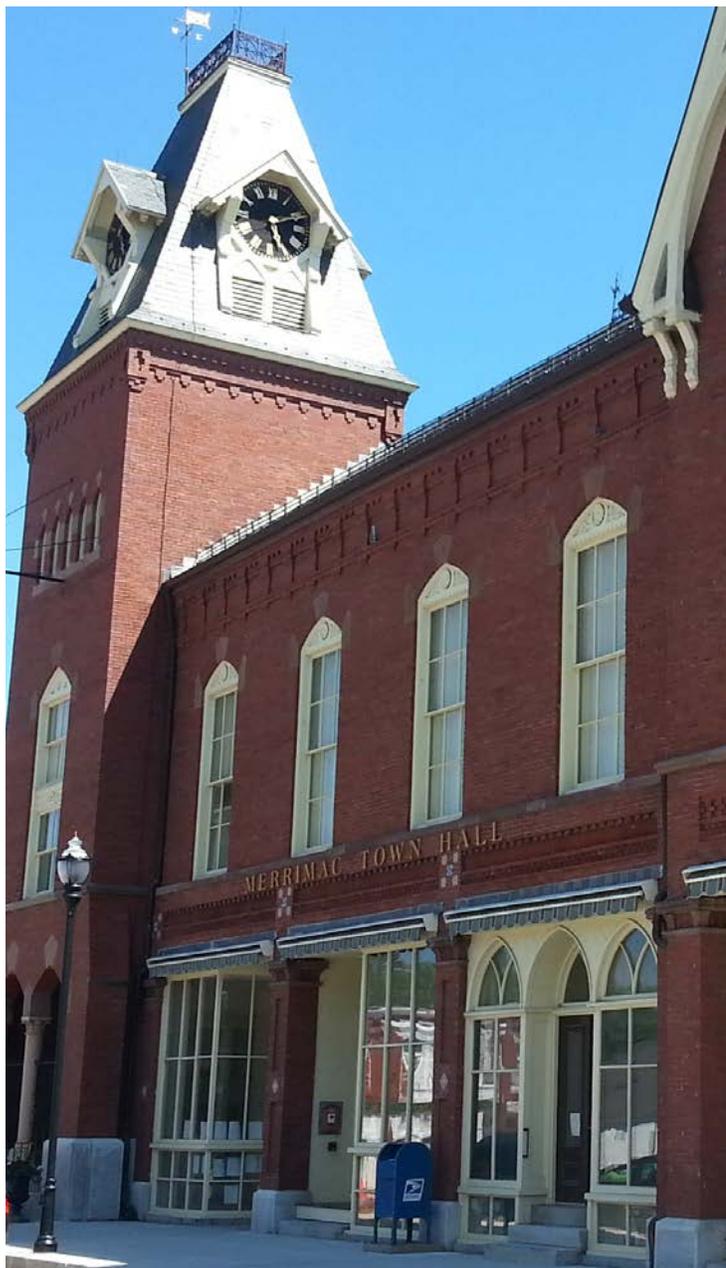


Town of Merrimac Housing Production Plan



Prepared for the Town of Merrimac, Massachusetts by the
Merrimack Valley Planning Commission



December 2015

Table of Contents

Acknowledgements	4
Disclaimer	4
Glossary of Terms.....	5
Section 1: Introduction	9
Section 2: Housing Needs Assessment	11
2.1 Introduction	11
2.2 Legal Context for Housing Production	12
2.3 Demographics	12
2.3.1 Population/Employment Forecast	15
2.3.2 Demand	18
2.4: Households	19
2.4.1 Total Households.....	19
2.4.2 Households by Age Cohort.....	20
2.5 Housing Characteristics.....	23
2.6 Housing Units.....	23
2.6.1 Housing Unit Demand Change.....	23
2.6.2 Supply	25
2.6.3 Housing Units by Age.....	25
2.6.4 Housing Units by Type	25
2.6.5 Housing Permits Issued in Merrimac, 2012-2014	26
2.6.6 Affordability.....	27
2.6.7 Households by Income.....	28
2.7: Housing Costs and Cost Burden	29
2.7.1 Measurement of Affordability	29
2.7.2 Cost Burden by Tenure	29
2.7.3 Cost Burden by Income.....	30
2.7.4 Cost Burden by Household Type.....	30
2.7.5 Merrimac Subsidized Housing Inventory	30

2.7.6 Affordability of Recent Home Sales	32
2.7.7 Affordability Gap	33
Section 3: Goals and Policies.....	34
3.1 Goals.....	34
3.2 Policies.....	34
Section 4: Opportunities and Constraints.....	37
Section 5: Implementation Strategies.....	40
5.1 Zoning.....	40
5.2 Comprehensive Permits.....	40
5.3 Future Considerations.....	41
5.4 Healthy Housing/Healthy Neighborhood Principles.....	42
5.5 Production Schedule.....	44

Acknowledgements

The MVPC staff would like to thank the Merrimac Affordable Housing Board of Trustees, Merrimac Planning Board, and Merrimac Board of Selectmen for their input and guidance in the development of this Plan.

Disclaimer

The MVPC makes no claims, promises, or guarantees about the accuracy, completeness, or adequacy of this information and expressly disclaims liability for any errors and omissions. The appropriate use of such data in other planning programs and studies must be determined entirely by the planners and analysts of the firm or agency undertaking such projects.

Glossary of Terms

Affordable Housing

For purposes of this Plan, refers to housing available to a household earning no more than 80% of area median income at a cost that is no more than 30% of total household income.

Area Median Income (AMI)

The estimated median income, adjusted for family size, by metropolitan area (or county in nonmetropolitan areas) that is adjusted by HUD annually and used as the basis of eligibility for most housing assistance programs.

Chapter 40B

The state's comprehensive permit law, enacted in 1969, that established an affordable housing goal of 10% for every community. In communities below the 10% goal, developers of low- and moderate-income housing can seek an expedited local review under the comprehensive permit process and can request a limited waiver of local zoning and other restrictions, which hamper construction of affordable housing.

Chapter 44B

The Community Preservation Act Enabling Legislation that allows communities, at local option, to establish a Community Preservation Fund to preserve open space, historic resources and community housing, by imposing a surcharge of up to 3% on local property taxes. The state provides matching funds from its own Community Preservation Trust Fund, generated from an increase in certain Registry of Deeds' fees.

Community Preservation Act (CPA): Cities and towns that adopt the Community Preservation Act (CPA) generate monies for their local Community Preservation funds through the implementation of a local CPA property tax surcharge of up to 3% and through the receipt of annual matching of funds, at variable rates, from a statewide CPA Trust Fund created by the Act. Only communities that have adopted CPA are eligible to receive these matching funds each year. See the Community Preservation Coalition website for more information at

http://www.communitypreservation.org/CPA_Funding.

Comprehensive Permit

Expedited permitting process for developers building affordable housing under Chapter 40B "anti-snob zoning" law. A comprehensive permit, rather than multiple individual permits from various local boards, is issued by the local zoning boards of appeals to qualifying developers.

Department of Housing and Community Development (DHCD)

DHCD is the state's lead agency for housing and community development programs and policy. It oversees state-funded public housing, administers rental assistance programs, provides funds for municipal assistance, and funds a variety of programs to stimulate the development of affordable housing.

Fair Housing Act: Federal legislation, first enacted in 1968, that provides the Secretary of HUD with investigation and enforcement responsibilities for fair housing practices. It prohibits discrimination in housing and lending based on race, color, religion, sex, national origin, handicap, or familial status. There is also a Massachusetts Fair Housing Act, which extends the prohibition against discrimination to sexual orientation, marital status, ancestry, veteran status, children, and age. The state law also prohibits discrimination against families receiving public assistance or rental subsidies, or because of any requirement of these programs.

Inclusionary Zoning

A zoning ordinance or by-law that requires a developer to include affordable housing as part of a development or contribute to a fund for such housing.

Infill Development

The practice of building on vacant or undeveloped parcels in dense areas, especially urban and inner suburban neighborhoods. Promotes compact development, which in turn allows undeveloped land to remain open and green.

Local Initiative Program (LIP)

A state program under which communities may use local resources and DHCD technical assistance to develop affordable housing that is eligible for inclusion on the state Subsidized Housing Inventory (SHI). LIP is not a financing program, but the DHCD technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. At least 25% of the units must be set-aside as affordable to households earning less than 80% of area median income.

MassHousing (formerly the Massachusetts Housing Finance Agency, MHFA)

A quasi-public agency created in 1966 to help finance affordable housing programs, MassHousing sells both tax-exempt and taxable bonds to finance its many single-family and multi-family programs.

Metropolitan Statistical Area (MSA)

The term is also used for CMSAs (consolidated metropolitan statistical areas) and PMSAs (primary metropolitan statistical areas) that are geographic units used for defining urban areas that are based largely on commuting patterns. The federal Office of Management and Budget defines these areas for statistical purposes only, but many federal agencies use them for programmatic purposes, including allocating federal funds and determining program eligibility. HUD uses MSAs as its basis for setting income guidelines and fair market rents.

Mixed-Income Housing Development

Development that includes housing for various income levels.

Mixed-Use Development

Projects that combine different types of development such as residential, commercial, office, industrial and institutional into one project.

Overlay Zoning

A zoning district, applied over one or more other districts that contains additional provisions for special features or conditions, such as historic buildings, affordable housing, or wetlands.

Public Housing Agency (PHA)

A public entity that operates housing programs: includes state housing agencies (including DHCD), housing finance agencies, and local housing authorities. This is a HUD definition that is used to describe the entities that are permitted to receive funds or administer a wide range of HUD programs including public housing and Section 8 rental assistance.

Regional Planning Agencies (RPAs)

RPAs are public agencies that coordinate planning in each of thirteen regions of the state. They are empowered to undertake studies of resources, problems, and needs of their districts. They provide professional expertise to communities in areas such as master planning, affordable housing, and open space planning, and traffic impact studies.

Request for Proposals (RFP)

A process for soliciting applications for funding when funds are awarded competitively or soliciting proposals from developers as an alternative to lowest-bidder competitive bidding.

Section 8

Refers to the major federal (HUD) program – actually a collection of programs – providing rental assistance to low-income households to help them pay for housing. Participating tenants pay 30% of their income (some pay more) for housing (rent and basic utilities) and the federal subsidy pays the balance of the rent. The Program is now officially called the Housing Choice Voucher Program.

Smart Growth

The term used to refer to a rapidly growing and widespread movement that calls for a more coordinated, environmentally sensitive approach to planning and development. A response to the problems associated with unplanned, unlimited suburban development – or sprawl – smart growth principles call for more efficient land use, compact development patterns, less dependence on the automobile, a range of housing opportunities and choices, and improved jobs/housing balance.

Subsidy

Typically refers to financial assistance that fills the gap between the costs of any affordable housing development and what the occupants can afford based on program eligibility requirements. Many times multiple subsidies from various funding sources are required, often referred to as the “layering” of subsidies, in order to make a project feasible. In the state’s Local

Initiative Program (LIP), DHCD's technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. Also, "internal subsidies" refers to those developments that do not have an external source(s) of funding for affordable housing, but use the value of the market units to "cross subsidize" the affordable ones.

Subsidized Housing Inventory (SHI)

This is the official list of units, by municipality, that count toward a community's 10% goal as prescribed by Chapter 40B comprehensive permit law.

"Three Bedroom Policy"

This is an interagency agreement among the "state housing agencies" (DHCD, MHP, MassHousing, MassDevelopment, and CEDAC) to ensure that at least 10% of the units in affordable production developments funded, assisted, or approved by a state housing agency have three or more bedrooms as defined and agreed to in the Interagency Agreement dated January, 17, 2014.

U.S. Department of Housing and Urban Development (HUD)

The primary federal agency for regulating housing, including fair housing, and housing finance. It is also the major federal funding source for affordable housing programs.

Section 1: Introduction

A Housing Production Plan (HPP), defined in 760 CMR 56.03 and administered by the Department of Housing and Community Development (DHCD), is a proactive strategy for planning and developing affordable housing. The HPP identifies the housing needs of a community and the goals and strategies it will use to identify and achieve the 10% threshold of Chapter 40B state mandate. The Town's status relating to this 10% threshold is documented on the Subsidized Housing Inventory (SHI), also administered by DHCD.

HPP's enable municipalities to develop a strategy to meet its affordable housing needs in a manner consistent with the MGL Chapter 40B statute, produce housing units in accordance with that plan, and demonstrate progress towards their affordable housing production. By taking a proactive approach in the adoption of a HPP, cities and towns are much more likely to achieve both their affordable housing and community planning goals. HPP's give communities that are under the 10% threshold of Chapter 40B, but are making steady progress in producing affordable housing on an annual basis, more control over comprehensive permit applications for a specified period of time.

In order for the Town of Merrimac to avail itself of the provisions and protections of a HPP, the following process must be completed:

- Prepare the HPP: In accordance with DHCD regulations, develop the plan and have the plan adopted by the Board of Selectmen and Planning Board.
- Approve the HPP: DHCD approves the plan, which includes revising the plan based on any DHCD comments received.
- Certify the HPP: Create affordable units equal to 0.5 of 1% of the total number of housing units (13 and 25 housing units respectively for Merrimac) and petition DHCD for certification.
- Renew the HPP: The term of the HPP is five years from approval.

When a municipality has a certified plan, decisions on comprehensive permit applications by the Zoning Board of Appeals (ZBA) to deny or approve with conditions will be deemed "consistent with local needs" under MGL Chapter 40B.

A community's growth from rural village to suburb can be traced through the styles, age and location of its homes. As fields and forests gradually gave way to development, the homes that replaced them tell a story about the physical evolution of each city and town. This can be seen in Merrimac, where a Victorian town square surrounded by late 19th century homes serves as a legacy of the Town's renowned horse drawn carriage industry. In many communities across the Commonwealth, however, the loss of open space to new growth has led residents to oppose more housing developments. Concerned about town character, natural resources and the cost of public schools, local officials seek ways to limit growth. Oftentimes, the techniques they choose bring unintended consequences, one of which is the demise of housing choice. In Merrimac, housing choice is not a euphemism for low-income housing. Rather, it means a range of housing types and prices so that homebuyers and renters have meaningful choices about where they will live.

This Housing Production Plan relies on the Merrimac Zoning Bylaw, Chapter 40B and access to state and federal financial resources to assure that Merrimac remains affordable to people living in or seeking to move to the Merrimack Valley region. Merrimac is a pleasant, low-key town that values its close-knit neighborhoods, charming town square, working farms, and views of the water. Its small local government and limited financial resources have not prevented the Town from successfully negotiating the best possible outcomes for several Chapter 40B developments. Unlike many communities across the state, Merrimac has not resisted every comprehensive permit that reached the Board of Appeals, and the Town has 5.6% of its housing stock as affordable. Its accomplishments are impressive, and if all 40B projects that were approved had been built, Merrimac would be only 58 units shy of their 10%. Currently, the Town's Subsidized Housing Inventory (SHI) is 112 units short of the 10% statutory minimum.

Section 2: Housing Needs Assessment

2.1 Introduction

Housing production is one of the most profound challenges facing Massachusetts, and a challenge that every city and town has a unique and important role to play. The Commonwealth's communities must implement policies and programs ensuring the preservation of existing housing stocks and the development of new units where it is appropriate. This housing must also be flexible enough to meet the needs of an aging and increasingly diverse population.

The high cost of housing and lack of affordable or attractive options for many households has many negative consequences that affect the whole state. Housing costs are a major contributor to the Commonwealth's high cost of living, and they eclipse taxes as a major disincentive to firms and talented workers who want to stay here, or locate here. High housing costs impact households' abilities to afford other essentials like transportation, food, or health care. As a result, households thus impacted have less income to support local businesses.

One fundamental solution to the state's housing challenge is more proactive efforts to plan for increased housing production at the local level. Each city and town has different needs, different constraints, and different opportunities for new growth, but all can play a role in meeting the state's housing needs. Furthermore, many important principles of housing production apply across the Commonwealth: communities need a diversity of housing types to meet future housing needs; increased production at all price levels is critical to improving affordability; and well-located and well-designed new housing can help to revitalize local business districts while potentially reducing auto miles travelled. Communities can also promote housing re-use and development through their land use regulations; by code enforcement, and by creating partnerships with housing industry representatives and advocates.

This housing needs assessment provides an overview of the current demographics of Merrimac, the existing housing stock, projected changes in housing demand over the coming decades, and the types of new housing that are needed to meet that need.

2.2 Legal Context for Housing Production

Housing production has been an important goal of the Commonwealth for decades. Its legislative centerpiece is the Comprehensive Permit Act, which consists of Massachusetts General Laws (MGL) Chapter 40B, Sections 20-23, and associated regulations promulgated by the Massachusetts Department of Housing and Community Development (DHCD). Chapter 40B was enacted in 1969 to encourage the production of affordable housing in all Commonwealth cities and towns. It set forth a 10% housing affordability (in accordance with state standards) goal for all communities. DHCD staffs have worked with the communities since the enactment of Chapter 40B to track affordable housing production.

In municipalities that have not met the 10% threshold under Chapter 40B, a developer can apply for a "Comprehensive Permit" that enables them to build more densely than municipal zoning bylaws might permit, if at least 25% (or 20% in certain cases) of the new units are affordable. Developers can also build Chapter 40B housing units virtually anywhere in a community, regardless of zoning. For purposes of comprehensive permitting, "adequate progress" means that more than 10% of the year-round housing units qualify as affordable in the Subsidized Housing Inventory (units with long term affordability accepted by the state), or that the municipality has an approved housing production plan and has met annual or biennial housing production targets. In some cases, as-of-right zoning for multi-family or higher-density housing can help demonstrate "adequate progress". Despite its controversy, Massachusetts voters rejected an initiative petition to repeal the law in November of 2010.

State guidelines dictate that communities define affordable housing as a unit that could be purchased or rented by a household with an income of up to 80% of the area median income (AMI).

2.3 Demographics

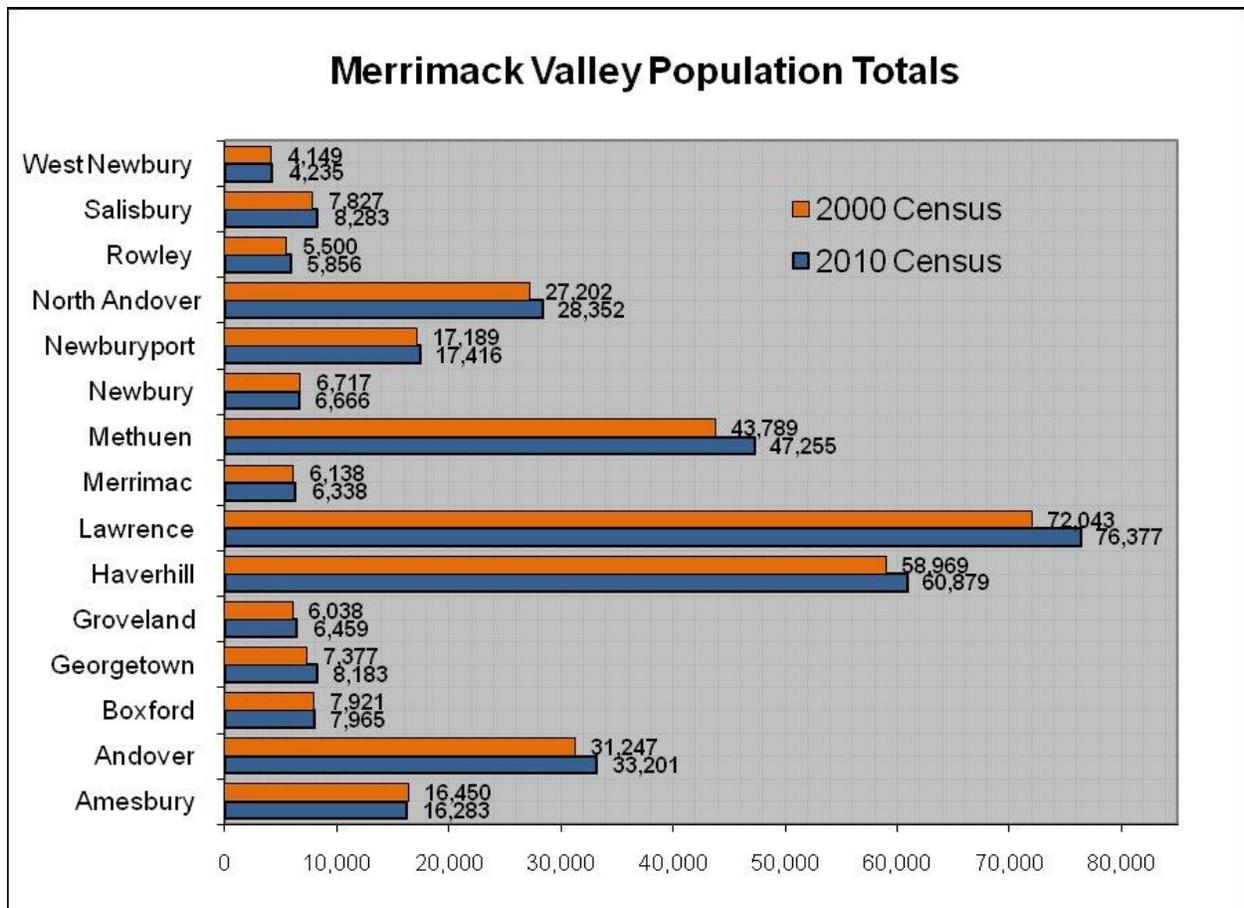
Housing needs and preferences change over time. Young professionals and seniors on fixed incomes may prefer smaller, more affordable units that are easier to maintain. Families with children may want larger units with more bedrooms and open space. Persons with disabilities may require housing that complies with standards set by the Americans with Disabilities Act (ADA). Others may require or desire housing that is proximate to public

transportation. This section documents Merrimac's existing and projected population statistics by age cohort.

Table 2.0 Summary of Demographic Characteristics for Merrimac, Essex County and Massachusetts, 2010

<i>Demographic Characteristics</i>	Town of Merrimac	Essex County	State
Total Population	6,338	743,159	6,547,629
Population density (per square mile of land area)	749	1,484	835
% Minority residents	2.6%	18.1%	19.6%
% under 21 years	26.7%	23.2%	21.7%
% 21 to 34 years	11.6%	16.1%	18.6%
% 35 to 44 years	14.5%	13.5%	13.6%
% 45 to 54 years	20.1%	16.3%	15.5%
% 55 to 64 years	13.8%	12.9%	12.3%
% 65 years or more	13.3%	14.1%	13.8%
Median Age	43.7 years	40.4 years	39.1 years
% Non-family households	28.0%	34.3%	37.0%
% Single-person households	22.6%	28.1%	28.7%
Average household size	2.61 persons	2.54 persons	2.48 persons
Median household income	76,923	63,341	63,961
Individuals in poverty	2.9%	10.4%	10.8%
% Earning less than \$25,000/\$35,000	10.7% / 18.4%	20.9% / 29.4%	20.6% / 28.5%
% Earning more than \$100,000	38.6%	30.5%	29.9%

Merrimac in 2010 was home to 6,300 residents, an increase of 3.3 percent from 2000. In 2010, working-age adults between 20 and 65 constituted 60 percent of the population and seniors over 65 made up 13 percent. School-age children (between ages 5 and 19) constituted 15 percent of all residents in 2010.



With the aging of the 'Baby Boomer' generation (persons born between 1946 and 1964), Massachusetts is growing older. The senior population is expected to increase by 130 percent over the next two decades, an increase mirrored in almost every city and town.

In Merrimac, the aging of the Baby Boomers will cause the senior population to increase by 1,100 people, or 130 percent, through 2030, as shown in the table below. Merrimac's total population is projected to decline slightly between 2010 and 2020, and to increase to its 2010 population level by 2030. Table 2.1 below contains a breakdown of Town of Merrimac population cohorts using 2010 Census figures and projections in ten-year increments between 2015 and 2030:

Table 2.1: Town of Merrimac - Projected Population by Age Group, 2010-2030

AGE	2010	2015	2020	2025	2030
0-9	635	560	661	716	681
10-19	1059	974	752	673	813
20-29	529	671	675	590	561
30-39	536	528	656	743	791
40-49	1262	1044	721	692	790
50-59	1085	1299	1338	1105	845
60-69	670	878	1058	1228	1253
70-79	351	423	586	756	902
80+	211	255	273	323	431

2.3.1 Population/Employment Forecast

The population and employment forecasts used in developing this Housing Production Plan were developed through a cooperative effort of the Metropolitan Area Planning Council (MAPC), MassDOT's Office of Transportation Planning, the University of Massachusetts Donahue Institute, and MVPC. It is important to note that the population forecasts developed for this Plan were derived using a different approach than has been used in previous MVPC studies and documents and plans. Previous forecasts were guided by existing zoning and considered the Executive Office of Environmental Affairs (EOEEA) build out analysis in allocating future population growth (status quo scenario). The forecasts used in this Plan and recent MVPC documents reflect Smart Growth principles as set forth in the

Merrimack Valley Planning Commission's Priority Growth Strategy (PGS). The new approach assumes that zoning in many MVPC communities will be dynamic and change to facilitate this newer form of development. The status quo scenario projected that continuation of current levels of in-migration and housing production would lead to a declining workforce and economic stagnation over the coming decades. In contrast, the increased migration rates of the Stronger Region smart growth scenario could fuel statewide job growth of 7% between 2010 and 2040. This Stronger Region scenario is now the basis for housing planning, and the assumptions and outputs of that work have been incorporated into the Commonwealth's multi-family housing production goal of 10,000 multi-family units per year, and have also been adopted by the Massachusetts Department of Transportation as the basis for long-term transportation planning.

The following table provides a snapshot of the forecasted growth of the MVPC region over the next 25 years. and shows that the population of the Merrimack Valley region is projected to see a 19% growth between 2010 and 2040. The City of Methuen is expected to see the highest rate of growth during this period at 33%, followed by Georgetown (28%), Groveland (25%), and Lawrence (23%). The Town of Merrimac, as stated previously, is slated to remain relatively stable through 2030, and increase by only 5% by 2040.

Table 2.2: Merrimack Valley Region Population Forecast

Community	2000	2010	2020	2030	2040
AMESBURY	16,450	16,283	16,421	16,402	17,290
ANDOVER	31,247	33,201	34,470	36,507	37,687
BOXFORD	7,921	7,965	7,440	7,183	7,758
GEORGETOWN	7,377	8,183	8,713	9,354	9,442
GROVELAND	6,038	6,459	6,833	7,283	7,572
HAVERHILL	58,969	60,879	64,457	67,593	69,095
LAWRENCE	72,043	76,377	82,767	89,029	88,691
MERRIMAC	6,138	6,338	6,279	6,340	6,587
METHUEN	43,789	47,255	52,383	58,161	58,094
NEWBURY	6,717	6,666	6,446	6,171	6,680
NEWBURYPORT	17,189	17,416	17,474	17,375	18,673
NORTH ANDOVER	27,202	28,352	29,453	30,747	32,045
ROWLEY	5,500	5,856	6,166	6,465	6,638
SALISBURY	7,827	8,283	8,609	8,813	9,115

WEST NEWBURY	4,149	4,235	4,141	4,075	4,341
Regional Total	318,556	333,748	352,051	371,498	379,708

Source: UMass Donahue Institute, Metropolitan Area Planning Council and MassDOT.

While the region's population is expected to grow modestly over the next 25 years, regional employment levels are expected to remain virtually unchanged (table below). Total employment is projected to grow by only 1.7% over 2010 levels.

Table 2.3: Merrimack Valley Region Employment Forecast by Community

Community	2010	2020	2030	2040
AMESBURY	5,312	5,286	5,263	5,307
ANDOVER	26,579	26,557	26,419	26,637
BOXFORD	1,260	1,254	1,249	1,262
GEORGETOWN	2,658	2,643	2,631	2,653
GROVELAND	913	909	903	912
HAVERHILL	21,647	21,663	21,548	21,731
LAWRENCE	26,296	26,872	26,775	27,015
MERRIMAC	877	874	868	877
METHUEN	18,296	18,882	18,790	18,964
NEWBURY	1,735	1,725	1,716	1,732
NEWBURYPORT	12,296	12,458	12,410	12,522
NORTH ANDOVER	20,568	21,095	20,999	21,167
ROWLEY	2,556	2,538	2,528	2,556
SALISBURY	3,498	3,630	3,618	3,644
WEST NEWBURY	883	878	875	883
Regional Total	145,374	147,264	146,590	147,862

Source: UMass Donahue Institute, Metropolitan Area Planning Council and MassDOT.

2.3.2 Demand

Housing demand is a function not only of population, but also the number and type of households that the population forms. As years pass, some households form, move into the community, or grow larger, while others grow smaller, seek different housing options, or move out. Net housing demand is the number of units needed to accommodate additional households and maintain healthy vacancy rates among owner and renter-occupied housing units. This section looks at the current distribution of household types in Merrimac, projected household changes, and net housing unit demand through 2030.

Key findings:

- total households in Merrimac increased by 9.1 percent between 2000 and 2010, from 2,200 to 2,400;
- average household size decreased from 2.73 in 2000 to 2.61 in 2010, and is projected to be 2.17 by 2030;
- family households with children make up 32% of Merrimac households;
- single person households and elderly single person households make up 23% and 11% of Merrimac households, respectively;
- total households in Merrimac are projected to increase by 500 through 2030, an increase of 21 percent from 2010;
- householders between 30 and 60 are projected to decrease by 200, or 13 percent;
- as the Baby Boomer generation ages, the number of householders over 60 will increase by 810, from 33 percent to 55 percent of the total households in Merrimac;
- net housing unit demand will be 250 through 2020, or 25 annually;
- net housing unit demand for householders currently between the ages of 15 and 35 will be 230, or 23 annually; and
- over the next ten years, householders currently older than 55 will need 210 fewer units than they do today, putting 22 single-family houses back onto the market on average each year.

2.4: Households

2.4.1 Total Households

Total population and average household size determine the number of households in a municipality. In Massachusetts overall, and in 96% of Massachusetts municipalities with population growth since 2000, the number of households increased faster than population because of declines in average household size. This trend is expected to continue as seniors make up a greater share of householders and younger householders wait longer to form families that are smaller on average than their predecessors.

Despite these overall trends, it is worth noting that household size did increase in 48 Massachusetts municipalities between 2000 and 2010. Several factors may contribute to this, including “doubling up” in the face of rising housing costs, and concentrations of certain demographic groups with higher fertility rates.

In Merrimac, total households increased by 200, or 9.1 percent, between 2000 and 2010. At the same time, average household size decreased from 2.7 to 2.6.

The following table depicts the types of households in Merrimac and how the percentage of these households as a percent of the total number of households compares with Essex County and with the state.

Table 2.4: Household Types: Merrimac, Essex County, and Massachusetts, 2010

<i>Household Types</i>	Town of Merrimac	Essex County (000's)	State (000's)
<i>Total Family Households</i>	1741	188,055	1,603,591
<i>Family households with children in 2010</i>	781	56,402	449,005
<i>% Family households with children in 2010</i>	32	30	28
<i>Non-Family households with children in 2010</i>	189	30,364	292,150
<i>% Non-Family households with children in 2010</i>	28	31	31
<i>Households with householders living alone in 2010</i>	547	80,286	732,263
<i>% Households with householders living alone in 2010</i>	23	28	29
<i>Households with householder 65 years and over living alone in 2010</i>	257	31,455	254,707
<i>% Households with householder 65 years and over living alone in 2010</i>	11	11	10

2.4.2 Households by Age Cohort

Just as aging Baby Boomers will dominate the overall population dynamics of the state, they will also have a substantial influence on household changes and housing needs in Merrimac. As this populous generation ages, it will increase the number of householders over 60 by 100 percent statewide through 2030, and their share of all households will increase from 33 to 55 percent over the same period. Meanwhile, the total number of under-60 householders will change only slightly from one decade to the next, and most age groups under 60 will see a decline in the number of households between 2010 and 2030.

In Merrimac, householders over 60 will increase from 33 percent of the population in 2010 to 55 percent in 2030, an increase of 100 percent.

Meanwhile, householders under 60 will decrease by 300, or 19 percent. These figures mirror what is happening across the state.

Table 2.4.1: Merrimac Households by Age Cohort, 2010-2030			
	2010	2020 Projected	2030 Projected
Households with Householder Age 15-29	99	112	57
Households with Householder Age 30-44	519	462	581
Households with Householder Age 45-59	1,009	963	681
Households with Householder Age 60-74	511	858	1,095
Households with Householder Age 75 and over	279	302	500
	2,417	2,697	2,914

Table 2.4.2: Comparison of Household Type By Age of Householder; Merrimac, Essex County, and Massachusetts, 2010 Source: U.S. Census Bureau, 2010 Census

	Merrimac	Essex County	State
Total Households	2,417	285,956	2,547,075
<i>Family Households</i>	1,741	188,005	1,603,591
<i>Householder 15-24 years</i>	4	3,667	31,117
<i>Householder 25-34 years</i>	114	22,908	207,510
<i>Householder 35-44 years</i>	382	41,251	354,924
<i>Householder 45-54 years</i>	587	50,104	412,245
<i>Householder 55-59 years</i>	214	20,249	167,531
<i>Householder 60-64 years</i>	148	16,547	140,046
<i>Householder 65-74 years</i>	173	18,853	166,219
<i>Householder 75-84 years</i>	99	11,016	94,945
<i>Householder 85 years and older</i>	20	3,410	29,054
<i>Nonfamily Households</i>	676	97,951	943,484
<i>Householder 15-24 years</i>	13	3,702	61,647
<i>Householder 25-34 years</i>	42	11,782	159,021
<i>Householder 35-44 years</i>	63	11,249	111,096
<i>Householder 45-54 years</i>	129	17,887	156,373
<i>Householder 55-59 years</i>	79	9,872	84,764
<i>Householder 60-64 years</i>	74	9,828	83,621
<i>Householder 65-74 years</i>	116	13,702	119,220
<i>Householder 75-84 years</i>	114	12,185	103,634
<i>Householder 85 years and older</i>	46	7,744	64,108

2.5 Housing Characteristics

Table 2.5 Summary of Housing Characteristics for Merrimac, Essex County and Massachusetts, 2010

<i>Housing Characteristics</i>	Town of Merrimac	Essex County	State
Total Housing Units	2,499	306,754	2,808,254
% Occupied housing units	98.4%	93.2%	90.7%
% Owner-occupied units	83.7%	63.8%	62.3%
% Renter occupied units	16.3%	36.2%	37.7%
% Single-family detached structures	65.5%	50.0%	52.2%
% Units in structures of 3 or more units	7.4%	31.6%	31.6%
Median single-family sales price 2010/2012/2014 (Zillow)	\$244,000 / \$274,000/\$340,000	\$295,000 / \$290,000/\$320,000	\$310,000 / \$305,000/\$321,000
Median monthly gross rent	\$1,133	\$975	\$1,008

2.6 Housing Units

2.6.1 Housing Unit Demand Change

Changes in housing unit demand is the result of household formation, dissolution, and mortality. Young adults currently between the ages of 15 and 30 are poised to form households after they leave home, dorm, or roommates. Thousands are projected to do so each year, and each will need a housing unit, typically multi-family rental units. Meanwhile, older adults have typically already formed households. Combined with mortality, outmigration, or transition to nursing homes and other group quarter situations, this translates to a decline in housing unit demand among householders 55 and over, despite a sharp increase in the number of senior-headed households.

The decline in demand from older householders will partly offset increased demand from their younger counterparts. For example, in the Metropolitan Boston region the decline in demand for single-family homes among

householders over age 55 will accommodate 61 percent of demand for such units from younger households between 2010 and 2020, and an even greater share in the decade thereafter. However, shifts in preferences among younger households towards multi-family units means that only 8.2 percent of new multi-family demand will be met through existing units freed up by householders over the age of 55.

In Merrimac, through 2020, new households headed by someone currently under the age of 35 will need an additional 234 housing units. Households headed by someone currently between the ages of 35 and 55 will demand 229 more units. Householders currently over the age of 55 will need 213 fewer units than they do today. After accounting for the units freed up by departing seniors and the units needed to maintain a healthy vacancy rate, this translates into net demand, by 2020, for 130 single-family and 120 multi-family units. Table 2.6 below contains a breakdown of projected demand by householder age cohort, unit type, and tenure.

<i>Household Demand</i>	<i>Ages 15-34</i>	<i>Ages 35-54</i>	<i>Ages 55-74</i>	<i>Ages 75 and over</i>
Rented Single Family	7	3	(17)	(6)
Owned Single Family	85	261	(21)	(178)
Rented Multi-Family	111	(56)	28	(26)
Owned Multi-Family	31	21	40	(33)
Total Projected Demand by Age Cohort 2010-2020	234	229	30	(243)

2.6.2 Supply

Supply is measured by the number and type of housing units in a municipality. It is the part of the housing market that municipalities can directly control through zoning and other land use policies. This section, looks at the current supply of housing units in Merrimac, as well as its distribution by unit type, building age, size, and cost. Also examined are housing permits in Merrimac since 2012, which are compared to projected future demand. These numbers can help the Town to determine what policies it needs to adopt to ensure an adequate supply of housing to meet current and future demand.

2.6.3 Housing Units by Age

The distribution of housing units by age is important for at least three reasons. First, a housing stock with few units built in the last few years indicates that housing supply may be growing slowly. If demand is expected to remain stable or increase in the future, this may result in upward pressure on housing prices. Second, older housing units can be more expensive to occupy, due to higher heating and maintenance costs. Third, certain federal housing programs, such as Community Development Block Grants, track the percent of housing units by age, and in particular, the percent built before 1939.

In Merrimac, 34% of housing units are in buildings built before 1939, the same as the statewide figure. The Essex County figure is 39%. Another 13% of Merrimac units are in buildings that date from 1940-1959 and 13% were also built between 1960-1979. Construction since 2000 accounts for 10% of units, compared to 8% statewide.

2.6.4 Housing Units by Type

Housing preferences are projected to change, as both younger householders and seniors opt for smaller, multi-family units, as discussed previously. It is important to compare these projections to the current distribution of units in order to calibrate supply to future demand. In Merrimac, 72% of units are in single-family homes, compared to 76% statewide and 69% for Essex County; 14% of all units are in two-to four-family buildings; and 4.4% are in multi-family buildings with five or more units. The remainder of housing units are in "other" structures, such as mobile homes which accounts for 10% of all Merrimac housing units.

Table 2.6.1: Percent Housing Units by Type

Percent Housing by Type	Town of Merrimac	Essex County	State
<i>Estimate Housing units</i>	2,499	306,605	2,808,549
<i>% Single housing units</i>	71%	56%	57%
<i>% 2-4 housing units</i>	14%	23%	21%
<i>% 5-9 housing units</i>	3%	6%	6%
<i>% 10-19 housing units</i>	.50%	4%	4%
<i>% 20+ housing units</i>	1.8%	10%	10%
<i>% Other housing units (i.e. mobile homes)</i>	10%	.70%	1%
<i>Estimated occupied housing units</i>	2458	286,008	2,530,147

2.6.5 Housing Permits Issued in Merrimac, 2012-2014

One method of assessing whether or not a municipality is on track to meet future housing demand is to compare recent permitting activity to future projected demand. If annual permitting for single or multi-family housing units is historically lower than projected annual demand, this indicates a need to increase the rate of single or multi-family permitting in the future. From 2012 to 2014, Merrimac permitted on average 2.3 single-family and 27 multi-family housing units annually. By comparison, Merrimac faces an annual projected demand of 13 single-family units and 12 multi-family units. If housing starts continue along this trend, Merrimac may provide more multi-family units than projected demand, and not meet projected demand for single family homes.

Table 2.6.2: Building Permits by Housing Type 2012-2014, Merrimac, Essex County		
<i>Building Permits (Averages)</i>	Town of Merrimac	Essex County
<i>Number of building permits in 2012</i>	32	1,198
<i>Single-family unit permits in 2012</i>	2	567
<i>Multi-Family unit permits in 2012</i>	30	63
<i>Number of building permits in 2013</i>	52	1,117
<i>Single-family unit permits in 2013</i>	5	750
<i>Multi-Family unit permits in 2013</i>	47	367
<i>Number of building permits in 2014</i>	5	251
<i>Single-family unit permits in 2014</i>	0	149
<i>Multi-Family unit permits in 2014</i>	5	102

2.6.6 Affordability

In general terms, housing prices are determined by the demand for and supply of housing units. If supply does not keep up with demand, higher prices result. Affordability is determined by the distribution of housing prices and household incomes. But we can see how volatile the housing market can be. Houses prices fell or stagnated for seven straight years from 2006-2013 before starting a modest increase. These lower prices, combined with highly favorable mortgage rates, made housing more affordable. But with the recession, many people lost employment, and for the first time median incomes declined, so demand was very low due to these economic uncertainties. Home prices have not yet reached their 2005 peak.

Affordability is measured in several ways. In this section, we will measure affordability according to:

- the percent of households that pay more than 30% and 50% of income on housing costs (“cost burdened” and “severely cost burdened,” respectively), by household tenure, income, and type;
- the percent of housing units listed on the Massachusetts Subsidized Housing Inventory (SHI);
- the percent of recent home sales affordable to low and median income households, and
- the gap between the number of households by income level, and the number of housing units affordable by income level.

2.6.7 Households by Income

Affordability is of concern to most households, but of particular concern to low-income households. Many federal and state housing programs define low-income households according to household size and household income, measured as a percent of Area Median Income (AMI). Table 2.6.3 below shows the breakdown of income thresholds for extremely low, very low, and low-income households by household size:

2012 Income Levels for Affordable Housing in the Greater Boston Area

# in Household	30% of Median Income	50% of Median Income	80% of Median Income
1	\$20,550	\$34,250	\$45,500
2	23,500	39,150	52,000
3	26,450	44,050	58,500
4	29,350	48,900	65,000
5	31,700	52,850	70,200
6	34,050	56,750	75,400
7	36,400	60,650	80,600
8+	38,750	64,550	85,800

In Merrimac, 6.1%, 11%, and 12% of households are extremely low, very low, and low-income, respectively. This means that 29.1 percent of all households qualify for federal and state affordable housing programs based on household income.

2.7: Housing Costs and Cost Burden

2.7.1 Measurement of Affordability

The most common measure of housing affordability is the percent of income that households spend on housing costs. According to most federal and state agencies, households that spend more than 30% of income on housing costs are “cost burdened”. Households that spend more than 50% of income on housing are “severely cost burdened”. Areas where more than 30% of households are cost burdened face an affordable housing shortage. In Merrimac, 38 percent of households are cost-burdened and 15 percent households severely cost burdened - compared to 29 percent and 14 percent of households statewide.

Income	Town of Merrimac	Essex County	Massachusetts
<i>% Households with income <30% AMI</i>	6.1	12.2	11
<i>% Households with income 30 - 50% AMI</i>	11.1	9.8	10
<i>% Households with income 50 - 80% AMI</i>	12.3	9.0	11
<i>% Households with income 80 - 100% AMI</i>	12.3	8.6	9
<i>% Households with income > 100% AMI</i>	58.4	59	55
Cost Burden			
<i>% Households with income <30% AMI that are cost burdened</i>	93	80	81
<i>% Households with income 30 - 50% AMI that are cost burdened</i>	49.0	71	67
<i>% Households with income 50 - 80% AMI that are cost burdened</i>	59.3	51	49
<i>% Households with income 80 - 100% AMI that are cost burdened</i>	49.2	44	39
<i>% Households with income > 100% AMI that are cost burdened</i>	24.9	18.1	14

2.7.2 Cost Burden by Tenure

Cost burden rates are typically higher among renter households. Statewide, 46% of renter and 32% of owners are cost burdened, respectively. Merrimac differs from the norm in that 35% of renters are cost burdened, versus 39% of owners.

Table 2.7.1: Percent Cost Burden by Tenure in Merrimac, Essex County and Massachusetts

Cost Burden by Tenure	Town of Merrimac	Essex County	Massachusetts
<i>% Owner occupied households that are cost burdened</i>	36	34	31
<i>% Owner occupied households that are severely cost burdened</i>	13	13	12
<i>% Renter occupied households that are cost burdened</i>	39	48	47
<i>% Renter occupied households that are severely cost burdened</i>	29	22	23

2.7.3 Cost Burden by Income

As expected, cost burden is also more common among low-income households. Statewide, 81% of all extremely low-income households, 67% of very low-income households, and 49% of low-income households are cost burdened, versus 14% of households with incomes above 100% AMI. Table 2.7 shows the percent of Merrimac households that are cost burdened by income level.

2.7.4 Cost Burden by Household Type

Traditionally, younger households, non-family households, female-headed households, and elderly households typically have lower incomes, and are more likely to rent. They are also more likely to be cost burdened. Statewide, 20% of elderly family households and 39% of non-elderly, non-family households are cost burdened, respectively. As the number of elderly households increase, the number of cost-burdened elderly households is likely to increase. In Merrimac, cost burden among elderly family households and non-elderly, non-family households is 20% and 39%, respectively, which mirrors the statewide figures.

2.7.5 Merrimac Subsidized Housing Inventory

DHCD maintains a subsidized housing inventory (SHI) that tracks each municipality's affordable housing stock, including deed restricted and subsidized units. Under General Law Chapter 40B, in any municipality where

less than 10% of units are included on the SHI, a developer can build more densely than the municipal zoning bylaws would permit, if at least 25% (or 20% in certain cases) of the new units are affordable.

Statewide, 5% of housing units are on the SHI, and 12 percent of municipalities meet their 10% requirement under Chapter 40B. Table 2.7.2 below shows the percent of SHI unit within Merrimac and its nearest neighbors:

Table 2.7.2: Percent Chapter 40B Subsidized Housing Inventory (SHI) Units for Merrimac and Nearest Neighboring Municipalities (source: DHCD)

Community	2010 Census Year Round Housing Units	SHI Units	%
Amesbury	7,041	505	7.2
Andover	12,324	1,145	9.3
Boxford	2,730	23	0.8
Georgetown	3,031	354	11.7
Groveland	2,423	80	3.3
Haverhill	25,557	2,465	9.6
Lawrence	27,092	3,907	14.4
Merrimac	2,527	141	5.6
Methuen	18,268	1,649	9.0
Newbury	2,699	94	3.5
Newburyport	8,015	606	7.6
North Andover	10,902	932	8.5
Rowley	2,226	94	4.2
Salisbury	3,842	342	8.9
West Newbury	1,558	34	2.2

2.7.6 Affordability of Recent Home Sales

Housing cost burden estimates for the town’s existing owner-occupied units are useful to the extent that they indicate housing market conditions for a subset of the town’s existing households. However, these estimates do not indicate current housing market conditions that prospective homeowners face. If prices have risen recently, new entrants to the town’s housing market may find themselves with fewer options for home ownership (and a higher risk of cost burden than their counterparts who have been in the area for some time). To estimate how affordable recent sale prices are for low-income families, we use 2000 to 2012 sales data from the Massachusetts parcel file. Table 2.7.3 below shows the percent of single-family home sales since 2000 that are considered affordable when compared to various household incomes.

Table 2.7.3: Comparison of Housing Affordability Among Units Sold Since 2000 in Merrimac, Essex County, and Massachusetts (source: Commonwealth of Massachusetts)

Percentages of single-family homes sold since 2000 and considered affordable by household income level	Town of Merrimac	Essex County	Massachusetts
affordable to households with an income of \$40,000	3.6%	3.2%	11%
affordable to households with an income of \$50,000	9.1%	6%	19%
affordable to households with an income of \$60,000	15.5%	11%	28%
affordable to households with an income of \$70,000	24.9%	17.8%	37%
affordable to households with an income of \$80,000	41.3%	27.2%	46%
affordable to households with an income of \$90,000	52.9%	37%	55%
affordable to households with an income of \$100,000	62.5%	46%	62%
affordable to households with an income of \$120,000	81.4%	61%	73%

2.7.7 Affordability Gap

Units that are affordable to low-income households are not necessarily occupied by low-income households. This mismatch between households' incomes and the units they occupy can exacerbate affordability problems. To measure the extent to which affordability is a supply problem versus a distribution problem, we calculate the affordability gap. The gap is the difference between the number of households at a given income level and the number of units affordable to households at that income level. A positive gap indicates a shortage of units at a given income level, even if households and units were perfectly matched by incomes and costs. Merrimac households at less than 50% AMI, 50 to 80% AMI, and above 80% AMI, face affordability gaps of 85, -120, and 35, respectively.

Affordability Gap (AMI)	Town of Merrimac	Essex County	Massachusetts
Affordability Gap in Households with income < 50% of AMI	85	806	559
Affordability Gap in Households with income 50-80% of AMI	-120	-444	-340
Affordability Gap in Households with income > 80% of AMI	35	-365	-220

Section 3: Goals and Policies

3.1: Goals

Consistent with the Master Plan (2001), the Merrimac's Housing Production Plan is governed by three goals:

- ◆ Provide housing choice throughout the community
- ◆ Protect and enhance the historic, intimate character of existing neighborhoods
- ◆ Use regulations effectively to promote neighborhood-scale design in new residential developments

3.2: Policies

The Town's policies for affordable housing production include:

- ◆ Wherever possible, provide permanent affordability and assure that affordable housing restrictions meet the requirements of the Local Initiative Program. Specifically, the Town will require that affordable units serve households with incomes no greater than 80% AMI and that affordability be protected by the following means:
 - ◆ A deed restriction in perpetuity for new construction and completion of rehabilitation; and
 - ◆ A Regulatory Agreement executed by the developer and the applicable housing subsidy program, unless the subsidy program does not require such an agreement. The units will also be marketed according to a fair and open process consistent with state and federal fair housing laws.
- ◆ Increase housing options for individuals and families at intermediate income levels. Specifically, pursue initiatives that will foster the

creation of units within the financial reach of households at 80% to 120% of area median income.

- ❖ Retain the existing stock of public housing units. Pursue funding for maintenance for of these units through sources such as the housing trust fund. Advocate for increased federal support.
- ❖ Increase the number of affordable rental units. Mandate that 33% of units meet SHI requirements in all new multifamily projects produced under the Local Initiative Program.
- ❖ Give preference to infill development in and adjacent to the Town Center such as the former Coastal Metals site on Little's Court. This site is actively being considered as a local initiative project (LIP).
- ❖ Target affordable and below-market homes for young families, the elderly and persons with disabilities.
- ❖ Encourage development that provides direct access to public transportation and/or main roadways.
- ❖ Design for compatibility with Merrimac's rural, low-density development pattern. Comprehensive permits for single-family home development in non-sewered areas should aim for a gross density of four units per acre and townhouse or garden apartment developments, 7-10 units per acre.
- ❖ Design for sensitivity in scale. Ideally, a comprehensive permit development should not exceed 100 units.
- ❖ Locate developments to avoid land use conflicts. New housing next to a farm or an industrial facility would be considered a potential land use conflict; new housing in established neighborhoods or in areas designated for mixed-use development will most likely be considered a compatible land use.
- ❖ Avoid locations in a Water Resource Protection Overlay District.
- ❖ Include mix of unit sizes – one-, two- and three-bedroom units.

- ◆ Use opportunities to convert older buildings as a source of affordable housing. The conversion of large, older single family to duplex or multi-family units would generally be considered compatible with the Master Plan if the historic architectural features of the building are substantially preserved.

- ◆ Use opportunities to add an accessory apartment to existing single-family dwellings as a source of affordable units. Merrimac already allows accessory apartments as of right in the Village Residential District and by special permit in the Suburban Residential and Agricultural Residential Districts. The Town should consider using CDBG or other funds to assist homeowners with creating accessory apartments that will be affordable to low- or moderate- income people, and ask DHCD to place the units on the Subsidized Housing Inventory through the Local Initiative Program (LIP).

Section 4: Opportunities and Constraints

Environmental and Cultural Resources

Merrimac has outstanding and irreplaceable natural assets that the Town needs to protect from adverse impacts of existing and future development: the Merrimack River, a rolling landscape with vast tracts of agricultural land, large, still unaltered forests, and an intricate system of wetlands, surface water and ground water resources that support local and regional populations (see Environmental Resources Map). The location and extent of these resource areas have little relationship to the political boundaries that separate Merrimac from adjacent communities or the Commonwealth of Massachusetts from the State of New Hampshire. There are several habitat areas along the Merrimack River and north of Route 110, where large, contiguous tracts of undeveloped land serve as a buffer to riparian corridors and help to protect the quality of surface and ground water resources. For the most part, the open landscapes of northern Merrimac adjoin a simple frame of north south byways that supported early colonial settlement patterns. Today, the same roads channel a significant amount of cut through traffic between New Hampshire and I-495, a task for which they are poorly equipped by design and general condition.

All of Merrimac is located in the Merrimack River Watershed, which covers approximately 5,000 square miles in Massachusetts and New Hampshire. Lake Attitash, located along Merrimac's eastern boundary, doubles as a recreational and scenic resource for the region and a source of drinking water for neighboring Amesbury. The Town is crossed by a number of major and minor streams, such as Cobbler's Brook, which runs through the center of town to the Merrimack River and the Back River that drains into Lake Attitash. Water quality is a major issue in Merrimac, in part because of past experience with polluted waters, but also the Town cannot afford to lose one of its wells to ground water contamination. In fact, Merrimac's water supplies are hard-pressed to meet existing demand and the Town lacks a workable, near-term solution to the problem.

Despite the wealth of historic architecture around Merrimac Square and north of the Merrimack River, Merrimac has very little in place to

protect its historic built assets. Town officials disagree about the merits of creating local historic districts or instituting demolition delay. The Zoning By-law requires a special permit for new construction in Merrimac Square and encourages building alterations that conform to the Secretary of the Interior's "Standards for Rehabilitation", but these are the only historic preservation tools in Merrimac today. It is hoped that new regulatory incentives to reuse older, obsolete buildings for a mix of uses, including multifamily housing, will dissuade property owners from resorting to demolition/rebuild projects.

Infrastructure, Public Facilities and Services

Drinking Water Supplies: Water supply remains a significant challenge to Merrimac's future development. According to the Water Master Plan completed in November, 2009, Merrimac obtains water from two well fields; the East Main Street well field and the Sargent Pit well field. The Town is registered to withdraw a total of 0.36 MGD from these supply sources, and is permitted to withdraw an additional 0.1 MGD for a total Water Management Act Authorized withdrawal of 0.46MGD, or 167.9 MG/year from its supply sources. The system provides municipal water to approximately 5,200 persons, or 80% of the town's total population and the average water use per person is 64 gallons per day. The Town anticipates that water demand will increase from current average daily flows of 0.396 Mgal/day, to 0.422 Mgal/day in 2020, and 0.450 Mgal/day in 2030. Merrimac's efforts in promoting water conservation and aggressively correcting leaks when detected are very effective in managing a limited supply with few options for expansion.

Sewer Service: Sewer capacity affects the location, rate and magnitude of development, especially commercial and industrial development and higher density housing. The Merrimac Wastewater Treatment Facility (WWTF) was upgraded in 2005. It has a discharge license that limits its total discharge flow rate to 450,000 gallons per day calculated on a 12-month running average. This flow rate was exceeded from May to September, 2006 due to severe storms that exposed the vulnerability of the system to infiltration and inflow into the collection system. The town has since been aggressive in eliminating infiltration/inflow to

seep into the system. These efforts have been successful in reversing the increase in the 12-month running average to its current level of approximately 326,300 gallons per day. The difference of this number from the discharge license limit of 123,700 gallons per day does provide the town with a meaningful reserve that can be used to support continued but controlled growth in the community. The 450,000 gallon per day limit is not likely to be increased, so the continued efforts to remove infiltration and inflow will be the towns' primary means for preserving allowance for growth.

Public Schools: Merrimac is a member of the Pentucket Regional School District, a K-12 regional system that also serves West Newbury and Groveland. Each town provides its own elementary school building(s) and under the aegis of the Regional School Committee, the district provides middle and high school facilities. Several years ago, Merrimac invested in updating and improving the Sweetsir and Donaghue elementary schools. Rising K-6 enrollments during the 1990s absorbed the limited amount of reserve capacity in each building, although not to the point that classrooms became overcrowded. Like a number of Massachusetts communities, Merrimac has begun to experience declining enrollments and the Town believes it has enough classroom and core facility space for an average rate of housing growth, based on current enrollment projections.

Section 5: Implementation Strategies

5.1 Zoning

To achieve these goals and policies, the Town adopted a Zoning Bylaw (2004) that promotes:

- ◆ Mixed-use development by right, subject to site plan and design review, in Merrimac Square.
- ◆ A mix of residential uses and infill development by right, subject to site plan and design review, in neighborhoods adjacent to Merrimac Square.
- ◆ Mixed-income housing development options for land that currently supports mobile home parks.
- ◆ Mixed-income multi-family housing development by special permit along Route 110.
- ◆ Housing for older persons, including independent living and assisted living units, by special permit.
- ◆ Accessory dwellings by right in established neighborhoods and by special permit in outlying sections of the Town.
- ◆ A wide range of home occupations by right, from specialty retail in the neighborhoods around Merrimac Square to wood lots and carpentry shops in the northern part of town.
- ◆ Architectural design guidelines and site development standards for all zoning districts.

5.2: Comprehensive Permits

Since 2000, the Town has used comprehensive permits to create or preserve 65 units of affordable housing:

- ❖ Cobblers Brook Condominiums, a 24-unit homeownership development on Broad Street, originally approved with 6 affordable units. Subsequently, 2 units have been lost at resale with 4 affordable units remaining.
- ❖ The Village at Merrimac, an “over-55” development originally approved with 7 affordable homeownership units on West Main Street which was reduced to 5 units due as a condition of bankruptcy filing.
- ❖ Greenleaf Apartments, a pre-existing 28-unit rental development that has added 27 new units and placed all 56 under affordable rent restrictions.

5.3: Future Considerations

In addition to these tools, Merrimac is exploring some related techniques to produce affordable homeownership and rental housing:

- ❖ Use HOME or CDBG funds to subsidize improvements to existing housing stock or to facilitate conversions that require a special permit.
- ❖ The Affordable Housing Board of Trustees working with the Planning Board for zoning changes will consider an inclusionary zoning bylaw with a continuum of incentives for the Rural Highway District (Route 110) and the Agricultural-Residential District, such as:
 1. Require developments over certain size to include affordable units on site or elsewhere in Town, or to pay a fee in lieu of building affordable units.
 2. Apply revenue to acquisition of existing units and protect them with a long-term affordable housing restriction, such as the LIP model deed rider.

- ◆ Be creative in using frontage waivers to encourage affordable housing in the Suburban Residential District:
 1. Require extra land and affordable units
 2. Require that a portion of the extra land be deeded to the Town for future scattered-site affordable housing.
- ◆ Establish a fund to cover management and oversight of SHI units, and compensate an appropriate non-profit agency for management services. This could be a regional effort procured through the Merrimack Valley Planning Commission.
- ◆ Consider another attempt at adoption of the Community Preservation Act (CPA). It is noteworthy that a CPA vote in Merrimac in 2001 garnered the support of 49% of voters. The proposal was for a 3% surcharge. A new proposal for a more modest surcharge of 1% or 2% might be more successful, particularly if it includes exemptions for low-income households and first \$100,000 of assessed home value. This measure will be spearheaded by the Open Space Committee.
- ◆ Review the mandated ratio of commercial and residential development components for mixed-use projects in the Rural Highway district. Consider amending the Zoning Bylaw to permit reduced commercial use when residential components include a specified percentage of affordable units.
- ◆ Pursue the development of affordable housing on appropriate parcels of town owned property.

5.4: Healthy Housing/Healthy Neighborhood Principles:

The Town of Merrimac desires to incorporate healthy housing/healthy neighborhood policies into the desired HPP implementation strategies. The town therefore will strive to implement the following healthy housing policies when and wherever possible in the construction of new housing:

Walkability and Connectivity

- Require all mixed-use development to include design elements that facilitate walkability and bikeability.
- Require new development, and where appropriate, existing development to satisfy local complete streets design standards.

Land Use Growth Management

- Encourage, and when appropriate, provide incentives for infill development.
- Promote walkability and public transit by encouraging mixed-use, higher-density development close to the town center and community amenities.
- Participate in ongoing multi-jurisdictional regional transportation planning efforts.
- Encourage a range of housing types that meet the diverse needs of the community.

Housing Location, Affordability and Diversity

- Promote the integration of affordable housing in new infill development.
- Amend the zoning ordinance to allow alternative housing options.
- Provide a range of house types and affordable housing units within walking distance of schools and other community facilities.
- Maintain neighborhood continuity by encouraging access to new affordable housing developments for existing residents.
- Maintain the availability of an adequate and diverse supply of quality housing units to meet the needs of all income levels and continue to encourage development of additional quality and affordable housing units.
- Support and encourage development of a range of housing types that meet the needs of a broad range of population groups including seniors, large and small families, low and middle-income households and people of all abilities.
- Protect public health and safety in all affordable housing units within the community whether privately or public/non-profit owned and managed.
- Support development and rehabilitation of homes to protect children and vulnerable populations from housing-related health and safety hazards (e.g., lead-based paint; asbestos-containing materials and other demonstrated health and safety concerns).
- Encourage development and rehabilitation of healthy homes that address health concerns including lead based paint mitigation, mold and moisture reduction, dust control, radon and carbon monoxide control, indoor air

quality improvement, integrated pest management, and smoke-free housing.

- Promote mixed-income development and inclusion of affordable housing units in all neighborhoods.
- Require developers to provide a range of housing types and residential densities to meet the needs of all age groups, income levels, and household size.

5.5: Production Schedule:

The Town of Merrimac currently has 141 Chapter 40B subsidized housing units listed on DHCD's inventory. This number represents 5.6% of the total year round housing units as reported by the 2010 U.S Census. Therefore, the town is 112 housing units shy of the 10% affordable housing goal as defined by DHCD.

During the five year period of time this Plan is active, Merrimac will strive to become "certified". Reaching the annual numeric goals of 0.5% or 1.0% will allow the HPP to be certified by DHCD for one year (0.5%) or two years (1.0%). In order to produce 0.5% of its total units annually as SHI units, Merrimac will need to add an additional 13 SHI eligible housing units each year; in order to produce 1.0% of its total units annually, Merrimac will have to produce 25 SHI units annually. This will be a difficult task given this number represents a substantial portion of the number of housing units likely to be permitted each year. From 2012 to 2014, Merrimac has permitted on average 29 housing units.

If a community has a DHCD approved HPP and is granted certification of compliance with the plan by DHCD, a decision by the Zoning Board of Appeals (ZBA) relative to a comprehensive permit application will be deemed "consistent with local needs" under MGL Chapter 40B. "Consistent with local needs" means the ZBA's decision will be upheld by the Housing Appeals Committee.

Additionally, once certification has been achieved—within 15 days of the opening of the local hearing for the Comprehensive Permit, the ZBA shall provide written notice to the Applicant (developer) , with a copy to DHCD, that it considers that a denial of the permit or the imposition of conditions or

requirements would be consistent with local needs, the grounds that it believes has been met (HPP Certification), and the factual basis for that position (an example would be a DHCD HPP certification letter), including any necessary supportive documentation.

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