental regulations and concerns suggest that the redevelopment of existing built areas, or development that offers protection to open space adjacent to construction offers the best opportunities for creating new affordable housing.

**Mitigation Measures:** Housing strategies are largely oriented to actions that will promote smart growth and limit impacts on the environment such as promoting adaptive reuse, accessory apartments, conversion of existing housing, development of infill sites in existing neighborhoods, and mixed-use development (see Section 7.0 for details on these strategies).

#### 4.3 Transportation

**Challenges:** Hanover is easy to get to thanks to Route 3 and a network of regional roadways, but is almost totally dependent on automobiles for transportation to and within the town. Joseph Ingle Bus Services provides school bus transportation for children and the town recently purchased two new vans for special needs transportation, but otherwise public transportation is not available.

Pedestrian access to town amenities is limited by the low density of development and the concentration of civic and retail services in Hanover Center along Route 53 away from residential areas. There are few places where residences and services are within walking distance of each other or where sidewalks are continuous enough to make walking significant distances safe and easy.

The reliance on automobiles means that affordable residential development will require parking and is likely to add to traffic and congestion. This raises its costs and suggests that there may be resistance to affordable housing development of significant size.

**Mitigation Measures:** The Town will have to pay particular attention to the projected traffic implications of any new development, working with the developer to resolve problems. One of the strategies included in this Affordable Housing Plan is to explore higher density, mixed-use development in appropriate locations that has the potential for reducing the reliance on the automobile (see Section 7.3.6 for details). Opportunities to direct development to areas that are most conducive to higher densities, such as Hanover's villages and commercial corridors will serve to reduce transportation problems.

#### 4.4 School Enrollments

**Challenges:** State build-out projections indicate that the school-age population should increase by another 1,368 children, however there are no reliable projections as to when buildout is likely to occur. Projections of the student population prepared by the Metropolitan Area Planning Council (MAPC), however, suggest that by 2030 the student population will have declined from about 3,163 students to an estimated 2,710.

On the other hand, local projections indicate that enrollments will continue to grow through 2020. Enrollment during the 2006-2007 school year was 2,890 and will increase to 3,193 in 2010-2011 and then

to 3,593 by 2019-2020. These figures, however, were created in 2004 and are currently being reviewed and updated. Nevertheless, the anticipated increase in student enrollment and declining conditions of the high school and Sylvester School have been priority considerations for the Town's School Building Needs Committee that has been meeting to determine the most appropriate solutions to these challenges.

**Mitigation Measures:** This Affordable Housing Plan recognizes the need for a wider range of affordable housing options in Hanover, including first-time homebuyer opportunities for young families. However, the Plan also suggest exploring options for covering some of the added municipal costs associated with new students, including 40R and 40S (see Section 7.2.10 for more information).

#### 4.6 Availability of Subsidies

**Challenges:** Financial resources to subsidize affordable housing preservation and production as well as rental assistance have suffered budget cuts over the years making funding more limited and extremely competitive. Communities are finding it increasingly difficult to secure necessary funding and must be creative in determining how to finance projects and tenacious in securing these resources. In late 2004 Hanover approved the creation of a Community Preservation Fund with funding support from the state for open space preservation, historic preservation and affordable housing production. These funds will make approximately \$400,000 available per year, at least 10% of which must be directed to affordable housing activities. This funding will be helpful, but additional public and private technical and financial resources will be required to meet production goals.

**Mitigation Measures:** This Affordable Housing Plan provides guidance on the use of Community Preservation Funds for affordable housing initiatives that will enable the Town to support the production of new affordable units and leverage other public and private funding sources, hopefully at a level above the minimum 10% contribution. In an effort to better manage funding for affordable housing purposes, this Affordable Housing Plan recommends that the Town establish a Municipal Affordable Housing Trust Fund, access available resources for worthwhile projects, and hire an Assistant Planner (see Section 7.1.1, 7.1.2 and 7.1.3 for details on these strategies.)

#### 4.7 Community Perceptions

**Challenges:** Affordable housing, subsidized housing, low-income housing, projects, Section 8, etc. – these terms can conjure images of potential neglect, plunging property values, increased crime, and even tensions concerning class and race. On the other hand, with soaring real estate prices, community perceptions are beginning to tilt towards the realization that affordable housing is needed in the community but maybe not perhaps in their neighborhood. More people are recognizing that the new kindergarten teacher, their grown children, or the elderly neighbor may not be able to afford to live or remain in the community. It is this growing awareness, as well as impending 40B developments, which is spurring communities such as Hanover to take a more proactive stance and greater interest in supporting affordable housing initiatives.

**Mitigation Measures:** Hanover proposes launching an ongoing educational campaign to better inform local leaders and residents on the issue of affordable housing, to help dispel negative stereotypes, provide up-to-date information on new opportunities and to garner political support (see details on this strategy in Section 7.1.4). It will be important to continue to be sensitive to community concerns and provide opportunities for residents to not only obtain accurate information on housing issues, whether they relate to zoning or new development, but have opportunities for real input.

## Photographs

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Old houses, like this one in West Hanover, can be rehabbed to provide multiple units of affordable housing over retail while reinforcing neighborhood character.



Big houses on large lots in recently developed suburbs are expensive and often require a significant amount of clearing. Most are far from neighborhood centers that can be accessed without a car.



Many multi-family developments are considered over-scaled in relation to their small town context.



New affordable multi-family developments can be scaled to its context like this 8 unit development in Cambridge.







## Section 5

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### **Property Inventory**

5.1 Public Properties

5.2 Private Properties



## 5. PROPERTY INVENTORY

The following information represents a work in progress that will be fine-tuned on an ongoing basis in coordination with other Town boards and committees. For example, Hanover's Open Space Committee is preparing an Open Space and Recreation Plan, and data on properties with the potential to accommodate some amount of open space in combination with affordable housing will likely be identified.

### 5.1 Public Properties

Table 5-1 lists some properties that are owned by the Town or Hanover Housing Authority that may be suitable for some amount of affordable housing development. Other Town-owned properties may also be appropriate for such development, and this Plan includes a strategy to prepare an inventory of any potentially suitable parcels beyond those listed below (see Section 7.1.5).

Table 5-1  
Publicly-owned Properties with Potential for Affordable Housing Development

<b>Parcels</b>	<b>Map #/ Parcel #</b>	<b>Total Parcel Acres</b>	<b>Estimated # Housing Units/Aff. Units</b>	<b>Comments</b>
Legion Drive	55-007	6.6	72/36	This property is owned by the Hanover Housing Authority and deed restrictions require affordable senior housing
St. Mary's parcel	55-004	3		Parcel adjacent to Legion Dr. Parcel above; develop in coordination with Legion Dr. as family housing
Murtha Property	69-002	4	16/8	Property recently acquired by Town with CPA funds
Curtis School	21-007	3½	12/6	
Sylvester School	47-005	15	30/15	
W. Hanover Fire-house property	51-015		4/2	
Salmond School	57-072, 077, 078	15	30/15	
<b>Total</b>			<b>164/82</b>	

The Town of Hanover may decide to acquire privately owned sites over the next decade for the purposes of protecting open space and developing some amount of housing, including affordable housing, through cluster development on a portion of the sites. Ideally such properties would meet a number of smart growth principals such as the redevelopment of existing structures, higher density or clustered development to preserve open space, accessible to civic and commercial areas by foot, and be a catalyst for or product of brownfield remediation.

### 5.2 Private Properties

It is also likely that developers may continue to pursue comprehensive permit applications or development through normal regulatory channels, and it will be incumbent on the Town to determine the

best approach for negotiating with these developers to guide new development to more appropriately satisfy local needs and requirements. One of the strategies recommended in this Affordable Housing Plan is to prepare Housing Guidelines that establish general local criteria for new housing development that would be acceptable to the Town (see Section 7.2.5).

Additional properties for consideration include some large houses that might be converted to apartments or even the Starland Amusement Park that might become available on the market at some point in the future, as well as general areas where redevelopment will be encouraged through rezoning including Hanover's villages and sections of commercial corridors, possibly including shopping areas. The Town should oversee new zoning and intervene if necessary to purchase, have influence over future development planning and/or work with the designated developer to insure that any redevelopment is beneficial to the community and includes some affordable housing.



## Section 6

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### Planned Production Goals



## 6. PLANNED PRODUCTION GOALS

The Massachusetts Department of Housing and Community Development (DHCD) is administering the Planned Production Program in accordance with regulations that enable cities and towns to prepare and adopt an affordable housing plan that demonstrates production of an increase of .75% over one year or 1.5% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.<sup>24</sup> Hanover will have to produce approximately 33 affordable units annually to meet these production goals through 2010. When the 2010 census figures become available in 2011, this number will be higher, most likely closer to 38 units. If DHCD certifies that the locality has complied with its annual production goals, the Town may, through its Zoning Board of Appeals, deny comprehensive permit applications without opportunity for appeal by developers.

Using the strategies summarized under the Housing Action Plan described in Section 7.0, the Town of Hanover has developed a Planned Production Program to chart affordable housing production activity over the next decade. The projected goals are best guesses at this time, and there is likely to be a great deal of fluidity in these estimates from year to year. The goals are based largely on the following criteria:

- Goals are not provided for 2007, as it is unlikely that the Plan will receive state approval until early 2008.
- There are no projects that include affordable housing in the pipeline at this time for inclusion in 2008.
- Given the limited supply of Town-owned land, most affordable housing activity will have to come from private development through the standard regulatory process or the “friendly” comprehensive permit process. The Town will continue to work with these private developers to fine-tune proposals to maximize their responsiveness to community interests and to increase affordability to at least 30% of total project units to the greatest extent feasible.
- On publicly-owned parcels, to the greatest extent possible, at least fifty percent (50%) of the units should be affordable to households earning at or below 80% of area median income and at least another 10% affordable to those earning up to 120% of area median income, depending on project feasibility. The rental projects will also target some households earning at or below 60% of area median income and lower depending upon subsidy program requirements.
- Projections are based typically on no fewer than four (4) units per acre and larger parcels that can accommodate special treatment facilities up to eight (8) units per acre are projected. However, given specific site conditions and financial feasibility it may be appropriate to decrease or increase density as long as projects are in compliance with state Title V and wetlands regulations.
- Because housing strategies include some development on privately owned parcels, production will involve projects sponsored by private developers. The projections involve a mix of rental and ownership opportunities. *The Town will work with private developers to promote a diversity of housing types directed to different populations with housing needs including families, seniors and other individuals with special needs to offer a wider range of housing options for residents.*

The final determination of the use of existing publicly owned parcels for new affordable housing is subject to a more thorough feasibility analysis of site conditions, and in most cases Town Meeting approval. If any of the preliminarily identified existing publicly-owned properties are finally determined infeasible or do not obtain approval from Town Meeting, it is anticipated that the projected numbers of

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<sup>24</sup> Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i). The state has prepared draft changes to Chapter 40B, including Planned Production requirements, and are holding public hearings.

affordable units would be met through the acquisition of privately owned properties or private development.

If Hanover was to meet all of these production goals, it would likely surpass the Chapter 40B 10% goal in 2010. Nevertheless, these goals are ambitious, and it is unlikely that the Town will achieve certification every year, which will delay reaching the 10% threshold. Additionally, the Housing Needs Assessment indicates that achieving the 10% state goal will still leave the town with outstanding housing needs that should continue to be addressed through the long-term and that housing growth will continue to drive-up the 10% Chapter 40B goal.

Table 6-1  
Hanover Planned Production Program\*

<b>Strategies by Year</b>	<b>Units &lt; 80% AMI</b>	<b>Units 80-120% AMI</b>	<b>Total # Units</b>
<b>Year 1 – 2008</b>			
Nothing pending			
<b>Year 2 – 2009</b>			
Legion Drive/St. Mary's (combination elderly and family housing – rental – on Housing Authority property)	36	7	72
Murtha Property (homeownership on Town-owned property)	8	2	16
ECHO Pilot	2	0	2
<i>Subtotal</i>	46	9	90
<b>Year 3 – 2010</b>			
Private development/Friendly 40B/condos	12	4	40
Adaptive reuse – Sylvester School or Salmond School (Town-Owned)	15	3	30
Private development/inclusionary zoning	4	0	20
ECHO Pilot	2	0	2
New infill housing – Habitat house (homeownership)	1	0	1
<i>Subtotal</i>	34	7	93
<b>Year 4 – 2011</b>			
ECHO Pilot	2	0	2
Mixed-use development/condos for empty nesters	4	2	13
Infill development on nonconforming lots – first-time ownership	2	0	4
Private development/Friendly 40B/rental	30	2	30*
<i>Subtotal</i>	38	4	49
<b>Year 5 – 2012</b>			
Private development/clustered housing/first-time ownership/40R	9	3	30
ECHO Pilot	2	0	2
Private development/OSRD bylaw	5	3	25
Mixed-use development/rentals	4	1	8
Infill housing/group home/rental	4	0	4
Private development/Friendly 40B	14	5	46
<i>Subtotal</i>	38	9	85
<b>TOTAL</b>	156	29	317

\* All units count in Chapter 40B rental developments.







## Section 7

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### **Housing Action Plan**

- 7.1 Build Local Capacity
- 7.2 Planning and Regulatory Reforms
- 7.3 Housing Production
- 7.4 Housing Preservation



## 7. HOUSING ACTION PLAN

This Affordable Housing Plan proposes a mix of strategies that will boost the Town of Hanover's supply of affordable housing and meet priority local needs. It will be important to make efforts to accommodate the wide range of these needs, offering a mix of housing types and mixed-income opportunities. For example, both rental and homeownership housing should be developed for seniors, young adults, young families, empty nesters, and special needs populations. It will also be important to reach those within various income categories who are unable to find housing that is affordable in Hanover including those earning at or below 60% of area median income needing rental housing, those within 80% of median income who want to rent or afford their first home, and those who are over the 80% income threshold but still cannot compete in the private housing market and need a boost to afford to live or remain in Hanover. In fact, Community Preservation funding can be used to support housing for those earning at or below 100% of area median income. Moreover, the integration of market rate units in any development will offer internal subsidies to help support the financial feasibility of the below market units.

These proposed actions are presented with an understanding that a broadened affordable housing agenda will place further burdens on local services and that there are currently many competing municipal needs and limited resources, including land. However, there are also resources that the Town can draw upon to support affordable housing including some existing publicly-owned property, the Community Preservation Fund, and subsidies from the state and federal governments. Appendix 3 has a summary of housing resources and regulations.

The strategies outlined below are based on previous plans, reports, studies, the Housing Needs Assessment, and the experience of other comparable localities in the area and throughout the Commonwealth. The strategies are grouped according to the type of action proposed – Building Local Capacity, Zoning and Regulatory Reform, Housing Production, and Housing Preservation – and categorized by Two-Year or Five-Year priorities. ***As such the Plan starts with organizational issues, moves to regulation, identifies key production strategies to guide new development, and then finally looks at how to preserve the housing in place.*** Two-Year actions are those that will begin within the next two years, most of which will involve some immediate actions. Those strategies included in the Five-Year Action Plan involve focused attention after the next couple of years. A summary of these Housing Actions is included in Appendix 2. This Plan also importantly illustrates key strategies and therefore provides visual interpretations of what the town might expect from the implementation of various components of the Affordable Housing Plan.

It will be important to also insure that affordable units produced through this Plan get counted as part of the Subsidized Housing Inventory (SHI), applied through the Local Initiative Program (LIP) administered by the state's Department of Housing and Community Development (DHCD) if another state or federal housing subsidy is not used. In addition to being used for "friendly" 40B projects, LIP can be used for counting those affordable units as part of a Town's Subsidized Housing Inventory that are being developed through some local action including:

- A zoning provision (i.e., inclusionary zoning, flexible zoning with specified density bonuses for affordable housing);
- A condition of a variance or special permit;
- Substantial financial assistance from funds raised, appropriated or administered by the Town including Community Preservation Funds;
- A contract provision (i.e., reuse of existing municipal property); or

- An agreement between the Town and a non-profit organization or other developer to build or rehabilitate municipal buildings into affordable housing and conveyed for a nominal amount or a substantial discount from their fair market value.

In order to be counted as part of the Subsidized Housing Inventory the units must meet the following criteria:

- A result of municipal action or approval;
- Sold or rented based on procedures articulated in an affirmative fair marketing and lottery plan approved by DHCD;
- Sales prices and rents must be affordable to households earning at or below 80% of area median income and spending no more than 30% of their income on housing-related expenses; and
- Long-term affordability is enforced through affordability restrictions, approved by DHCD.

Additionally, a Subsidized Housing Inventory New Units Request Form must also be submitted to DHCD to insure that these units get counted.

Some of the important tasks for insuring that the affordable units, now referred to as Local Action Units (LAU's), meet the requirements of Chapter 40B/LIP include:

- Meet with the developer to discuss requirements for insuring that the unit(s) meets the requirements for inclusion in the Subsidized Housing Inventory through the state's Local Initiatives Program (LIP).
- Determine the purchase price based on LIP Guidelines.
- Contact DHCD to discuss the project.
- Prepare a LIP Local Action Units application (joint application of developer and municipality).
- Identify a marketing agent to conduct outreach and the lottery as well as monitoring agent to enforce the affordability restrictions.
- Execute a regulatory agreement to further insure long-term affordability between the developer, municipality and DHCD.
- Adopt the LIP Deed Rider to the Project.
- Prepare a Fair Housing Marketing Plan.
- Prepare a Purchaser Application and implement the Marketing Plan.
- Hold at least one information session about the lottery.
- Approve applicants for eligibility in the lottery.
- Prepare a letter to those eligible for inclusion in the lottery and another to those who do not qualify.
- Conduct the lottery.<sup>25</sup>
- Work with selected purchasers and lenders to secure mortgage commitments.
- Obtain the deed rider and Resale Price Certificate from DHCD that requires the loan commitment letters, purchase and sale agreements, and contact info for the closing attorneys.
- Work with lenders and the developer to close on the units.
- Submit necessary documentation to DHCD to have the unit counted as part of the Subsidized Housing Inventory.

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<sup>25</sup> Up to 70% of the affordable units in most developments can be reserved for those who have a connection to the community, "community preference units", including current residents, parents of current residents, past graduates of the Town's school system, and current municipal employees.

The proposed Assistant Town Planner (see Section 7.1.2), the project sponsor/developer or a consultant could coordinate this work, and associated administrative costs should come from the project budget and could also be covered by Community Preservation funding. The affordability restrictions for all units produced through the Local Initiatives Program will be monitored by DHCD, but it is the premise of LIP that the municipality and DHCD work together to create affordable housing and fulfill the obligations of the affordability restrictions.

Within the context of these compliance issues, local needs, existing resources, affordability requirements and the goals listed in Section 2.0 of this Plan, the following housing strategies are offered for consideration. *It is important to note that these strategies are presented as a package for the Town to consider, prioritize, and process, each through the appropriate regulatory channels.*

## 7.1 Build Local Capacity

It will be still be a challenge for Hanover to meet the prescribed annual affordable housing Planned Production goal of 33 units, based on .75% of Hanover's year-round housing stock,<sup>26</sup> that will likely increase to about 38 units after the next decennial census count becomes available. Housing growth will also continue to drive up the 10% goal.

Critical to the production of affordable housing is establishing the requisite local capacity for implementation. This capacity includes the following principal components required for launching a more proactive approach to producing affordable housing:

### 1) Plan

This Affordable Housing Plan provides the necessary blueprint for prioritizing and implementing affordable housing initiatives based on documented local needs, community input and existing resources. Without such a Plan a community must respond reactively to development proposals or comprehensive permit applications as they appear instead of having a framework in which to proactively guide new development.

### 2) Dedicated Municipal Oversight

Communities need to build a viable organizational structure to implement the Affordable Housing Plan. While basically a defunct agency for many years without any assets and direction, the Hanover Housing Authority was resuscitated shortly following the passage of the Community Preservation Act in Hanover in 2004, to help the Town invest its CPA funds for affordable housing. While technically a state-affiliated public entity<sup>27</sup>, the Hanover Housing Authority has made significant progress on local housing initiatives during the last couple of years and should continue to take the lead in implementing important strategies included in the Affordable Housing Plan. The Plan does recommend an additional municipal entity be created to oversee a dedicated housing fund, a Municipal Affordable Housing Trust, providing an additional and important tool for the Town and Housing Authority to use in implementing housing strategies and development projects (see strategy 7.1.1).

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<sup>26</sup> The number of year-round units is determined by the 2000 census and will increase when the 2010 census figures become available.

<sup>27</sup> As such, state approval by DHCD is required of all important HHA actions.

### 3) Professional Support

The Town of Hanover is fortunate to have a highly proficient Town Planner, but this Planner already has more than a full-time job fulfilling the existing job description without the additional work suggested in this Affordable Housing Plan. As a result, this Plan recommends that an Assistant Planner position be created to assist the Town Planner in the implementation of the Housing Plan (see strategy 7.1.2). The funding for this position could be accessed through the Community Preservation Fund as it relates to the items listed in this Housing Plan that will ultimately affect housing production. Funds to further support this new position could come from specific development projects, which will include fees for services that the Assistant Town Planner could perform to insure the affordable units can be included in the Subsidized Housing Inventory (see LIP requirements above) and continue to meet requirements. Consultants are also likely to be needed to offer specialized expertise and to further supplement existing staff resources.

### 4) Partnerships

The successful implementation of this Affordable Housing Plan will also require gaining access to a wider range of resources – financial and technical – as well as developing partnerships with developers and lenders (see strategy 7.1.3).

### 5) Community Support

Because most of the housing strategies rely on local approvals, including those of Town Meeting, community support for new initiatives will be essential. Strategic efforts to better inform residents on the issue of affordable housing and specific new initiatives will help generate a greater understanding of the benefits of affordable housing, reduce misinformation, and dispel negative stereotypes (see strategy 7.1.4).

These important organizational elements are described in more detail in the following strategies.

#### *7.1.1 Establish a Municipal Affordable Housing Trust*

*Current Status:* Other communities have found that it is often critical to have accessible funds available to respond immediately and effectively to housing opportunities as they arise. Also, many of the state subsidy sources require local contributions either through local funds, donation of Town-owned property, or private donations. In order to receive donations and avoid paying taxes, it is useful for each locality to have a dedicated tax-exempt housing fund that enhances a community's ability to support the development of affordable housing.

On June 7, 2005, the Municipal Affordable Housing Trust Fund Act was enacted, which simplifies the process of establishing such funds. Previously, cities could create trusts through their own resolution, but towns had to get approval from the legislature through a home rule petition. The law provides guidelines on what trusts can do and allows communities to collect funds for housing, segregate them out of the general budget into an affordable housing trust fund, and use these funds without going back to Town Meeting for approval. It also enables trusts to own and manage real estate, not just receive and disburse funds. The law further requires that local housing trusts be governed by at least a five-member board of trustees, appointed and confirmed by the Board of Selectmen, in the case of towns. While the new trusts must be in compliance with Chapter 30B, the law which governs public procurement as well as public bidding and construction laws, it is likely that most trusts will opt to dispose of property through a sale or

long-term lease to a developer so as to clearly differentiate any affordable housing development project from a public construction project.

Today over 50 communities in Massachusetts have created or authorized the creation of a local housing trust and more are actively considering accepting the MAHT statute. Most of the communities with trusts (39) are CPA communities and at least 20 have some form of incentive or inclusionary zoning.<sup>28</sup>

Following local approval of the Community Preservation Act (CPA), the Hanover Housing Authority (HHA) was given a new sense of purpose after years of little or no action. While HHA does not own and manage existing housing units, as most public housing agencies in the state do, it does own land and has the support of the Board of Selectmen to oversee the development of this Affordable Housing Plan and pursue important local development efforts. Nevertheless, the addition of a Municipal Affordable Housing Trust will provide another mechanism for the Town to direct housing resources and invest appropriately for affordable housing production purposes.

*Next Steps:* The Town should draft a warrant article that will be used to seek approval at the 2008 Annual Town Meeting for the establishment of a Municipal Affordable Housing Trust Fund.<sup>29</sup> This Housing Trust will work cooperatively with the Hanover Housing Authority by providing important resources towards new affordable housing development.

It will also be important to explore a wide range of possible fundraising options to capitalize the Trust Fund. In addition to Community Preservation Funds<sup>30</sup> and other public sector resources, the Town might also consider private sector donations. This process of securing private support not only provides financial benefits to support local housing efforts, but is a vehicle for raising awareness of affordable housing issues and generating interest and political support for affordable housing initiatives.

Many communities are reaching out to residents for private donations of land or funds to promote housing affordability. Such contributions and the “bargain sale” of real estate should become a part of the Hanover land ethic, but donations need to be promoted, nurtured, and facilitated. Inclusionary zoning, if passed, may also provide cash resources for a wider range of possible developments that can help capitalize the Affordable Housing Trust Fund if the developer decides to pay cash in lieu of constructing actual affordable units. Developers may also contribute to the Housing Fund through negotiations on comprehensive permit projects or other local developments. Developers make additional contributions to these funds if the purchase prices for the market units are higher than the prices that were projected in their comprehensive permit applications and profits are more than the 20% allowed under Chapter 40B.

Faith-based affordable housing initiatives are also widely viewed as effective, as reported by the organization World Vision.<sup>31</sup> The Hanover Housing Authority and proposed Hanover Housing Trust can work with the local churches on some additional activities that focus on affordable housing, including, for example, donations to the Housing Fund, perhaps during Fair Housing month.

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<sup>28</sup> Massachusetts Housing Partnership, “A Resource Guide to Using Community Preservation Act Funds for Affordable Housing”, draft September 2007.

<sup>29</sup> The state has standard language available for this warrant article.

<sup>30</sup> The Town of Grafton’s Community Preservation Committee has agreed to automatically pass the 10% minimum share of annual CPA funds for housing on to the Grafton Municipal Housing Trust Fund, and the Trust can apply for additional CPA funding on a project-by-project basis. The 10% deposit into the Fund will enable the Grafton Housing Trust to obtain a letter of credit from a lending institution to leverage existing local resources for investment in new projects.

<sup>31</sup> Shabecoff, Alice. Rebuilding Our Communities: How Churches Can Provide, Support, and Finance Quality Housing for Low-Income Families, World Vision: Monrovia, California.



*Timeframe:* Two-Year Plan

This process could be accomplished within the next year, ready for vote at the Annual Town Meeting in 2008.

*Responsible Party:* Board of Selectmen

*Resources Required:* The process of creating the Municipal Affordable Housing Trust Fund is relatively straightforward and can be coordinated by the Board of Selectmen with support from the Hanover Housing Authority. Once established, it will be incumbent upon the Town to support efforts to capitalize the Fund from contributions of potential CPA funding directed to affordable housing initiatives. Other resources include the donated time of volunteers to coordinate fundraising activities with potential staff support from the proposed Assistant Town Planner (see below).

### *7.1.2 Hire an Assistant Town Planner*

*Current Status:* If the Town of Hanover wants to assume a more proactive role in promoting affordable housing and effectively implement actions included in this Affordable Housing Plan, it will have to augment its capacity to coordinate these activities. While most of the strategies that are included in this Plan do not individually involve substantial amounts of staff time from Town officials or donated time from board and committee members, when considered altogether they require a significant time commitment and involve some specialized expertise in planning as well as housing programs, policy and development. The Town has a Town Planner who is already working more than full-time and has limited capacity to take on all of the staff related tasks included in this Plan.

*Next Steps:* The Board of Selectmen and Town Administrator should work with the Planning Board to locate the necessary funding to hire a qualified Assistant Town Planner to provide ongoing staff support to the Town Planner and Planning Board and effectively oversee the implementation of various components of this Housing Plan. This position, under the supervision of the Town Planner, would be responsible for overseeing all administrative aspects of the Local Initiative Program (LIP) assigned to the municipality (referred to by DHCD as the Local Program Administrator) to insure that new affordable units are counted and continue to be counted as part of the Subsidized Housing Inventory and provide additional professional support to the Town Planner related to housing.

*Timeframe:* Two-Year Plan

*Responsible Party:* Board of Selectmen with support from the Planning Board

*Resources Required:* An Assistant Town Planner would involve approximately \$50,000 per year including benefits, at least half of which could be covered by Community Preservation Funds as the position is likely to involve at least a half-time focus on housing production related activities. Fees from specific development projects that will rely on the Assistant Planner position to insure that affordable units meet all state requirements will also be available to support the costs of this new position.

### *7.1.3 Access Housing Resources*

*Current Status:* The affordability of most housing development projects relies on multiple sources of financing involving both private and public loans and grants. Even Chapter 40B comprehensive permit projects rely on what is referred to as “internal” subsidies where the market rate units support the costs of the affordable ones in tandem with increased density. It will be important for the Town to encourage the establishment of partnerships with other interested parties including non-profit organizations, lenders,

public agencies, and developers to secure the necessary financial and technical resources to create affordable units. Future Community Preservation funding for housing will also be an essential ingredient for supporting the implementation of this Housing Plan in addition to various state and federal housing subsidy programs.

*Next Steps:* The Town of Hanover should reach out to private, public and non-profit entities to secure additional housing resources – technical and financial – in support of its efforts to produce new affordable housing. Additionally there are numerous public programs that can be helpful in supporting local housing efforts. A summary of some of these resources as well as pertinent housing regulations (e.g., Chapter 40B, Local Initiative Program, Community Preservation Act is included in Appendix 3).

*Timeframe:* Two-Year Plan

*Responsible Party:* Board of Selectmen and proposed Hanover Housing Trust and/or Hanover Housing Authority will need to provide letters of support for subsidy applications for affordable housing projects.

*Resources Required:* Funding may be needed to support affordable housing initiatives, particularly the predevelopment funding necessary to determine project feasibility (CPA funds can cover these expenses as well as other state-funded programs). The Hanover Housing Authority can continue to take the lead in applying for these resources, accessing professional support for some of the more complicated applications either through the proposed Assistant Town Planner or a consultant.

#### ***7.1.4 Conduct Ongoing Community Education***

*Current Status:* While many residents are aware of escalating housing prices and some are encountering difficulties affording housing in Hanover, it is likely that many residents hold onto negative stereotypes of what affordable housing is and what it will do to change the character of their community. It is important for the Town to build an active constituency for affordable housing in support of important local initiatives. It will also be important to attract volunteers to serve on the Hanover Housing Authority and proposed Housing Trust or other Town boards and committees that play a related role in affordable housing issues.

On July 18, 2007, the Hanover Housing Authority sponsored a forum for local leaders and the public to hear the results of the Housing Needs Assessment, which is a substantial component of this Affordable Housing Plan, and to participate in a discussion about local concerns about affordable housing, obstacles to producing new affordable units, and actions that should be included in this Affordable Housing Plan to increase affordable unit production. Another public forum was held on November 8, 2007, to provide information on the draft Affordable Housing Plan to not only get feedback on the Plan's strategies and goals, but also to offer another opportunity to showcase the issue of affordable housing in a light that demonstrates how the Town can be proactive on the issue to better serve the wide range of local needs and guide new development.

Additional opportunities to engage the community in discussions on affordable housing and to present information on the issue are needed to continue to dispel myths and help galvanize local support, political and financial, for new affordable housing production. These outreach efforts are mutually beneficial as they provide useful information to community residents and important feedback to local leaders on local concerns and suggestions.

*Next Steps:* Outreach can initially be directed to local officials and committees and then followed by more formal public efforts directed to the entire community through the local press, media and events. Additional community outreach to various local groups (e.g., churches, PTA's, women's clubs, fraternal

organizations, realtors, hospitality organizations, Council on Aging, etc.) can occur through speakers or information meetings, and a newsletter or some progress report can be periodically prepared for general distribution. For example, arrangements can be made to bring in representatives from other towns to speak in public forums on innovative affordable housing strategies, have Citizens Housing and Planning Association (CHAPA) come to a community meeting to provide a PowerPoint presentation on smart growth development or the integration of open space into new development, and organize panel discussions on particular housing-related topics. These sessions can help build community interest, improve communication and garner support. It may also be feasible to have local banks support such an effort with financial and/or technical assistance.

*Timeframe:* Two-Year Plan

*Responsible Party:* Hanover Housing Authority with support from the proposed Housing Trust.

*Resources Required:* The donated time of volunteers.

#### ***7.1.5 Create an Inventory of Properties Potentially Suitable for Affordable Housing***

*Current Status:* This Affordable Housing Plan includes a preliminary list of potential public sites that may be suitable for the development of housing, including some amount of affordable housing (see Section 5.0). A more comprehensive review of existing properties would be helpful to determine future opportunities to create affordable housing in Hanover and help meet the production goals included in this Housing Plan.

*Next Steps:* The Hanover Housing Authority should work with other Town boards and committees, such as the Planning Board, proposed Housing Trust, Open Space Committee and Conservation Commission, to review the inventory of Town-owned property and determine which parcels, if any, might be appropriate for affordable housing. After some initial environmental testing and other preliminary feasibility analyses (the costs of which can be covered by CPA funds), the Town would declare these parcels surplus and convey to the Hanover Housing Authority or proposed Housing Trust following Town Meeting approval. This entity would then follow the basic process outlined in strategy 7.3.1, eventually conveying individual parcels to a developer based on prescribed terms and conditions for the development of affordable housing or mixed-income housing. The Hanover Housing Authority should also consider what privately-held properties might be suitable for affordable housing and work with existing owners to develop or acquire<sup>32</sup>.

*Timeframe:* Two-Year Plan

*Responsible Party:* Hanover Housing Authority, proposed Housing Trust and Planning Board

*Financial Resources Required:* Staff time of the proposed Assistant Town Planner, another municipal official or a consultant to provide support.

#### ***7.1.6 Establish Annual Housing Summits***

*Current Status:* Most communities lack an effective mechanism for promoting regular communication between relevant Town boards and committees on issues related to affordable housing. It is useful for each locality to determine how it might more effectively communicate on this issue to insure that local

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<sup>32</sup> Acquisition could occur directly through the proposed Housing Trust or through in collaboration with a developer.

leaders remain apprised of housing activities and have an opportunity for input. Some communities have attempted to promote and formalize this communication. For example, the Town of Holliston gathered representatives from various Town boards and committees interested and involved in housing issues to provide updates on housing developments and related issues from each entity and to obtain important feedback.

It can also be helpful to open these meetings to the public to continue to foster greater community understanding and participation in the area of affordable housing. The Town of Truro, through its Housing Authority, held a housing summit on a Saturday and invited a panel of housing experts and representatives from other communities to make presentations on housing issues on Cape Cod and what some towns are doing to produce housing.

*Next Steps:* The Board of Selectmen should consider formalizing an Annual Housing Summit. Such a summit could include an annual report from the Hanover Housing Authority and proposed Housing Trust on housing issues and progress towards implementing this Housing Plan. All Town boards and committees should designate at least one individual to participate in the Summit. The Assistant Town Planner could provide the necessary staffing to organize the event.

*Timeframe:* Two-Year Plan

*Responsible Party:* Hanover Housing Authority with support from the proposed Housing Trust.

*Financial Resources Required:* Donated time of local officials and some limited staff time from the proposed Assistant Town Planner or other designated municipal staff person. A consultant could also be hired to facilitate the event.

#### *7.1.7 Encourage Training for Board and Committee Members*

*Current Status:* Town boards such as the proposed Housing Trust, Zoning Board of Appeals, Planning Board and other interested local leaders, including members of the Hanover Housing Authority, should receive training on affordable housing issues including comprehensive permits as they relate to low- and moderate-income housing as defined by Chapter 40B. 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. Funding for the professional development of staff, including the Town Planner and proposed Assistant Town Planner, would also help keep key professionals better informed and up-to-date on important new developments, best practices and regulations.

The University of Massachusetts Extension's Citizen Planner Training Collaborative (CPTC) offers classes on this subject periodically throughout the year and will even provide customized training sessions to individual communities. Examples of topics covered in their fall 2007 workshops included but was not limited to the following:

- Roles and responsibilities of Planning and Zoning Boards
- How to hold the perfect public hearing
- Chapter 40B
- Inclusionary housing
- Open space residential development
- Sustainability

The Massachusetts Housing Partnership has initiated the Massachusetts Housing Institute, which is “an educational program to support municipalities and local participants to better understand the affordable housing development process and have an effective role in initiating and implementing local solutions to increasing housing choices”.<sup>33</sup> This training is held over a two-day period, at least once a year. Topics during the most recent Institute, held this past June, included:

- The affordable housing development process
- What you should know about development finance
- Getting housing built in the community
- Designing for affordability – architecture, design and density

Other organizations and agencies, such as DHCD, MHP, CHAPA, and the Community Preservation Coalition also provide conferences and training sessions on a wide variety of housing issues that would be useful for local officials and staff persons to attend. In addition, there are numerous written resources for localities. For example, DHCD has prepared a procedural “how to” booklet for local communities on the development process, MHP has many technical guides for localities, and CHAPA has a wide variety of reports on many issues related to affordable housing as well.

*Next Steps:* The Town’s Board of Selectmen should encourage members of appropriate committees, the ZBA, Planning Board, Hanover Housing Authority and proposed Housing Trust in particular, to attend statewide and regional training sessions on housing-related issues. If fees are involved, this funding should be made available, and the Town should earmark funds from its CPA budget to support these costs. This training should also be accessed on an ongoing basis as membership of these boards and committees turns over.

*Timeframe:* Two-Year Plan

*Responsible Party:* Board of Selectmen

*Resources Required:* Information on available training should be tracked and made available and attendance fees paid through the Community Preservation Fund when required, the costs potentially ranging from \$1,000 to \$2,000 annually.

## 7.2 Planning and Regulatory Reforms

Housing production is contingent not only on actual development projects but on the planning and regulatory tools that enable localities to make well informed decisions to strategically invest limited public and private resources. To most effectively and efficiently execute the strategies included in this Plan and meet production goals, some greater flexibility will be needed in the Town’s Zoning Bylaw, and new provisions will be required to capture more affordable units, direct growth to the most appropriate locations, and expeditiously move development forward to completion.

Hanover’s Zoning Bylaw includes minimum lot requirements of at least 30,000 feet as well as frontage, setback and other requirements that are typically not conducive to affordable housing. This creates the likely need for regulatory relief for many residential developments that include affordable units, possibly through the “friendly” comprehensive permit process that overrides local zoning. Zoning reforms will be required to better promote and guide new residential development.

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<sup>33</sup> Massachusetts Housing Partnership, Massachusetts Housing Institute agenda for June 14-15, 2007 Conference.

The Town of Hanover will consider the following regulatory and zoning-related strategies to encourage the creation of additional affordable units. These actions can be considered as tools in a toolbox that the Town will have available to promote new housing opportunities, each applied to particular circumstances and providing a powerful group of resources when available in combination. Also, note that units that are created as a result of these actions, unless otherwise noted, are counted as part of actual housing production strategies in Section 7.3.

### *7.2.1 Adopt Inclusionary Zoning*

*Current Status:* Inclusionary zoning is not currently included in Hanover's Zoning Bylaw. This mechanism has been adopted by more than one-third of the communities in the state to insure that any new development project over a certain size includes a set-aside in numbers of affordable units or funding from the developer to support the creation of affordable housing. Most of the bylaws include mandated percentages of units that must be affordable, typically 10% to 15% and density bonuses<sup>34</sup>. Some also allow development of affordable units off-site and/or cash in lieu of actual units.

*Next Steps:* The Hanover Planning Board should explore models of inclusionary bylaws and prepare a zoning amendment that is best suited to support affordable housing in Hanover. The Planning Board should present the bylaw to Town Meeting for adoption.

As mentioned in the introduction to the Action Plan above, it will be important to also insure that all affordable units produced through the bylaw get counted as part of the Subsidized Housing Inventory, applied through the Local Initiative Program (LIP) administered by DHCD as Local Action Units.

*Models:* There are a variety of bylaws that have been adopted in localities throughout the state but requirements vary considerably. The Executive Office of Environment and Energy's Smart Growth Toolkit includes a model inclusionary zoning bylaw that highlights key local decisions and makes some commentary for consideration throughout ([www.mass.gov/envir/smart\\_growth\\_toolkit/pages/SG-bylaws.html](http://www.mass.gov/envir/smart_growth_toolkit/pages/SG-bylaws.html)). The Citizen Planner Training Collaborative's website also has a model bylaw with commentary and some policies as well ([www.umass.edu/masscptc/examplebylaws.html](http://www.umass.edu/masscptc/examplebylaws.html)).

*Timeframe:* Two-Year Plan

This process could be accomplished within the next year, ready for the special Town Meeting in the fall of 2008.

*Responsible Party:* Planning Board

*Resources Required:* One of the benefits of this strategy is that it requires very little local investment to implement but will require a local structure to insure that all affordable units meet state requirements under the Local Initiative Program. This would have to be in place for any LIP Local Action Units anyway. Such support could come from the proposed Assistant Town Planner (see Section 7.1.2 for details), another designated municipal employee, a qualified non-profit organization, or a consultant.

*Project # of Affordable Units Produced:* 4 units

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<sup>34</sup> Density bonuses allow increased densities beyond what is allowed under the subdivision requirements in the Zoning Bylaw.

### *7.2.2 Amend Accessory Apartment Bylaw*

*Current Status:* The current Zoning Bylaw allows accessory apartments through a special permit. However, it is generally recognized that there are considerable numbers of illegal accessory apartments in town that might present health and safety hazards to their occupants.

Accessory units are helpful in meeting a number of public policy objectives as they:

- Enable homeowners to capture additional income, which is particularly important for elderly homeowners or single parents where such income may be critical to remaining in their homes. Some young families or moderate-income households might be able to afford homeownership if they could count on income from an accessory apartment.
- Provide appropriately sized units for growing numbers of smaller households.
- Offer inexpensive ways of increasing the rental housing stock at lower cost than new construction and without loss of open space, without significant impact on the surrounding neighborhood, and without additional Town services such as streets or utilities. There are, however, issues regarding the adequacy of the existing septic system when a new bedroom is added.
- Provide potential companionship, security and services for the homeowner, from shoveling the sidewalk for an elderly owner to babysitting for a single parent.
- Offer good opportunities for keeping extended families in closer contact.
- Generate tax revenue in a locality because accessory units add value to existing homes.
- The state now allows an accessory apartment constructed on or after July 1, 2002 to count toward a community's 10% goal, pursuant to a local ordinance or bylaw, "that is affordable to the occupant." For an accessory apartment to "count" in the community's Subsidized Housing Inventory, the Town must establish a special process for insuring they meet state affordability requirements and annually certify the affordability of each accessory unit to DHCD.

*Next Steps:* In order to promote new accessory units, the Town should consider amending its Zoning Bylaw as follows:

- Consider by-right provisions;
- Extend use to detached structures or separate additions;
- Extend availability to investor-owned properties; and
- Extend and better define amnesty provisions of the bylaw.

There are many variations of accessory apartment bylaws that have been adopted in other communities. The Hanover Planning Board can explore other bylaws and work on an amendment that will best meet the needs of the community.

It should be noted that while several communities in the state have created programs that enable the locality to count accessory units as affordable through the Local Initiative Program, recent changes to LIP Guidelines established new requirements for the occupancy of these units. While the Town of Hanover may want to consider adopting an affordability component into the bylaw at some point in the future to have the units count as part of the Subsidized Housing Inventory, making it easier to create accessory apartments through a revised bylaw still serves a significant local need in promoting some greater diversity of the housing stock – smaller rental units.

*Models:* Barnstable implemented a program a few years ago that has resulted in well more than a hundred affordable accessory apartments to date, added to the Subsidized Housing Inventory largely before major changes in state LIP requirements. The towns of Scituate, Yarmouth, Wellfleet, and

Brewster all have bylaws worth reviewing when considering adopting an accessory apartment bylaw, and all include affordability provisions. Yarmouth has a Procedures Manual for an Affordable Accessory Apartment Program as well. Wellfleet has supported its accessory apartment bylaw with tax relief and a rehab loan program. Brewster's bylaw is as-of-right and extends to mixed-use and multi-family properties. The Town is currently in the process of revising the bylaw to make it easier for local residents to participate, but leaves the decision to follow the affordable requirements up to the individual property owners.

As of June 30, 2007, Scituate had approved 63 accessory apartments and of these two are deed-restricted as affordable to those earning within 80% of area median income. However, because of recent changes to the state's Local Initiative Program, under which these affordable units would be counted towards the Subsidized Housing Inventory, none of these units can be counted. LIP now not only requires that all affordable accessory units be affirmatively marketed based on an affirmative fair marketing plan, but the Town also needs to establish and maintain a waiting list of qualified households applying to rent affordable units, a Ready Renters List, which Scituate has not implemented, allowing owners to select their own tenants instead.

While Brewster and Scituate have affordable accessory apartment programs, they recognize that by promoting accessory apartments they are serving a local need for more diverse housing options – smaller rental apartments – and are accepting accessory units without the affordability provisions.

EOEE and the Citizen Planner Training Collaborative both have model accessory apartment bylaws on their websites that include inserted commentaries regarding local decision-making on key provisions.

*Timeframe:* Two-Year Plan

This process could be accomplished within the next year, ready for vote by special Town Meeting in the fall of 2008.

*Responsible Party:* Planning Board

*Resources Required:* Staff time of the Town Planner or a consultant to prepare the zoning amendment and coordinate the necessary approvals. The Assistant Town Planner would be needed to oversee the administration of any affordable or amnesty component of the bylaw, if these were included.

### ***7.2.3 Pursue Tax Title Properties***

*Current Status:* From time to time the Town has acquired property and buildings when owners failed to pay taxes. In appropriate cases the Town can sell such property and return it to the tax rolls. The Town could also make such property available for family or senior housing with affordable deed restrictions. To date, the Town has not identified tax title lands or buildings specifically for affordable housing.

*Next Steps:* The Board of Selectmen, with support from the Hanover Housing Authority and in coordination with the Town Treasurer, should monitor the status, availability, and suitability of tax title land. If the Trust identifies a property or building that is conducive to affordable housing, it should seek Town Meeting approval to designate such property for residential development including some amount of affordable housing. The property would then be conveyed via a Request for Proposals prepared by the Assistant Town Planner or a consultant, overseen by the Hanover Housing Authority. The foregone amount the Town might have received by auctioning the property would be considered the Town's commitment to subsidizing the affordable unit(s).

*Timeframe:* Two-Year Plan



*Responsible Party:* Board of Selectmen with support from the Hanover Housing Authority and Town Treasurer.

*Resources Required:* Donated time from members of the Hanover Housing Authority and Town Treasurer or other identified local official to monitor tax title property and identify opportunities. The proposed Assistant Town Planner would be able to staff this process or another designated municipal staff person.

Projected number of affordable units produced included under strategy 7.3.1 – make suitable public land available for affordable housing.

#### ***7.2.4 Change Permit Fee Policies for Affordable Housing***

*Current Status:* Some communities are waiving application/permit fees for affordable housing developments, either for certain types of projects or on a case-by-case basis. All regulatory fees become part of a development budget that affects the affordability of the housing produced. The waiver of regulatory fees is an area where the Town might have some capability of directly affecting project costs and affordability.

*Next Steps:* The Town of Hanover should consider making fee waivers an institutionalized part of the Town's housing efforts. The Hanover Housing Authority should work with the Planning Board, Board of Selectmen, Building Department and other appropriate Town boards and committees to determine what types of projects would qualify for this waiver (e.g., Local Action Units, "friendly" 40B projects, non-profit developers, projects that require housing subsidy funds to be feasible, projects meeting Planned Production requirements) and the projected amount of foregone revenue that would result.

Additionally, the Town might explore a small increase in permit fees, such as 5%, to be dedicated to offsetting these fee waivers or to be directed to the proposed Municipal Affordable Housing Trust Fund (see Section 7.1.1) and used to support affordable housing initiatives.

*Timetable:* Two-Year Plan

*Responsible Party:* Hanover Housing Authority

#### ***7.2.5 Adopt Affordable Housing Guidelines – Promoting More Responsive Private Development***

*Current Status:* "Affordable Housing Guidelines" should be considered by the Town of Hanover as a helpful tool for promoting greater cooperation with private for profit and non-profit developers on affordable housing production while protecting the Town from inappropriate development.

This Housing Plan incorporates Planned Production goals that identify development opportunities leading to the production of at least .75% of the year-round housing stock per year of at least 33 units, but requires private initiative and investment for full implementation. To this end the Planning Board and Hanover Housing Authority should consider affecting the types of housing proposals submitted through the creation of reasonable Affordable Housing Guidelines that provide guidance on projects that will be acceptable to the community, and therefore will more likely avoid prolonged and often litigious battles.

Affordable Housing Guidelines provide an aid to both non-profit and for profit housing developers to help them plan for residential development that will be in line with what the community seeks in affordable housing related to scale, siting, density, levels of affordability, location, design, etc. Through such

Guidelines the developer “wins” because there is greater predictability in what the Town is willing to approve, and the Town “wins” because it gets new affordable units that meet locally established development criteria that help it meet local needs and production goals. These Guidelines will contribute to a more open environment where developers who meet these development criteria can approach the Town with the expectation that they will likely be able to pursue their project through a “friendly” Chapter 40B process or normal regulatory channels, working with instead of against the Town on housing creation strategies.

Conceptual development scenarios, such as those illustrated in the next section of this Plan, can illustrate the Town’s expectations for site planning and land use.

*Next Steps:* The Planning Board, working in coordination with the Hanover Housing Authority and proposed Housing Trust, should draft Affordable Housing Guidelines and share them with the Board of Selectmen, Conservation Commission, Board of Health, Zoning Board of Appeals and other interested boards and committees for their review and comment. The Guidelines can then be finalized as local policy and made public.

*Models:* The Town of Grafton has drafted LIP Policies that they are planning to revisit and revise sometime in the future. Some sample guidelines are also offered as Appendix 5.

*Timeframe:* Five-Year Plan

*Responsible Party:* The Planning Board in coordination with the Hanover Housing Authority.

*Resources Required:* This strategy is also likely to require some technical support from the Town Planner, proposed Assistant Town Planner or a consultant and the donated time of local officials and various Town boards and committees.

*Projected # Affordable Units Produced:* 61 units of private development through “friendly” Chapter 40B process or other regulatory channels.

### ***7.2.6 Revise Village Planned Unit Development 6.11.0***

*Current Status:* The current bylaw encourages mixed-use development around common open space. It is consistent with progressive planning principals appropriate to Hanover that promote the construction of affordable housing and offers an alternative to large lot, single-family houses. By limiting this development type to properties of 25 acres or more accessed from Route 53, the current bylaw restricts the construction of a development type that would be appropriate on properties of a smaller size in many locations in Hanover. And by requiring relatively large buffer zones, it encourages the sprawl that the bylaw was intended to reduce.

The bylaw should be amended to include other locations, either noted specifically or in terms of their general location, character, or proximity to current residential and non-residential uses. The mixed-use developments that include common space, that this bylaw is intended to encourage, have historically been built on parcels as small as an acre. The minimum lot size of 25 acres should be reduced substantially. And although the required buffers between “Village” development and adjacent properties may be appropriate in some contexts, in others this requirement should be reduced or eliminated.

*Next Steps:* The Planning Board should review the Zoning Bylaw and with the assistance of the Town Planner or a consultant, prepare a zoning amendment and secure the necessary approvals.

*Models:* The Town of Yarmouth recently passed a Village Center Bylaw that would be worth reviewing, and the Metropolitan Area Planning Council (MAPC) has prepared a report entitled, “Mixed Use Zoning: A Planner’s Guide” that can be referenced. Additionally, the Citizen Planner Training Collaborative offers several models including one adopted by the Town of Dennis.

*Timeframe:* Two-Year Plan

*Responsible Party:* The Planning Board

*Resources Required:* Staff time of the Town Planner or a consultant to prepare the zoning amendment and coordinate the necessary approvals.

Units created under this strategy counted as part of promoting mixed-use development or private development/housing guidelines – see strategies 7.3.4 and 7.2.5.

### *7.2.7 Allow “Starter Housing” on Noncomplying<sup>35</sup> Lots*

*Current Status:* There are parcels of vacant land that at this time cannot be developed because they do not meet the dimensional requirements of the Zoning Bylaw such as the minimum 30,000 square foot lot size, as well as front, rear and side yard requirements. It is likely that many of these parcels could in fact be suitably developed as housing. Smaller lots would encourage the construction of smaller homes under appropriate guidelines to provide some housing options that are not currently being created by the private market - such as “starter housing” or “work force housing” for those noted as being unable to buy into the Hanover market. These homes are also appropriate for “empty nesters” interested in reducing their living space and home maintenance and returning their larger homes to the market.

A revision to the bylaw that reduces the minimum 30,000 square foot lot under certain conditions or in certain locations, as well as other dimensional requirements, should also be considered to allow larger developments of smaller homes on smaller lots. Such development is consistent with patterns of construction that prevailed earlier in the last century that led to the construction of housing that was more broadly affordable. When coupled with changes to the bylaws that prohibit shared driveways or with design guidelines that encourage garages behind rather than in front of houses, this smaller scale development encourages the creation of walkable neighborhoods. And when linked to open space preservation requirements, this development reduces sprawl and protects Hanover’s rural character – goals consistent with affordable housing production.

*Next Steps:* The Planning Board, with input from the Hanover Housing Authority, should explore zoning options for promoting starter homes on nonconforming lots and work with the Town Planner or a consultant to prepare a zoning amendment that will enable these lots to be developed based on specific criteria.

*Models:* The Town of Dennis has adopted a bylaw to allow “affordable lots” that enables nonconforming lots to be built on by special permit if they meet the following conditions:

- Contains at least 10,000 square feet and satisfies other Board of Health requirements.
- Has safe and adequate access to a public or private way.
- Is similar in size and shape to surrounding lots.

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<sup>35</sup> Some municipalities refer to these properties as “nonconforming” as well.

- The dwelling cannot have more than three bedrooms with a minimum of 5,000 square feet of lot area per bedroom.
- The applicable front, rear and side yard requirements are determined by establishing an average setback based on the homes adjacent to and across the street from the lot in question.
- Where two lots are in common ownership, one of the two lots must be deed restricted to insure permanent affordability and where more than two lots are held in common ownership, the second, third and fifty percent of the remaining lots to be built upon shall be deed restricted as permanently affordable (the fourth lot may be market rate, fifth affordable, sixth market rate, etc.).

Another option might be to require that the new dwelling be no more than 1,500 square feet in size. While the Town might decide not to include an affordability requirement, this provision would nevertheless insure the production of some smaller, more affordable homes and diversify the supply of new housing in Hanover.

Another consideration might be to decrease the minimum lot requirement from 30,000 to 15,000 or even 10,000 square feet for two-family homes where one of the units is affordable and eligible for counting as part of the Subsidized Housing Inventory.

*Timeframe:* Five-Year Plan

*Responsible Party:* Planning Board

*Resources Required:* This strategy also requires a zoning amendment that will need to be overseen by the Planning Board and drafted by the Town Planner or a consultant.

Units created through this zoning change are counted under strategy 7.3.5 – Support new infill housing.

### ***7.2.8 Adopt Open Space Residential Development Bylaw***

*Current Status:* Hanover does not currently have an Open Space Residential Development, Conservation Subdivision, or Cluster Zoning Bylaw. This has resulted in large-lot, single-family home development that has contributed to loss of open space, automobile-oriented sprawl, and new housing that is unaffordable to a large segment of the population.

Hanover should amend its bylaw to encourage more progressive development patterns that allow houses to be grouped closer together and require the creation of common open space and preservation of natural amenities. This will help protect the rural character of Hanover while offering a broader range of housing options that can promote affordability. Density bonuses and affordability requirements should be integrated into the bylaw to encourage this kind of development and to support project feasibility. Associated design guidelines and review and inclusionary requirements can insure that goals are met in ways appropriate and beneficial to the Town.

*Next Steps:* The Planning Board should review model bylaws with respect to these more flexible zoning provisions and tweak the existing bylaw.

*Models:* Model bylaws have been produced by the Metropolitan Area Planning Council, Massachusetts Audubon, and others in the Green Neighborhood Alliance, and adopted by a number of Massachusetts communities. Several examples are offered on the Citizen Planner Training Collaborative website ([www.umass.edu/masscptc/examplebylaws.html](http://www.umass.edu/masscptc/examplebylaws.html)) and the state's Smart Growth Toolkit ([www.mass.gov/envir/smart\\_growth\\_toolkit/pages/SG-bylaws.html](http://www.mass.gov/envir/smart_growth_toolkit/pages/SG-bylaws.html)).

*Timeframe:* Five-Year Plan

*Responsible Party:* Planning Board

*Resources Required:* This strategy is likely to require some technical support from a housing professional, either the Town Planner or a consultant, to review models and to help shape a strategy and bylaw for Hanover.

Units created under this zoning bylaw counted under private development/affordable housing guidelines – see strategy 7.2.5.

### ***7.2.9 Allow Residential Development Under More Conditions.***

*Current Status:* The current Bylaw allows the construction of alternatives to large lot, single-family houses only under very limited conditions. In fact, 88% of Hanover is zoned Residence A, which only allows single-family residences. There are also other areas of town that could accommodate residential development although it is not allowed at this time. These conditions should be broadened to diversify housing options, including more types of housing in more areas, accompanied by design guidelines. Additionally, offering density bonuses for affordable housing or adopting inclusionary zoning, will result in public benefits associated with broader private development options and more opportunities for affordable units. Proposed changes to the current Bylaw include:

1. Create Residence B districts in developed areas that can accommodate multi-family housing, smaller lot single-family housing, and mixed-use development while protecting the character of the town.
2. Allow Planned Residential Development for family housing in addition to 55+ housing.
3. Allow multi-family and mixed-use residential development in Commercial, Industrial, Fireworks, and Planned Shopping Center districts.
4. Allow multi-family development and mixed-use development in Business Districts.

*Next Steps:* The Planning Board should review model bylaws with respect to these more flexible zoning provisions and amend the existing bylaw.

*Models:* Many towns in Massachusetts have multiple residential zoning districts that protect open space and single family neighborhoods while still facilitating affordable housing development. Requirements for Site Plan Review, Planned Unit Development Review, Overlay Districts, and approval at Town Meeting for multi-family development insure that the approval process is public. Reading, Arlington, and Lexington zoning by-laws provide models. Their careful delineation of multi-family zones and definition of requirements gives these towns more control over such development than more restrictive by-laws with a 40B exception allows.

Wakefield recently rewrote portions of its zoning by-laws to allow multi-family development in areas with existing business and industry, along busy streets, roads, and highways, and where it does not undermine the character of existing single family neighborhoods. The changes also channel housing development pressures to areas where denser construction can support neighborhood business.

Metropolitan Area Planning Council documents previously referenced also provide models for updated zoning.

*Timeframe:* Five-Year Plan

*Responsible Party:* Planning Board

*Resources Required:* This strategy also requires a zoning amendment that will need to be overseen by the Planning Board and drafted by the Town Planner or a consultant.

Units created under this bylaw counted under private development/housing guidelines – see strategy 7.2.5.

#### *7.2.10 Explore Use of Chapters 40R and 40S*

*Current Status:* The Commonwealth Housing Task Force, in concert with other organizations and institutions, developed a series of recommendations, most of which were enacted by the State Legislature as Chapter 40R of the Massachusetts General Laws. The key components of these regulations are that “the state provide financial and other incentives to local communities that pass Smart Growth Overlay Zoning Districts that allow the building of single-family homes on smaller lots and the construction of apartments for families at all income levels, and the state increase its commitment to fund affordable housing for families of low and moderate income”.<sup>36</sup>

The goal of 40R was to address several regional concerns at once: the need for more affordable housing, the need to avoid adding more traffic to roads and highways already choked during commuting hours, and to protect the New England landscape from additional sprawl, fostered by large-lot subdivisions. The legislation was also passed in recognition that escalating housing prices, now beyond the reach of increasing numbers of state residents, are forcing college graduates and young professionals to relocate to other areas of the country in search of greater affordability.

The key components of 40R include:

- Allows local option to adopt Overlay Districts near transit, areas of concentrated development, commercial districts, rural village districts, and other suitable locations;
- Allows “as-of-right” residential development of minimum allowable densities;
- Provides that 20% of the units be affordable;
- Allows mixed-use and infill development;
- Provides two types of payments to municipalities (incentive payments based on the number of projected housing units) and density bonus payments of \$3,000 for each residential unit issued a building permit); and
- Encourages open space and protects historic districts.

The state also, more recently, enacted Chapter 40S under the Massachusetts General Law that provides additional benefits through insurance to towns that build affordable housing under 40R that they would

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<sup>36</sup> Edward Carman, Barry Bluestone, and Eleanor White for The Commonwealth Housing Task Force, “A Housing Strategy for Smart Growth and Economic Development: Executive Summary,” October 30, 2003, p. 3.

not be saddled with the extra school costs caused by school-aged children who might move into this new housing. This funding was initially included as part of 40R but was eliminated during the final stages of approval. In effect, 40S will hold those communities participating in 40R harmless from costs added to school budgets as a result of the 40R-related development. (See the Appendix 3 for more details on 40R.)

*Next Steps:* In an effort to promote smart growth and mixed-use, mixed-income development, the Town should explore the adoption of 40R and convene a forum to discuss these new regulations and how they could be effectively implemented in Hanover. Representatives from the state or Commonwealth Housing Task Force are available to make presentations to communities on 40R and answer questions. There are areas in town that might be conducive to 40R Zoning Overlay Districts including some of the village centers and sections of commercial corridors. If there is general agreement to pursue the development of the Zoning Districts further, the Town can apply for funding from the state's Priority Development Fund or Smart Growth Technical Assistance Fund to secure the necessary technical assistance to implement the rezoning or more simply use CPA funds.

The Overlay Zoning Districts will require approval by the Planning Board and a two-thirds vote of Town Meeting. The formal steps involved in creating Overlay Districts are as follows:

1. The Town holds a public hearing as to whether to adopt an Overlay District per the requirements of 40R;
2. The Town applies to DHCD prior to adopting the new zoning;
3. DHCD reviews the application and issues a Letter of Eligibility if the new zoning satisfies the requirements of 40R;
4. The Town adopts the new zoning through a two-thirds vote of Town Meeting subject to any modifications required by DHCD;
5. The Town submits evidence of approval to DHCD upon the adoption of the new zoning; and
6. DHCD issues a letter of approval, which indicates the number of incentive units and the amount of payment.

Areas where the Town wishes to focus its revitalization efforts, such as some older villages, the Fireworks Factory area, or perhaps shopping areas, might be good candidates for 40R/40S.

*Models:* Natick, Amesbury, North Andover, Plymouth, Brockton, Chelsea, Grafton, Kingston, Lawrence and Lynnfield have all created smart-growth districts, and Belmont, Boston, Gardner, Northampton, and Pittsfield are considering doing the same. Dartmouth, Lunenburg, Norwood, North Reading, Lakeville, and Haverhill have gone a step further and issued housing permits.

*Timetable:* Five-Year Plan

*Responsible Party:* Planning Board with support from the Hanover Housing Authority

*Resources Required:* The Town could apply to the state's Department of Housing and Community Development (DHCD) for funding through its Priority Development Fund, the Executive Office of Environment and Energy for its Smart Growth Technical Assistance funding, or use CPA funds (see Appendix 3 for details on these state resources) to secure the necessary technical assistance to implement the adoption of 40R locally. Clearly some staff time of the Town Planner would be required.

*Resources Required:* Some potential foregone revenue received from the amount of fees waived in support of new affordable unit development.<sup>37</sup>

*Projected # of Affordable Units Produced:* 9 units

### 7.3 Housing Production

As emphasized in other sections of this Affordable Housing Plan, to meet production goals it will be essential for the Town of Hanover to reach out to the development community and sources of public and private financing to secure the necessary technical and financial resources. While some of the units produced will rely on the participation of existing homeowners, most of the production will require joint ventures with developers – for profit and non-profit – to create affordable housing. Competitive Requests for Proposals (RFP’s) for the selection of developers will be necessary to build on publicly owned property. For profit developers continue to express interest in developing housing in Hanover, and there are a number of non-profit organizations that have successfully completed affordable housing projects in the region, which may want to become involved. Being certified under Planned Production (meeting production goals) will put the Town in an advantageous bargaining position with developers as to project terms and conditions, as the Town will not have to accept any unwanted development proposals.

In addition to the active participation of the development community, it will be important for Hanover to actively seek support from state and federal agencies and effectively leverage its limited Community Preservation Funds. Because affordable housing is rarely developed without private financing, project developers will need to reach out to private lenders as well.

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

#### *7.3.1 Make Suitable Publicly-Owned Land Available for Affordable Housing*

*Current Status:* The contribution or “bargain sale” of land owned by the Town or other public entities but not essential for government purposes is a component of Planned Production goals, and this Plan includes a list of potential parcels that might be developed to include affordable housing (see Section 5.1 of this Plan for the list of properties under preliminary consideration). This Plan also includes a strategy to review current holdings and determine what, if any, properties (land or buildings) might be suitable for some amount of affordable housing (see Section 7.1.5 for information on this strategy). Final determination of the use of these parcels for affordable housing is subject to a more thorough feasibility analysis of site conditions, and Town Meeting approval is required for the conveyance of Town-owned properties.

In addition to publicly owned parcels, the Town of Hanover may decide to acquire privately owned sites over the next decade for the purposes of protecting open space and developing some amount of housing, including affordable housing, through cluster development on a portion of the sites.

*Next Steps:* The Hanover Housing Authority should conduct preliminary feasibility analyses on identified parcels that might be suitable for affordable housing such as their Legion Drive parcel, abutting St.

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<sup>37</sup> In Grafton calculations indicated that a small ranch with 1,000 square foot of living space, a full basement, and a 400 square foot deck would involve a building permit fee of \$425. It will be less for a rental unit. A small Cape with 1,500 square feet of living space, a 750 square foot basement, and 400 square foot deck would require a building permit fee of about \$530. Other permits, such as inspection fees related to plumbing and gas and electric, could add another \$200.



Mary's parcel, other existing Town-owned parcels identified under Section 5.1, and sites identified at a later time that might potentially include some amount of affordable housing including those that will be identified under strategy 7.1.5. In fact the Housing Authority has already received \$32,000 in CPA funding to conduct feasibility analyses for its Legion Drive parcel. If this analysis indicates that housing might likely be accommodated on Town-owned parcels,<sup>38</sup> the Housing Authority should request approval from the Board of Selectmen and Town Meeting to designate these identified properties for affordable housing development. Parcels owned by the Housing Authority will require approval from DHCD prior to issuing a Request for Proposals and conveyance.

Following the necessary approvals, the HHA, in coordination with the Town's Chief Procurement Officer and a housing professional (consultant or proposed Assistant Town Planner), should prepare a Request for Proposals (RFP) to solicit interest from developers based on the Housing Authority's or Town's specific project requirements and select a developer based on identified criteria included in the RFP. Projects may require densities or other regulatory relief beyond what is allowed under the existing Zoning Bylaw, and the Housing Authority may be able to obtain this relief through normal channels, if community support is assured, or use the "friendly" comprehensive permit process through DHCD's Local Initiative Program (LIP), for example. Additionally, the Housing Authority will need to be involved in attracting the necessary financial, technical and political support. Evidence of municipal support is often critical when seeking financial or technical assistance from state or federal agencies.

Hanover should consider the following process when planning for the development of Town-owned land:

- *Conduct preliminary feasibility analysis on potential development sites.*

The first responsibility for this action, besides the Hanover Housing Authority, will be Town staff or representatives from other boards and committees who are capable of providing initial technical input as to possible development constraints. Additionally, the Town might explore technical assistance funding from CPA, the state's Priority Development Fund or other program to hire a consultant(s) to conduct the necessary preliminary feasibility analysis.

- *Secure approval from Town Meeting to convey parcel for development to incorporate affordable housing.*

The Hanover Housing Authority should make this request and provide supportive documentation regarding the proposed project.

- *Prepare and issue a Request for Proposals (RFP) for developers that includes project guidelines (e.g., approximate size, density, ownership vs. rental, target market/income mix, level of affordability, design issues, community preference criteria, siting, financing available, ownership and management, other stipulations) and selection criteria.*

The Housing Authority should work with Hanover's Chief Procurement Officer and proposed Assistant Town Planner on this task, potentially hiring a consultant to coordinate this activity and prepare the document.

- *Select developer.*

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<sup>38</sup> Parcels that are owned by the Hanover Housing Authority do not require local approval by the Board of Selectmen or Town Meeting for disposition to a developer but must be review and approved by DHCD.

Once again the HHA should work with the Town's Chief Procurement Officer, proposed Assistant Town Planner and potentially a consultant on the selection process. It will be important for the Town to conduct a fair and rigorous process for reviewing proposals to insure that it designates the most capable developer. The proposals are evaluated and ranked with the most highly qualified respondent earning designation. All of this information should be formally documented.

- *Prepare and finalize plans and budget.*

The designated developer is responsible for this task with guidance from the HHA.

- *Secure regulatory approvals.*

The designated developer is responsible for obtaining regulatory approvals with guidance from the HHA. The HHA can also be helpful in intervening, as appropriate, to expedite approvals and lend local support. If the project involves a comprehensive permit, the affordable housing units can be counted as part of the Town's Subsidized Housing Inventory when the 40B permit is approved (appropriate documentation must be sent to DHCD). If the project does not involve a comprehensive permit, the affordable units would be counted through the subsidizing agency<sup>39</sup> and program when the building permits are issued. It will be important to insure that all requirements for incorporating the affordable units in the Subsidized Housing Inventory are followed (see introduction to Section 7 above for more details). The proposed Assistant Town Planner or other municipal staff person would be responsible for this oversight.

- *Secure financing.*

The designated developer will ultimately be responsible for obtaining project financing, including both public and private sources. Support from the Board of Selectmen or proposed Housing Trust will be helpful, and letters of support from them both will be critical in applying for subsidies where needed. It should be noted that most competitive state funding programs strongly urge that regulatory approvals be in place before funding applications are submitted.

- *Conduct closing including conveyance of property to the developer.*

The Town will prepare and enter into an agreement that will contain all the terms and conditions of the development and the respective responsibilities of the Town and developer, including the disposition of the property for typically a nominal value representing the Town's commitment to the affordability of the new housing. This agreement, once executed, will be recorded with the title to the property at the Registry of Deeds.

- *Secure building permits.*

The designated developer will take the lead. If the project does not involve a comprehensive permit, documentation can at this point be submitted to DHCD to insure that the affordable units are counted as part of the Town's Subsidized Housing Inventory.

- *Start construction.*

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<sup>39</sup> Affordable units that are created by local action (i.e., inclusionary zoning, CPA funding, special permit, contractual agreements, other regulation) are processed through the state's Local Initiative Program.

The designated developer will be responsible.

- *Market and select tenants/owners for affordable units.*

The proposed Assistant Town Planner could take on these responsibilities in the absence of another qualified person or organization identified by the developer. The developer or designated realtor could be involved in marketing the market rate units.

It is important to recognize that Hanover can designate up to 70% of the available units in both rentals and ownership projects for those who meet community preference criteria as established by the Town. The Town has recently adopted these criteria that include current residents, past graduates of the Town's school system, parents of current residents, and current municipal employees. Hanover should bear in mind that, however unintended, the use of local preference cannot have a discriminatory effect and as such housing lotteries must be marketed throughout the region to meet Fair Housing requirements and comply with all federal and state affirmative marketing regulations to have the affordable units counted as part of the Town's Subsidized Housing Inventory.

- *Complete construction.*

The developer will be responsible.

- *Occupy property*

The designated developer will be ultimately responsible for obtaining occupancy permits.

- *Manage property.*

The professional management of new rental housing is critical to the future viability of the development, and the management entity must have a proven track record and be approved by the Board of Selectmen or HHA. If the proposed project sponsor does not have the expertise to undertake project management functions, it should work with the HHA to identify a private company or a capable non-profit organization to assume these important management functions.

- *Monitoring of affordability including annual income recertification of tenants in affordable units in the case of rentals and resales in affordable homeownership projects.*

DHCD is now providing monitoring services for units subsidized through their Local Initiative Program (LIP), and Citizens Housing and Planning Association (CHAPA) has been providing monitoring services on primarily homeownership projects throughout the state. Other entities have also performed these functions. Nevertheless, the Town also is responsible for monitoring functions, and the proposed Assistant Town Planner or other designated municipal staff person could be charged with oversight. Municipal responsibilities include:

*Rental Projects* – Annual monitoring and certification to DHCD that tenants continue to meet income and asset limits and the project has been maintained and operated in a safe and sanitary condition.

*Ownership Developments* – Annual monitoring and certification to DHCD that Local Action Units continue to serve as owners' residences and those that have been resold during the year have been resold in compliance with LIP requirements.

As indicated above, in addition to existing Town-owned parcels, the Town or HHA might consider acquiring other privately owned properties over the next decade, as it is doing with the Murtha property. This could be accomplished through CPA, a debt exclusion of Town tax revenues or by leveraging other financial resources. As sites are identified, the HHA and proposed Housing Trust should work cooperatively with the Board of Selectmen, the Community Preservation Committee and other entities to commit the needed resources to make projects feasible. If any of the preliminarily identified existing Town-owned properties are finally determined infeasible or do not obtain approval from Town Meeting, it is anticipated that the projected numbers of affordable units would be met primarily through this acquisition process or private development.

*Lead Entity:* Hanover Housing Authority.

*Timeframe:* Two-Year Plan

*Resources Required:* It would be useful to have professional support to coordinate this effort, working with the Town's Chief Procurement Officer or a consultant to prepare a Request for Proposals, coordinate the developer selection process and oversee development and construction, marketing and tenant/owner selection and occupancy. The proposed Assistant Town Planner could undertake these activities.

In addition to the costs of coordinating development, resources will be required to help subsidize the development. Comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units in fact subsidize the affordable ones. Many communities have used the "friendly" comprehensive permit process to take advantage of these internal subsidies, to create the necessary densities to make development feasible, and to make it easier to navigate the existing regulatory system. Other communities are finding that they require public subsidies to cover the costs of affordable or mixed-income residential development and need to access a range of programs through the state and federal government and other financial institutions to accomplish these objectives, including CPA. Because the costs of development are typically significantly higher than the rents or purchase prices that low- and moderate-income households can afford, multiple layers of subsidies are often required to fill the gaps. Sometimes even Chapter 40B developments are finding it useful to apply for external subsidies to increase the numbers of affordable units, to target units to lower income or special needs populations, or to fill gaps that market rates cannot fully cover.

It is likely that a number of financial and technical resources will be required to produce affordable units in Hanover. Appendix 3 includes summaries of many of these, however, some are listed below.

- Predevelopment funding from the state's Priority Development Fund, CEDAC, MHIC, Life Initiative, etc.
- Federal HOME Program financing of up to \$65,000 per unit administered through the North Shore HOME Consortium and DHCD for a range of housing activities.
- Possible federal financing through Low Income Housing Tax Credits to developers of affordable housing that provide significant equity into a development. The allocating agency is DHCD and there are typically two funding rounds per year. These funds are directed to rental properties solely and are extremely competitive.

- Section 202 federal financing to non-profit organizations for the development of rental housing targeted to very low-income seniors or those with disabilities.
- Affordable Housing Program grant funding from the Federal Home Loan Bank Board, applied through participating banks.
- Rental subsidies through the Project Based Section 8 Program or individual Section 8 vouchers (this program is administered through the state, Housing Authorities and regional non-profit organizations).
- Section 8 to Homeownership Program, enabling Section 8 subsidy recipients to access homeownership.
- Additional resources that are directed solely to first-time homebuyer projects to make homeownership more affordable including the Soft Second Loan Program, American Dream Downpayment Assistance Program and MassHousing First-Time Homebuyer financing.
- Financing from CEDAC to support innovative forms of affordable housing including SRO's, transitional housing, limited equity cooperatives, etc. and to preserve existing affordable housing developments.
- OneSource Loan Program is a streamlined financing program offered jointly by MHIC and Massachusetts Housing Partnership Fund offering construction and permanent financing in a single package.
- Other state funding programs.

Community support will also be required for zoning relief or changes to bylaws that will support this kind of development.

*Projected # Affordable Units Produced:* 44 units (15 additional units counted under strategy 7.3.3.).

See Section 8.1 for a conceptual development for the Hanover Housing Authority's Legion Road Property that can form the basis for a developer RFP.

### *7.3.2 Implement ECHO Pilot Program*

*Current Status:* While the Town should explore a range of options for creating new affordable units, it should not overlook the potential of converting existing market units to state-defined "affordable" ones while simultaneously providing lower income homeowners with some funding to enable them to remain in their homes. This approach, referred to as the Equity Conversion Homeownership Program or Affordable Deed Restriction Program, is directed specifically to those who "need more income, since the squeeze between their incomes and housing costs is leaving them unable to meet their non-shelter needs at a minimum of adequacy."<sup>40</sup> The problem is particularly acute for those seniors who have owned their homes for a long period of time, and while accruing substantial amounts of equity, are now on fixed incomes that have not kept pace with increased housing-related expenses related to utilities, insurance, taxes and other living expenses.

There are a variety of programs that provide affordability through a focus on existing dwelling units rather than new ones. They have the potential of being helpful, though Hanover's elevated prices are a challenge. Examples include:

- ECHO: Purchase of a restriction on housing occupied by an income-eligible senior or other lower income household, providing public assurance (deed restriction) that the

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<sup>40</sup> Dr. Michael Stone, "Housing Affordability for Households of Color in Massachusetts", 2002.

house when resold will remain affordable and offering residents cash for rehab plus an annuity or lump-sum subsidy.

- Two-family Buy-downs: Purchase of two-family structures, renting or reselling one (or possibly both) of the units subject to a deed restriction assuring permanent affordability.
- Scattered-site Purchase-rehab: Similar efforts except involving substantial rehabilitation of the units and the incorporation of requirements to make the units count as part of the Subsidized Housing Inventory.

*Next Steps*: This strategy suggests that Hanover begin a pilot program to convert some existing housing to affordability by testing the ECHO Program based on the following process:

- The Hanover Housing Authority should appoint a Subcommittee to develop and oversee this pilot initiative.
- The Subcommittee should prepare an implementation strategy for the Pilot Project with specific information on program requirements and responsible parties.
- The Hanover Housing Authority should request Community Preservation funding from Town Meeting to implement the Pilot Program of at least \$100,000 per year.
- The proposed Assistant Town Planner, other designated municipal staff person, or a consultant should oversee implementation and report regularly to the Hanover Housing Authority on progress.

*Timeframe*: Two-Year Plan

*Responsible Party*: Hanover Housing Authority

*Resources Required*: Some professional staff time of the proposed Assistant Town Planner or a consultant to work with the Hanover Housing Authority to develop projects including Community Preservation Funds of at least \$100,000 annually. It would also be instructive for the Town to refer participants to mortgage assistance programs as well to offer further financial support such as the state's Soft Second Program, for example.

*Projected # Affordable Units Produced*: 8 units

### **7.3.3 Pursue Adaptive Reuse**

*Current Status*: The reuse of any abandoned, underutilized, or obsolete property could enable Hanover to direct growth towards already developed locations in its village centers and commercial corridors thus reducing the need to develop additional land in "greenfields" – areas without existing infrastructure. It would also be a way of preserving and/or restoring unique architecture in the community, which can also be of historical significance. Depending upon the structure, adaptive reuse can be amenable to mixed-use and mixed-income development through various options including but not limited to Single Room Occupancy Units (SRO's), congregate and/or special needs housing, rental housing and first-time homeownership.

The Town has begun to identify underutilized nonresidential properties, both Town-owned and private, for potential conversion to affordable housing. For example, the fire station in West Hanover might become surplus and suitable for housing. There are potential opportunities to redevelop the Sylvester, Salmond and/or Curtis Schools into housing. Commercial and industrial buildings may also be available

for conversion to housing. In West Hanover there are once-grand houses that could be renovated to provide two or more affordable apartments or condominiums.

It should be recognized that there may be some environmental problems on properties that are being recycled for residential use that will require remediation prior to development. Former industrial sites in particular may have contamination that will require “brownfield” clean-up. However, there are programs to subsidize the testing and remediation that are available, particularly if the site will ultimately integrate some affordable housing. In fact, affordable housing might be the very vehicle to clean these contaminated sites.

*Next Steps:* The Town should continue to identify an inventory of such properties that might be purchased, rehabilitated and converted to residential use and then attract interested for profit or non-profit developers to undertake development through a Request for Proposals, if publicly owned, or through incentivized zoning changes. It might also be possible to acquire such properties through tax taking, donation, negotiation, distress sale, bank foreclosure, or brownfield remediation through the Housing Authority or proposed Housing Trust and convey to a developer selected through an RFP process.

*Responsible Party:* Hanover Housing Authority

*Timeframe:* Five-Year Plan

The inventory of possible development opportunities could be completed within the next year and outreach to developers experienced in such projects could follow.

*Resources Required:* The proposed Assistant Town Planner, local volunteer or a consultant should continue to identify possible properties and ultimately work with the Hanover Housing Authority to find partners to develop them. Predevelopment funding from the Community Preservation Fund, DHCD’s Priority Development Fund, EOEA’s Smart Growth TA Fund, CEDAC, MHIC or other agency should be explored to support project planning. Community support will also be required for zoning relief or changes to bylaws that will support this kind of development

*Projected # Affordable Units Produced:* 15 units (could also be counted under strategy 7.3.1)

**See Section 8.2 for a conceptual development of Fireworks District properties and Section 8.5 for a conceptual redevelopment of the Sylvester School that could form the basis for developer RFPs.**

#### ***7.3.4 Promote Mixed-Use Development***

*Current Status:* In the context of good town planning and smart growth, the likely location for denser development that could provide housing for smaller households and seniors is near commercial areas and village centers that could someday be serviced by public transportation. Hanover’s current Zoning Bylaw however, restricts mixed-use and multi-family development with burdensome requirements that still do not prevent out of scale and inappropriate construction. It will be important for the Planning Board and Hanover Housing Authority to promote mixed-use development through new zoning that provides reasonable incentives while protecting the Town’s interests. Affordability must be required and design guidelines met in return for allowing the density that will make high quality development economically feasible (see strategy 7.2.6 for information on revising the Village PUD bylaw).

Mixed-use development is well suited to village centers and commercial areas as the residential units add vitality; provide housing for small households in easy walking distance to goods, services and

transportation; and reduce the amount of traffic. For these reasons the state has created new financial tools, 40R and 40S (see strategy 7.2.10), that many communities are exploring to produce mixed-use development as part of the “smart growth” policies that are increasingly gaining favor in urban, suburban and rural settings. Some of the opportunities for adaptive reuse of existing structures, as described above (see strategy 7.3.3), might also be conducive to mixed residential and commercial uses. West Hanover and sections of the Route 53 commercial strip are especially appropriate for mixed-use development modeled on Four Corners and other traditional town centers.

*Next Steps:* Following the necessary zoning changes that are described in strategy 7.2.6, the Town should work with developers to insure that proposed development meets local needs and priorities, including Affordable Housing Guidelines (see strategy 7.2.5), to the greatest extent possible.

*Timeframe:* Five-Year Plan

*Responsible Party:* Hanover Housing Authority

*Resources Required:* Staff time of Town Planner and Assistant Town Planner. Community support will also be required for zoning relief or changes to bylaws that will support this kind of development

*Projected # Affordable Units Produced:* 8 units

**See conceptual development proposals in Sections 8.3 and 8.4 for mixed-use scenarios in West Hanover and on Route 53.**

### ***7.3.5 Support New Infill Housing***

*Current Status:* There are small lots, both Town-owned and privately-owned, that are spread throughout Hanover and might accommodate more limited numbers of new housing units in support of Planned Production goals and local needs.

*Next Steps:* The Town can work with for profit and non-profit developers as well as with abutters of vacant land to develop new infill housing on available vacant sites scattered throughout town. Such infill new development may include:

- A single small home, like the Habitat for Humanity prototype.
- A two-family house that can accommodate an owner’s unit and rental apartment that offers both a first-time homebuyer opportunity with rental income from an apartment and a new rental unit, serving several needs simultaneously.
- Multi-family residences, perhaps resembling rambling farmhouses, that can accommodate several individual units, either as rentals or condominiums. These units can also be developed as mixed-income housing, blending a couple of income tiers.
- A few adjoining townhouses that can also serve a variety of income levels.

The Town can play a helpful role in supporting developers in applying for subsidies to insure that at least some of the units are affordable and can be included in the Town’s Subsidized Housing Inventory; can negotiate small “friendly” Chapter 40B projects through DHCD’s Local Initiative Program, MassHousing’s Housing Starts Program, or the Federal Home Loan Bank Board’s New England Fund; and can encourage abutters to create affordable housing on vacant adjacent lots. The ability to develop noncomplying lots (see strategy 7.2.7) will also promote infill housing within existing neighborhoods. Additional resources to support such development can be accessed through the state and federal



government. For example, the Housing Development Support Program provides gap financing for small affordable housing projects with fewer than eight units, including both new construction and rehabilitation (see Appendix 3 for more information.)

South Shore Habitat for Humanity has expressed interest in developing new affordable homes in Hanover, for example, and continues to look for donated public and private land on which to build. Organizations that support special needs housing are active throughout the area and may have an interest in developing group homes in Hanover. There are also excellent models of small “friendly” comprehensive permit projects in other communities that incorporate several income tiers to meet the housing needs of those within a wide range of incomes. Even the Murtha property, which the Town is purchasing through Community Preservation funding, can be considered as a new infill opportunity.

*Timeframe:* Five-Year Plan

*Responsible Party:* Hanover Housing Authority

*Resources Required:* It will be helpful for the Hanover Housing Authority to support such efforts and, when possible, make smaller Town-owned parcels, potentially acquired through tax title (see strategy 7.2.3), available for affordable housing development through Requests for Proposals. Community Preservation funding could continue to be helpful for promoting the affordability of new infill housing. Community support will also be required for zoning relief or changes to bylaws that will support this kind of development

*Projected # Affordable Units Produced:* 7 units

## 7.4 Housing Preservation

Housing production is critical, but the Town also needs to be concerned that it does not lose current as well as future units counted as part of its Subsidized Housing Inventory and provides resources to support the deferred home maintenance and financing needs of lower income homeowners, including seniors.

### 7.4.1 Insure Long-term Affordability

*Current Status:* Based on how housing was financed, how long the affordability requirements were established, and other stipulations in affordability agreements, the affordable status of housing units may be in jeopardy in many communities in the future. Hanover’s existing Subsidized Housing Inventory includes 210 units in two developments that do not have housing restrictions in effect in perpetuity, Cushing Residences with 150 units and Legion Elderly Housing with 60 units, however, these restrictions remain in place until 2022 and 2021, respectively. Nevertheless, it will be important to insure that affordability restrictions remain in place for these units after they expire.

*Next Steps:* It is important to insure that all affordable housing units, current and future, remain a part of the Town’s Subsidized Housing Inventory for as long a period as possible (see Section 8.0 for a description of use restrictions).

*Timeframe:* Two-Year Plan

*Responsible Party:* Hanover Housing Authority and proposed Housing Trust

*Resources Required:* Some staff support from the proposed Assistant Town Planner or other designated Town employee to make sure that all new affordable units that are created have affordability restrictions

in place to maintain them as affordable for as long a period as possible, and to monitor these restrictions. At some point the affordability of Cushing Residences and Legion Elderly Housing will also have to be monitored to insure that they are extended after they expire.

#### *7.4.2 Help Qualifying Homeowners Access Housing Assistance*

*Current Status:* As indicated in the Housing Needs Assessment, more than half of Hanover's housing stock, 56% or 2,490 units, was built prior to 1970. It is quite likely that many of these older residences would not meet today's various housing codes (plumbing, electricity, weather-proofing, building code, etc.), and there are likely to be lead paint hazards as well. Aesthetic improvements might also be needed for some properties, which would also serve to enhance the visual appearance of neighborhoods throughout the community.

Some town residents, including seniors living on fixed incomes, are finding it increasingly difficult to afford the costs associated with rising taxes, energy costs and home improvements. Additionally, some seniors and those with special needs require handicapped adaptations and repairs to help them remain in their homes. Hanover residents might also benefit from technical and financial support in the case of septic failures and Title V compliance issues.

There are housing improvement resources offered through South Shore Housing Development Corporation, South Shore Community Action Council and MassHousing (see Appendix 3), for example, which can be helpful to area property owners. Also, various financing tools for homeowners are available to help lower income owners, particularly the elderly, remain independent in their own homes, such as reverse mortgages.

*Next Steps:* Through the community educational campaign recommended in Section 7.1.4, important information on housing improvement and financing resources could be disseminated to real estate professionals, local organizations and community residents. The Housing Authority and Council on Aging are also important resources for providing lower income households, including seniors, with information on available programs.

*Timeframe:* Two-Year Plan

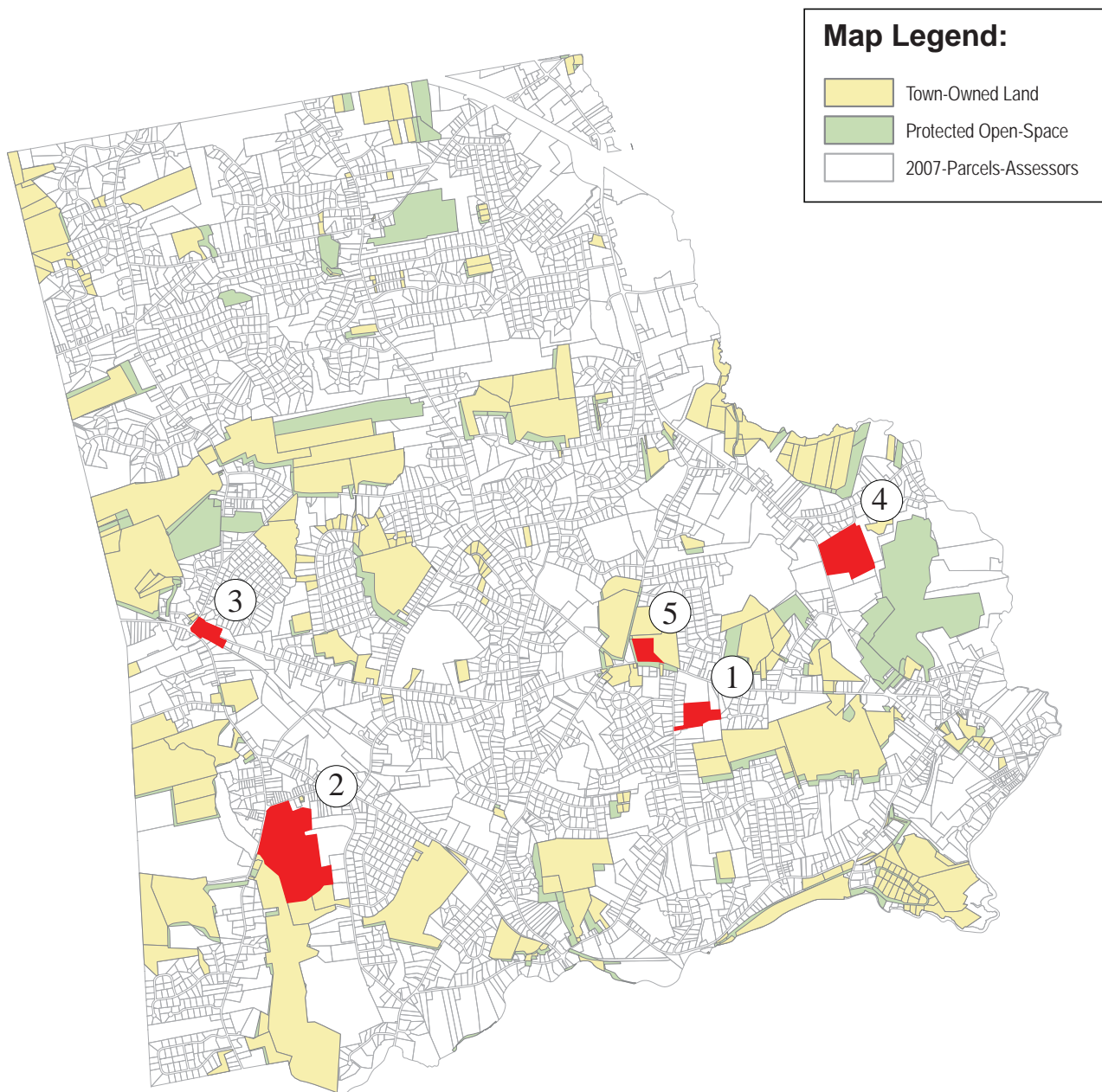
*Responsible Party:* Hanover Housing Authority with support from the proposed Housing Trust and Council on Aging.

*Resources Required:* The Town, through its Council on Aging, proposed Housing Trust, and Housing Authority should provide the necessary education and referrals to programs sponsored by South Shore Housing, South Shore Community Action Council, and MassHousing for example, which provide low-cost financing for repair needs including de-leading, septic systems and other home improvements. They can also pass on important information on financing options for long-term homeowners who are experiencing difficulties affording to remain in their homes.



# Development Scenarios Location Map

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## Location Key:

- 1 - Cluster Development: Legion Drive Property
- 2 - Starter Home Neighborhood: Fireworks District
- 3 - Mixed Use Village Center: West Hanover
- 4 - Mixed Use Rt. 53 Village: Starland Property
- 5 - Residential Conversion: Sylvester School

## Section 8

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### **Development Scenarios**

- 8.1 Cluster Development
- 8.2 Starter Home Neighborhood
- 8.3 Mixed Use Village Center
- 8.4 Mixed Use Rt. 53 Village
- 8.5 Conversion to Residential

The five conceptual development scenarios that follow suggest approaches to affordable housing planning and design that contribute to other valuable Hanover goals as well. They protect and define public open spaces, facilitate remediation of industrial land, reinforce Hanover's traditional village centers, help create walkable neighborhoods, and preserve historic buildings. Although these approaches are illustrated on specific properties they are intended as general guidelines that could apply to a variety of sites.

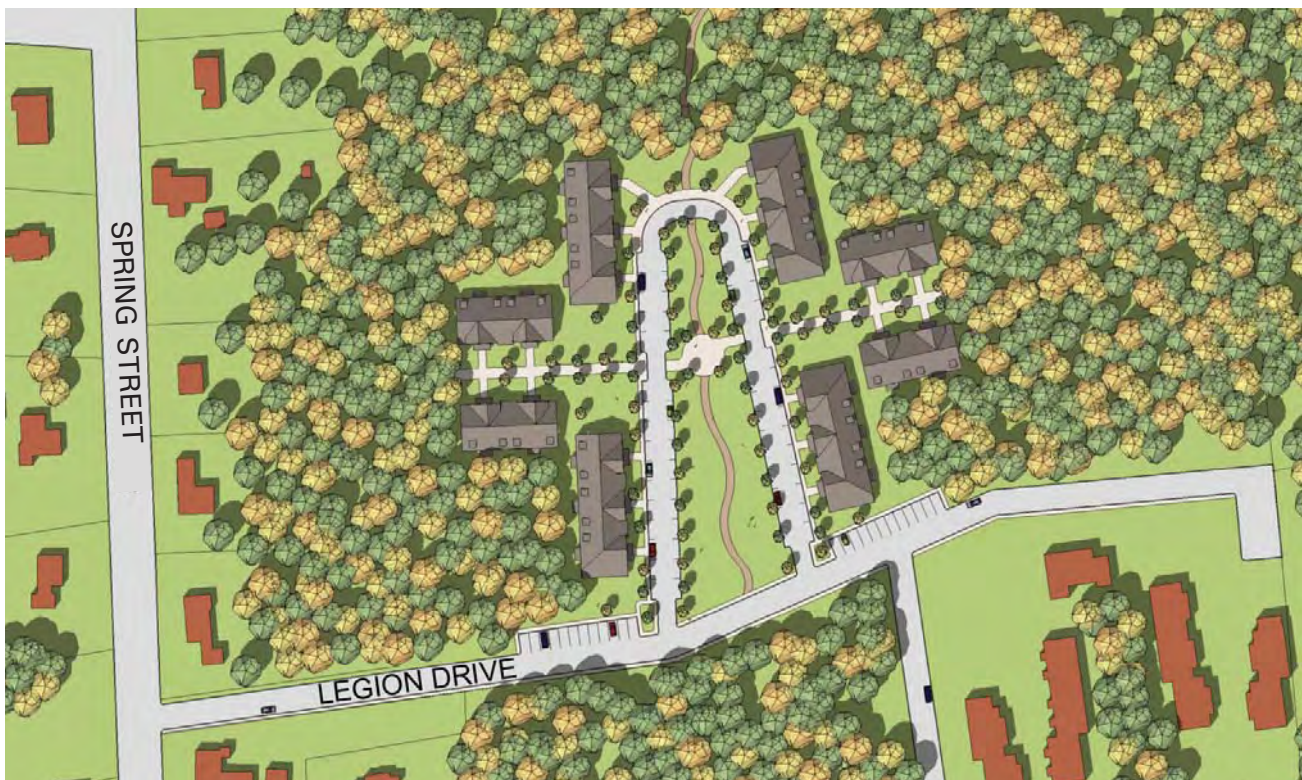
Many of these development scenarios would require relief from current zoning. Existing bylaws not only makes production of affordable housing more difficult, but prevent the creation of mixed use, clustered, and pedestrian-friendly "smart growth" neighborhoods that can reinforce the character of Hanover. "Action plan" items listed on the following pages reference zoning changes and other Housing Plan proposals described in section 7.



## Cluster Development



This housing authority owned site is cut off from Spring Street and the surrounding neighborhood.



Clustering of apartments around a green provides a focus for this community while preserving the woodlands.





The building massing gives a presence to individual apartments while providing the economy of multi-family buildings.

**Site:** Wooded property owned or available to the Hanover Housing Authority adjacent to an existing senior development off Legion Drive. 9 acres.

**Program:** Senior housing  
8 apartments per acre, 72 affordable apartments total  
86 parking spaces

**Goals:** Making affordable housing development and open space preservation work together for the community.



## Cluster Development

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Generous sidewalks, front porches, and bays help create a sense of community.



Parallel parking along the street minimizes the amount of paving required, allowing the shared green to dominate the development.



**Design:** 2 story apartment buildings are organized around a linear park-like space with curbside parking on both sides of the streets that surround it. Pedestrian walkways at right angles to the linear park connect to additional buildings. This walkway can be a fire lane for emergency and moving van access.

Each apartment has its own front and rear entry including upstairs apartments that are paired around stairs. Rear entries look out onto the woods that remain intact except where clearing is required. Walking paths connect to the existing senior development and through the woods to Rockland Street.

**Precedents:** Housing throughout New England is often clustered around greens to create a sense of community. This proposal is modeled on Longfellow Park in Cambridge and the Woodstock, Vermont green.

**Action Plan:**

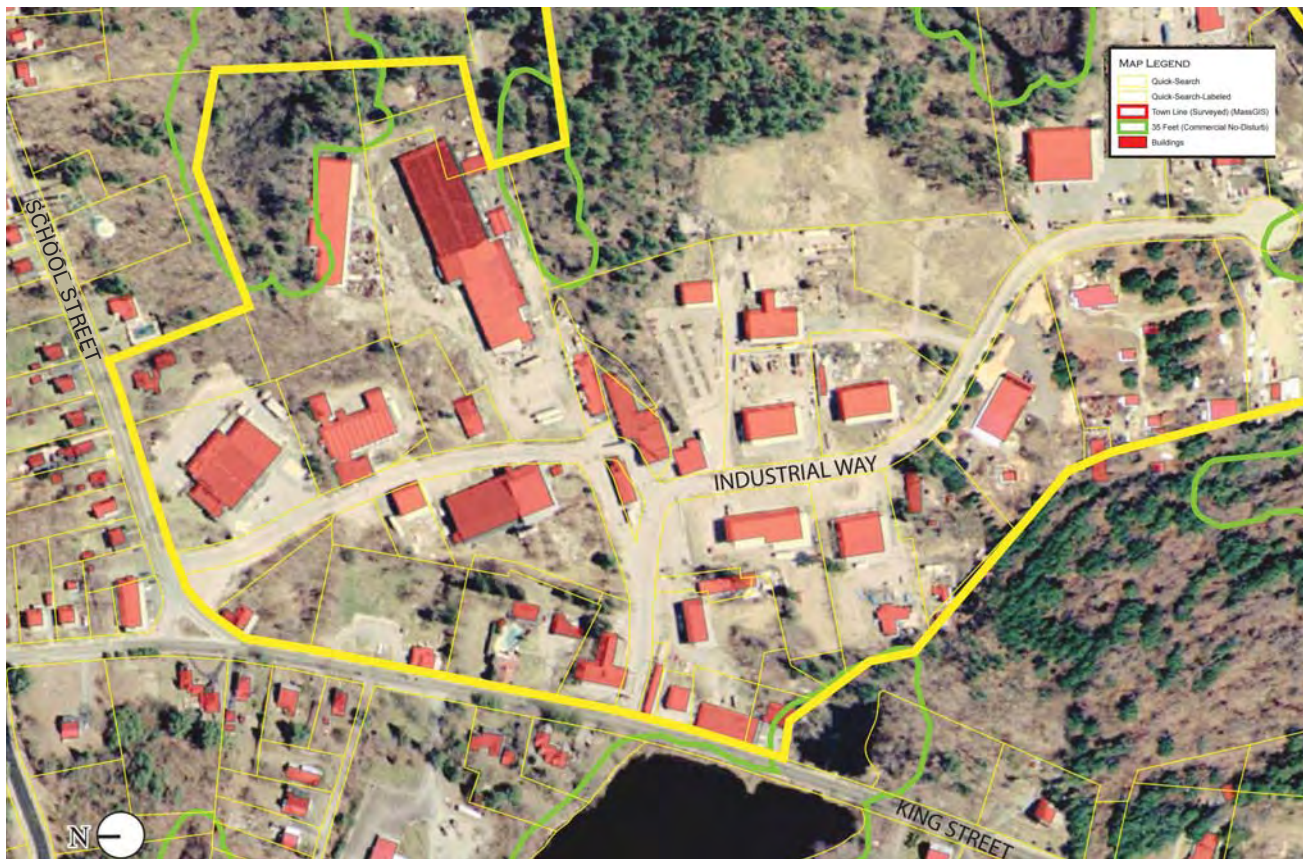
- 7.2.5 – Adopt affordable housing guidelines.
- 7.2.8 – Adopt Open Space Residential Development bylaw
- 7.2.9 – Allow residential development under more conditions.
- 7.3.1 – Make suitable publicly owned land available for affordable housing.



Village greens, such as this one in Woodstock, Vermont, are an appropriate model for development in Hanover.



## Starter Home Development



Industrial properties can be redeveloped for residential use although environmental remediation may be required.



Quarter acre lots allow a substantial buildout while preserving open space, either as parks or untouched woodland, maintaining Hanover's rural character.





A grid of streets helps tie this neighborhood together and can connect it to local retail, community open space, and woods beyond.

**Site:** Industrial properties adjacent to King St. Privately owned. 63.2 acres total.

**Program:** Single Family houses.  
97 houses, two car detached garage for each house.  
29.8 acres open space – wetlands and linear park.  
33.4 acres streets and house lots

**Goals:** Create affordable single family housing by keeping lots small while offering attractive amenities for the whole community and preserving open space.

## Starter Home Development

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With garages tucked behind houses, porches can dominate the pedestrian landscape.



A central green provides shaded open space while the small lot size keeps houses affordable.



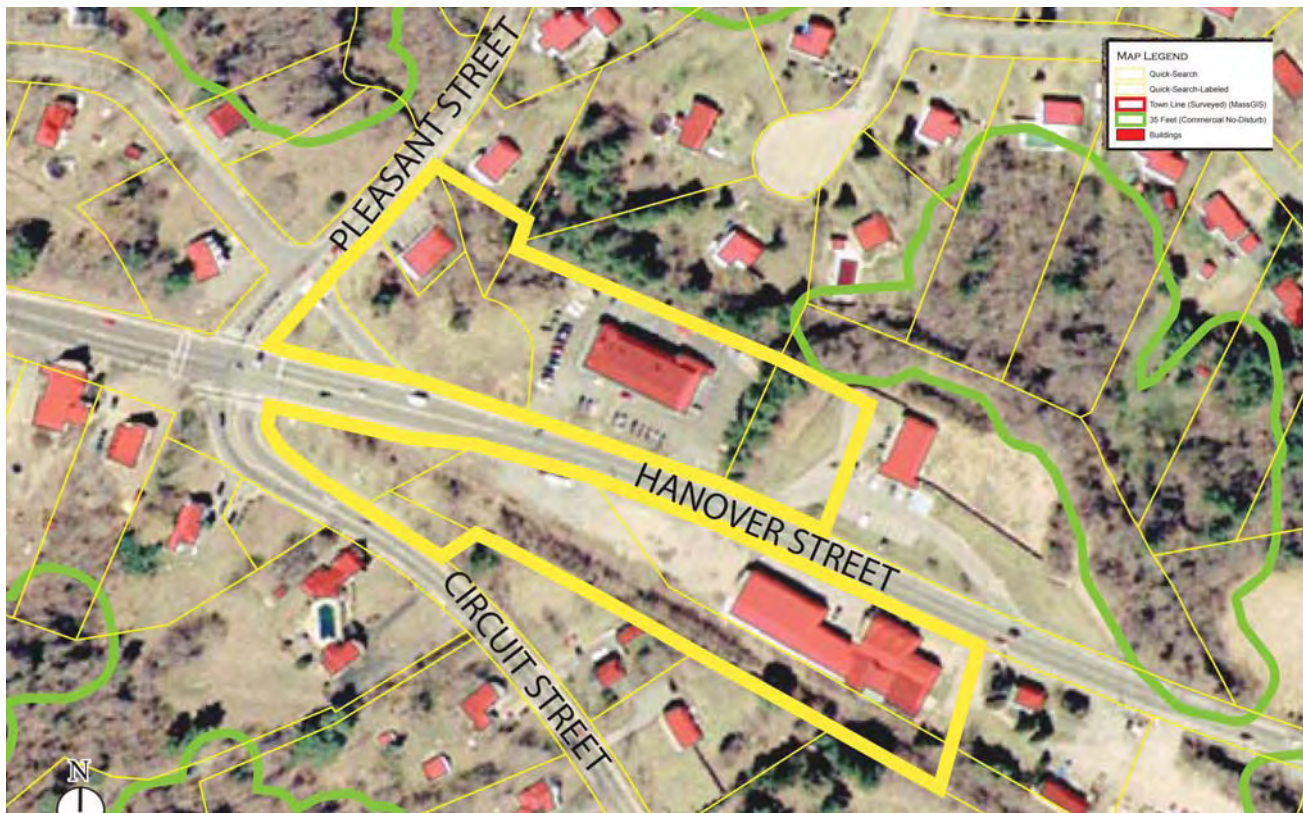
- Design:** The property is divided into a traditional grid of streets that connect to King Street at several different points. The developed area is ringed by wetlands that are left in a natural state. The development is wrapped around a linear park that looks out on Forge Pond. A site for neighborhood retail sits off the park at King Street.
- House lots are each about a quarter acre. Garages are in the rear and are accessed off a driveway shared with a next door neighbor or an alley behind. This minimizes curb cuts and allows houses to address the street.
- Precedents:** 75' frontage/quarter acre "starter home" lots were not uncommon until recently in Hanover. School Street is lined with this kind of development, creating a close knit sense of community. A central green and woodland buffers are also typical to New England.
- Action Plan:**
- 7.2.1 – Adopt inclusionary zoning.
  - 7.2.5 – Adopt affordable housing guidelines.
  - 7.2.7 – Allow "starter homes" on noncomplying lots.
  - 7.2.8 – Adopt Open Space Residential Development bylaw
  - 7.2.9 – Allow residential development under more conditions.
  - 7.3.5 – Support new infill housing.



New neighborhoods don't have to replicate traditional architecture if the planning creates a comfortable pedestrian scale that isn't dominated by cars.



## Mixed Use Village Center



West Hanover was once a village center. It is now just the intersection of a couple of roads.



New multi-use development can provide a focus for the area, restoring the village character.





Housing over retail uses land effectively, helping to keep prices down.

**Site:** Intersection of Hanover, Circuit and Pleasant Streets. Current uses included abandoned industrial, and strip retail with single family houses nearby. Some are converted to multi-family and retail uses. All parcels privately owned. 5.66 acres in two parcels flanking Hanover Street.

**Program:** Village center with housing over retail.  
38,000 square feet commercial space.  
63 apartments or condominiums – minimum 25% affordable.  
215 parking spaces.

**Goals:** Create traditional patterns of village development to provide amenities for the entire Hanover community while offering opportunities for affordable housing development.

## Mixed Use Village Center

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**Design:** Three buildings define the intersection establishing a traditional village center. Parallel parking along Hanover Street provides convenience and slows down traffic; small parking lots are located between buildings and behind. Retail and commercial uses occupy the first floors of buildings with two stories of residential along double loaded corridors up above.

The site is laid out to separate commercial parking and entries, residential parking and entries, and service, which is located behind the buildings. Nearby houses can be renovated to upgrade their retail and residential spaces with new curbside parking added.

**Precedents:** Four Corners is typical of the village centers that once dotted Hanover and surrounding communities, accommodating both affordable residential and commercial uses. This proposal is based on an updated version of this prototype, meeting current standards for parking, services, and retail appropriate for the local market.

**Action Plan:**

- 7.2.1 – Adopt inclusionary zoning.
- 7.2.5 – Adopt affordable housing guidelines.
- 7.2.6 – Revise Village Planned Unit Development bylaw.
- 7.2.9 – Allow residential development under more conditions.
- 7.2.10 – Explore use of Chapter 40R and 40S
- 7.3.4 – Promote mixed use development.
- 7.3.5 – Support new infill housing.



Residential development help support retail uses while the retail creates a convenient village character for young people and empty nesters.





Neighborhood retail development encourages walking and community activities.



Residential uses can have their own parking and entries apart from stores and cafes.



## Mixed Use Rt. 53 Village



Retail uses are appropriate along Washington Street, a heavily used commercial strip.



Residential can be combined with retail development to increase affordability through efficient land use. Two townhouse clusters are shown behind a small shopping center.





Effective site planning can create a pedestrian village character while accommodating automobile traffic and contemporary design.

- Site:** The "Starland" properties on Washington St. Currently used for recreation. Privately owned. 26.5 acres total. 7.87 acres wetland.
- Program:** Neighborhood shopping center with residential behind.  
 76,000 square feet of commercial space.  
 100 housing units, minimum 25% affordable.  
 440 parking spaces.
- Goals:** Accommodate both commercial and affordable residential development at high enough densities and at an appropriate scale to create a sense of "village" life.



The development steps down the hillside, giving a separate identity to commercial on the left, and townhouses on the right.

## Mixed Use Rt. 53 Village

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**Design:** A small shopping center engages Washington Street and helps create a village center character. Two clusters of housing sit behind it in two buildable areas between wetlands. The clusters open up towards Washington St. to connect them to the fabric of the town. Parking, loading, commercial areas and residential areas are separated enough to be clearly defined zones.

Three stories of flats line a street immediately behind the commercial development. Two townhouses surround the greens further back on the property.

**Precedents:** Until recently small town residential and commercial areas were close to one another. Although Washington Street is not a traditional downtown environment, commercial development can be shaped to accommodate residential uses and affordable housing.

**Action Plan:**

- 7.2.1 – Adopt inclusionary zoning.
- 7.2.5 – Adopt affordable housing guidelines.
- 7.2.6 – Revise Village Planned Unit Development bylaw.
- 7.2.9 – Allow residential development under more conditions.
- 7.2.10 – Explore use of Chapter 40R and 40S
- 7.3.4 – Promote mixed use development.
- 7.3.5 – Support new infill housing.



Retail and residential uses have historically worked together in New England.





Townhouses can provide contemporary amenities while creating a village character.



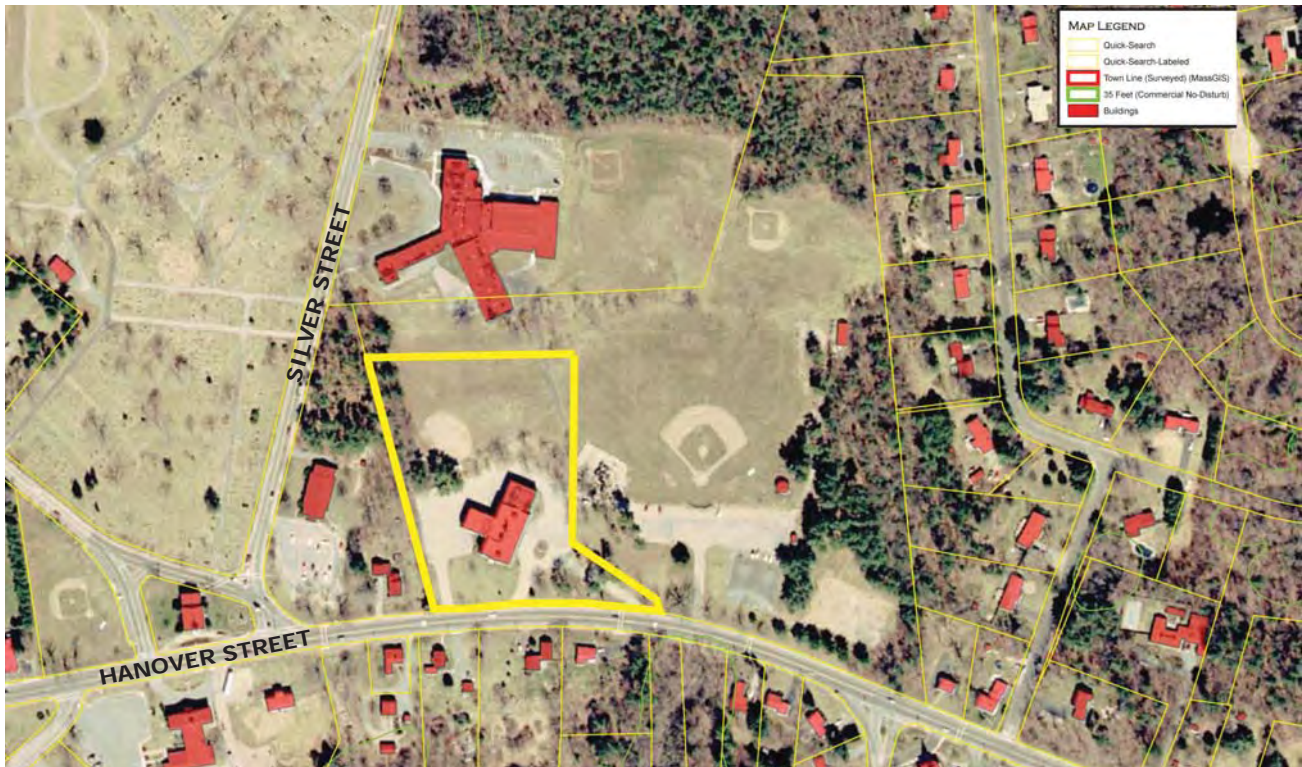
Proximity to retail is an asset to residential development.



Retail and residential uses can be in close proximity and still maintain a sense of separation.



## Residential Conversion



The Sylvester School is located very close to Hanover Center.



As demographics change and new schools are built, Sylvester School could be converted to housing.



Site:	Sylvester School – after anticipated decommissioning
Program:	30 Condominiums or apartments, 10 units per floor on first and second floor. 10 additional units in lower level, on stepped back floor added on roof, or in new wing behind existing building.
Goals:	By preserving and adapting the existing architecture needed housing can be obtained at lower cost than large-lot single family construction while reinforcing the importance of already built-up areas as part of a “smart-growth” strategy.
Design:	The existing masonry construction is preserved, insuring the viability of the historic architecture. 10 units per floor are built out within the existing masonry shell. Ten more units can be located in the basement by building up the floor and lowering grade, on the rooftop with a penthouse pulled back from the existing masonry to minimize its visibility, or in a wing behind the building.
Precedents:	Decommissioned schools throughout the country are being converted to residential use. Finding new uses for old buildings preserves the integrity of existing neighborhoods.
Action Plan:	<p>7.2.1 – Adopt inclusionary zoning.</p> <p>7.2.5 – Adopt affordable housing guidelines.</p> <p>7.2.9 – Allow residential development under more conditions.</p> <p>7.3.1 – Make suitable publicly owned land available for affordable housing.</p> <p>7.3.3 - Pursue adaptive reuse.</p> <p>7.3.5 – Support new infill housing.</p>



Existing floors can accommodate 10 units; new well-designed additions can provide more housing units while still preserving historic facades.





## Section 9

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### Description of Use Restrictions

**Appendix 1** Summary Public Forums

**Appendix 2** Summary of Housing Action Plan

**Appendix 3** Summary of Housing Regulations and Resources

**Appendix 4** Glossary of Housing Terms

**Appendix 5** Sample Affordable Housing Guidelines

**Appendix 6** Local and Regional Organizations

## 9. DESCRIPTION OF USE RESTRICTIONS

As has been indicated in various sections of this Housing Plan, the Town of Hanover is committed to maintaining its Subsidized Housing Inventory for as long a period as possible. Affordable units must serve households with incomes no greater than 80% of the area median income. Units must be subject to use restrictions or re-sale controls to preserve their affordability as follows:

- For minimum of thirty years or longer from the date of subsidy approval or construction for new construction.
- For a minimum of fifteen years or longer from the date of subsidy approval or completion for rehabilitation.
- Alternatively, a term of perpetuity is encouraged for both new construction and completion of rehabilitation and is required for new homeownership projects.

Units are or will be subject to an executed Regulatory Agreement between the developer and the subsidizing agency unless the subsidy program does not require such an agreement. The units have been, or will be marketed in a fair and open process consistent with state and federal fair housing laws. The state now has a model deed rider for participants in its Local Initiative Program (LIP) and that can be adapted to other programs as well.

The annual recertification in the case of rental agreements should be the responsibility of the project sponsor who must report annually to a housing entity approved by the Town, perhaps the Housing Authority staffed by the proposed Assistant Town Planner or other designated municipal employee. All LIP developments, rental or ownership, are now monitored by DHCD, but the Town will be responsible for some monitoring activities as described in the introduction to the Housing Action Plan, Section 7. The responsibility for monitoring other projects will be performed by a monitoring agent that is acceptable to the subsidizing agency if the project is not processed through LIP.

## APPENDIX 1

### Summary Results from Public Forums

#### July 18, 2007

The first public forum was held on July 18, 2007, to provide an initial discussion regarding the planning process, to present the highlights of the Housing Needs Assessment, and to get early input from the community at large on a range of housing-related issues. The agenda for the evening included:

- Open with welcome and introductions.
- PowerPoint presentation on what affordable housing is, who it is for, planned production requirements, some prototypical visual representations of various affordable housing developments as well as some prototypical illustrations of various levels of density and design orientations.
- Discussion on specific questions such as:
  - What are your greatest *concerns* about housing development in Hanover?
  - What do you think are the most important *actions* for the Town to take in the next few years regarding housing?
  - What do you think are the greatest *obstacles to those actions* being taken?
  - What do you think affordable housing should look like, or not look like, and where should it be located, or not located?

The Consultants facilitated the discussion and recorded the comments on flip charts.

Following the general discussion, all present were asked to vote on the actions or those concerns or obstacles that they thought were particularly noteworthy or compelling. Each participant was given six green “positive” sticky dots to place as “votes” wherever they wished, and depending upon their preferences could place all six red dots on one item or spread them between items denoting the extent of their interest. Participants were also given two red “negative” dots to record strong opposition to one or two particular actions, concerns or challenges. The range of comments and votes are presented below.

#### Summary of Voting Results July 18, 2007 Public Forum

ISSUE	Number of Green Positive Dots	Number of Red Negative Dots
<b>Challenges/Obstacles to Development of Affordable Housing</b>		
High cost of land	2	
Large minimum lot sizes		
Not to disrupt local character	2	
Level of available local revenue/funds	4	
Incomes of seniors to afford housing	1	
Provide sufficient incentives for developers	2	
<b>Concerns about Developing Affordable Housing</b>		
Losing quality of life in villages	2	

Chapter 40B		
Can't satisfy all groups of people on the issue of affordable housing		
Rental versus ownership		
Don't lose community character	5	
Is there interest in living over retail space in pursuit of mixed-use development?	1	
What can Hanover afford to produce?		
Need to meet local needs, not just the 10% affordability goal	1	
Need to be proactive as a town	3	
Need to appropriately fit the Affordable Housing Plan into the Master Plan	3	
Isolate affordable housing in far-off places		4
All progressive developments have originated from developers	3	1
Density in Four Corners; neighborhood is already overburdened		3
Affordable housing is a social issue	3	
Reduce bureaucracy on developing land to decrease costs		3
Do not sell-off Town-owned land; maintain as open space	10	1
<b>Actions to Promote Affordable Housing</b>		
Rental housing in mixed-use development	13	
Starter housing (first-time homebuyers)	4	
Housing for empty nesters	12	1
Mixed-income community development	5	
Infill development	1	
Inclusionary zoning	16	3
Inventory of accessory apartments and convert to affordable	6	
Convert existing housing to affordability	10	1
Convey and develop Town-owned land	11	17
Convert schools to housing	12	4
Cluster development	4	2
Development of nonconforming lots	4	
Development on Housing Authority land	4	

The Consultants then offered a wrap-up of the voting process with a review of the results and a summary of next steps. There was clear support from forum participants for mixed-use development, housing for empty nesters, inclusionary zoning, the conversion of existing housing to affordability, and the conversion of schools for residential use. There was significant opposition to conveying Town-owned land for housing development and interest in maintaining it as open space, however, there was also substantial support for this strategy as well. Residents were also concerned that any development should not jeopardize the community's character.

APPENDIX 2  
Summary of Housing Actions

Actions	Priority for Implementation		# Affordable Units	Responsible Party**
	Two-Year Plan	Five-Year Plan		
<b>Build Local Capacity</b>				
1. Establish Municipal Affordable Housing Trust	X		*	BOS
2. Hire Assistant Town Planner	X		*	BOS/PB
3. Access housing resources	X		*	BOS/HHA/HT
4. Conduct ongoing educational campaign	X		*	HHA/HT
5. Create property inventory	X		*	HHA/HT/PB
6. Establish annual housing summits	X		*	HHA/HT
7. Encourage training for board and committee members	X		*	BOS
<b>Planning and Regulatory Reform</b>				
1. Adopt inclusionary zoning	X		4	PB
2. Amend accessory apartment bylaw	X		*	PB
3. Pursue tax title properties	X		*	BOS/HHA/ Town Treasurer
4. Change permit fee policies	X		*	HHA/BOS
5. Adopt Housing Guidelines/ <b>other private development</b>		X	61	PB/HHA
6. Revise Village PUD bylaw	X		*	PB
7. Allow starter housing on nonconforming lots		X	*	PB
8. Adopt OSRD bylaw		X	*	PB
9. Allow residential development under more conditions		X	*	PB
8. Explore use of 40R/40S		X	9	PB/HHA
<b>Housing Production</b>				
1. Make suitable public land available for affordable housing	X		44	HHA
2. Implement Affordable Deed Restriction Pilot Program	X		8	HHA
3. Pursue adaptive re-use	X		15	HHA
4. Promote mixed-use development		X	8	HHA
5. Support new infill housing		X	7	HHA

<b>Housing Preservation</b>				
1. Insure long-term affordability	X		*	HHA
2. Help qualifying homeowners access housing assistance	X		*	HHA/COA

*\* Indicates actions for which units are counted under other specific housing production strategies, have an indirect impact on production, or do not add to the Subsidized Housing Inventory.*

**\*\*Abbreviations**

Board of Selectmen = BOS

Hanover Housing Authority = HHA

Planning Board = PB

Proposed Housing Trust = HT

Council on Aging = COA

## APPENDIX 3

### Summary of Housing Regulations and Resources

#### I. SUMMARY OF HOUSING REGULATIONS

##### A. Chapter 40B Comprehensive Permit Law

The Massachusetts Comprehensive Permit Law, Chapter 40B Sections 20-23 of the General Laws, was enacted as Chapter 774 of the Acts of 1969 to encourage the construction of affordable housing throughout the state, particularly outside of cities. Often referred to as the Anti-Snob Zoning Act, it requires all communities to use a streamlined review process through the local Zoning Board of Appeals for “comprehensive permits” submitted by developers for projects proposing zoning and other regulatory waivers and incorporating affordable housing for at least 25% of the units. Only one application is submitted to the ZBA instead of separate permit applications that are typically required by a number of local departments as part of the normal development process. Here the ZBA takes the lead and consults with the other relevant departments (e.g., building department, planning department, highway department, fire department, sanitation department, etc.) on a single application. The Conservation Commission retains jurisdiction under the Wetlands Protection Act and Department of Environmental Protection, the Building Inspector applies the state building code, and the Board of Health enforces Title V.

For a development to qualify under Chapter 40B, it must meet all of the following requirements:

- Must be part of a “subsidized” development built by a public agency, non-profit organization, or limited dividend corporation.
- At least 25% of the units in the development must be income restricted to households with incomes at or below 80% of area median income and have rents or sales prices restricted to affordable levels income levels defined each year by the U.S. Department of Housing and Urban Development.
- Restrictions must run for minimum of 30 years or longer for new construction or for a minimum of 15 years or longer for rehabilitation. Alternatively, the project can provide 20% of the units to households below 50% of area median income. Now new homeownership must have deed restrictions that extend in perpetuity.
- Development must be subject to a regulatory agreement and monitored by a public agency or non-profit organization.
- Project sponsors must meet affirmative marketing requirements.

Towns are allowed to set-aside up to 70% of the affordable units available in a 40B development for those who have a connection to the community as defined by the municipality. Hanover has defined this community preference as current residents, past graduates of the Town’s school system, parents of current residents and current municipal employees.

While there are ongoing discussions regarding how the state should count the affordable units for the purpose of determining whether a community has met the 10% goal, in a rental project if the subsidy applies to the entire project, all units are counted towards the state standard. For homeownership projects, only the units made affordable to those households earning within 80% of median income can be attributed to the affordable housing inventory.

There are up to three stages in the 40B process – the project eligibility stage, the application stage, and at times the appeals stage. First, the applicant must apply for eligibility of a proposed 40B project from a subsidizing agency. Under Chapter 40B, subsidized housing is not limited exclusively to housing receiving direct public subsidies but also applies to privately-financed projects receiving technical assistance from the State through its Local Initiative Program (LIP) or through MassHousing (Housing Starts Program), Federal Home Loan Bank Board (New England Fund), MassDevelopment, and Massachusetts Housing Partnership Fund. The subsidizing agency then forwards the application to the local Board of Selectmen for a 30-day comment period. The Board of Selectmen solicits comments from Town officials and other boards and based on their review the subsidizing agency typically issues a project eligibility letter. Alternatively, a developer may approach the Board of Selectmen for their endorsement of the project, and they can make a joint application to DHCD for certification under the Local Initiative Program (for more information see description in Section I.E below).

The next stage in the comprehensive permit process is the application phase including pre-hearing activities such as adopting rules before the application is submitted, setting the application fee high enough to cover administrative costs, providing for technical “peer review” fees, establishing a process for selecting technical consultants, and setting forth minimum application submission requirements. Failure to open a public hearing within 30 days of filing an application can result in constructive approval. The public hearing is the most critical part of the whole application process. Here is the chance for the Zoning Board of Appeals’ consultants to analyze existing site conditions, advise the ZBA on the capacity of the site to handle the proposed type of development, and to recommend alternative development designs. Here is where the ZBA gets the advice of experts on unfamiliar matters – called peer review.

Another important component of the public hearing process is the project economic analysis that determines whether conditions imposed and waivers denied would render the project “uneconomic”. The burden of proof is on the applicant, who must prove that it is impossible to proceed and still realize a reasonable return, which cannot be more than 20%. Another part of the public hearing process is the engineering review. The ZBA directs its consultants to analyze the consistency of the project with local bylaws and regulations and to examine the feasibility of alternative designs.

After the public hearing is closed, the ZBA must set-aside at least two sessions for deliberations within 40 days of the close of the hearing. These deliberations can result in either approval, approval with conditions, or denial.

If the process heads into the third stage – the appeals process – the burden is on the ZBA to demonstrate that the denial is consistent with local needs, meaning the public health and safety and environmental concerns outweigh the regional need for housing. If a local ZBA denies the permit, a state Housing Appeals Committee (HAC) can overrule the local decision if less than 10% of the locality’s year round housing stock has been subsidized for households earning less than 80% of median income, if the locality cannot demonstrate health and safety reasons for the denial that cannot be mitigated, or if the community has not met planned production goals based on an approved plan. The HAC has upheld the developer in the vast majority of the cases, but in most instances promotes negotiation and compromise between the developer and locality. In its 30-year history, only a handful of denials have been upheld on appeal. The HAC cannot issue a permit, but may only order the ZBA to issue one. Also, any aggrieved person, except the applicant, may appeal to the Superior Court or Land Court, but even for abutters, establishing “standing” in court is an uphill battle. Appeals from approvals are often filed to force a delay in commencing a project, but the appeal must demonstrate “legal error” in the decision of the ZBA or HAC.



## B. Planned Production Regulations

The Massachusetts Department of Housing and Community Development (DHCD) is administering the Planned Production Program in accordance with regulations that enable cities and towns to do the following:

- Prepare and adopt an affordable housing plan that demonstrates production of an increase of .75% over one year or 1.5% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory (33 units and 67 units, respectively, for Hanover until the new census figures are available in 2011) for *approval* by DHCD.<sup>41</sup>
- Request *certification* of compliance with the plan by demonstrating production of at least the number of units indicated above.
- Through local ZBA action, deny a comprehensive permit application during the period of certified compliance, which is 12 months following submission of the production documentation to DHCD, or 24 months if the 1.5% threshold is met.

For the plan to be acceptable to DHCD it must meet the following requirements:

- Include a comprehensive housing needs assessment to establish the context for municipal action.
- Address a mix of housing consistent with identified needs and market conditions.
- Include a description of use restrictions.
- Address at least one of the following strategies including -
- Identification of geographic areas in which land use regulations will be modified to accomplish affordable housing production goals.
- Identification of specific sites on which comprehensive permit applications will be encouraged.
- Preferable characteristics of residential development such as infill housing, clustered areas, and compact development.
- Municipally owned parcels for which development proposals will be sought.

## C. Chapter 40R/40S

In 2004, the State Legislature approved a new zoning tool for communities in recognition that escalating housing prices, now beyond the reach of increasing numbers of state residents, are causing graduates from area institutions of higher learning to relocate to other areas of the country in search of greater affordability. The Commonwealth Housing Task Force, in concert with other organizations and institutions, developed a series of recommendations, most of which were enacted by the State Legislature as Chapter 40R of the Massachusetts General Laws. The key components of these regulations are that “the state provide financial and other incentives to local communities that pass Smart Growth Overlay Zoning Districts that allow the building of single-family homes on smaller lots and the construction of apartments for families at all income levels, and the state increase its commitment to fund affordable housing for families of low and moderate income”.<sup>42</sup>

The statute defines 40R as “a principle of land development that emphasizes mixing land uses, increases the availability of affordable housing by creating a range of housing opportunities in neighborhoods, takes advantage of compact design, fosters distinctive and attractive communities, preserves opens space,

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<sup>41</sup> Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

<sup>42</sup> Edward Carman, Barry Bluestone, and Eleanor White for The Commonwealth Housing Task Force, “A Housing Strategy for Smart Growth and Economic Development: Executive Summary”, October 30, 2003, p. 3.

farmland, natural beauty and critical environmental areas, strengthens existing communities, provides a variety of transportation choices, makes development decisions predictable, fair and cost effective and encourages community and stakeholder collaboration in development decisions.”<sup>43</sup> The key components of 40R include:

- Allows local option to adopt Overlay Districts near transit, areas of concentrated development, commercial districts, rural village districts, and other suitable locations;
- Allows “as-of-right” residential development of minimum allowable densities;
- Provides that 20% of the units be affordable;
- Promotes mixed-use and infill development;
- Provides two types of payments to municipalities; and
- Encourages open space and protects historic districts.

The incentives prescribed by the Task Force and passed by the Legislature include an incentive payment upon the passage of the Overlay District based on the number of projected housing units as follows:

Incentive Payments	
<i>Incentive Units</i>	<b>Payments</b>
Up to 20	\$10,000
21-100	\$75,000
101-200	\$200,000
210-500	\$350,000
501 or more	\$600,000

There are also density bonus payments of \$3,000 for each residential unit issued a building permit. To be eligible for these incentives the Overlay Districts need to allow mixed-use development and densities of 20 units per acre for apartment buildings, 12 units per acre for two and three-family homes, and at least eight units per acre for single-family homes. Communities with populations of less than 10,000 residents are eligible for a waiver of these density requirements, however significant hardship must be demonstrated. The Zoning Districts would also encourage housing development on vacant infill lots and in underutilized nonresidential buildings. The Task Force emphasizes that Planning Boards, which would enact the Zoning Districts, would be “able to ensure that what is built in the District is compatible with and reflects the character of the immediate neighborhood.”<sup>44</sup>

The principal benefits of 40R include:

- Expands a community’s planning efforts;
- Allows communities to address housing needs;
- Allows communities to direct growth;
- Can help communities meet planned production goals and 10% threshold under Chapter 40B;
- Can help identify preferred locations for 40B developments; and
- State incentive payments.

The formal steps involved in creating Overlay Districts are as follows:

<sup>43</sup> Massachusetts General Law, Chapter 40R, Section 11.

<sup>44</sup> “A Housing Strategy for Smart Growth and Economic Development: Executive Summary,” p. 4.

- The Town holds a public hearing as to whether to adopt an Overlay District per the requirements of 40R;
- The Town applies to DHCD prior to adopting the new zoning;
- DHCD reviews the application and issues a Letter of Eligibility if the new zoning satisfies the requirements of 40R;
- The Town adopts the new zoning through a two-thirds vote of Town Meeting subject to any modifications required by DHCD;
- The Town submits evidence of approval to DHCD upon the adoption of the new zoning; and
- DHCD issues a letter of approval, which indicates the number of incentive units and the amount of payment.

The state recently enacted Chapter 40S under the Massachusetts General Law that provides additional benefits through insurance to towns that build affordable housing under 40R that they would not be saddled with the extra school costs caused by school-aged children who might move into this new housing. This funding was initially included as part of 40R but was eliminated during the final stages of approval. In effect, 40S will hold those communities participating in 40R harmless from costs added to school budgets as a result of the 40R-related development.

#### D. Local Initiative Program (LIP) Guidelines

The Local Initiative Program (LIP) is a technical assistance subsidy program to facilitate Chapter 40B developments and locally produced affordable units. The general requirements of LIP include insuring that projects are consistent with sustainable or smart growth development principles as well as local housing needs. LIP recognizes that there is a critical need for all types of housing but encourages family and special needs housing in particular. Age-restricted housing (over 55) is allowed but the locality must demonstrate actual need and marketability. DHCD has the discretion to withhold approval of age-restricted housing if other such housing units within the community remain unbuilt or unsold or if the age-restricted units are unresponsive to the need for family housing within the context of other recent local housing efforts.

There are two types of LIP projects, those using the comprehensive permit process, the so-called “friendly” 40B’s, and Local Action Units, units where affordability is a result of some local action such as inclusionary zoning, Community Preservation funding, other regulatory requirements, a contractual agreement, etc.

Specific LIP requirements include the following by category:

##### Income and Assets

- Must be affordable to those earning at or below 80% of area median income adjusted by family size and annually by HUD (see Appendix 1 for most recent income limits). Applicants for affordable units must meet the program income limits in effect at the time they apply for the unit and must continue to meet income limits in effect when they actually purchase a unit.
- For rental projects the calculation of income includes an imputation of 5% of the value of total household assets that is added on to the income.
- For homeownership units, the household may not have owned a home within the past three years except for age-restricted “over 55” housing.

- For homeownership projects, assets may not be greater than \$50,000 except for age-restricted housing where the net equity from the ownership of a previous house cannot be more than \$200,000.
- Income and asset limits determine eligibility for lottery participation.

#### Allowable Sales Prices and Rents<sup>45</sup>

- Rents are calculated at what is affordable to a household earning 80% of area median income adjusted for family size, assuming they pay no more than 30% of their income on housing. Housing costs include rent and payments for heat, hot water, cooking fuel, and electric. If there is no municipal trash collection a trash removal allowance should be included. If utilities are separately metered and paid by the tenant, the LIP rent is reduced based on the area's utility allowance. Indicate on the DHCD application whether the proposed rent has been determined with the use of utility allowances for some or all utilities.
- Sales prices of LIP units are set so a household earning 70% of area median income would have to pay no more than 30% of their income for housing. Housing costs include mortgage principal and interest on a 30-year fixed term mortgage at 95% of purchase price, property taxes, condo fees<sup>46</sup>, private mortgage insurance (if putting less than 20% of purchase price down), and hazard insurance.
- The initial maximum sales price or rent is calculated as affordable to a household with a number of household members equal to the number of bedrooms plus one (for example a two-bedroom unit would be priced based on what a three-person household could afford).

#### Allowable Financing and Costs

- Allowable development costs include the "as is" value of the property based on existing zoning at the time of application for a project eligibility letter (initial application to DHCD). Carrying costs (i.e., property taxes, property insurance, interest payments on acquisitions financing, etc.) can be no more than 20% of the "as is" market value unless the carrying period exceeds 24 months. Reasonable carrying costs must be verified by the submission of documentation not within the exclusive control of the applicant.
- Appraisals are required except for small projects of 20 units or less at the request of the Board of Selectmen where the applicant for the LIP comprehensive permit submits satisfactory evidence of value.
- Profits are limited to no more than 20% of total allowable development costs in homeownership projects.
- In regard to rental developments, payment of fees and profits are limited to no more than 10% of total development costs net of profits and fees and any working capital or reserves intended for property operations. Beginning upon initial occupancy and then proceeding on an annual basis, annual dividend distributions will be limited to no more than 10% of the owner's equity in the project. Owner's equity is the difference between

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<sup>45</sup> DHCD has an electronic mechanism for calculating maximum sales prices on its website at [www.mass.gov/dhcd](http://www.mass.gov/dhcd).

<sup>46</sup> DHCD will review condo fee estimates and approve a maximum condo fee as part of the calculation of maximum sales price. The percentage interests assigned to the condo must conform to the approved condo fees and require a lower percentage interest assigned to the affordable units as opposed to the market rate ones. DHCD must review the Schedule of Beneficial Interests in the Master Deed to confirm that LIP units have been assigned percentage interests that correspond to the condo fees.

the appraised as-built value and the sum of any public equity and secured debt on the property.

- For LIP comprehensive permit projects, DHCD requires all developers to post a bond (or a letter of credit) with the municipality to guarantee the developer's obligations to provide a satisfactory cost certification upon completion of construction and to have any excess profits, beyond what is allowed, revert back to the municipality. The bond is discharged after DHCD has determined that the developer has appropriately complied with the profit limitations.
- No third party mortgages are allowed for homeownership units.

### Marketing and Outreach

- Marketing and outreach, including lottery administration in adherence with all Fair Housing laws.
- LIP requires that the lottery draw and rank households by size.
- A maximum of 70% of the units may be local preference units for those who have a connection to the community as defined by the community.
- The Marketing Plan must affirmatively provide outreach to area minority communities to notify them about availability of the unit(s).
- Marketing materials must be available/application process open for a period of at least 60 days.
- Marketing should begin about six (6) months before occupancy.
- Lottery must be held unless there are no more qualified applicants than units available.

### Regulatory Requirements

- The affordable units design, type, size, etc. must be the same as the market units and dispersed throughout the development.
- Units developed through LIP as affordable must be undistinguishable from market units as viewed from the exterior (unless the project has a DHCD-approved alternative development plan that is only granted under exceptional circumstances) and contain complete living facilities.
- For over 55 projects, only one household member must be 55 or older.
- Household size relationship to unit size is based on "households" = number of bedrooms plus one – i.e., a four-person household in a three-bedroom unit (important also for calculating purchase prices of the affordable units for which LIP has a formula as noted above).
- For homeownership units, must have deed restrictions for at least 15 years for housing rehabilitation and 30 years for new construction. For rental units, must have a regulatory agreement and monitoring agent to annually certify that the affordable units are occupied by those with incomes at or below 80% of area median income and pay no more than 30% of their income on housing expenses. Comprehensive permit projects and homeownership units now require deed restrictions in perpetuity.
- All affordable units for families must have at least two or more bedrooms and meet state sanitary codes and these minimum requirements –

1 bedroom – 700 square feet/1 bath  
2 bedrooms – 900 square feet/1 bath  
3 bedrooms – 1,200 square feet/ 1 ½ baths  
4 bedrooms – 1,400 square feet/2 baths

- LIP requires developers to secure third-party extended warranties for a minimum of five (5) years and this documentation is required prior to execution of the regulatory agreement.
- The Town must adhere to the appellate Tax Board's 1999 ruling that the restricted, below-market value of an affordable unit is the value that should be used for real estate tax purposes.

The process that is required for using LIP for 40B developments – “friendly” comprehensive permit projects – is largely developer driven. It is based on the understanding that the developer and Town are working together on a project that meets community needs. Minimum requirements include:

1. Written support of the municipality's chief elected official, the Board of Selectmen in the case of towns, and the local housing partnership, trust or other designated local housing entity.
2. At least 25% of the units must be affordable and occupied by households earning at or below 80% of area median income or at least 20% of units restricted to households at or below 50% of area median income.
3. Affordability restrictions must be in effect in perpetuity, to be monitored by DHCD through a recorded regulatory agreement.
4. Project sponsors must prepare and execute an affirmative fair marketing plan that must be approved by DHCD.
5. Developer's profits are restricted per Chapter 40B requirements.

The process that is required for using LIP for 40B developments – “friendly” comprehensive permit projects – is as follows:

1. Application process
  - Developer meets with Town
  - Developer and Town agree to proposal
  - Developer and Town submit proposal to DHCD
2. DHCD review involves the consideration of:
  - Sustainable development criteria (redevelop first, concentrate development, be fair, restore and enhance the environment, conserve natural resources, expand housing opportunities, provide transportation choice, increase job opportunities, foster sustainable businesses, and plan regionally),
  - Number and type of units,
  - Pricing of units to be affordable to households earning no more than 70% of area median income,
  - Affirmative marketing plan,
  - Financing, and
  - Site visit.
3. DHCD issues site eligibility letter that enables the developer to bring the proposal to the ZBA for processing the comprehensive permit.
4. Zoning Board of Appeals holds hearing
  - Developer and Town sign regulatory agreement to guarantee production of affordable units that includes the price of units and deed restriction in the case of homeownership and limits on rent



increases if a rental project. The deed restriction limits the profit upon resale and requires that the units be sold to another buyer meeting affordability criteria.

- Developer forms a limited dividend corporation that limits profits.
- The developer and Town sign a regulatory agreement.

5. Marketing

- Marketing plan must provide outreach to area minority communities to notify them about availability of the unit(s).
- Local preference is limited to those who live/work in the community with a maximum of 70% of the affordable units.
- Marketing materials must be available/application process open for a period of at least 60 days.
- Lottery must be held.

6. DHCD approval must include

- Marketing plan, lottery application, and lottery explanatory materials
- Regulatory agreement (DHCD is a signatory)
- Deed rider (Use standard LIP document)
- Purchase arrangements for each buyer.

As mentioned above, in addition to being used for “friendly” 40B projects, LIP can be used for counting those affordable units as part of a Town’s Subsidized Housing Inventory that are created as a result of some local action.

Following occupancy of the units, a Local Action Units application must be submitted to DHCD for the units to be counted as affordable. This application is on DHCD’s web site.

The contact person at DHCD is Erin Bettez of the LIP staff (phone: 617-573-1309; fax: 617-573-1330; email: [erin.bettez@state.ma.us](mailto:erin.bettez@state.ma.us)). For legal questions contact Elsa Campbell, Housing Specialist (phone: 617-573-1321; fax: 617-573-1330; email: [elsa.Campbell@state.ma.us](mailto:elsa.Campbell@state.ma.us)).

E. Commonwealth Capital<sup>47</sup>

The state established Commonwealth Capital as a policy that encourages communities to implement smart growth by utilizing the smart growth consistency of municipal land use regulations as part of the evaluation of proposals for state funding under a number of state capital spending programs. Those municipalities with higher scores, will be in a more competitive position for receiving state discretionary funding, not just for housing, but for other purposes including infrastructure, transportation, environment, economic development, etc. The state’s goal is to invest in projects that are consistent with the Office of Commonwealth Development’s Sustainable Development Principles that include:

1. Redevelop first;
2. Concentrate development;
3. Be fair;
4. Restore and enhance the environment;
5. Conserve natural resources;
6. Expand housing opportunities;
7. Provide transportation choice;
8. Increase job opportunities;

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<sup>47</sup> This program was created by the Romney administration and coordinated by the Office of Commonwealth Development. While OCD has been disbanded, applications are still being accepted

9. Foster sustainable businesses; and
10. Plan regionally.

Grant applicants to the programs listed above apply directly to each of the specific programs, but additionally, each municipality must apply annually to the state for a Commonwealth Capital score, which can be done electronically. The resulting score will be used for all Commonwealth Capital programs to which a community applies that year.

## II. SUMMARY OF HOUSING RESOURCES

Those programs that may be most appropriate to development activity in Hanover are described below.<sup>48</sup>

### A. Technical Assistance

#### 1. *Priority Development Fund*<sup>49</sup>

A relatively new state-funded initiative, the Priority Development Fund, provides planning assistance to municipalities for housing production. In June 2004, DHCD began making \$3 million available through this Fund on a first-come, first-served basis to encourage the new production of housing, especially mixed-income rental housing. PDF assistance supports a broad range of activities to help communities produce housing. Applications must demonstrate the community's serious long-term commitment and willingness to increase its housing supply in ways that are consistent with the Commonwealth's principles of sustainable development.

Eligible activities include community initiated activities and implementation activities associated with the production of housing on specific sites. Community initiated activities include but are not limited to:

Zoning activities that support the program objectives include:

- Incentive zoning provisions to increase underlying housing density;
- Smart Growth Zoning Overlay Districts;
- Inter- and intra-municipal Transferable Development Rights proposals;
- Zoning that promotes compact housing and development such as by right multi-family housing, accessory apartment units, clustered development, and inclusionary zoning;
- Zoning provisions authorizing live-and-work units, housing units for seasonal employees, mixed assisted living facilities and the conversion of large single-family structures, vacant mills, industrial buildings, commercial space, a school or other similar facilities, into multi-family developments; and
- Other innovative zoning approaches developed by and for an individual community.

Education and outreach efforts that support the program objectives include:

- Establishment of a local or regional affordable housing trust;
- Development of a plan of action for housing activities that will be undertaken with Community Preservation Act funds; and

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<sup>48</sup> Program information was gathered through agency brochures, agency program guidelines and application materials as well as the following resources: Verrilli, Ann. Housing Guidebook for Massachusetts. Produced by the Citizen's Housing and Planning Association, June 1999.

<sup>49</sup> Description taken from the state's program description.

- Efforts to build local support (grass-root education) necessary to achieve consensus or approval of local zoning initiatives.

Implementation activities associated with the production of housing in site-specific areas include but are not limited to:

- Identification of properties, site evaluation, land assembly and financial feasibility analysis; and
- Development of a Request for Proposal (RFP) for the disposition of land.

The PDF assistance is not available to serve as a substitute for pre-development assessment of alternative development scenarios for parcels already controlled by an identified private developer or to supplant municipal funds to pay staff salaries.

Eligible applicants consist of cities and towns within the Commonwealth. Municipalities may enter into third party agreements with consultants approved by DHCD, however only a municipality will be allowed to enter into a contract with MassHousing regarding the distribution of funds. Municipalities will be responsible for attesting that all funds have been expended for their intended purposes.

Joint applications involving two or more communities within a region or with similar housing challenges are strongly encouraged as a way to leverage limited resources, however, one municipality will be required to serve as the lead.

MassHousing and DHCD reserve the right to screen applications and to coordinate requests from communities seeking similar services. For example, rural communities may be more effectively served by an application for a shared consultant who can work with numerous towns to address zoning challenges that enhance housing production. Likewise, it may be more effective to support an application for a consultant to review model zoning bylaws or overlay districts with a number of interested communities with follow-up at the community level to support grassroots education, than it is to support the separate development of numerous zoning bylaws. Communities submitting multiple applications must prioritize their applications.

In exchange for the assistance, municipalities must agree to share the end product of the funded activities with DHCD and MassHousing and with other communities in the Commonwealth through reports, meetings, workshops, and to highlight these activities in print, on the web or other media outlets.

The agencies will focus the evaluation of applications to determine overall consistency with program goals and the principles of sustainable development. Applications will be evaluated based on:

- Eligibility of activity;
- Public support;
- Demonstrated need for funds;
- Likelihood activity will result in production of housing;
- Reasonableness of the timeline;
- Readiness to proceed with proposed project;
- Capacity to undertake activity;
- Cost estimates and understanding of the proposed project cost;
- Proposed activity having clearly defined benefits that will result in the production of housing; and
- Benefits being realized within a 2-3 year-timeframe.

Applications for funding will be accepted and evaluated on a rolling review basis. In order to deploy this assistance as effectively and efficiently as possible, or in the event the planning funds are oversubscribed,

communities that have relatively greater planning capacity and/or resources may be requested to provide some matching funds. Additional consideration and flexibility for the assistance will be made for communities with little or no planning staff capacity or resources.

Communities may apply to DHCD for assistance of up to \$50,000. The amount of funds awarded will be a reflection of the anticipated impact on housing production. DHCD and MassHousing reserve the right to designate proposals as “Initiatives of Exceptional Merit,” in order to increase the amount of assistance and scope of services for certain projects.

## *2. Peer to Peer Technical Assistance*

This state program utilizes the expertise and experience of local officials from one community to provide assistance to officials in another comparable community to share skills and knowledge on short-term problem solving or technical assistance projects related to community development and capacity building. Funding is provided through the Community Development Block Grant Program and is limited to grants of no more than \$1,000, providing up to 30 hours of technical assistance.

Applications are accepted on a continuous basis, but funding is limited. To apply, a municipality must provide DHCD with a brief written description of the problem or issue, the technical assistance needed and documentation of a vote of the Board of Selectmen or letter from the Town Administrator supporting the request for a peer. Communities may propose a local official from another community to serve as the peer or ask DHCD for a referral. If DHCD approves the request and once the peer is recruited, DHCD will enter into a contract for services with the municipality. When the work is completed to the municipality’s satisfaction, the Town must prepare a final report, submit it to DHCD, and request reimbursement for the peer.

## *3. MHP Intensive Community Support Team*

The Massachusetts Housing Partnership Fund is a quasi-public agency that offers a wide range of technical and financial resources to support affordable housing. The Intensive Community Support Team provides sustained, in-depth assistance to support the development of affordable housing. Focusing on housing production, the Team helps local advocates move a project from the conceptual phase through construction, bringing expertise and shared lessons from other parts of the state. The team can also provide guidance on project finance. Those communities, which are interested in this initiative, should contact the MHP Fund directly for more information.

## *4. MHP Chapter 40B Technical Assistance Program*

Working with DHCD, MHP launched this program in 1999 to provide technical assistance to those communities needing assistance in reviewing comprehensive permit applications. The Program offers up to \$10,000 in third-party technical assistance to enable communities to hire consultants to help them review Chapter 40B applications. Those communities that are interested in this initiative should contact the MHP Fund directly for more information.

MHP recently announced new guidelines to help cities and towns review housing development proposals under Chapter 40B including:

- State housing agencies will now appraise and establish the land value of 40B sites before issuing project eligibility letters.
- State will put standards in place for determining when permit conditions make a 40B development “uneconomic”.

- There will be set guidelines on determining related-party transactions, i.e., when a developer may also have a role as contractor or realtor.
- Advice on how to identify the most important issues early and communicate them to the developer, how informal work sessions can be effective, and how to make decisions that are unlikely to be overturned in court.

## 5. *Smart Growth Technical Assistance Grants*

The state recently announced the availability of *Smart Growth Technical Assistance Grants* from the Executive Office of Environmental Affairs that provides up to \$30,000 per community to implement smart growth zoning changes and other activities that will improve sustainable development practices and increase scores on the Commonwealth Capital application. Eligible activities include:

- Zoning changes that implement planning recommendations;
- Development of mixed-use zoning districts;
- Completion of Brownfields inventory or site planning;
- Implementation of stormwater BMPs;
- Completion of Open Space Residential Design bylaws/ordinances;
- Implementation of Low Impact Development (LID) bylaws/ordinances; and
- Development of a Right-to-Farm bylaw/ordinance or zoning protections for agricultural preservation.

The state requires that localities provide a match of 15% of this special technical assistance fund and encourages communities that are interested in the same issues to apply jointly. Preference will be given to applications that improve sustainable development practices, realize a commitment from a community's Commonwealth Capital application, and implement a specific Community Development or Master Plan action. Additional preference will be offered those communities with lower Commonwealth Capital scores to support towns that have the greatest need for improved land use practices. For FY 2006, applications were due in mid-August for projects that must be completed by June 30, 2006, but no applications were required in FY 2006 if one had been submitted previously. Nevertheless, communities are able to submit supplemental information that will likely help boost their scores and competitiveness for state discretionary resources.

## B. Housing Development

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

The state requires applicants to submit a One Stop Application for most of its housing subsidy programs in an effort to standardize the application process across agencies and programs. A Notice of Funding Availability (NOFA) is issued by the state usually twice annually for its rental programs and

homeownership initiatives. Using the One Stop Application, applicants can apply to several programs simultaneously to support the funding needs of a particular project.

### *1. HOME Program*

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

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

The HOME Program funding is targeted to homebuyers or homeowners earning no more than 80% of median income and to rental units where at least 90% of the units must be affordable and occupied by households earning no more than 60% of median income, the balance to those earning within 80% of median. Moreover, for those rental projects with five or more units, at least 20% of the units must be reserved for households earning less than 50% of median income. In addition to income guidelines, the HOME Program specifies the need for deed restrictions, resale requirements, and maximum sales prices or rentals.

Because Hanover is not an entitlement community, meaning that it is not automatically entitled to receive HOME funding based on HUD's funding formula, the Town would need to join a consortium of other smaller towns and cities to receive funding or submit funding applications to DHCD on a project by project basis through its One Stop Application. Hanover is not part of a Consortium so would have to apply directly to DHCD for this funding.

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

### *2. Community Development Block Grant Program (CDBG)*

In addition to funding for the Peer-to-Peer Program mentioned in the above section, there are other housing resources supported by federal CDBG funds that are distributed by formula to Massachusetts.

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

The program that potentially has the greatest applicability in Hanover is the **Housing Development Support Program (HDSP)** that provides gap financing for small affordable housing projects with fewer than eight units, including both new construction and rehabilitation. Eligible activities include development, rehabilitation, homeownership, acquisition, site preparation and infrastructure work. There are no per unit maximums or recommended maximum total development costs. Funding is distributed through Notices of Funding Availability that occur once or twice a year. HDSP Program funding is extremely competitive, and projects that receive funding through the state HOME or Housing Stabilization Fund Programs are excluded from applying to HDSP.

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

### *3. Housing Stabilization Fund (HSF)*

The state’s Housing Stabilization Fund (HSF) was established in 1993 through a Housing Bond bill to support housing rehabilitation through a variety of housing activities including homeownership (most of this funding has been allocated for the MHP Soft Second Program) and rental project development. The state subsequently issued additional bond bills to provide more funding. The HSF Rehabilitation Initiative is targeted to households with incomes within 80% of median income, with resale or subsequent tenancy for households within 100% of median income. The funds can be used for grants or loans through state and local agencies, housing authorities and community development corporations with the ability to subcontract to other entities. The funds have been used to match local HOME program funding, to fund demolition, and to support the acquisition and rehabilitation of affordable housing. In addition to a program directed to the rehabilitation of abandoned, distressed or foreclosed properties, the HSF provides funds to municipalities for local revitalization programs directed to the creation or preservation of rental projects. As with HOME, the maximum amount available per project is \$750,000 and the maximum per unit is \$65,000 for communities that do not receive HOME or CDBG funds directly from HUD, and \$50,000 for those that do. Communities can apply for HSF funding biannually through the One Stop Application.

### *4. Low Income Housing Tax Credit Program*

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

The Federal Government limits the 9% credits and consequently there is some competition for them, nevertheless, most tax credit projects in Massachusetts are financed through the 9% credit. Private



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

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

#### *5. Affordable Housing Trust Fund*

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

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

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

#### *6. Housing Innovations Fund (HIF)*

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

## *7. Federal Home Loan Bank Board's Affordable Housing Program (AHP)*

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

## *8. MHP Permanent Rental Financing Program*

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

## *9. OneSource Program*

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

## *10. Section 8 Rental Assistance*

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

#### **11. *Massachusetts Preservation Projects Fund***

The Massachusetts Preservation Projects Fund (MPPF) is a state-funded 50% reimbursable matching grant program that supports the preservation of properties, landscapes, and sites (cultural resources) listed in the State Register of Historic Places. Applicants must be municipality or non-profit organization. Funds can be available for pre-development including feasibility studies, historic structure reports and certain archaeological investigations of up to \$30,000. Funding can also be used for construction activities including stabilization, protection, rehabilitation, and restoration or the acquisition of a state-registered property that are imminently threatened with inappropriate alteration or destruction. Funding for development and acquisition projects range from \$7,500 to \$100,000. Work completed prior to the grant award, routine maintenance items, mechanical system upgrades, renovation of non-historic spaces, moving an historic building, construction of additions or architectural/engineering fees are not eligible for funding or use as the matching share. A unique feature of the program allows applicants to request up to 75% of construction costs if there is a commitment to establish a historic property maintenance fund by setting aside an additional 25% over their matching share in a restricted endowment fund. A round of funding was recently held, but future rounds are not authorized at this time.

#### **12. *District Improvement Financing Program (DIF)***

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

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

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

#### **14. *Community Based Housing Program***

The Community Based Housing Program provides loans to nonprofit agencies for the development or redevelopment of integrated housing for people with disabilities in institutions or nursing facilities or at risk of institutionalization. The Program provides permanent, deferred payment loans for a term of 30 years, and CBH funds may cover up to 50% of a CHA unit's Total Development Costs up to a maximum of \$750,000 per project.

## C. Homebuyer Financing and Counseling

### 1. *Soft Second Loan Program*

The Massachusetts Housing Partnership Fund, in coordination with the state's Department of Housing and Community Development, administers the Soft Second Loan Program to help first-time homebuyers purchase a home. The Program began in 1991 to help families earning up to 80% of median income qualify for a mortgage through a graduated-payment second mortgage and down payment assistance. Just recently the state announced that it had lent \$1 billion in these affordable mortgages. Participating lenders originate the mortgages which are actually split in two with a conventional first mortgage based on 77% of the purchase price, the soft second mortgage for typically about 20% of the purchase price (or \$20,000 if greater) and a requirement from the buyer of at least a 3% down payment. Borrowers do not need to purchase private mortgage insurance that would typically be required with such a low down payment, thus saving the buyer significant sums on a monthly basis. Program participants pay interest only on the soft second mortgage for the first ten years and some eligible buyers may qualify for an interest subsidy on the second mortgage as well. Additionally, some participating lenders and communities offer grants to support closing costs and down payments and slightly reduced interest rates on the first mortgage. Hanover is already a participating community in the Program.

### 2. *American Dream Downpayment Assistance Program*

The American Dream Downpayment Assistance Program is also awarded to municipalities or non-profit organizations on a competitive basis to help first-time homebuyers with down payments and closing costs. While the income requirements are the same as for the Soft Second Program, the purchase price levels are higher based on the FHA mortgage limits. Deferred loans for the down payment and closing costs of up to 5% of the purchase price to a maximum of \$10,000 can be made at no interest and with a five-year term, to be forgiven after five years. Another loan can be made through the program to cover deleading in addition to the down payment and closing costs, but with a ten-year term instead, with at least 2.5% of the purchase price covering the down payment.

### 3. *Homebuyer Counseling*

There are a number of programs, including the Soft Second Loan Program and MassHousing's Home Improvement Loan Program, as well as Chapter 40B homeownership projects, that require purchasers to attend homebuyer workshops sponsored by organizations that are approved by the state, Citizens Housing and Planning Association (CHAPA) and/or HUD as a condition of occupancy. These sessions provide first-time homebuyers with a wide range of important information on homeownership finance and requirements. The organization that offers these workshops in closest proximity to Hanover is South Shore Housing Development Corporation.

### 4. *Self-Help Housing.*

Self-Help programs involve sweat-equity by the homebuyer and volunteer labor of others to reduce construction costs. Some communities have donated building lots to Habitat for Humanity to construct affordable single housing units. Under the Habitat for Humanity program, homebuyers contribute between 300 and 500 hours of sweat equity while working with volunteers from the community to construct the home. The homeowner finances the home with a 20-year loan at 0% interest. As funds are paid back to Habitat for Humanity, they are used to fund future projects.

D. Home Improvement Financing

1. *MassHousing Home Improvement Loan Program (HLP)*

The MHFA Home Improvement Loan Program (HILP) is targeted to one- to four-unit, owner-occupied properties, including condominiums, with a minimum loan amount of \$10,000 up to a maximum of \$50,000. Loan terms range from five to 20 years based on the amount of the loan and the borrower's income and debt. MassHousing services the loans. Income limits are \$92,000 for households of one or two persons and \$104,000 for families of three or more persons. To apply for a loan, applicants must contact a participating lender.

2. *Get the Lead Out Program*

MassHousing's Get the Lead Out Program offers 100% financing for lead paint removal on excellent terms that are based on ownership status and type of property. An owner-occupied, single-family home may be eligible to receive a 0% deferred payment loan up to \$20,000 that is due when the house is sold, transferred or refinanced. An owner-occupant of a two-family house could receive up to \$25,000 to conduct the de-leading work. Maximum income limits for owner-occupants are \$74,400 for one and two-person households and \$85,500 for three or more persons. Investor-owners can also participate in the program but receive a 5% fully amortizing loan to cover costs. Non-profit organizations that rent properties to income-eligible residents are also eligible for 0% fully amortizing loans that run from five to 20 years. Applicants must contact a local rehabilitation agency to apply for the loan.

3. *Septic Repair Program*

Through a partnership with the Massachusetts Department of Environmental Protection and Revenue, MassHousing offers loans to repair or replace failed or inadequate septic systems for qualifying applicants. The interest rates vary according to the borrower's income with 0% loans available to one and two-person households earning up to \$23,000 and three or more person households earning up to \$26,000 annually. There are 3% loans available for those one or two person households earning up to \$46,000 and three or more persons earning up to \$52,000. Additionally, one to four-family dwellings and condominiums are eligible for loan amounts of up to \$25,000 and can be repaid in as little as three years or over a longer period of up to 20 years. To apply for a loan, applicants must contact a participating lender.

## APPENDIX 4

### Glossary of Housing Terms<sup>50</sup>

#### Affordable Housing

A subjective term, but as used in this Plan, refers to housing available to a household earning no more than 80% of area median income at a cost that is no more than 30% of total household income.

#### Area Median Income (AMI)

The estimated median income, adjusted for family size, by metropolitan area (or county in nonmetropolitan areas) that is adjusted by HUD annually and used as the basis of eligibility for most housing assistance programs. Sometimes referred to as “MFI” or median family income.

#### Chapter 40B

The state’s comprehensive permit law, enacted in 1969, which established an affordable housing goal of 10% for every community. In communities below the 10% goal, developers of low- and moderate-income housing can seek an expedited local review under the comprehensive permit process and can request a limited waiver of local zoning and other restrictions, which hamper construction of affordable housing. Developers can appeal to the state if their application is denied or approved with conditions that render it uneconomic, and the state can overturn the local decision if it finds it unreasonable in light of the need for affordable housing.

#### Chapter 44B

The Community Preservation Act Enabling Legislation that allows communities, at local option, to establish a Community Preservation Fund to preserve open space, historic resources and community housing, by imposing a surcharge of up to 3% on local property taxes. The state provides matching funds from its own Community Preservation Trust Fund, generated from an increase in certain Registry of Deeds’ fees.

#### Comprehensive Permit

Expedited permitting process for developers building affordable housing under Chapter 40B “anti-snob zoning” law. A comprehensive permit, rather than multiple individual permits from various local boards, is issued by the local zoning boards of appeals to qualifying developers.

#### Department of Housing and Community Development (DHCD)

The state’s lead agency for housing and community development programs and policy. It oversees state-funded public housing, administers rental assistance programs, provides funds for municipal assistance, and funds a variety of programs to stimulate the development of affordable housing.

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<sup>50</sup> Heudorfer, Bonnie, “Taking the Initiative: A Guidebook on Creating Local Affordable Housing Strategies”, Citizens Housing and Planning Association with funding from the Massachusetts Housing Partnership Fund, November 2002.

## **Fair Housing Act**

Federal legislation, first enacted in 1968, that provides the Secretary of HUD with investigation and enforcement responsibilities for fair housing practices. It prohibits discrimination in housing and lending based on race, color, religion, sex, national origin, handicap, or familial status. There is also a Massachusetts Fair Housing Act, which extends the prohibition against discrimination to sexual orientation, marital status, ancestry, veteran status, children, and age. The state law also prohibits discrimination against families receiving public assistance or rental subsidies, or because of any requirement of these programs.

## **Inclusionary Zoning**

A zoning ordinance or bylaw that requires a developer to include affordable housing as part of a development or contribute to a fund for such housing.

## **Infill Development**

The practice of building on vacant or undeveloped parcels in dense areas, especially urban and inner suburban neighborhoods. Promotes compact development, which in turn allows undeveloped land to remain open and green.

## **Local Initiative Program (LIP)**

A state program under which communities may use local resources and DHCD technical assistance to develop affordable housing that is eligible for inclusion on the state Subsidized Housing Inventory (SHI). LIP is not a financing program, but the DHCD technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. At least 25% of the units must be set-aside as affordable to households earning less than 80% of area median income.

## **MassHousing (formerly the Massachusetts Housing Finance Agency, MHFA)**

A quasi-public agency created in 1966 to help finance affordable housing programs. MassHousing sells both tax-exempt and taxable bonds to finance its many single-family and multi-family programs.

## **Metropolitan Statistical Area (MSA)**

The term is also used for CMSAs (consolidated metropolitan statistical areas) and PMSAs (primary metropolitan statistical areas) that are geographic units used for defining urban areas that are based largely on commuting patterns. The federal Office of Management and Budget defines these areas for statistical purposes only, but many federal agencies use them for programmatic purposes, including allocating federal funds and determining program eligibility. HUD uses MSAs as its basis for setting income guidelines and fair market rents.

## **Mixed-Income Housing Development**

Development that includes housing for various income levels.



## **Mixed-Use Development**

Projects that combine different types of development such as residential, commercial, office, industrial and institutional into one project.

## **Overlay Zoning**

A zoning district, applied over one or more other districts that contains additional provisions for special features or conditions, such as historic buildings, affordable housing, or wetlands.

## **Public Housing Agency (PHA)**

A public entity that operates housing programs: includes state housing agencies (including DHCD), housing finance agencies and local housing authorities. This is a HUD definition that is used to describe the entities that are permitted to receive funds or administer a wide range of HUD programs including public housing and Section 8 rental assistance.

## **Regional Non-profit Housing Organizations**

Regional non-profit housing organizations include nine private, non-profit housing agencies, which administer the Section 8 Program on a statewide basis, under contract with DHCD. Each agency serves a wide geographic region. Collectively, they cover the entire state and administer over 15,000 Section 8 vouchers. In addition to administering Section 8 subsidies, they administer state-funded rental assistance (MRVP) in communities without participating local housing authorities. They also develop affordable housing and run housing rehabilitation and weatherization programs, operate homeless shelters, run homeless prevention and first-time homebuyer programs, and offer technical assistance and training programs for communities. South Shore Housing Development Corporation (SSHDC) serves as Hanover's regional non-profit organization.

## **Regional Planning Agencies (RPAs)**

These are public agencies that coordinate planning in each of thirteen regions of the state. They are empowered to undertake studies of resources, problems, and needs of their districts. They provide professional expertise to communities in areas such as master planning, affordable housing and open space planning, and traffic impact studies. With the exception of the Cape Cod and Nantucket Commissions, however, which are land use regulatory agencies as well as planning agencies, the RPAs serve in an advisory capacity only. The Southeastern Regional Planning and Economic Development District serves as Hanover's regional planning agency.

## **Request for Proposals (RFP)**

A process for soliciting applications for funding when funds are awarded competitively or soliciting proposals from developers as an alternative to lowest-bidder competitive bidding.

## **Section 8**

Refers to the major federal (HUD) program – actually a collection of programs – providing rental assistance to low-income households to help them pay for housing. Participating tenants pay 30% of their income (some pay more) for housing (rent and basic utilities) and the federal subsidy pays the balance of the rent. The Program is now officially called the Housing Choice Voucher Program.

## Smart Growth

The term used to refer to a rapidly growing and widespread movement that calls for a more coordinated, environmentally sensitive approach to planning and development. A response to the problems associated with unplanned, unlimited suburban development – or sprawl – smart growth principles call for more efficient land use, compact development patterns, less dependence on the automobile, a range of housing opportunities and choices, and improved jobs/housing balance.

## Subsidy

Typically refers to financial assistance that fills the gap between the costs of any affordable housing development and what the occupants can afford based on program eligibility requirements. Many times multiple subsidies from various funding sources are required, often referred to as the “layering” of subsidies, in order to make a project feasible. In the state’s Local Initiative Program (LIP), DHCD’s technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. Also, “internal subsidies” refers to those developments that do not have an external source(s) of funding for affordable housing, but use the value of the market units to “cross subsidize” the affordable ones.

## Subsidized Housing Inventory (SHI)

This is the official list of units, by municipality, that count toward a community’s 10% goal as prescribed by Chapter 40B comprehensive permit law.

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

The primary federal agency for regulating housing, including fair housing and housing finance. It is also the major federal funding source for affordable housing programs.

## APPENDIX 5

### Sample Housing Guidelines For Consideration and Possible Adaptation to Hanover

These Affordable Housing Guidelines include a number of factors that might be considered and possibly adapted to Hanover in an effort to articulate project characteristics that are likely to be welcomed by the Town for further discussion and negotiation on affordable housing developments.

- *Affordability*

The Housing Needs Assessment that is part of this Housing Plan indicates housing needs across the full range of incomes including families, seniors and others with special needs. Even households earning at the median income level are finding they cannot afford to purchase a house in Hanover. While the actions in the Housing Plan focus housing production on households with incomes at or below 80% of area median income, the Plan also takes into consideration mixed-income developments for a number of reasons. First they minimize the stigma that can be identified with a housing development that is exclusively limited to low- and moderate-income units. Second, they allow for the creation of internal subsidies that cover at least some of the costs associated with producing the affordable units such that the market units cross subsidize the affordable ones. Third, they promote the creation of units that are targeted to those households earning above 80% of area median income but within 120% of area median income, who are also priced out of Hanover's housing market. Consequently, Housing Guidelines incorporate different income tiers to better serve the diverse needs of the community.

#### *Town-Owned Property*

##### *Homeownership Developments*

At least 50% of the units should be affordable to those earning at or below 80% of area median income with sales prices calculated for those earning no more than 70% of median to offer a sufficient "marketing window" for first-time homebuyers. At least 10% of the units should be directed towards households earning between 80% and 120% of median income to cover the needs of moderate- and middle-income households who are priced out of the current housing market.

##### *Rental Developments*

At least 50% of the units should be affordable to those earning at or below 80% of area median income with many of these units targeted to those earning less than 60% of median income, with even affordability reaching down to those with incomes of 50% or 30% of the area median to reach very low-income households when feasible. Another 10% of the units should be directed to those earning between 80% and 120% of area median income to address housing needs of those moderate- and middle-income households who are priced out of the current housing market.

#### *Privately Owned Property*

##### *Homeownership Developments*

Promote the inclusion of at least 30% of the units reserved for those earning at or below 80% of area median income and at least another 10% to those earning above

80% of median income but at or below 120% of area median income to address a range of housing needs.

#### *Rental Developments*

Promote mixed-income communities for rental projects and whenever feasible, with the inclusion of Community Preservation Funds or other subsidy funds, increase the level of affordable rental units to at least 30% of total housing units targeted to those earning at or below 80% of area median income. Projects that set-aside units for low-income households earning less than 60% of area median income or more moderate- and middle-income households earning up to 120% of area median income will receive priority consideration.

- *Unit Mix*

Based on a distribution of needs by seniors, starter households, families, and special needs populations, developments shall strive for an overall equal distribution of one, two and three bedroom units with the inclusion of some four-bedroom units in family developments. Hanover needs both new affordable homeownership and rental opportunities for its seniors and families.

#### *Elderly Housing:*

Mix of one and two-bedroom units, of which 10% shall be barrier free and accessible for the wheelchair bound.

#### *Family Housing:*

Mix of two and three-bedroom units with at least 5% of units including 4-bedroom apartments.

#### *Special Needs Housing:*

Mix of efficiencies and one-bedroom units with allowance of shared living facilities such as congregate units and group homes and integrate support services where feasible.

- *Design Criteria*

Affordable units should be designed to be harmonious in appearance, construction, and quality of materials with the other units in the development and with the surrounding neighborhood. It is important that new development contribute to the historic, small town character of Hanover. Affordable units should be integrated and dispersed throughout the development and subsidized and market rate units should not be distinguishable from the exterior. Appropriate recreational facilities should be provided, pedestrian access, and vegetation buffers required for projects of more than 30 units. (This section should be augmented.)

- *Location*

The Housing Plan suggests the distribution of affordable housing throughout the residential neighborhoods of Hanover in an attempt to avoid unnecessarily high impacts from new development in any one neighborhood. Another objective is to look for affordable housing opportunities that will minimize impacts on the built or natural environment such as the refinancing and redevelopment of existing housing, the creation of accessory apartments, or the redevelopment of those areas of town most accessible to transportation, goods and services such as the village centers and other commercial areas.

The Plan also acknowledges that growth will put greater burdens on limited public services, including schools, and future growth will most likely cause some schools to experience greater burdens than others.

- *Size and Density*

The density of a particular development should relate to its location in the community whether it is in a residential zoning district, a business district or in an area that is relatively removed from an existing neighborhood. In all residential districts the total number of proposed dwelling units within the development should not exceed eight units per upland acre to comply with these guidelines. In all other districts the number of proposed dwelling units within the development should not exceed twenty units per upland acre. Additionally, structures may be built up to three stories in all zoning districts. These Guidelines encourage the use of triplexes and quadruplexes and discourage structures with more than six units per building.

- *Open Space and Landscaping*

The project should incorporate open space of at least 15% of the parcel, and to the greatest extent possible based on the size of the parcel, this open space should be set aside as common land and maintained by a homeowners association or the owner of the property. All projects must also include proper landscaping such as grass, trees and shrubs, insuring the same number and quality of items for all units in the development, including the affordable units. Cluster development is encouraged for larger projects of more than ten units.

- *Parking*

Each dwelling unit in a development targeted to seniors must include one parking space and in developments targeted to families, two parking spaces must be provided.

- *Environmental Concerns*

Avoid targeting development projects to areas that are ecologically sensitive and will degrade nearby conservation land. Developers should also be prepared to support plans for addressing water and septic services and address the impact of the traffic created by the development.

- *Marketing*

Hanover needs to identify a marketing and monitoring agent for its affordable housing units, most likely the Hanover Housing Authority staffed by the proposed Assistant Town Planner).

- *Affordability Restrictions*

Deed riders or affordable rental restrictions should assure continued affordability in perpetuity to the greatest extent possible. These restrictions must be in conformance with LIP requirements.

- *Management*

The professional management of new rental housing is critical to the future viability of the development, and the management entity must have a proven track record and be approved by the Town of Hanover through the Hanover Housing Authority.

## APPENDIX 6

### Local and Regional Organizations

The town of Hanover has a number of local and regional agencies and organizations available to help support the production of affordable housing or provide housing-related services.

#### *Hanover Housing Authority (HHA)*

The Hanover Housing Authority was established awhile back but over the next several years the agency confronted reduced interest and support and meetings became less and less frequent. When the Town passed the Community Preservation Act in late 2004, officials determined that it was important to reinvigorate the Housing Authority and new members were appointed. Since that time HHA has received CPA funding in support of a preliminary feasibility study for the development of a 6.6-acre parcel that the authority owns on Legion Drive located next to the Legion Elderly Housing development. HHA is also overseeing the preparation of this Affordable Housing Needs Assessment and Action Plan and will be substantially involved in its implementation.

#### *Hanover Community Preservation Committee*

The Hanover Community Preservation Committee (CPC) has been charged with the oversight of funds to be raised through Hanover's passage of the Community Preservation Act. In September of 2000, the Community Preservation Act was enacted to provide Massachusetts cities and towns with another tool to conserve open space, preserve historic properties and provide affordable housing. This enabling statute established the authority for municipalities in the Commonwealth to create a Community Preservation Fund derived from a surcharge of up to 3% of the property tax with a corresponding state match of up to 100%. Once adopted the Act requires at least 10% of the monies raised to be distributed to each of the three categories (open space, historic preservation and affordable housing), allowing flexibility in distributing the majority of the money to any of the three uses as determined by the community. The Act further requires that a Community Preservation Committee of five to nine members be established, representing various boards or committees in the community, to recommend to the legislative body, in this case Town Meeting, how to spend the Community Preservation Fund.

The Town of Hanover approved a 3% surcharge on most property taxes paid by residents in November 2004. Hanover chose to exempt the first \$100,000 of property value, plus an exemption is also available for residential property owned and occupied by certain low-income residents and seniors.

Hanover's Community Preservation Committee is comprised of nine (9) members including representatives of the Planning Board, Historic Commission, Conservation Commission, Parks and Recreation Committee, Housing Authority, Open Space Committee and three (3) "Members at Large" appointed by the Board of Selectmen. Almost \$200,000 will be collected from the Town's 3% surcharge in FY' 2007, and should be matched 100% by the state, totaling approximately \$400,000 annually.

Funding in support of community housing initiatives has included the recent approval of \$32,000 to undertake the preliminary feasibility study for the development of the Housing Authority's Legion Drive property and for the preparation of this Housing Needs Assessment and the Affordable Housing Plan.

### *Hanover Council on Aging*

The Hanover Council on Aging is a Town department that provides services to support the quality of life of area elders through a wide variety of services including the operation of a Senior Center that offers social programs for seniors, an information and referral service on a wide range of issues (e.g., housing, in-home help, nursing home placement, legal matters, health care, consumer issues, and home maintenance services), community-based services to promote independent living (e.g., transportation, congregate meals, health programs, educational programs, fuel assistance, and social/recreational programs), and in-home support services (home-delivered meals, Senior-to-Senior Chore Program, and Friendly Visitor Program). The Council relies heavily on local volunteers to support its services.

The Council on Aging receives many inquiries from area seniors that are related to housing, with most of these calls related to how they can find more affordable housing options in the community. Some elders are encountering difficulties affording to remain in their current homes and cannot locate alternative housing that is affordable, particularly if they require supportive services. There are no nursing homes or assisted living options in Hanover, and a number of residents have had to seek alternatives outside of town. Other needs that surface during inquiries involve deferred maintenance problems, handicapped accessibility issues, and proximity to transportation and services.

The Council on Aging works with the Town on a program that abates taxes for low-income seniors in exchange for minor services to the Town, for example, volunteering at a school or library. In addition to this work program, the Town also has a tax exemption program for income-eligible seniors that reduces property tax bills by \$1,000.

### *South Shore Housing Development Corporation*

South Shore Housing Development Corporation (SSHDC) is committed to enhancing the quality of life for low- and moderate-income people by providing decent, safe and affordable housing; helping families move forward toward economic and social independence; and assisting individuals in reconnecting within their respective communities. This non-profit housing development corporation was established in 1970 to serve Bristol and Plymouth counties in the Southeast region of Massachusetts, including the town of Hanover. The organization has expanded its housing services over the past decades to include rental assistance, new housing development, property management, homeless assistance, housing rehabilitation, as well as counseling and education.

### *South Shore Habitat for Humanity*

Habitat for Humanity is an ecumenical, non-profit Christian ministry dedicated to building simple, decent homes in partnership with families in need. The organization has grown over the past two decades into one of the largest private homebuilders in the world with almost 1,600 U.S. affiliates and over 2,000 affiliates worldwide, including one on the South Shore that has been able to build new homes for first-time homebuyers through donated land, materials, labor and funding as well as other special financing strategies. South Shore Habitat for Humanity has produced 43 affordable homes on the South Shore with several more underway.



### *South Shore Community Action Council*

South Shore Community Action Council, Inc. is the area's community action agency that was established to serve a wide range of education, housing, health and service needs of low-income and disadvantaged area residents. The organization is based in Plymouth but has expanded during the past three decades to include a number of cities and towns on the South Shore including Hanover. Programs include fuel assistance, Head Start, and other services directed to area families.