TOWN OF GRAFTON

# HOUSING TRUST ACTION PLAN

FUNDING PROVIDED BY THE GRAFTON AFFORDABLE HOUSING TRUST

**Prepared for**
Town of Grafton
Grafton Affordable Housing Trust
30 Providence Road
Grafton, MA 01519

Contact: Ann V. Morgan, Assistant Planner
Planning Department
Telephone: 508-839-5335 x1145
Email: MorganA@grafton-ma.gov

**Prepared by**
JM Goldson community preservation + planning

J M Goldson
community preservation + planning

RETAIN • PRESERVE • CREATE
GRAFTON AFFORDABLE HOUSING TRUST

3/17/17

# TABLE OF CONTENTS

ACKNOWLEDGEMENTS 3

**EXECUTIVE SUMMARY 4**

BACKGROUND 4
PLANNING PROCESS 4
PRIMARY HOUSING NEEDS 4
MISSION 4
FIVE-YEAR GOALS 5
PRIORITY INITIATIVES 5

**CHAPTER 1 6**

**INTRODUCTION 6**
ACTION PLAN PURPOSE 6
GRAFTON AFFORDABLE HOUSING TRUST 6
LOCAL HOUSING NEEDS AND GOALS 9
LOCAL HOUSING GOALS & STRATEGIES 10
ELIGIBLE USES OF TRUST FUNDS & LEGAL CONSIDERATIONS 10
COMMUNITY PRESERVATION ACT AND THE TRUST 11

**CHAPTER 2 12**

**COMMUNITY PRIORITIES FOR THE TRUST 12**
STAKEHOLDER INTERVIEWS 12
COMMUNITY WORKSHOP 15

**CHAPTER 3 18**

**GOALS & STRATEGIES 18**
MISSION 18
GOALS 18
OPERATING APPROACH 19
PRIORITY INITIATIVES 19
OPERATING STRATEGIES 23
FIVE-YEAR BUDGET 25

**APPENDIX 1 26**

**STAKEHOLDER INTERVIEWS 26**
BACKGROUND INFORMATION 26

**APPENDIX 2 28**

**COMMUNITY WORKSHOP RESULTS 28**
GROUP EXERCISE #1 28
GROUP EXERCISE #2 29
DIGITAL GROUP POLLING RESULTS 31

**APPENDIX 3 34**

**PRIORITIZATION EXERCISE WITH BOARD OF TRUSTEES 34**

# ACKNOWLEDGEMENTS

With support from the Grafton Planning Department, the Grafton Affordable Housing Trust Board of Trustees led the production of the Grafton Housing Trust Action Plan.

## Grafton Planning Department

Joseph Laydon, Town Planner
Ann V. Morgan, Assistant Planner

## Grafton Affordable Housing Trust

Ruth Anderson
Mary Campbell
John Carlson
Daniel Crossin
Kris Koliss
Charles Pratt
Bruce Spinney

**With the assistance of planning consultant:**
Jennifer M. Goldson, AICP, Principal Planner, JM Goldson community preservation + planning
Rebecca Cheney, Senior Planner, JM Goldson community preservation + planning

**The Board of Trustees, Planning Department, and consultants gratefully acknowledge the following individuals for their contributions to this study:**
Adam Costello, Director of Veterans Services, Central Massachusetts Veterans Service District
Barbara Connelly, Director, Grafton Senior Center
Jim Gallagher, Board of Selectmen/Grafton Housing Authority Commissioner
Drew Manlove, Principal Assessor
Tim McInerney, Town Administrator
Ed Murphy, Grafton Housing Authority, Chair
John Stephens, Community Preservation Committee
Joel Schwendemann, Finance Committee Chairman

**The report builds on past work, particularly the following plans and studies:**
Grafton Affordable Housing Trust. *Town of Grafton Housing Production Plan.* July 2013.

Town of Grafton. *Grafton Comprehensive Plan.* 2001.

# EXECUTIVE SUMMARY

## Background

The purpose of this Action Plan is to guide initiatives funded by the Grafton Affordable Housing Trust (Trust) from Fiscal Year (FY) 2017 through FY2021. This Plan establishes the Trust's goals, priority initiatives, and estimated five-year budget. The overall intention of this Plan is to establish a deliberate focus to the work of the Trustees and the use of Trust resources.

The Trustees have been organized and active in their deliberations and considerations of trust activities. They have accomplished much since their first active year (2007) including planning and community outreach; assessments of possible sites for housing development; preservation of affordable units; and review of housing development proposals.

## Planning Process

To engage the community in shaping the Trust's priorities, the Trustee's planning consultant, JM Goldson, conducted telephone interviews of key town officials and stakeholders and the Trustees sponsored a community workshop.

## Primary Housing Needs

Based on a review of Grafton's current and past relevant planning documents related to affordable housing, which include the 2013 Housing Production Plan, 2006 Housing Production Plan, and 2001 Comprehensive Plan, Grafton has a significant need for:

- Affordable rental housing
- Assistance for first-time homeowners
- Greater handicapped accessibility and supportive services for the disabled and an increasingly aging population
- Support for lower income homeowners with pressing home repair problems

## Mission

The Trustees' mission is to actively foster the creation of affordable housing that will help Grafton reach the state's 40B goal and to preserve existing affordable units that are included on the state's Subsidized Housing Inventory to ensure continued affordability for as long as possible.

In addition, the Trustees will nurture greater community understanding of housing needs and support for local affordable housing initiatives.

# Five-Year Goals

## Goal 1

Fund development of housing units that help address local housing needs including units that are eligible for the Subsidized Housing Inventory to help reach the state's Chapter 40B affordable housing goal.

## Goal 2

Utilize Trust funds wisely to maximize leveraging and regeneration of funds to expand the impact and longevity of the Trust funds and maximize the creation of affordable housing units.

## Goal 3

Prioritize funds to help develop affordable rental units to address Grafton's most critical local housing need, particularly units that are affordable to households with extremely-low income (less than 30% AMI) and very-low income (between 30% and 50% AMI).

## Goal 4

Preserve the long-term affordability of existing affordable housing units at risk due to resale, outdated deed riders, or expiring affordability terms.

## Goal 5

Create affordable homeownership opportunities for low-income first-time homebuyers through development or direct assistance.

## Goal 6

Support creation of affordable and accessible housing units to help address needs of elderly and disabled households.

## Goal 7

Actively further the public understanding of affordable housing needs and community benefits and advocate for local affordable housing development and initiatives.

# Priority Initiatives

FY2017-2019

1. Establish funding thresholds and underwriting criteria (Year 1)
2. Contract for monitoring of existing affordable units (Year 1)
3. Foster development on town-owned property (Year 1-3)

FY2020-2021

4. Create a homebuyer assistance program (Year 4)
5. Foster development on second town-owned property (Year 4-5)

Ongoing

6. Actively outreach and advocate for affordable housing including for zoning bylaw amendments that further affordable housing goals
7. Review 40B comprehensive permit proposals

# CHAPTER 1
# INTRODUCTION

## Action Plan Purpose

The purpose of this Action Plan is to guide initiatives funded by the Grafton Affordable Housing Trust (Trust) from Fiscal Year (FY) 2017 through FY2021 to best meet Grafton's housing needs and community priorities. Through an inclusive process and understanding of Grafton's housing needs, this Plan establishes the Trust's goals, priority initiatives, and estimated five-year budget. The overall intention of this Plan is to establish a deliberate focus to the work of the Trustees and the use of Trust resources.

## Grafton Affordable Housing Trust

The Town of Grafton created the Grafton Affordable Housing Trust, per MA General Laws Chapter 44 Section 55C (MGL c.44 s.55C), in May 2009. The purpose of the Trust, as stated in Warrant Article 35, is to "provide for the creation of affordable housing in the Town of Grafton for the benefit of low and moderate income households. [1]"

### Board of Trustees

The Town created the seven-member Board of Trustees (Trustees) to oversee the Grafton Affordable Housing Trust funds. The Trustees must include one member of the Board of Selectmen (BOS) per statute. The BOS has the authority to appoint the other six members.

The powers and authority of the Trustees are set forth in accordance with MGL c.44 s.55C. It is the Trustees' fiduciary responsibility, bestowed by Town Meeting, to ensure that the Trust funds are used in a responsible manner.

Furthermore, the Trustee's work is but one facet of the Town's goal to maintain a high quality of life for its current and future residents, and, therefore, should be coordinated through open dialogue with other town officials, boards, and commissions.

[1] Note: Different programs and entities define the terms "low" and "moderate" income in various ways. This document uses terms consistent with Community Preservation Act definitions (i.e., low-income households are at or below 80% of the Area Median Income (AMI) and moderate-income households are less than 100% AMI).

## Trust Revenue and Expenditures

The Trust's balance as of 4/25/16 was $1.365M. The Trust's revenue has primarily been generated from two sources: the town's Community Preservation Act funds and a development settlement. The total CPA allocation to the Trust was about $333,314 between FY10 and FY16. The total development settlement was $889,626.53 – received in Trust fund on May 11, 2015.

**Grafton AHT Revenue & Expenditures FY10-FY16 (*FY16 as of 4/25/16)**

| Year | Revenue | | | | Expenditures | Balance | YE Running Balance |
|---|---|---|---|---|---|---|---|
| | CPA | Other | Interest | Total | | | *$150,661* |
| FY10 | $84,050 | $0 | $3,542 | $87,592 | $10,888 | $76,704 | *$227,365* |
| FY11 | $39,304 | $4,074 | $6,142 | $49,520 | $75 | $49,445 | *$276,810* |
| FY12 | $38,316 | $0 | $4,473 | $42,789 | $4,575 | $38,214 | *$315,024* |
| FY13 | $39,460 | $0 | $2,869 | $42,329 | $172,931 | ($130,602) | *$184,423* |
| FY14 | $38,242 | $137,497 | $3,874 | $179,613 | $6,393 | $173,220 | *$357,643* |
| FY15 | $48,984 | $889,627 | $9,908 | $948,518 | $350 | $948,168 | *$1,305,812* |
| FY16 | $44,958 | $0 | $23,035 | $67,993 | $9,008 | $58,984 | *$1,364,796* |
| **Total** | **$333,314** | **$1,031,197** | **$53,843** | **$1,418,355** | **$204,220** | **$1,214,135** | |

## Summary of the Trust's Accomplishments

The Grafton Affordable Housing Trust has been organized and active in its deliberations and considerations of trust activities. It has accomplished much since its first active year (2007). Below is a summary of accomplishments categorized by 1) planning and community outreach and 2) assessments of possible sites for housing development.

### Planning & Community Outreach

- Implementation of Phase I of the 2006 HPP including development of an Affordable Housing Procedures Manual and Affordable Accessory Apartment Bylaw review.
- Prepared Action Plan based on 2006 HPP recommendations.
- With staff support, developed database inventory of existing and planned affordable units.
- Annual Public Workshop to get community feedback on implementation of 2006 HPP and Trust activities.
- Created informational brochure.
- Met with Senior Center staff and Friends of Grafton Elders to discuss senior assistance program. Such a program is not Trust fund eligible without deed restriction to create affordable unit.
- Contract with consultant to create 2013 HPP.

### Assessments of Possible Sites for Housing Development

- Phase I Environmental Site Assessment of 100 Elmwood Street
- Consideration of tax title property as possible transfer of a condo from town to Trust for purpose of deed restricting and selling as an affordable unit at 395 Providence Road. Trust voted to decline transfer due to condition of the unit based on inspections.
- 11-13 Suzanne Terrace: Investigation into feasibility for development. Identified encroachment issues from abutter. Performed test soil borings. Planning Board voted to release lots for further

investigation. Lots originally designated as play area, but legal determined that local action was appropriate. Discovery that construction waste was dumped on site. Determined that septic would be expensive due to soil types and composition. Failed to advance.

- Met with representatives from Habitat for Humanity, American Hellenic Educational Progressive Association National Housing Program, and Grafton Housing Authority to discuss possible development projects.
- Developed RFP to enable trust to negotiate with 40B developers to create additional affordable units as part of their development plan.
- 25 Worcester Street: Trust advocated for development of affordable housing on this town-owned property.
- Old State Hospital: Trust explored possibility of developing affordable housing on this property.
- Fisherville Mill Site: Met with developer to explore options to support development of affordable units. Continue to consider.

### Unit Preservation

- Trust attempted to preserve a unit at Hilltop Farms as affordable but was outbid by private contractor. Subsequently, however, the Trust successfully negotiated the purchase of 30 Tulip Circle, executed the Universal Deed Rider, and reinstated the unit to count on the Subsidized Housing Inventory.
- Trust and staff continue to monitor resale units for preservation upon resale, particularly at Hilltop Farms.

### Trust's Role under LIP to Review 40B Proposals

The Trust also reviewed multiple 40B proposals in it's role under LIP. In addition, the Trust and staff assisted with various housing lotteries for affordable units including for the Peter Estates subdivision and executing new Universal Deed Riders for resale units at Hilltop Farms on Milford Road.

# Local Housing Needs and Goals

Based on a review of Grafton's current and past relevant planning documents related to affordable housing, which include the 2013 Housing Production Plan, 2006 Housing Production Plan, and 2001 Comprehensive Plan, JM Goldson prepared this summary of local housing needs, goals, and strategies. This summary is in preparation for community engagement efforts to solicit public input that will help identify priority initiatives to include in Grafton Affordable Housing Trust's action plan 2016-2020.

## Housing Needs

The 2013 Housing Production Plan (2013 HPP) presents the most recent analysis of priority local housing needs. The 2013 HPP describes the following characteristics and trends as indicators of housing need:

- Grafton's population is growing and is expected to continue to grow. Grafton's 2010 population was 17,765 and is projected to grow to a total population of 22,210 by 204.
- Grafton's population is still primarily white with the largest minority growth in people with Asian descent.
- Largest increase is in middle-aged residents (45-64 years) – growing at a rate about double the population growth.
- Meanwhile, the population of children under age 18 have decreased as a percent of total population while increasing in absolute numbers.
- Roughly 2,000 households in Grafton have low-incomes - below 80% of the Area Median Income - however, there are only 313 affordable units. Of these low-income households, there are about 1,150 residents living below the poverty level, many of which are children.
- Housing options are primarily limited to owner-occupied single-family houses – Only roughly 25% of the housing stock is rental and about 75% of the housing stock is single-family.
- More than 1,800 households were paying more than 30% of income towards housing costs – this is considered cost burdened. More than 50% of Grafton's low-income households were estimated to be cost burdened.
- Of the total 6,516 housing units in Grafton, about 1,250 single families and condos, or 19% of total units, had assessed values within a range affordable to low-income households.
- Rental units were found to be limited and ranged in rent from $1,250 to $1,475 per month.

These characteristics and trends suggest a significant need for:

- *Affordable* rental housing
- *Assistance for* first-time homeowners
- *Greater handicapped* accessibility *and* supportive services *for the disabled and an increasingly aging population*
- *Support for lower income homeowners with pressing* home repair *problems*

# Local Housing Goals & Strategies

As described in the 2013 HPP, Grafton's housing production goal is to create 36 housing units per year that count on the state's Subsidized Housing Inventory. According to the Building Permits Survey (as reported by the U.S. Census Bureau), Grafton has only issued an average of 57 units per year – all for single-family units. The strategies recommendations incorporated in the 2013 HPP fall into four categories:

1) planning and regulatory reform
2) housing development
3) housing preservation
4) direct assistance

The strategies are targeted to produce a goal of 142 affordable units over 5 years (2013-2017), roughly 28 affordable units per year (not counting units that may be counted on the SHI but not restricted as affordable to low-income households).

# Eligible uses of Trust Funds & Legal Considerations

Uses of Trust funds must comply with the statutory purpose of the Trust – the creation and preservation of affordable housing for the benefit of low- and moderate-income households. The following briefly summarizes eligible activities for creation and preservation – for a more detailed description and examples, please refer to the Massachusetts Housing Partnership's *Municipal Affordable Housing Trust Operations Manual* (MHP Manual).[2]

## Creation

Activities to create, or produce, affordable housing include the following:

- New construction of affordable housing
- Rehabilitation of existing buildings to convert to affordable housing (could include conversion of surplus town buildings, such as surplus schools or libraries, or privately-owned buildings, such as former churches)
- Purchase of existing market rate residential units, rehabilitation if necessary for health and safety purposes, and resell as affordable housing
- Establish homebuyer assistance program to convert market rate units to affordable units

## Preservation

Preservation of affordable units refers to initiatives to perpetuate existing affordable units in light of restrictions that would otherwise expire. Preservation is sometimes also described as physically preserving the condition of existing affordable units, however it is unclear if this is the intent of the statute. Note that CPA funds cannot be used for rehabilitation until the property was previously acquired or created using CPA funds

## Low- and Moderate-Income

Since the Trust statute doesn't offer a definition of the term "low- and moderate-income" the MHP Manual advises Boards to use their judgment and consult other definitions commonly used in state and federal programs.

[2] Massachusetts Housing Partnership, *Municipal Affordable Housing Trust Operations Manual: How to effectively operate your local trust,* November 2015.

# Community Preservation Act and the Trust

As it currently stands, the Trustees are viewed as a candidate to apply for CPA funds. The first award of CPA funds to the trust was in October 2008. Since that time, the Trust has received annual allocations from the CPA fund based on the Trustee's submitting an annual application for funds.

However, there are three primary models for CPA allocations to housing trusts in Massachusetts:

## Model #1. Trust as housing arm of the CPC

- CPA funds allocated for housing are included in annual budget to the Housing Trust. No annual application is necessary. CPC and Trust membership may overlap, which can increase regular communication and collaboration. This model has an expectation of standard designated percentage allocation of CPA funds to the Trust annually, which would consist of all intended CPA housing funds. Housing applicants would apply solely to the Trust.

## Model #2. Hybrid – Standard Percentage Allocation and Ability for Additional Allocations

Trust budgeted to receive a standard % and applies for additional funding on as-need basis based on anticipated project or programs. CPC and Trust membership may or may not overlap in this model. Somerville is an example of this model where there CPC and Trust membership does not over lap but the Trust receives a percentage (roughly 45%) of CPA funds and Trust may request additional allocations, as needed.

## Model #3.

The Housing Trust submits an application to the CPC for CPA funds based on a specific project or program or an annual Trust budget that includes general Trust-initiatives anticipated. This model is most typical in smaller communities where housing activity is low. Developers can apply separately to the CPC and the Trust for local housing funds (with possibly little or no coordination between the CPC and Trust in reviewing the separate applications). Trust cannot rely on CPA funds as a consistent revenue stream, which creates uncertainty year-to-year.

# CHAPTER 2
# COMMUNITY PRIORITIES FOR THE TRUST

To engage the community in shaping the Trust's priorities, the planning consultant conducted telephone interviews of key town officials and stakeholders and the Trustees sponsored a community workshop, which was facilitated by the planning consultant.

## Stakeholder Interviews

Between December 1-8, 2015, the planning consultant conducted eight telephone interviews. Informed by the findings of the 2013 Grafton Housing Production Plan and the 2015 Summary of Local Housing Needs, Goals & Strategies, through brief interviews Town officials and employees provided their thoughts about strategies and priorities for the Grafton Affordable Housing Trust (Trust). The results of these interviews provide more in-depth understanding of issues and opportunities to consider in developing Grafton's 2016 Affordable Housing Trust Action Plan.

Respondents prioritized the following as the most important focus for the Trust over the next five years.

- Create more multifamily or complex rental developments.
- Use Town owned land for affordable housing development.
- Support friendly 40B developments.
- Use a consultant to assist the Trust's monitoring of LIP projects.
- Increase visibility of the Trust, identify itself as the leader on affordable housing.

### OBJECTIVES & METHODS

By interviewing people from across different sectors of Town government and activities, the interviews provided a snap shot of opinions about how the Trust can and should spend its monies. They also offered indications of the impact and perception of the Trust. Among the interviewees, there was a wide range of knowledge about affordable housing. Some respondents have careers in affordable housing and understand the policy and strategy while others had less familiarity with affordable housing.

The Planning Department, in consultation with the Trust, provided consultant JM Goldson with contact information for eight people to interview. The list included members of the Community Preservation and Finance Committees, employees of the Housing Authority, the Council on Aging, and Veteran's Affairs as well as a Town Assessor and Town Administrator. Prior to the interviews, interviewees received a fact sheet about Grafton's housing need. JM Goldson conducted the interviews over the phone over a five-day period. The interview consisted of three questions, each contained 4-5 options that respondents ranked on a scale of 1-10, 10 being the highest priority. Interview questions and results along with the fact sheet are in the appendix.

## Summary of Interview Findings

Armed with the knowledge that Grafton's primary housing need is for more affordable rental housing, followed by assistance for first time homebuyers, and more diverse housing to serve the needs of disabled and aging populations, respondents were asked to rank where the Trust should focus funds over the next five years. Overall, all interviewees expressed enthusiasm for providing affordable housing in Grafton. Interviewees expressed a common refrain:

> "HOW CAN THE TRUST GET THE BIGGEST BANG FOR ITS BUCK?"

With each option presented, respondents pondered the efficiency of the goal, and whether it would provide the most housing for the least amount of money.

### Question One: Goals

In response to the first question regarding priority goals for Trust funds, the interviewees prioritized creating more affordable rental units first, then expanding housing options, particularly to serve the needs of the elderly and disabled populations, and, lastly, to create more affordable for-sale units, as described more below.

#### Rental Units

On a scale of 1-10, the average rank for creation of more affordable rental units was 8.4. Of the three options offered, this ranked the highest for most respondents. Two people noted that rental units get the "most bang for the buck" and that multifamily or rental complexes can house the most people with greatest efficiency. Another observed that renting is the "wave of the future" and homeownership is not the goal for families that it once was. Finally, respondents remarked that rental units are flexible and can work for the housing needs of any age or family size.

#### Expand Housing Options

Lastly, diversity of housing options ranked 6.9. Some respondents remarked that the elderly need housing assistance, either upkeep to stay in their current homes or more assisted living facilities. One respondent proposed retrofitting some of Grafton's large inventory of condos and townhouses to serve the needs of the elderly or handicapped.

#### First Time Homebuyers

Investment in for sale units ranked 5.5. Some respondents noted that these units are expensive and not an effective use of Trust funds while others said that for sale units are an integral piece of the affordable housing landscape though not as necessary as rental units. Lastly, one respondent proposed the idea of creating a pool of affordable single family homes for purchase, noting that condos and townhouses that are more affordable at market rate prices might not serve families over the long term.

### Question Two: Strategies

The second question asked about strategies the Trust should focus on. Respondents heard five strategies listed and ranked each on a 1-10 scale.

#### Support "Friendly" 40B Projects

The next strategy proposed supporting "friendly" 40B projects and using Trust funds to go beyond the 20-25% affordability mandate. This strategy garnered the highest ranking, 9.3. One respondent described it as "low hanging fruit" and the path of least resistance. The general attitude about this strategy was that it was uncomplicated, flexible, and a program that is already in place, thus removing some of the administrative and political hurdles the other strategies engender. In addition, 40Bs can provide important tax revenue.

#### Develop Housing on Town-Owned Land

The two strategies proposed developing housing on Town owned land or private in-fill parcels. These options ranked 7.8 and 6.9 respectively. There was a wide range of feelings about these options. Some respondents felt that transferring Town land to the Trust is an easy option while others thought it could be very politically challenging. On balance, respondents thought it was a positive and cost effective option, though one person wondered if the Town and Trust have the expertise to execute this strategy. This same person noted that private business and developers have the expertise and ability to foster positive relationships in the community. Respondents also remarked that infill development is too expensive, too urban, and the Town has plenty of developable land.

#### Convert Existing Market-Rate Units to Affordable Units

Finally, respondents ranked converting existing units to affordable units. This strategy ranked 5.2 and did not inspire much enthusiasm on either side. Some respondents felt it could be a useful piece of the Trust's overall strategy though not a high ranking one, while others commented that the return on this investment was too small and that it did not seem cost effective.

#### Monitor LIP Units

Another strategy asked how important it was for the Trust to continue to act as the monitoring agent for its affordable units approved through the LIP program and sparked conversation regarding using Trust funds to contract with a consultant to perform this monitoring function. This strategy earned the lowest ranking at 4.9 with two people giving it a 1. Conversely, two respondents ranked it a 10 noting that with limited funds, the Trust cannot afford to hire out for a task they can do in house.

Some respondents expressed concern about the ethics and expertise of a volunteer board related to this strategy. Other interviewees noted that a volunteer board does not possess the expertise to perform this professional function. Another commented that though one iteration of the Trust may be able to perform this task, the skills do not translate to officers appointed later. These comments point toward the idea of contracting with a consultant to perform the Trust's monitoring function.

### Question Three: Overall Effectiveness of the Trust

The last question asked respondents to consider the effectiveness of the Trust to date. Two respondents chose not to answer because they were not familiar enough with the Trust to comment. Four others gave it a 3 or 5, noting that they wanted to be neutral given their limited knowledge of the Trust and its work. Only two people responded with confidence about the Trust's work and they ranked the Trust's effectiveness 7 and 8.

Some respondents noted that what is expected of the Trust is a lot to ask of volunteers and that as a young board there is a big learning curve. The Trust's work is constrained by money and politics, which makes it

difficult to be effective though people are excited to see what they can accomplish. Some remarked that they would like to see more collaboration and partnership with the Trust and that the Trust have a higher profile.

# Community Workshop

The workshop took place on Thursday, March 3, 2016 at the Grafton VFW Hall from 7-9:15pm. Thirty people attended. Representatives of local housing entities, as well as Housing Trust members participated alongside Grafton residents and employees. The purpose of the Grafton Housing Trust Action Plan public workshop was to engage Grafton community members in an interactive process that both informs and solicits ideas.

The workshop included digital group polling, a brief presentation by the planning consultant about Grafton's primary housing needs and the Trust's accomplishments, and small group discussion.

The purpose of the Grafton Affordable Housing Trust workshop was to give participants both residents and employees of the Town, Committee members, developers and housing advocates, context and information that would enable them to discuss priorities for the Housing Trust. With $1.3M to allocate to affordable housing production or preservation, the Grafton Affordable Housing Trust is at a critical juncture. The ideas proposed during the workshop inform this Action Plan that will guide the work of the Trust in the coming years. The following emerged as the most critical issues:

> **"Bang for the buck"**: It is clear that participants want to see the Trust succeed and know that it is poised to become a significant force in promoting and preserving affordable housing in Grafton. Moreover, knowing that funds and administrative capacity are limited while the housing need is great, participants advocated that the Trust make maximizing impact, through efficient and effective use of funds and resources, its guiding principle.
>
> **Public opposition**: Participants expressed concern that public and political opposition pose significant barriers to the Trust's ability to move forward. The Trust must find a way to educate the public and promote the benefits of creating affordable housing opportunities in Grafton. Participants spent a portion of the workshop prioritizing initiatives, and minimizing neighborhood and political push back emerged as important considerations in their priorities.

## Objectives and Methods

This was a two-fold objective: the first objective was to stimulate thinking about housing in Grafton, what changes participants have seen in the community, and how housing can improve and strengthen the community. The second was to examine priority initiatives for the Trust and determine if they are appropriate and if not, how can the Trust make them more effective.

A presentation gave an introduction to affordability criteria, the role the Trust can have in supporting affordable housing in Grafton and the Town's current housing environment and affordable housing needs. In addition, the presentation provided in-depth descriptions of each of the six initiatives the Trust has prioritized.

To achieve workshop objectives, JM Goldson facilitated interactive exercises that engaged workshop participants and fostered focused discussion. The workshop consisted of two group exercises, as well as a presentation and group polling and small group discussions. In addition to small group conversations,

participants reported out their small group findings which allows for discussion across the entire group. Brief summaries of the results of each exercise are provided below with detailed summaries attached.

## Digital Group Polling

Group polling enables workshop organizers to get a picture of who participants are. How long have they lived in Grafton? How old are they? Do they have children living at home? How do they perceive the affordability and availability of housing in the community? In addition, polling shows participants where they fit in the demographic make up of their community and tests their knowledge of housing issues.

Forty-four percent of respondents have lived in Grafton for twenty years or more and an additional nineteen percent have lived there for 11-20 years. Twenty-two percent of respondents do not live in the Town. Interestingly, more than forty-eight percent of participants were aged 35-54. This combined with the length of time participants have lived in the Town points to a willingness and ability to stay in the Town through different life stages.

Three questions quizzed participants about income and affordability. Thirty percent of Grafton households have low-moderate incomes. Fifty-one percent of respondents estimated that only twenty percent of residents are of low-moderate income. The majority of participants knew that Grafton has 325 affordable housing units and also that an income of less than $65,800 for a household of four is considered a low/moderate income.

## Group Discussions

### Exercise #1: Partner Interviews

Working in pairs, Exercise One was an ice breaker designed to get participants talking about their own history in the Town and what role they see the Trust playing. The exercise consisted of seven questions which addressed the length and nature of participants' connections to Grafton, and their familiarity with affordable housing and the work of the Trust.

Most respondents reported living or working in Grafton for more than 20 years and many for 50 or more. The majority or respondents have lived in the same home since moving to the Town and there was a balance of people moving to Grafton for a job or to be closer to family. The great majority of respondents noted that they have observed huge growth in the Town and an increase in traffic and traffic lights, and loss of open space. However, one resident of 50 years observed that "Community life has developed in a positive way." Some who have lived in the Town for fewer than five years, did not report observing any changes at all.

Many participants responded that they are familiar with Grafton housing issues and affordable housing in general through involvement on a Town board or committee, or affiliation with a housing organization like Habitat for Humanity or the Grafton Housing Authority. Responses to "Why do you believe the Town created the Grafton Affordable Housing Trust?" included:

- "It's the right thing to do."
- "To be better able to act on opportunities for affordable housing."
- "To locally manage reaching the 10% requirement."
- "To meet the goal of creating sufficient affordable units to prevent 40Bs."
- "To assist people in purchasing a home in Grafton."

### Exercise #2: Small Group Discussion

The small group discussion consisted of two parts. Working in groups of four to six, participants first analyzed five priority initiatives for the Trust. Groups then gave top priority to three choices and identified opportunities, barriers and necessary compromises in pursuing top priority initiative. There was also an "Other" category for ideas not captured in the five initiatives. During the second part, groups developed criteria the Trust should use when selecting initiatives to fund.

### Part 1: "Work on Things that Matter"

Participants favored initiatives that would have the greatest impact, create the least political and community friction, and use capital and administrative resources efficiently. Participants were motivated to get more affordable housing in Grafton and focused on being effective while also mindful of political and cultural realities. It was reported by at least one group per initiative (usually more), that perceived negative impacts on neighborhoods near development, and NIMBY-ism would create push back from the community.

Participants considered the following five priorities and chose three to be highest priority.

Groups chose the **first three** as highest priorities:

1. Make Town-owned land available for affordable housing
2. Support "friendly" 40B projects
3. Convert existing housing units to affordable units
4. Support private scattered-site housing
5. Monitor affordability of Subsidized Housing Inventory (SHI)

### Part 2: Support Good Projects

***"What criteria should the Trust consider when selecting initiatives to fund?"***

In the second part of the exercise, groups focused on what criteria they deemed most important for the Trust to use. The theme of getting the "biggest bang for the buck" emerged most noticeably here. Recognizing that the Trust's current funds can only go so far, participants re-iterated their desire to see the Trust maximize the use of those funds. "Maximum impact," "maximize use of land," and "maximize number of units," were criteria groups identified, again pointing to the idea of using funds and resources efficiently and effectively. One group noted that the Trust should leverage funds to be able to capitalize on opportunities and increase its impact.

Production of rental units and units with a local preference were other prevalent criteria. Groups focused on veterans and seniors and one group noted that housing these groups will not negatively impact school enrollment and therefore may be easier to "sell" to the Town. In addition to school impacts, the Trust should consider other community impacts such as change in SHI percentage, traffic, community support, and size of the development in considering initiatives. Finally, participants support maintaining units as affordable, and projects that help Grafton residents stay in the Town or buy their first home. One group put it succinctly, "Pursue the best overall impact on two fronts: immunity from 40B and benefits to the local populace."

# CHAPTER 3
# GOALS & STRATEGIES

This chapter includes the Trust's updated mission, goals, operating approach, strategies – both priority initiatives and operating strategies – and a five-year budget to support these strategies.

## Mission

The Trustees established a mission in 2010 to reflect priorities at the time. With this new Action Plan, the Trustees adopt the following revised mission.

> The Trust's mission is to actively foster the creation of affordable housing that will help Grafton reach the state's 40B goal and to preserve existing affordable units that are included on the state's Subsidized Housing Inventory to ensure continued affordability for as long as possible.
>
> In addition, the Trust will nurture greater community understanding of housing needs and support for local affordable housing initiatives.

## Goals

The Trust's five-year goals respond strategically to Grafton's housing needs, the Trust's accomplishments to date, and the direction provided through the community workshop and follow-up discussions with the Trustees (see Appendix 3).

### Goal 1

Fund development of housing units that help address local housing needs including units that are eligible for the Subsidized Housing Inventory to help reach the state's Chapter 40B affordable housing goal.

### Goal 2

Utilize Trust funds wisely to maximize leveraging and regeneration of funds to expand the impact and longevity of the Trust funds and maximize the creation of affordable housing units.

### Goal 3

Prioritize funds to help develop affordable rental units to address Grafton's most critical local housing need, particularly units that are affordable to households with extremely-low income (less than 30% AMI) and very-low income (between 30% and 50% AMI).

### Goal 4

Preserve the long-term affordability of existing affordable housing units at risk due to resale, outdated deed riders, or expiring affordability terms.

### GOAL 5

Create affordable homeownership opportunities for low-income first-time homebuyers through development or direct assistance.

### GOAL 6

Support creation of affordable and accessible housing units to help address needs of elderly and disabled households.

### GOAL 7

Actively further the public understanding of affordable housing needs and community benefits and advocate for local affordable housing development and initiatives.

## Operating Approach

Through focused discussion with the Trustees and consideration of the three primary approaches to operating a housing trust (initiator, funder, or hybrid of these), the Trustees prefer to operate as an initiator – an active role that will give the Trustees maximum control over use of trust funds and optimize opportunities to utilize town-owned property to foster development of affordable housing and establish housing assistance program in addition to undertaking an educational and advocacy role.

This approach is ideal for a board that wishes to have an active role to foster housing initiatives, rather than the more passive approach of a funder taking in funding requests/applications from third parties.

This role may change over time and is not set in stone. The Trustees anticipate that they will initiate projects or programs over the next five years, but may reconsider this role in years to come as opportunities for supporting private development projects as a funder may arise.

## Priority Initiatives

The following seven initiatives, described below, detail how the Trust funds will be used to address the Trust's goals. The initiatives, listed in brief below and in more detail to follow, are categorized recommended year(s) of implementation as well as ongoing initiatives.

FY2017-2019

1. Establish funding thresholds and underwriting criteria (Year 1)
2. Contract for monitoring of existing affordable units (Year 1)
3. Foster development on town-owned property (Year 1-3)

FY2020-2021

4. Create a homebuyer assistance program (Year 4)
5. Foster development on second town-owned property (Year 4-5)

Ongoing

6. Actively outreach and advocate for affordable housing including for zoning bylaw amendments that further affordable housing goals
7. Review 40B comprehensive permit proposals

## FY2017-2019

### 1. Establish funding thresholds and underwriting criteria (Year 1)

To lay a foundation for the Trustees to utilize Trust funds wisely, the Trustees should adopt funding thresholds and underwriting criteria to ensure that its limited resources are utilized in the most effective manner possible.

The purpose of funding thresholds is to guide the Trustees' funding contribution to development projects. Initially, as explained more below, the Trustees would utilize these funding thresholds to determine level of funding allocated to foster development on town-owned land. In later years, were the Trustees to shift to a more passive funder approach to support private development funding requests, they could utilize the same criteria (or modified, if needed). Examples of funding criteria for consideration:

- *Consistency with Grafton's community development and preservation goals*
- *Consistency with fair housing* to affirmatively encourage equity, promote housing choice, enhance mobility, and promote greater opportunity.
- *Term of affordability* for as long as possible under the law and realities of funding
- *Targeted affordability to* most critical housing needs – namely, production of rental units affordable to households at or below 50% AMI.
- *Financial feasibility* but with flexibility to allow for the Trust funds to be used as the first dollars in on a case-by-case basis when demonstration of local support is beneficial at early stages of a project.
- *Maximum leveraging of Trust Funds.*
- *Regeneration of Trust Funds* to help to regenerate Trust funds. (Such mechanisms to consider include short-term loans, longer-term gap financing loans, and shared-equity agreements.)

The Trustees should adopt underwriting criteria for trust-funded development initiatives to ensure the Board appropriately fulfills its fiduciary responsibility as trustees of the trust. Standard underwriting criteria includes: maximum award amounts, approval of permits and any other government approvals, award terms, maximum developer and contractor profits and overhead, etc. maximum per unit cost (further leveraging of funds).

### 2. Contract monitoring of units (Year 1)

Per Grafton's Local Initiative Program (LIP) Procedure Manual, the Trustees are responsible for monitoring the Town's rental and ownership units that were produced through the state's LIP program as "friendly" 40B projects. According to the Town's list of *Projects with Affordable Housing Units Status Report: September 23, 2015*, the Town has approved two LIP projects – Flint Pond Estates with 18 affordable units and Peter Estates with 2 affordable units. Both are ownership projects.

The Trustees should contract for these services with a consultant or organization with these professional services and expertise. The Barnstable Housing Authority is one such organization. The Trustees should issue a Request for Quotations for these services. It is typical that for new projects there is an initial monitoring agent fee for homeownership and rental projects. In subsequent years of occupancy, rental units are charged at an annual fee per affordable unit. For resale of affordable homeownership units, the fee is built into the deed rider (e.g., a 2% resale fee per the state's Universal Deed Rider).

### 3. Foster development of town-owned land (Year 1-3)

The Trustees have considered multiple town-owned/tax title properties as possible candidates for affordable housing development over recent years including 100 Elmwood Street, 395 Providence Road, 11-13 Suzanne Terrace, and the state-owned Old State Hospital. Two key properties that appears to have the most potential for development are 25 Worcester Street – the site of the former town high school –

and Hudson Ave/Millbury Street. The Worcester Street site is approximately 2.3 acres and the Hudson Ave site is about 4.4 acres.

If not yet available, the Trustees should conduct a basic physical site assessment on both properties to determine potential development yield of sites, best area of the sites to locate buildings, and a course of action to protect any natural resource and mitigate any negative environmental impacts. The site analysis would assess the availability of utilities, suitability for on-site septic, if needed, regulatory and legal limitations (e.g., local zoning, easements, or deed restrictions).

If this analysis indicates that housing might likely be accommodated on any particular parcel, the Trustees should request approval from the Board of Selectmen and October 2016 Town Meeting to convey one (or both) properties to the Housing Trust for affordable housing development. If both properties are found feasible for development and conveyed to the Trust, the trustees should choose one of the properties to focus on as the first development.

Following property conveyance to the Trust, the Trustees should lay ground work to make development more feasible and attractive on the first site, including shepherding any zoning amendments that are needed to allow for desired development density.

The Trustees should prepare a Request for Proposals (RFP) to solicit interest from developers based on the Town's specific project requirements and select a developer based also on its funding thresholds and underwriting criteria (which will be incorporated in the RFP). The RFP should indicate that the Trustees anticipate allocating Trust funds to support the development.

Loan
In addition, the funding award to such a project should be structured as a short-term loan (e.g., 5-year) to ensure regeneration of Trust fund. Some trusts have explored the model of shared-equity agreement, but risk is greater that there will be little or no return on investment than with a short-term loan.

Ground Lease
The Trustees may also consider retaining ownership of the property and offering a ground lease. Trustees may choose to keep the property under Trust ownership and lease it to a developer through a ground lease. The developer builds, owns and manages the building but the Trustees can establish certain criteria for the project that become restrictions and provisions in the ground lease. This structure allows the Trust to create housing without having to administer the construction or management of the housing itself.

Type of Housing Needed Most
To help address Grafton's most critical housing needs, as is well documented in the town's 2013 Housing Production Plan, the development should create rental units affordable to households at or below 50% AMI and 30% AMI. The RFP should specify the minimum number (or percentage) of units that should be affordable and should be established by testing the feasibility – calculate rough number on how the affordable unit minimum will impact the need for subsidies. Subsidy programs typically have a maximum award per unit and this will effect the feasibility of the project.

## FY2020-2021

### 4. Create a homebuyer assistance program (Year 4)

First time homebuyer assistance programs and buy-down programs can convert existing homes to permanently restricted affordable units that count on the state's SHI (under the state's Local Action Unit program).

- Homebuyer Assistance: This type of program provides a subsidy to qualified households to write-down a mortgage to an affordable level. In return, a permanent deed restriction would be required to ensure the unit remains affordable upon resale.
- Buy-down Program: This type of program involves purchasing housing units and reselling the units to qualified households as affordable deed-restricted units that count on the SHI. Buy-down programs will often require some rehabilitation costs to bring units up to code.

With Grafton's affordability gap for a 3-person household to afford a single-family house is between $87,000 and $119,000 (depending on the level of financing assumed) and for a condo is about $40,000. This indicates the subsidy required to write-down the cost a market-rate unit near the town's median sales price would be near $100,000 per unit for a single family and about $40,000 for a condominium – note this does not include rehab or carrying costs that may be associated with a Buy-down Program, nor does it include program administration, marketing, and resident selection costs.

To adhere to the Trustees' goal of maximizing leveraging and regeneration of funds for long-term sustainability, the Trustees should focus such a program on condo's due to the lower per-unit subsidy required.

**5. Foster development of second town-owned property (Year 4-5)**
In Year 4, begin process to develop a second town-owned/tax-title site. This strategy recommendation will be similar in scope and process to strategy #3, above.

## ONGOING

**6. Actively outreach and advocate for affordable housing including for zoning bylaw amendments that further affordable housing goals**
In addition to fostering initiatives to create or preserve affordable housing, the Trustees should advocate for creation and preservation of affordable housing in Grafton and inform town officials, residents, business owners, and the general public about the need for affordable housing and its community benefits. This could include advocacy and support for the private affordable housing development proposals and town regulatory amendments to encourage affordable housing development, as well as other projects and initiatives that meet local affordable housing needs. One such regulatory effort could include the trust advocating for an infill zoning bylaw that would permit development of non-conforming lots for creation of SHI-eligible affordable housing.

The Trustees should also provide education about affordable housing issues, programs, and assistance, as well as increase community understanding of the Trust. The Trustees should promote public awareness of affordable housing issues and the Trust's accomplishments in addition to continuing its efforts to connect residents to housing assistance. This ongoing effort can take multiple forms including the following:

- Regular updates to the Board of Selectmen and Community Preservation Committee regarding the status of Trust initiatives.
- Updates at regular meetings of other town entities such as the Planning Board, Council on Aging, Commission on Disability, Economic Development Commission, Finance Committee, and the Housing Authority Commission.
- Sponsor speakers about affordable housing needs and issues. Speakers may include professionals from Citizens' Housing and Planning Association (CHAPA), Massachusetts Housing Partnership, Northeastern Dukakis Center, Metropolitan Area Planning Council, MA Department of Housing and Community Development, or other relevant organizations.

- Utilize social media engagement platforms including Town's Facebook page and twitter account to regularly post information about Trust-funded initiatives, housing issues and information, as well as housing assistance resources. At a minimum, the Board should publish 4-5 posts per month (social media management can be simplified by using an app such as Hootsuite).
- Continue to update the Trust's webpage and post regular news and announcements. At minimum, update monthly.
- Submit letters to the editor, press releases, and arrange interviews with local reporters regarding housing assistance resources, trust initiatives, housing lotteries, and general educational information about housing issues.
- Schedule appearances on local cable access shows.

**7. Review 40B comprehensive permit proposals**

The Trustee's role under the town's LIP guidelines includes review of 40B proposals. The Trustees have reviewed multiple proposals in recent years and should continue to review future proposals and attend the initial hearing and/or prepare a letter to go on record that the comprehensive permit application is through LIP and that the Town has been supportive of the project. In addition, the Trustees should hold meetings with developers proposing "friendly" 40B's to guide project development towards meeting local needs and priorities in line with LIP policies/Housing Guidelines and review the comprehensive permit application prior to submission to the Zoning Board of Appeals.

# Operating Strategies

The most effective housing trusts are operated with transparency, strong communication, clear and strategic priorities, and professional capacity. Well considered operating strategies can help the Trustees be more productive, efficient, and successful in achieving its mission, and can help ensure that the Trustees comply with relative laws and regulations.

## Annual audit

As required by the housing trust statute (MGL c.44 §55C (h), the books and records of the trust shall be audited annually by an independent auditor in accordance with accepted accounting practices. The Trust funds may be allocated to pay for the annual audit.

## Subcommittees

To undertake the initiatives laid out in this plan and to ensure maximum operating efficiency and effectiveness, the Trustees should establish subcommittees to meet one or more times between trust meetings and to undertake discrete tasks related to the subcommittee's purpose.

The board should consider establishing the following subcommittees:

- Review of 40B comprehensive permit applications & monitoring of existing affordable units (to meet as needed) – two members
- Community outreach and advocacy (to meet at least monthly)- two members
- Town-owned land development committee (to meet at least monthly) – three members

In future years, the board could establish an additional two-member subcommittee to focus on a first time homebuyer program.

All Trustees should be expected to actively participate in one subcommittee and report back to the full board at its regular monthly meeting. Trustee meetings should include standard agenda topics for reporting on subcommittee work.

## Strategic Management

The Trustees' regular meetings will naturally be mostly focused on immediate responsibilities and achieving next steps on current initiatives. Strategic planning and management requires dedicated time where achievement of longer-term goals and objectives can receive regular attention. Toward this aim, the Trustees should will hold biannual strategic planning meetings per year, where the majority of the agenda is devoted to evaluating progress toward meeting Trust goals and developing implementation plans to stay on track.

## Expand Professional Planning Resources

While the Trustees benefit from the existing professional town planning staff, the Trustees should consider funding part-time professional planning services to provide additional help targeted to coordinate and implement the Trustees' initiatives and provide day-to-day momentum between Trustee meetings and professional guidance. In addition, or as an alternative, the Trust could explore the option to work with the Central Massachusetts Regional Planning Commission, the regional planning agency, to create a regional housing group, such as the Regional Housing Services Office (headquartered in Concord).

# Five-Year Budget

| | FY17 | FY18 | FY19 | FY20 | FY21 | 5-Year Total | Target # Affordable Units |
|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | |
| Funds Carry Forward from FY16 | $1,351,366 | $1,312,366 | $773,366 | $784,366 | $795,366 | $1,351,366 | |
| CPA Appropriation | $45,000 | $45,000 | $45,000 | $100,000 | $125,000 | $360,000 | |
| Loan repayment (for rental project: assumes 5-year term with 2.5% fixed interest rate; repayment to commence when project 100% occupied) | $0 | $0 | $0 | $0 | $117,100 | 117,000 | |
| Interest (1%) | $13,964 | $13,624 | $8,284 | $8,994 | $10,575 | $55,439 | |
| *Total (Revenue)* | *$1,396,366* | *$1,362,366* | *$828,366* | *$899,366* | *$1,067,058* | *$1,882,822* | |
| **Expenses** | | | | | | | |
| Foster development on town-owned property (budget includes funding for feasibility analysis in first year of each project and development loan in subsequent year) | $50,000 | $550,000 | $0 | $50,000 | $550,000 | $1,200,000 | 22 units @ $50K/unit |
| Professional Planning Services (assumes on retainer for average of 16-20 hrs/m) | $24,000 | $24,000 | $24,000 | $24,000 | $24,000 | $120,000 | |
| Homebuyer Program | $0 | $0 | $0 | $5,000 | $160,000 | $165,000 | 4 units @ $40K/unit |
| Administrative/outreach/advocacy (including legal fees | $10,000 | $10,000 | $10,000 | $10,000 | $10,000 | $50,000 | |
| *Total (Expenses)* | *$84,000* | *$584,000* | *$34,000* | *$89,000* | *$744,000* | *$1,535,000* | 26 total units |
| *Revenue - Expense* | *$1,312,366* | *$773,366* | *$784,366* | *$795,366* | *$176,366* | *$348,405* | |

# APPENDIX 1
# STAKEHOLDER INTERVIEWS

## Background Information

Below is the background information that respondents received prior to their interviews followed by the three interview questions and a summary of responses. Each question had a follow up question "Why did you rank this this way?". These responses are captured in the descriptions above.

### BACKGROUND INFORMATION PROVIDED VERBALLY

Grafton's current housing production plan found that Grafton's primary housing need is for more affordable rental housing, followed by assistance for first-time homebuyers, and greater handicapped accessibility and services for disabled and aging population.

Here are a few facts to help indicate housing need:

1. Grafton's population is growing with the largest increase is in middle-aged residents (45-64 years) – that segment of Grafton's population is growing at a rate about double the overall population growth. Meanwhile, the population of children under age 18 have decreased as a percent of total population while increasing somewhat in absolute numbers.
2. Roughly 2,000 households in Grafton have low-incomes - below 80% of the Area Median Income (80% AMI is up to $65,800 for a household of 4) - However, there are only 325 affordable units (per the state's subsidized housing inventory – note many of these are market rate rentals that count on the SHI but are not restricted to low-income households – I can explain this if you want more clarification). Of these low-income households, there are about 1,150 residents living below the poverty level, many of which are children.
3. Housing options in your community are limited. About 3/4ths of housing stock is single-family houses, which does not meet the needs of your community as it ages and provides limited options for young professionals (e.g. workforce).
4. There is limited availability of rental units. What was available ranged in rent from $1,250 to $1,475 per month. This is higher than fair market rent (determined by HUD), which is $1,036 for a two-bedroom apartment in the Worcester metropolitan statistical area. At the lower end of rental range in Grafton ($1,250) a renter household would require an hourly wage of $23.44 assuming 40 hours/week with no time off. The average renter wage in Worcester MSA is only $12.32. At this wage, a renter would need to work at least 76 hours per week to afford an apartment costing $1,250. Also, about 20% (235 households) of low-income renters in Grafton spend too much for housing costs (over 30% of gross income).
5. A low-income household could afford to buy a home of up to $218,000. The value of about 17% of the single-family homes in Grafton is estimated to be affordable to low-income households and about 37% of condos. About 41% (340) of all low-income owners spend too much for housing costs (over 30% of gross income), many of which are elderly.

**QUESTION 1: Rank how important it is for the trust to focus funding on the following housing needs in the next 5 years. Scale of 1-10 with 10 being most important.**

- create more affordable apartments
- create affordable for-sale units
- create more diverse housing options (barrier free, multi-family, cohousing, supportive services housing, etc)
- Others? (list and rank)

RESULTS

| *Goal* | *Respondent + Ranking* | | | | | | | | *Avg.* |
|---|---|---|---|---|---|---|---|---|---|
| | A | B | C | D | E | F | G | H | |
| *Create more affordable apartments* | 10 | 8 | 5 | 10 | 7 | 10 | 8 | 9 | 8.4 |
| *Create more diverse housing options* | 6 | 6 | 10 | 7 | 10 | 1 | 6 | 9 | 6.9 |
| *Create more affordable for-sale units* | 3 | 4 | 5 | 10 | 4 | 7 | 4 | 7 | 5.5 |

Respondents did not offer additional goals for question 1.

**QUESTION 2: The Housing Production Plan identified a number of strategies that the Trust could potential prioritize for use of trust funds. Which strategies should be the highest priorities for use of trust funds in the next 5 years? Scale of 1-10 with 10 being highest priority.**

1. Foster development of affordable housing on Town owned land.
2. Support new housing development on small infill parcels.
3. Support "friendly" 40B projects to secure additional affordable units beyond the 20-25% minimum typical to 40B developments.
4. Monitor the SHI units approved through the LIP program.
5. Convert existing housing units to affordable units.

**RESULTS**

| *Goal* | *Respondent + Ranking* | | | | | | | | *Avg.* |
|---|---|---|---|---|---|---|---|---|---|
| | A | B | C | D | E | F | G | H | |
| *Support "friendly" 40B projects to secure additional affordable units beyond the 20-25% minimum typical to 40B developments.* | 10 | 8 | 9 | 10 | 10 | 10 | 8 | 9 | 9.3 |
| *Foster development of affordable housing on Town owned land.* | 5 | 6 | 7 | 10 | 8 | 10 | 6 | 10 | 7.8 |
| *Support new housing development on small in-fill parcels.* | 7 | 8 | 2 | 6 | 6 | 8 | 8 | 10 | 6.9 |
| *Convert existing housing units to affordable units.* | 3 | 2 | 8 | 8 | 5 | 5 | 3 | 8 | 5.2 |
| *Monitor the SHI units approved through the LIP program.* | 1 | 5 | 1 | 2 | 10 | 10 | 2 | 8 | 4.9 |

**Question 3: On a scale of 1-10, how would you rate the Trust's effectiveness to date?**

RESULTS

| *Respondent + Ranking* | *A* | *B* | *C* | *D* | *E* | *F* | *G* | *H* | *Avg.* |
|---|---|---|---|---|---|---|---|---|---|
| *Trust's effectiveness?* | NA | NA | 3 | 5 | 5 | 8 | 5 | 7 | 5.5 |

# APPENDIX 2
# COMMUNITY WORKSHOP RESULTS

## Group Exercise #1

### PARTNER INTERVIEWS

Working in pairs, participants shared responses to the following questions. A selection of detailed responses is included:

1. *How long have you lived in Grafton?*
    - *Shortest: 2.5 years*
    - *Longest: 66 years*
2. *What first brought you to the Town? (with length of affiliation)*
    - *Employment (2 years)*
    - *Proximity to employment (5 years)*
    - *Rural character, proximity to train station, common area, charm, open space (14 years)*
    - *Affordability (38 years)*
    - *We found a house that met our needs (43 years)*
    - *Have worked here for 30 years (does not live in Grafton)*
    - *Came with my parents when I was four (66 years)*
3. *Have you lived in the same house since you moved to Grafton?*
    - *A balance of "yes" and "no"*
4. *How has Grafton changed since you first moved here? (with length of affiliation)*
    - *Improved Town functionality (5 years)*
    - *More houses, traffic lights, more municipal buildings (13 years)*
    - *More housing developments (21 years)*
    - *Community life has developed in a positive way (50 years)*
5. *How do you come in contact with housing issues in Grafton? What is your role/interest in affordable housing? (with length of affiliation)*
    - *Awareness of the lack of it. Wants workforce housing (5 years)*
    - *On the Planning Board- Need more housing to allow people to stay and need to balance with economic development (13 years)*
6. *Why do you believe the Town created the Grafton Affordable Housing Trust? (with length of affiliation)*
    - *To meet the need and comply with State regs (48 years)*
    - *There is a stigma of low income but all community members need housing (5 years)*
    - *Town wanted to locally manage reaching the 10% requirement (32 years)*
7. *What do you hope to accomplish at this community workshop? (with length of affiliation)*
    - *Better understanding of the concept of affordable housing (5 years*
    - *To learn about community priorities; to learn about realistic AH options for Grafton (23 years)*
    - *A plan to help those in need; increase housing stock that's affordable (2.5 years)*
    - *Establish a direction (14 years)*

# Group Exercise #2

## Part 1: Work on Things That Matter

Working in groups of 4-6, participants discussed the following initiatives.

***What opportunities, barriers, and compromises might be presented through each of these initiatives? If the Trust could only focus on three of these initiatives, which three would be most effective to address local housing needs?***

| Priority Initiative | Table | | | | | |
|---|---|---|---|---|---|---|
| | A | B | C | D | E | F |
| Make Town-owned land available for affordable housing | 2 | 2 | 1 | | 1 | 1 |
| Support private scattered-site housing | | 3 | 2 | 1 | 2 | 3 |
| Support "friendly" 40B projects | | | 3 | 2 | 3 | |
| Monitor affordability of Subsidized Housing Inventory (SHI) | 3 | | | | | |
| Convert existing units to affordable units | 1 | * | | 3 | | |

***Table B listed "Purchase privately owned land for development" as their first priority.***

Make Town-owned land available for affordable housing
Opportunities:

- Vacant Town-owned land can become a tax resource
- 25 & 52 Worcester Street, and Suzanne Terrace
- This land is available for immediate use and reduces cost of purchase, or is free
- Biggest bang for the buck!

Barriers:

- Town meeting and local politics
- NIMBY-ism
- Land is not good quality and parcels are not suitable for large scale development
- Competition for the land

Compromises:

- Relax zoning by-laws
- Work in partnership with the Housing Authority
- Town could do site work
- Town could gift the land per Town meeting

Support "friendly" 40B projects
Opportunities:

- Generates units in a timely manner
- Minimal cost to and workload for the Trust
- Gives the Town more control throughout the process
- Can create many units at once and cost would go down overall

Barriers:

- Neighborhood impacts and push-back
- Bigger developments mean bigger negative impact
- Finding a developer and managing this relationship can be challenging

Compromises:

- Flexible plans

Convert existing housing into affordable units
Opportunities:
- Opportunities exist all over Grafton, any house could be selected
- Use foreclosed or bank-owned properties, or land coming out Ch. 61
- Homes could be gifted to the Trust
- Town could change zoning by-laws for this type of conversion to allow more units than as-by-right

Barriers:
- Slow going and scatter shot
- The Trust would need to become a real estate expert
- Buy-down and rehab costs are too costly
- The Trust would only be able to convert a small number

Compromises:
- Seek neighborhood support and partnerships

Support private scattered site housing
Opportunities:
- Has a minimal impact on the surrounding area
- Use foreclosed or bank-owned properties
- Partner with Habitat for Humanity
- Smaller scale rentals
- Could help improve neighborhoods

Barriers:
- Units are built (and added to the SHI) slowly
- It takes too long to have a meaningful impact
- Neighborhood opposition
- Demands a lot of resources to manage the process

Compromises:
- Build a "model" home and use it to sell the idea
- Use incentives to develop this way

Monitor affordability of subsidized Housing Inventory (SHI)
Opportunities:
- Outsource this task
- Stabilizes and maintains affordability

Barriers:
- As the number of units increases, the ability of the Trust to monitor decreases
- The Trust does not have the capacity or the continuity

Compromises:
- Work with CHAPA
- Create a regional monitoring entity with a consortium of towns

Some other priorities
- Develop units with supportive services
- Develop units for seniors 55+
- Create a "tiny home" community on Town-owned land
- Purchase privately-owned land for development

# Digital Group Polling Results

**Session Name**
Grafton 3-3-2016, 8-25 PM

| Date Created | Active Participants | Total Participants |
|---|---|---|
| ################### | 33 | 33 |

| Average Score | Questions |
|---|---|
| 48.48% | 7 |

## Results by Question

**1. How long have you lived here? (Multiple Choice)**

| | Responses | |
|---|---|---|
| | Percent | Count |
| Less than 5 years | 9.38% | 3 |
| 5-10 years | 6.25% | 2 |
| 11-20 years | 18.75% | 6 |
| Over 20 years | 43.75% | 14 |
| I don't live here | 21.88% | 7 |
| **Totals** | **100%** | **32** |

**2. Have you lived in the same home since you moved here? (Multiple Choice)**

| | Responses | |
|---|---|---|
| | Percent | Count |
| Yes | 53.13% | 17 |
| No | 25.00% | 8 |
| I don't live here | 21.88% | 7 |
| **Totals** | **100%** | **32** |

**3. Do you have children under 18 living in Grafton? (Multiple Choice)**

| | Responses | |
|---|---|---|
| | Percent | Count |
| Yes | 28.13% | 9 |
| No | 71.88% | 23 |
| **Totals** | **100%** | **32** |

**4. What is your age? (Multiple Choice)**

| | Responses | |
|---|---|---|
| | Percent | Count |
| Under 20 | 0.00% | 0 |
| 20-34 | 16.13% | 5 |
| 35-54 | 48.39% | 15 |
| 55-64 | 9.68% | 3 |
| 65+ | 25.81% | 8 |
| **Totals** | **100%** | **31** |

**5. What is the maximum income for a 4-person household to be low/moderate income? (Multiple Choice)**

| | Responses | |
|---|---|---|
| | Percent | Count |
| $25,800 | 0.00% | 0 |
| $45,800 | 12.90% | 4 |
| $65,800 *( c )* | 67.74% | 21 |
| $85,800 | 19.35% | 6 |
| **Totals** | **100%** | **31** |

**6. What % of Grafton's households have low/moderate incomes? (Multiple Choice)**

| | Responses | |
|---|---|---|
| | Percent | Count |
| 5% | 0.00% | 0 |
| 10% | 6.06% | 2 |
| 20% | 51.52% | 17 |
| 30% *( c )* | 33.33% | 11 |
| 40% | 9.09% | 3 |
| **Totals** | **100%** | **33** |

**7. How many affordable units does Grafton have? (Multiple Choice)**

| | Responses | |
|---|---|---|
| | Percent | Count |
| 225 | 45.16% | 14 |
| 325 *( c )* | 51.61% | 16 |
| 625 | 3.23% | 1 |
| 725 | 0.00% | 0 |
| **Totals** | **100%** | **31** |

# APPENDIX 3
# PRIORITIZATION EXERCISE WITH BOARD OF TRUSTEES

JM Goldson conducted a prioritization polling and discussion exercise incorporated into a presentation of workshop results with the Board of Trustees on Marc h 29, 2016. The polling results are included here.

**Session Name**
New Session 3-29-2016, 8-53 PM

**Date Created**
3/29/2016 7:03:15 PM

**Active Participants**
6

**Total Participants**
6

**Average Score**
0.00%

**Questions**
5

## Results by Question

**1. Which approach do you support for the Grafton Trust? (Multiple Choice)**

| | Responses | |
|---|---|---|
| | Percent | Count |
| An initiator | 16.67% | 1 |
| A funder | 16.67% | 1 |
| A hybrid | 66.67% | 4 |
| Not sure | 0.00% | 0 |
| **Totals** | **100%** | **6** |

**2. Which approach do you support for the Grafton Trust? (Multiple Choice)**

| | Responses | |
|---|---|---|
| | Percent | Count |
| An initiator | 66.67% | 4 |
| A funder | 16.67% | 1 |
| A hybrid | 16.67% | 1 |
| Not sure | 0.00% | 0 |
| **Totals** | **100%** | **6** |

**3. Which approach do you support for the Grafton Trust? (Multiple Choice)**

| | Responses | |
|---|---|---|
| | Percent | Count |
| An initiator | 83.33% | 5 |
| A funder | 0.00% | 0 |
| A hybrid | 16.67% | 1 |
| Not sure | 0.00% | 0 |
| **Totals** | **100%** | **6** |

**4. Choose one initiative for the trust to focus on this year? (Multiple Choice)**

| | Responses | |
|---|---|---|
| | Percent | Count |
| ster development on town-owned land | 83.33% | 5 |
| Support "friendly" 40B development | 0.00% | 0 |
| First-time homebuyer program | 16.67% | 1 |
| Other | 0.00% | 0 |
| **Totals** | **100%** | **6** |

**5. The trust should only fund projects to create 40B units. (Multiple Choice)**

| | Responses | |
|---|---|---|
| | Percent | Count |
| Strongly Agree | 40.00% | 2 |
| Somewhat Agree | 20.00% | 1 |
| Somewhat Disagree | 20.00% | 1 |
| Strongly Disagree | 20.00% | 1 |
| **Totals** | **100%** | **5** |

**Session Name**
New Session 3-29-2016, 9-19 PM

**Date Created**
3/29/2016 8:53:42 PM

**Active Participants**
6

**Total Participants**
6

**Average Score**
0.00%

**Questions**
6

## Results by Question

**1. The Trust should only award loans, not grants (Multiple Choice)**

| | Responses | |
|---|---|---|
| | Percent | Count |
| Strongly Agree | 50.00% | 3 |
| Somewhat Agree | 33.33% | 2 |
| Somewhat Disagree | 16.67% | 1 |
| Strongly Disagree | 0.00% | 0 |
| **Totals** | **100%** | **6** |

**2. The Trust should establish funding thresholds (Multiple Choice)**

| | Responses | |
|---|---|---|
| | Percent | Count |
| Strongly Agree | 50.00% | 3 |
| Somewhat Agree | 33.33% | 2 |
| Somewhat Disagree | 0.00% | 0 |
| Strongly Disagree | 16.67% | 1 |
| **Totals** | **100%** | **6** |

**3. The Trust should establish funding thresholds (Multiple Choice)**

| | Responses | |
|---|---|---|
| | Percent | Count |
| Strongly Agree | 66.67% | 4 |
| Somewhat Agree | 33.33% | 2 |
| Somewhat Disagree | 0.00% | 0 |
| Strongly Disagree | 0.00% | 0 |
| **Totals** | **100%** | **6** |

**4. The Trust should establish underwriting criteria (Multiple Choice)**

| | Responses | |
|---|---|---|
| | Percent | Count |
| Strongly Agree | 83.33% | 5 |
| Somewhat Agree | 16.67% | 1 |
| Somewhat Disagree | 0.00% | 0 |
| Strongly Disagree | 0.00% | 0 |
| **Totals** | **100%** | **6** |

**5. The Trust should contract out monitoring of units (Multiple Choice)**

| | Responses | |
|---|---|---|
| | Percent | Count |
| Strongly Agree | 83.33% | 5 |
| Somewhat Agree | 16.67% | 1 |
| Somewhat Disagree | 0.00% | 0 |
| Strongly Disagree | 0.00% | 0 |
| **Totals** | **100%** | **6** |

**6. The Trust should focus on community education/advocacy (Multiple Choice)**

| | Responses | |
|---|---|---|
| | Percent | Count |
| Strongly Agree | 33.33% | 2 |
| Somewhat Agree | 66.67% | 4 |
| Somewhat Disagree | 0.00% | 0 |
| Strongly Disagree | 0.00% | 0 |
| **Totals** | **100%** | **6** |

**JM GOLDSON**

**community preservation + planning**

101 Arch Street, Suite 1950

Boston, MA

www.jmgoldson.com

Jennifer M. Goldson, AICP, Owner

jennifer@jmgoldson.com

617-872-0958