

# Housing Production Plan/Housing Needs Assessment

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TOWN OF GRAFTON: HOUSING SUMMIT

# Purpose

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- Update prior Housing Production Plans that were completed in 2006, 2013, and 2018, the latest of which is expiring given 5-year terms.
- Obtain updated information on demographic, economic and housing characteristics and trends.
- Better understand the current housing market dynamic.
- Identify strategies to address identified needs and goals.
- Create a roadmap for housing initiatives over the next 5 years.
- Gain access to HPP safe harbor provisions while surpassing the state 10% affordability goal.

# What are Housing Production Plans?

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State regulations under Chapter 40B offer communities greater local control over affordable housing development through Housing Production Plans.

First step is getting ***Housing Plan approval*** from the state. Plan must include affordable housing production goals (currently 39 units/year for Grafton based on 0.5% of year-round housing units) and **strategies** to address identified local needs and meet these goals.

For each one-year or two-year goal met, the Town can apply for and receive state ***certification*** with a 1- or 2-year period during which the ZBA can deny 40B projects without the developer's ability to appeal if they are determined to be inappropriate or unresponsive to local needs.

# What is Affordable Housing ?

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HUD definition – Spending no more than 30% of income on housing costs

Affordable housing (40B definition):

- Subsidized
- Deed restricted
- Affirmatively marketed
- Available to households earning at or below 80% of area median income (AMI)



FY 2022 Income Limit Area	Median Family Income <a href="#">Click for More Detail</a>	FY 2022 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
<b>Worcester, MA HUD Metro FMR Area</b>	\$114,400	Very Low (50%) Income Limits (\$) <a href="#">Click for More Detail</a>	38,700	44,200	49,750	<b>55,250</b>	59,700	64,100	68,550	72,950
		Extremely Low Income Limits (\$)* <a href="#">Click for More Detail</a>	23,250	26,550	29,850	<b>33,150</b>	35,850	38,500	41,910	46,630
		Low (80%) Income Limits (\$) <a href="#">Click for More Detail</a>	61,900	70,750	79,600	<b>88,400</b>	95,500	102,550	109,650	116,700

# Current HUD Income Limits (2022)

# What housing is affordable in Grafton?

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Of the 7,750 year-round housing units, 388 units or 5.0% are included in the Subsidized Housing Inventory (SHI).

317 units at 8 Pine Street/Village at Grafton Woods as well as approximately 1,200 additional units in the development pipeline.

Grafton is poised to surpass the state 10% affordability goal in next few years.

# Housing Trust Goals

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- Fund development of housing units that help address local housing needs and reach the state Chapter 40B affordable housing goal.
- Utilize Trust funds wisely to leverage limited Town resources.
- Prioritize funds to help develop affordable rental units to address Grafton's most critical local housing need and most vulnerable residents.
- Preserve the long-term affordability of existing affordable housing.
- Create affordable homeownership opportunities for first-time homebuyers.
- Support creation of affordable and accessible housing units to help address needs of elderly and disabled households.
- Actively further the public understanding of affordable housing needs and community benefits.

# Major Demographic Trends

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2,000 new residents between 2010 and 2020 to population of 19,664.

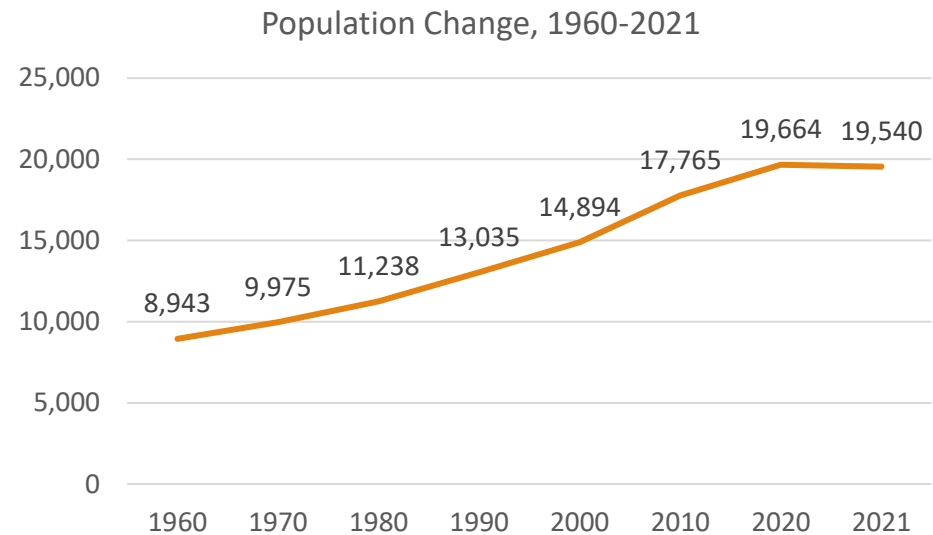
Population projections indicate continued growth.

Increase in minority residents to 22.5%.

Significant gains in nonfamily households.

Losing younger residents and gaining older ones.

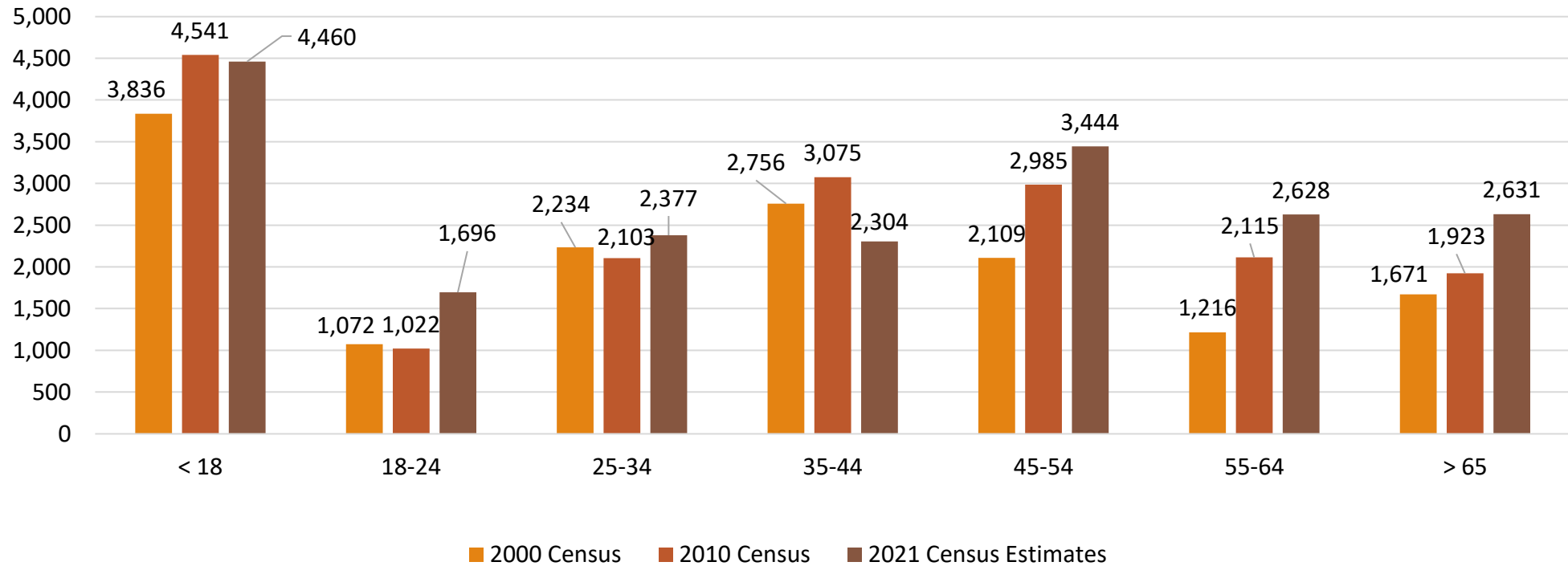
Big increase in middle-age and older residents.





# Change in Age Distribution

Age Distribution, 2000, 2010 and 2021



# Major Economic Trends

Relatively high incomes – median of \$107,237.

34% of households earned more than \$150,000.

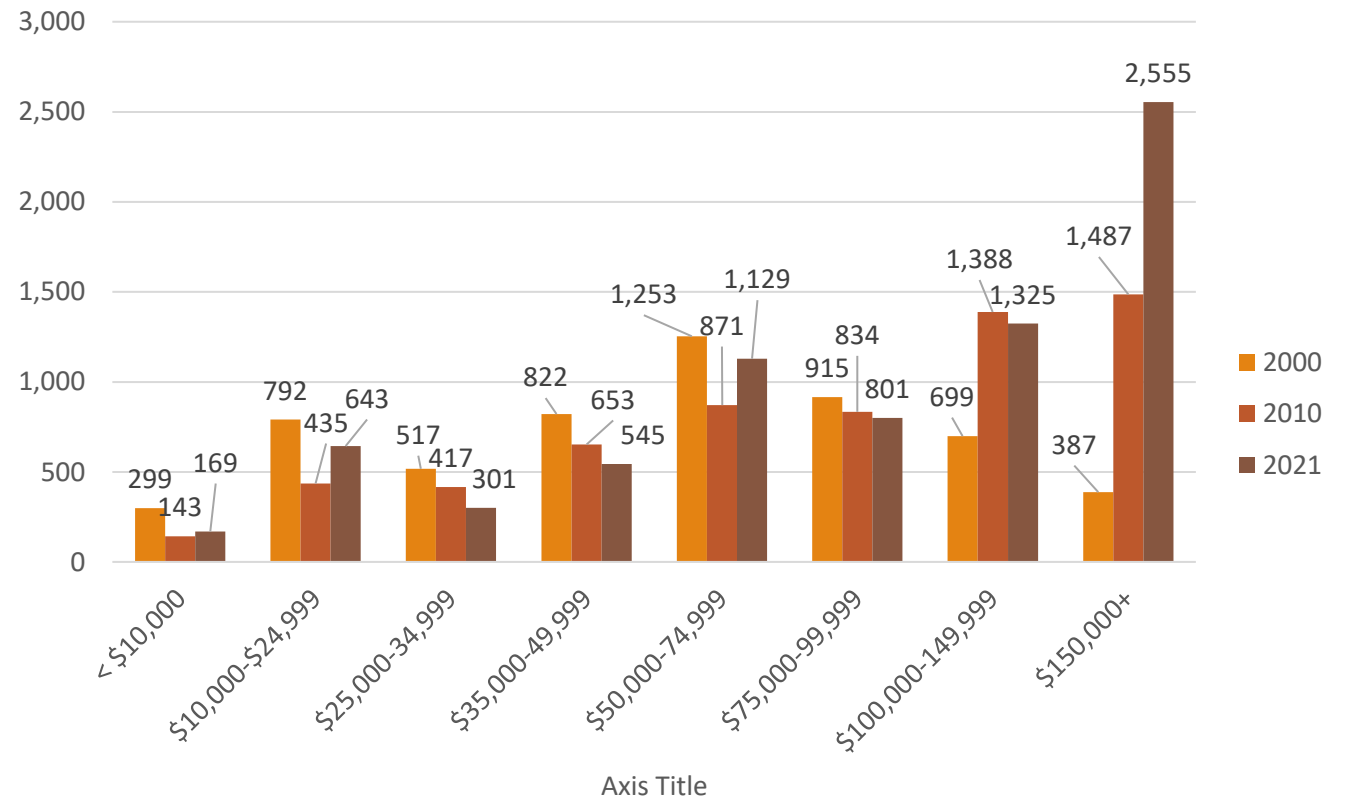
10.5% of households earned less than \$25,000.

Median income of \$52,212 for renters and \$132,095 for homeowners.

\$1,244 average weekly wage translates into a \$65,000 annual salary, 61% of median household income for residents.

10.5% of residents claimed a disability.

Change in Income Distribution, 2000, 2010, and 2021



# Major Housing Growth and Occupancy Trends

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There was a 7.6% increase in housing units between 2010 and 2021, a gain of 545 units.

Housing growth included a 3.4% increase in owner-occupied units and 23.2% for rentals, with gains of 174 units and 402 units, respectively.

Significant expected upturn in rental housing growth given pipeline projects.

Owner-occupancy at 71.5% in 2021.

76% of units in single-family dwellings.

Low vacancy rates at 0.5% for homeownership and 4.5% for rentals.



# Major Housing Cost Trends

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- Housing costs at unprecedented levels.
- The median single-family house price was \$537,500 in 2022, requiring an income of about \$149,000.
- Median condo was \$370,000 in 2022, requiring an income of about \$112,500.
- Typical rent of a 2-bedroom unit is about \$1,500, requiring an income of about \$70,000, much higher than median renter household income of \$52,212.
- High affordability gaps – \$142,500 for median income earning households, widening to \$278,500 for 3-person household earning at 80% AMI.
- 24% of households had cost burdens, 9% with severe cost burdens.

# Priority Housing Needs

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## Continued focus on rental housing

- Families and seniors
- Focus on most vulnerable residents
- Low rental vacancy rate
- Diversify housing stock
- Most state subsidies for rentals

## First-time homeownership is second priority

- Starter housing
- Units for empty nesters

Integrate handicapped accessibility and supportive services into new development

Home repair assistance for lower income owners

# Next Steps

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Draft next sections of the HPP.

Conduct another housing forum to present the draft Plan for comments.

Obtain approvals from Planning Board and Select Board.

Submit Plan to the state for approval.

Visit Town's website for more information – [www.Grafton-ma.gov](http://www.Grafton-ma.gov)



# Next: Breakout Group Discussions

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What are your thoughts regarding Grafton's housing future?

- What does affordable housing mean to you?
- What is the Town's greatest challenge related to preserving and producing housing affordability and diversity?
- What is an appropriate aspirational housing goal to strive for in the years ahead?
- What are the best locations for new housing development?
- What are the most important housing actions or strategies for the Town to implement to address housing needs?

