

LANCASTER AFFORDABLE HOUSING TRUST

Prescott Building
701 Main Street - Suite 2
Lancaster, MA 01523

May 13, 2022

Ms. Kate Hodges, Town Administrator
Town of Lancaster
701 Main Street - Suite 1
Lancaster, MA 01523

Re: Capital Group's Comprehensive Permit (c. 40B) Site Approval Application

Dear Kate,

The Lancaster Affordable Housing Trust ("Trust") respectfully provides this public comment regarding Capital Group's Comprehensive Permit Site Application filed under M.G.L. c.40B § 20-23 as submitted to MassHousing Finance Agency on April 26, 2022. The project is situated on 22.98 acres at 0 White Pond Road.

The Trust strongly supports increased affordable housing options in Lancaster to address our documented shortage. Lancaster is required under M.G.L. c.40B to provide over 10% of local year-round housing stock as deed-restricted affordable units. We are currently at 5.5% Subsidized Housing Inventory ("SHI") per the Commonwealth's official municipal tracking. This 5.5% will decrease when updated housing inventory data from the 2020 10-year census is released later this year.

Comparing the current inventory of 140 SHI units against the anticipated updated housing inventory (approximately 2,788 total units), the Trust estimates that Lancaster is short by approximately 140 additional units to barely cross over 10% and thus obtain "Safe Harbor" status. The Town needs 167 units to reach 11% and 207 units to reach a needed cushion at 12%. The Trust includes this data to emphasize that the affordable housing shortage in Lancaster is real, documented, and needs attention.

The advantages and disadvantages of Capital Group's 40B proposal from the Trust's perspective are outlined below. Additionally, the Town's 40R alternative is addressed at the end.

40B Project Advantages

- (1) **Prime Site Location** The 40B parcel's proximity to Routes 190, 2, 70 and 117 provides strong justification for commuter apartment-style units under affordable and workforce housing categories, both in short supply in the current housing crisis. In addition, MBTA commuter rail is located under 5 miles away in Leominster and Shirley and under 10 miles in Ayer.
- (2) **Multi-Family Typology** The Capital Group's 200-unit project is new multi-family construction versus single-family homes or duplex/triplex units. This brings Lancaster a large volume of much needed units at a lower carbon footprint and reduced land footprint, and on an already excavated, barren site.
- (3) **Home Ownership Model** This proposal is submitted under MassHousing's home ownership application with 25% of the total units be deed-restricted affordable. Home ownership 40B allows unit owners to build equity which has been proven to break the cycle of poverty.
- (4) **Post-Construction Review** Site visit observations from the 40B Proponent's multi-family developments elsewhere include, but are not limited to, safe and attractive vehicular circulation and fixtures, well-appointed common areas, ample exterior lighting, heavy landscaping, pedestrian and bicycle-friendly lay-outs and various on-site amenities in use by residents.
- (5) **Trail Access** Affordable housing located near public recreation land has emerged as one important tool to address the historically lower statistical use of conservation land by reduced-income and minority populations. This Site feature helps improve these statistics and provide the health and well-being benefits of public trails to a traditionally under-represented population.

- (6) **Synergy with Economic Development** The 40B project is situated within walking distance of a proposed distribution center creating hundreds of new jobs. This by-right commercial use is not heavy industry (i.e. manufacturing involving chemical use, hazardous materials, etc.). Associated truck traffic will benefit from MassDEP's recent filing to adopt regulations setting benchmarks for converting MA to zero emission trucks.

40B Project Concerns

- (1) **Maximum Allowable Unit Count but Little Gain to Lancaster's SHI** This application is for the maximum number of allowable units under 760 CMR 56.02(6)(c) and will draw heavily on town services. However, it does not bring Lancaster over 10% SHI. As a homeownership project, only the 25% deed-restricted affordable units are eligible, i.e. 50 units. This is unlike leased units which count at 100% under the state's rental incentive policy.
- (2) **Affordability** The Application only meets the minimum affordability requirement under M.G.L c.40B, i.e. 25% of units shall be deed-restricted at or below 80% of Area Median Income ("AMI") to income-eligible households. The 2022 Median Income in Eastern Worcester County, Lancaster's assigned statistical area, is \$135,000. The income cap for a one-person household is \$62,600 and for a four-person household is \$89,400. 40B for-sale units are priced accordingly. In practical terms, there is a narrow band of applicants who will be qualified to make payments and therefore units at a lower AMI would be helpful to the community. Deed-restricting a portion of units at a lower AMI would be an improvement.

Local preference should be stipulated in the Comprehensive Permit and lottery process for income-eligible Lancaster residents, municipal staff, and other local business employees.

- (3) **Project Location within the Site** While easy access to major routes is advantageous for multi-family construction as stated above, the precise location within the Site is detrimental. This 40B is proposed at the back of an approximately 386-acre Site, the

furthermost point from the McGovern Boulevard entrance on Route 70. The Trust is concerned that large numbers of future residents and visitors will need to travel nearly one mile through the distribution complex to reach the housing component.

The 40B is immediately adjacent to the proposed distribution complex. Site mitigation measures should be required to shield 40B residents from visual and noise impacts. Examples include noise reduction fencing, vegetated berm(s), heavy tree planting, and/or other solutions to be implemented by the Applicant per the terms and condition of the Comprehensive Permit.

Locating the 40B development at the very back of the Site places it in proximity to the existing White Pond neighborhood of single-family homes. Under 760 CMR 56.04 (4)(c), the Trust recommends minimizing site line impacts in the positioning of the two 4-story structures. The Site's topography at the rear of the site is quite a bit lower in elevation than White Pond Road and is also buffered by a mature tree line. Care should be taken to require these advantageous site features remain intact, and to provide additional privacy mitigation measures, if necessary.

- (4) **Ingress/Egress** The 40B project is accessed through McGovern Boulevard, a private road constructed for the Site, connecting to Route 70. The Site is not accessible through an alternate route, such as White Pond Road or an adjacent connection to Old Union Turnpike. Although the existing, preliminary portion of McGovern Boulevard is "double-barreled", it would be preferable to have an alternative form of access to the 40B project. An easement exists through the adjacent MA Youth Soccer Association site, connecting the Site to Old Union Turnpike, but is currently restricted to emergency access only.

It would be beneficial to simultaneously provide a secondary access to the existing White Pond neighborhood in the event of an emergency, a concern expressed by its residents.

- (5) **MART Transit** The application mentions public transit will be available through the Montachusett Regional Transit. However, this was negotiated by the Affordable

Housing Trust and the Economic Development Committee for an alternate 40R proposal with mixed-income housing on the front of the Site. It is not confirmed with MART's authorities whether MART Bus Route #8 could extend all the way to the rear of the Site through the distribution complex to the more remote 40B and then back out McGovern Boulevard to Route 70.

(6) **Environmental Impacts** Through the use of allowable waivers, Chapter 40B overrides local environmental bylaws which are pivotal to protecting on-site natural resources. This is a key drawback of 40B since the project is proposed within the Central Nashua River Valley Area of Critical Environmental Concern. Lancaster's local wetlands bylaws include greater protection than under the MA Wetlands Protection Act, but this additional protection is not applicable to 40B projects. The Application does not reference the Lancaster State Forest and an Outstanding Resource Water (certified vernal pool) within it which are located south of the proposed 40B construction.

(7) **Plans for Remainder of Adjacent Land Under Same Ownership** The Application is silent on plans for the remainder of the adjacent Residentially-zoned land at the rear of the Site. This totals approximately 50 acres and can accommodate large future residential development. The plans provided focus nearly exclusively on the subdivided parcel for the 40B alone. It is unclear if the adjacent vacant areas depicted are going to be designated open space or developed, and this needs to be explained.

There is also little detail provided on the remainder of the Site overall which includes approximately 300 acres of Enterprise-zoned land with a proposed distribution center and possible commercial development.

There is no masterplan provided to understand the 40B in the overall context of the redevelopment of the former sand and gravel operation. A visual plan and narrative for the remainder of the site should be provided as part of understanding the overall context for the 40B project.

40R Alternative Currently Under Review

The MA Department of Housing and Community Development is currently reviewing an Application for the North Lancaster Smart Growth Overlay District pursuant to M.G.L. c.40R. For background, after reviewing the initial 40B proposal, the Trust recommended creating a 40R zoning district instead. When proposed in the right location, Chapter 40R provides many advantages to cities and towns that address the controversial aspects of 40B. DHCD is in the final stages of preparing a preliminary eligibility letter for the 40R District. At a site visit held on May 10, 2022 for the 40B proposal, MassHousing Finance representatives stated the 40B application would likely receive preliminary approval, but expressed a strong preference for the alternate 40R situated elsewhere on-site. While this is not a reason to deny the 40B application, it should be noted that there is an alternative affordable housing proposal that is more favorable to MassHousing's 40B team. The Trust has outlined a sample of these advantages below.

- (1) **Local Fiscal Advantages** Smart Growth Overlay Districts are a town-driven initiative, and once adopted, private developers apply under the Town's District zoning. This puts local communities in greater control of affordable housing production and planned growth.

Four categories of financial incentive payments were introduced under Chapter 40R that do not exist under Chapter 40B. Local municipalities who adopt a 40R Smart Growth Overlay District are eligible for Zoning Incentive Payments, Bonus Payments, Educational Costs (Chapter 40S), and State Funding Preference. Eligibility and payment amounts for each incentive are explained in more detail at <https://www.mass.gov/service-details/smart-growth-smart-energy-toolkit-modules-chapter-40r-and-chapter-40s>

Additionally, the 40R District includes mixed-use residential and retail/commercial, unlike the 40B proposal of 200 residential units alone. The mixed-use nature of the 40R proposal has inherent economic development advantages that offset the cost of residential development to the Town, as well as providing adjacent retail and restaurant amenities.

- (2) **Brings Lancaster “Over 10%” Compliance** The 150 residential units in the Capital Group project within the 40R District are all rentals. Lancaster receives credit for 100% under the state’s rental incentive policy, thus putting the Town over 10% SHI with fewer units than the 40B proposal, despite being larger and more expensive to the Town services budget.
- (3) **Greater Affordability** The proposed bylaw and Capital Group project include units at a lower income threshold than the bare minimum included in the 40B proposal. Under the proposed 40R bylaw and Capital Group’s project, 8% of the 25% affordable units include an income-eligibility cap of 60% Area Median Income versus 80%. This goes above and beyond the minimum 40B and 40R statutory requirement. This is not included in the 40B proposal.
- (4) **Greater Environmental Protection** Chapter 40R zoning does not override local environmental bylaws which is especially important given undisturbed areas of the Central Nashua River Valley ACEC nearby. Additionally, the draft Memorandum of Agreement includes multiple areas of open space protection and stream quality monitoring.
- (5) **MBTA Adjacent Community Requirement** Lastly, under new legislation passed in 2021, Lancaster is required to adopt by right multi-family zoning. Draft guidelines indicate zoning must satisfy requirements for a minimum of 750 units and 50 non-contiguous acres. This 40B project is adding 200 units of multi-family housing, but as it does not change the town zoning bylaws, it is not eligible to count towards the Town’s MBTA Adjacent requirement. This means we will need to provide MBTA Adjacent Multi-Family housing in addition to this large 40B project. It is likely the 40R proposal will be eligible towards the MBTA requirement as it meets the minimum density requirement.

Thank you for the opportunity to comment on Capital Group’s 40B proposal. We remain available to further assist the Town with its review of this affordable housing proposal and next steps.

On behalf of the Lancaster Affordable Housing Trust and its Members,

A handwritten signature in blue ink, reading "Victoria Petracca". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Victoria Petracca, Chair

cc: Lancaster Select Board

Jasmin Farinacci, Director, Community Development and Planning, Town of Lancaster