



## Comprehensive Needs Assessment Findings

To develop goals for the *Town of Dunstable Housing Production Plan for 2023-27*, the Northern Middlesex Council of Governments (NMCOG) worked with the Town of Dunstable Affordable Housing Committee and Town staff to analyze existing and projected housing demand against existing and projected housing supply. This analysis includes the resources available to the town and the constraints facing the town. This is called a “Comprehensive Needs Assessment.”

The Comprehensive Needs Assessment uses data from the U.S. Census Bureau, Town of Dunstable departments, the Massachusetts Executive Office of Housing and Livable Communities, the U.S. Department of Housing and Urban Development, and proprietary data. The HPP team also administered and analyzed a town-wide survey which was open from November 14, 2022 to December 24, 2022 and received 79 responses.

Taken together, the data in the Comprehensive Needs Assessment reveals a gap between the current and anticipated housing needs of the local population and the existing and projected housing stock. This document summarizes that gap and provides a list of key findings needs that the Housing Production Plan’s Affordable Housing Goals chapter must address.

This document is a summary. The full Housing Production Plan will include additional details of the analysis, along with Goals and Strategies to be developed with public input.

### SUMMARY OF CONCLUSIONS

- There are a significant number of residents at very low income and extremely low income, and their housing needs aren’t being met.
- Homeownership is increasingly out of reach for the median income earner.
- Two family housing is not allowed in roughly 97.1% of the town and two acre minimum lot sizes are required for single family houses.
- Dunstable had no SHI units as of May 2022.
- Dunstable does not reflect the diversity of Lowell’s other suburbs, raising fair housing concerns.
- Infrastructure capacity varies across the town.
- Dunstable has a growing senior population that will need affordable, accessible housing.

## A. Why Plan for Housing?

The development of housing that is accessible and affordable to community members with a range of incomes, household characteristics, and demographic qualities is critical to successful and sustainable community planning. Accordingly, the Town of Dunstable aspires to create a strong record of proactively planning for housing options. The *Dunstable Housing Production Plan for 2022-2026* aims to advance that goal, complimenting and building upon the *Dunstable Master Plan* adopted in 2018. It serves as a framework for considering Comprehensive Permit projects (40Bs), zoning changes, Affordable Housing Trust Fund (AHTF) expenditures, Community Preservation Act (CPA) fund expenditures, and other actions the Town and its partners can undertake to increase the supply of affordable housing.

The format of a Housing Production Plan (HPP) is rooted in the Massachusetts Regional Planning Law (Chapter 774 of the Acts of 1969, also known as Chapter 40B of the Massachusetts General Laws), enacted in 1969. This law is designed to “increase the supply and improve the regional distribution of low- or moderate-income housing by allowing a limited override of local requirements and regulations which are inconsistent with local and regional affordable housing needs”.<sup>1</sup> The law allows a Zoning Board of Appeals to grant a “**Comprehensive Permit**” which integrates all local approvals into a single permit, typically permitting additional density than the zoning would normally allow. In some cases, the state has the power to override a local decision on a Comprehensive Permit project.

While many residents understand the critical need for more affordable housing options in Dunstable and across the region, housing developments proposed via the Comprehensive Permitting process are sometimes controversial. Consequently, this HPP seeks to build consensus and create an agreed-upon strategy adopted by the Planning Board and Select Board for promoting affordable and accessible housing in areas and forms that will enhance the community.

The HPP also serves an important regulatory function: the development and approval of a local HPP is an integral component of achieving “**safe harbor**” status. Safe harbor refers to conditions under which a Zoning Board of Appeals (ZBA) has greater power in controlling future Comprehensive Permit projects because a decision by the Zoning Board of Appeals to deny an application will be considered “consistent with local need,” and upheld by Department of Housing and Community Development’s Housing Appeals Committee. Safe Harbor status includes both *statutory minima* and *regulatory safe harbors*.

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<sup>1</sup> Department of Housing and Community Development, 2016

### HOW DOES DHCD DEFINE AN HPP?

The Massachusetts Department of Housing and Community Development (DHCD) defines an HPP as “a proactive strategy for planning and developing affordable housing”. According to DHCD, “the community should: (1) develop a strategy which will be used to meet its affordable housing needs in a manner consistent with the Chapter 40B statute and implementation requirements; and (2) produce housing units in accordance with its HPP.” Once approved by DHCD, an HPP is valid for five years.

## DUNSTABLE'S SUBSIDIZED HOUSING

### Statutory Minima

Safe Harbor status includes three statutory minima:

- **Housing Unit Minimum:** more than 10% of a community's total housing units are on the Subsidized Housing Inventory (SHI)
- **General Land Area Minimum:** Sites of (Subsidized Housing Inventory (SHI)-eligible units (pro-rated for partial sites) comprise more than 1.5% of the total land area zoned for residential or commercial or industrial use
- **Annual Land Area Minimum:** Project would result in low- or moderate-income housing on sites comprising more than 0.3% of the town's land area or ten acres, whichever is larger, being constructed in one calendar year

**Subsidized Housing  
Inventory (SHI) Goal:**  
109 Units

**Possible Goal after 2020  
Census is Tabulated:**  
113 - 117 Units

**Current Number:**  
0 SHI Units

There are rare instances of the land area minimum thresholds being met. Seventy-six cities and towns have met the housing unit minimum and 14 municipalities have certified Housing Production Plans (as explained in the next section). The Town of Dunstable's goal of 10% of the 1,085 year-round housing units recorded in the 2010 U.S. Decennial Census is 109 affordable units. The Town's latest (May 2022) Subsidized Housing Inventory (SHI) count was 0 affordable units. Because Dunstable has not exceeded the 10% statutory minima, the state's Housing Appeals Committee may overturn decisions by the Zoning Board of Appeals on Comprehensive Permit projects.

This goal will be revised upward as the town adds more market rate year-round housing units. The 2020 U.S. Decennial Census reported 1,167 total units, but an unknown number of these are vacant seasonal and will not count as year-round units for the purposes of computing a Subsidized Housing Inventory (SHI) goal.<sup>2</sup> Therefore, depending on the number of seasonal vacant units, Dunstable's new Subsidized Housing Inventory (SHI) goal may be between 113 and 117 units. It is anticipated that the Department of Housing and Community Development (DHCD) will update the affordability goal when the full 2020 U.S. Decennial Census data is officially released later in 2022. By beginning to add new units to the Subsidized Housing Inventory (SHI), Dunstable will not only meet the affordable housing needs described in this HPP, but also eventually achieve a "safe harbor" status.

### Regulatory Safe Harbors

Dunstable may also achieve Safe Harbor through having a "**Certified HPP**". Communities may apply to have their HPP certified by the Department of Housing and Community Development (DHCD). A community will be certified in compliance with an approved HPP if, during a single calendar year, it has increased its number of low- and moderate-income year-round housing units by a certain amount. Certification lasts for one year if the community has increased its Subsidized Housing Inventory (SHI) units by 0.5% of year-round housing units and two years if it has increased its number of Subsidized

<sup>2</sup> The 2020 U.S. Decennial Census counted 1,133 occupied housing units and 34 vacant housing units, but this includes vacant seasonal/occasional units, which will not be included in DHCD's calculations. The number of vacant year-round units will be released in the Demographic Profile tentatively later in 2022, which is expected to be slightly smaller than the total housing units. DHCD will release a new 10% goal after this data is released.

Housing Inventory (SHI) units by 1.0%. The 0.5% goal for Dunstable is five units in a single calendar year, and the 1.0% goal is 11 units in a single calendar year. These goals are integrated into this HPP. However, this number is also anticipated to change after the full 2020 Decennial Census data is released. The 0.5% goal is anticipated to be six and the 1.0% goal could range from 11 to 12.

If Dunstable has achieved a safe harbor provision within 15 days of the opening of the local hearing for a Comprehensive Permit, the ZBA must provide written notice and supporting materials to the Applicant (with a copy to Department of Housing and Community Development) that it believes it can deny the Comprehensive Permit because Dunstable has met a statutory minimum or qualifies under another safe harbor provision. If the Applicant wishes to challenge the ZBA's assertion, it must do so by providing written notice and supportive documentation to Department of Housing and Community Development (with a copy to the ZBA). The Department of Housing and Community Development shall thereupon review the materials provided by both parties and issue a decision which may be appealed by either party to the state's Housing Appeals Committee. These steps all have strict deadlines and the ZBA should make sure to fully understand Chapter 40B and the DHCD 40B Guidelines.<sup>3</sup>

## B. Overview of the Dunstable Housing Production Plan

To qualify for approval from the Department of Housing and Community Development, an HPP must contain three main components: 1) a Comprehensive Housing Needs Assessment; 2) Affordable Housing Goals; and 3) Implementation Strategies.

1. The purpose of the **Comprehensive Housing Needs Assessment** is to determine the community context, which relies on demographic, economic, and community development (affordable housing entities, zoning, and infrastructure) data to assess the extent to which the existing housing stock meets the housing needs of a community and the capacity of the community's infrastructure to serve the housing need.

2. The **Affordable Housing Goals** section identifies the community's broad objectives for housing, paying special attention to local and regional needs. This section also sets the minimum affordable housing production goal, as determined by the total number of year-round housing units in the most recent Decennial Census. According to the recent revisions to the Chapter 40B requirements, the minimum annual affordable housing production goal is greater than or equal to 0.5% of the year-round housing stock.<sup>4</sup>

3. Finally, the **Implementation Strategies** section of the plan builds upon the Affordable Housing Goals section by identifying the desired characteristics of affordable housing, specific sites for the development of affordable housing, municipally-owned land which the community has targeted for mixed-income housing, potential zoning changes to support housing production, and regional housing development collaborations.

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<sup>3</sup> Chapter 40B Handbook for Zoning Boards of Appeals, Massachusetts Housing Partnership, March 2017

<sup>4</sup> DHCD Guidelines for MGL 40B Comprehensive Permit Projects, Subsidized Housing Inventory, updated December 2014, and based upon Regulatory Authority 760 CMR 56.00.

## C. How Do we Define Affordable Housing and Income Categories?

There are several definitions of affordable housing in the United States depending on whether one uses Federal or State criteria.

### 1. Defining Affordability through Housing Cost Burden

The United States Department of Housing and Urban Development (HUD) considers housing “affordable” if housing costs do not exceed 30% of a household’s annual income.<sup>5</sup> When a household pays more than 30% of its income on housing-related costs, Housing and Urban Development considers it “**moderately burdened**” by housing; households spending 50% or more of their income on housing are considered “**severely burdened**”.

### 2. Defining Income Categories through Percentage of Area Median Income

An important measure in affordable housing is **Area Median Income (AMI)**. Area Median Income calculations are the most common way of prioritizing households for affordable housing opportunities. The U.S. Department of Housing and Urban Development has a formula for determining income thresholds based on a special measure of Area Median Income it takes called the Housing and Urban Development Area Median Family Income (HAMFI). This HPP will use the terms HUD Area Median Family Income (HAMFI) and Area Median Income (AMI) interchangeably unless otherwise noted. The U.S. Department of Housing and Urban Development uses these thresholds for Section 8 and other programs, and the Executive Office of Housing and Liveable Communities (EOHLC) has adopted these thresholds for many of its programs. According to the U.S. Department of Housing and Urban Development:

- “**Extremely low income**” households earn 30% or less Area Median Income;<sup>6</sup>
- “**Very low income**” households earn between 31% and 50% Area Median Income;
- “**Low income**” households earn between 51% and 80% Area Median Income; and
- “**Moderate income**” households earn between 81% and 100% Area Median Income.

### 3. Defining Affordable Housing through the Subsidized Housing Inventory

In assessing a community’s progress toward the Commonwealth’s 10% affordability goal, the Executive Office of Housing and Liveable Communities (EOHLC) counts a housing unit as affordable if it is subsidized by state or federal programs that support low- and moderate- income households at or below 80% Area Median Income. Under Chapter 40B, subsidized unit(s) are considered “affordable” and eligible for the Subsidized Housing Inventory (SHI) if they meet the following criteria:

1. The unit is administered by an approved housing program listed in the Department of Housing and Community Development Massachusetts General Laws Chapter 40B Guidelines or receive Local Initiative Program “LIP” approval;

<sup>5</sup> Rental units housing costs are gross rent plus associated utilities. Owner-occupied housing costs are cost of mortgage, property taxes, and insurance. Source: US Department of Housing and Urban Development.

<sup>6</sup> Defined as the greater of 30/50ths (60%) of the Section 8 very low-income limit (in other words, 30% AMI) or the poverty guideline as established by the Department of Health and Human Services (HHS), provided that this amount is not greater than the 50% very low-income limit. (FY 2014 Consolidated Appropriations Act).

## HOW DOES THIS HPP DEFINE AFFORDABLE UNITS?

For the purposes of this HPP, “affordable units” or “affordable housing” will refer to any units that are income-restricted and restricted to cost not more than 30% of the residents’ income. “Subsidized Housing Inventory units” will refer to units that meet all the requirements to be listed on the Subsidized Housing Inventory.

2. The unit is restricted to households with income not exceeding 80% of the Area Median Income and subject to certain asset limitations;
3. The unit cost, inclusive of utilities, must not exceed 30% of monthly income for households not exceeding 80% Area Median Income adjusted for household size for rental units, and housing costs inclusive of principal, interest, property taxes, and other selected costs must not exceed 38% of monthly income for homeownership units (subject to other restrictions);
4. The unit includes a use restriction that runs with the land for 15-30 years minimum and has several minimum standards; and
5. The unit meets fair housing laws and Executive Office of Housing and Liveable Communities (EOHLC) requirements through an approved Affirmative Fair Housing Marketing Plan.

In addition, in a rental development, if at least 25% of units are to be occupied by Income Eligible Households earning 80% Area Median Income or less, or alternatively, if at least 20% of units are to be occupied by households earning 50% Area Median Income or less, then all of the units in the rental development are eligible for the Subsidized Housing Inventory (SHI). This provision is intended to promote rental units, which are under-provided in many towns.<sup>7</sup>

### 4. Number of Bedrooms

The state’s subsidizing agencies have entered into an Interagency Agreement that provides more guidance to localities concerning housing opportunities for families with children. The agreement requires that at least 10% of the units in affordable production developments that are funded, assisted, or approved by a state housing agency have three or more bedrooms, with some exceptions (e.g., age-restricted housing, assisted living, supportive housing for individuals, single room occupancy (SRO), etc.).

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<sup>7</sup> DHCD Guidelines for MGL 40B Comprehensive Permit Projects, Subsidized Housing Inventory, updated December 2014, and based upon Regulatory Authority 760 CMR 56.00.

## D. Comprehensive Needs Assessment Key Findings

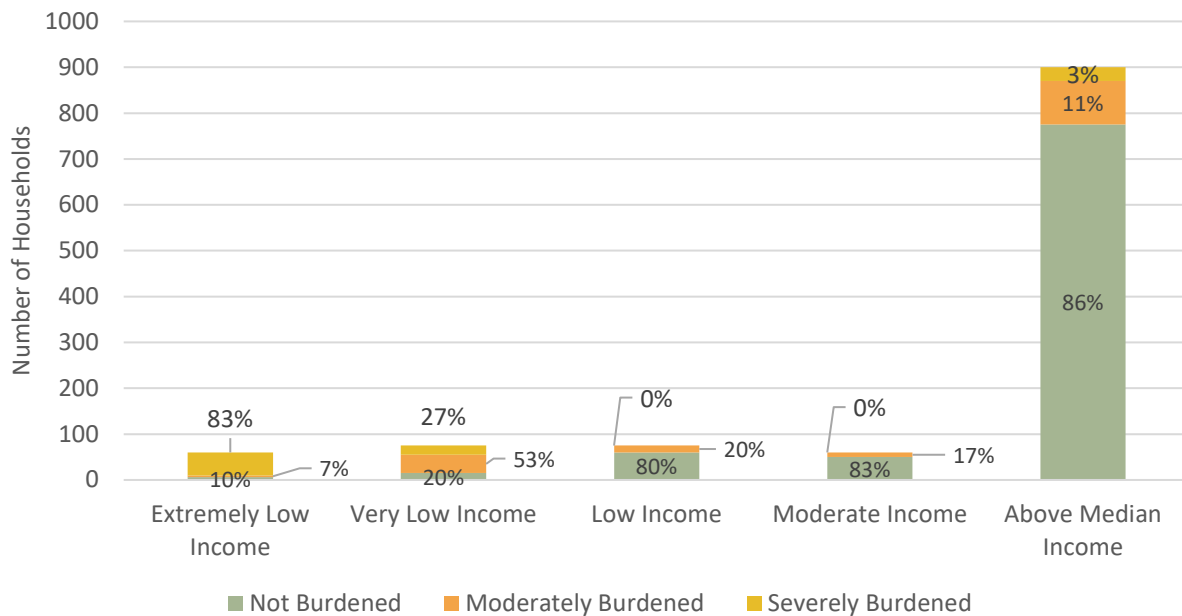
**An estimated 70 households that earn 80% of AMI or less pay 50% or more of their income on housing, but Dunstable had no Subsidized Housing Inventory (SHI) units as of February 2023.**

Generally speaking, households earning 80% of Area Median Income (AMI) can qualify for most affordable housing that qualifies for the Subsidized Housing Inventory (SHI) if they meet other requirements. For a family of three, this would be \$85,200 annually. An estimated 70 households that made 80% of AMI or less pay half or more of their income on selected housing costs such as rent or mortgage, basic utilities, insurance, and taxes. This suggests a local need in Dunstable for affordable housing.

Despite the addition of the Community Housing requirement to the Zoning Bylaw in 2021, Dunstable has no Subsidized Housing Inventory (SHI) units as of February 2023. However, one project in process at the time of this writing has one subsidized unit being developed as well as payments to be made to the Affordable Housing Trust Fund under the bylaw. There have also been positive responses to the Request for Proposals for a multifamily development which will include a projected 44 Subsidized Housing Inventory (SHI) units in the Mixed Use District.

**There are a significant number of residents at very low income and extremely low income, and their housing needs aren't being met.**

**Figure 1: Dunstable Cost-burdened Households by Categories of HUD Area Median Family Income, 2015-19**



Source: U.S Department of Housing and Urban Development, 2015-2019 Comprehensive Housing Affordability Strategy Data, Table 1.

Over the 2015-2019 period, 210 Dunstable households, or 18% of all households, were estimated to have incomes at or below 80% of the Area Median Family Income AMI. These include an estimated 60 Extremely Low Income households (30% or less Area Median Income), 75 Very Low Income households (making between 30% and 50% Area Median Income), and 75 Low Income households (making between 30% and 50% Area Median Income). For reference, the Greater Lowell Area Median Income was \$132,400 in 2023<sup>8</sup>, and Dunstable's median household income was \$177,803 during the period measured by the 2017-2021 American Community Survey. At the most extreme end of the income spectrum, many families fall under the poverty threshold. For example, a family of three making \$24,860 or less annually is considered living under poverty. According to the 2017-21 American Community Survey, 1.4% of the population, or 41 Dunstable residents were in poverty.

As described in the previous finding, there is not enough housing in Dunstable that is affordable to these populations. However, the greatest need is concentrated in the lowest income categories. In 2015-19, 83% of Extremely Low Income households in Dunstable were severely cost burdened, paying more than 50% of their income on housing costs. Similarly, 27% of Very Low Income were severely cost burdened. An additional 7% of Extremely Low Income households and 53% of Very Low Income were moderately cost burdened, paying between 30% and 50% of their income on housing costs. However, those who earn above median income also face housing cost burdens. In total, an estimated 264 Dunstable households (22%) were moderately or severely cost-burdened during the 2015-2019 period.

Taxes were an item of importance in the Dunstable survey, with 11 respondents (14%) noting this as a challenge they have faced or believe households in Dunstable face. Notably, housing cost burden includes the cost of property taxes in its calculation. The tax rate was near the median of towns in the state in 2023. With that said, increasing the affordability of homes in Dunstable would help to reduce the overall housing cost burden, including property taxes.

**Homeownership is increasingly out of reach for the median income earner and there is an identified need for modest homes.**

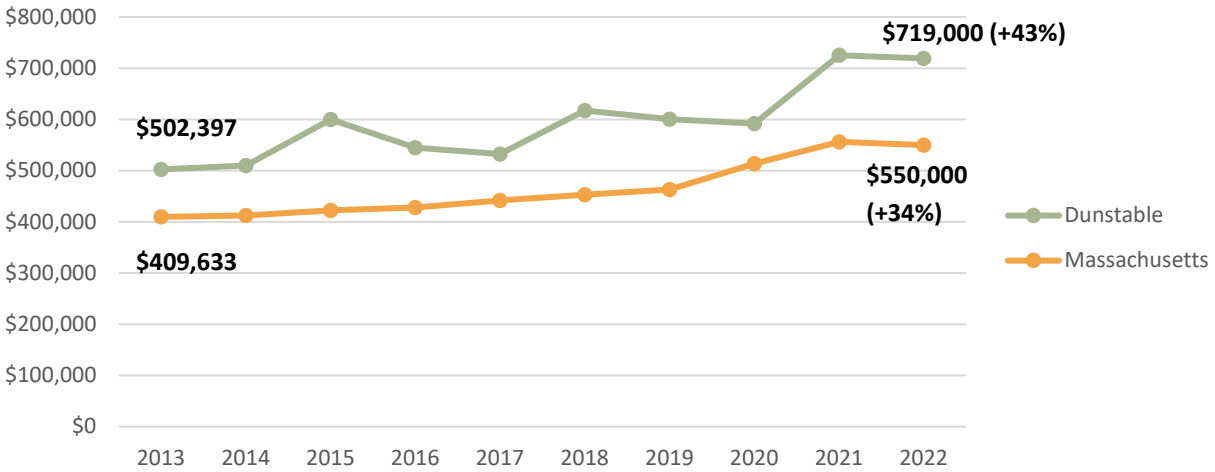
Limited housing production in Dunstable results in median sales price no longer affordable to the median household, let alone to many young families just starting out. This problem has grown worse: the median home sales price has risen an inflation-adjusted 43% between 2013 and 2022.

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<sup>8</sup> Source: Greater Lowell Fair Market Rent Area Median Family Income, U.S. Department of Housing and Urban Development



**Figure 2: Median Single Family Home Sales Price in Dunstable and Massachusetts (2013-2022)**



Source: The Warren Group, 2022. All values in 2022 dollars.

As of 2017-21, Dunstable’s median household income was \$177,803, while the median single-family home (\$719,000 in 2022) requires an income of approximately \$191,440 to be affordable. Similarly, as of 2017-21, an estimated 41% of total owner households (443 households), made less than \$150,000 per year.<sup>9</sup> In other words, the median single-family home is unaffordable for at least 41%, and likely a higher proportion, of the owner households living in town. This number is likely higher because an unknown number of households make between \$150,000 and the \$191,440; in addition, the available estimates of housing burden do not include utilities or other housing costs besides mortgage, taxes, and insurance. Similarly, the current median gross rent in Dunstable is unaffordable for an estimated 57% of the renter occupied households living in town. Moreover, Dunstable has a very small number of rental units compared to Lowell’s other suburban communities.

These high costs may make it difficult for young families to find housing in Dunstable and may be a significant cause of Dunstable’s lack of younger households. The small number of households with heads of household 15 to 34 years is particularly notable: only 6.9% of all Dunstable households (family and nonfamily combined) were in this cohort in 2017-21. During the same period, there were 17% households in this cohort in Greater Lowell (12% excluding the City of Lowell).

**Two family housing is not allowed in 97.1% of the town and two acre minimum lot sizes are required for single family houses.**

The Single Family Residence (R-1) district (96.3% of the town) and the Commercial Recreational (R-1a) district (1.9% of the town) do not allow two-family housing, except in the Town Center District overlay district (0.8% of the town) and the Mixed Use District overlay district (0.4% of the town). The R-1 district exclusive of the TCD and MUD is 95.2% of the town, meaning that combined with the R-1a district, two-family housing is not allowed in 97.1% of the town. The Town should be recognized for the adoption of

<sup>9</sup> Source: U.S. Census Bureau, 2017-21 American Community Survey, Five-Year estimates, Table S2503. Data does not break down incomes by tenure above \$150,000.

the overlay districts which increased flexibility for creation of housing in those areas, but they nevertheless impact a small amount of land area.

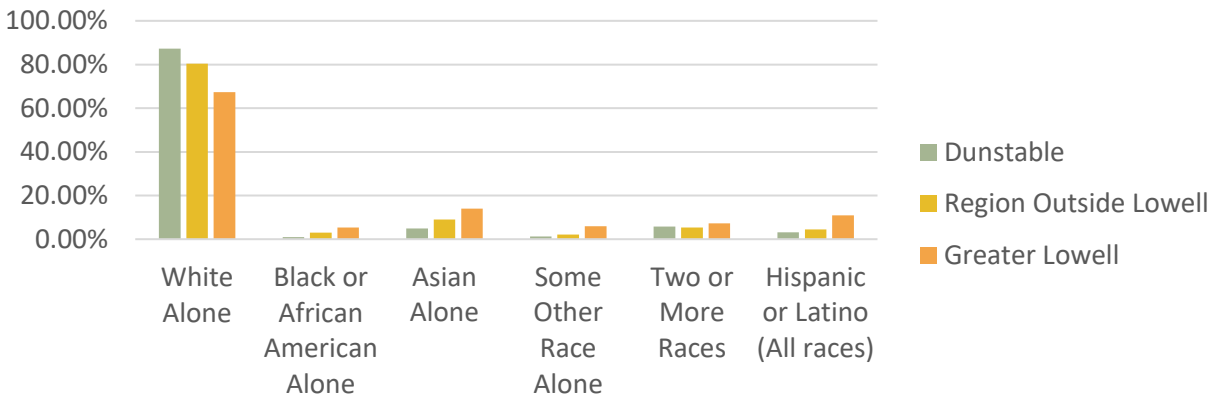
As a result, an estimated 98% of all housing units in Dunstable were single-family homes or mixed use with a single unit according to NMCOG's analysis of 2022 assessor's data. Furthermore, all 74 new housing units that were permitted between 2012 and 2021 were single-family detached dwellings. The trend is clear that Dunstable's housing inventory overwhelmingly consists of single family detached homes, and although the number of units is growing, those units appear to be entirely single family detached homes. This points to a need for more diverse housing types to make Dunstable more accessible for different types of families. In addition, the two acre minimum lot size requirement for single family homes likely incentivizes larger, more expensive home construction. This runs against the need identified by many survey respondents for more modest and affordable homes.

The Town adopted an Accessory Dwelling Unit (ADU) bylaw in 2015 and amended in 2021 to allow rental to non-related individuals. While ADUs (also known as "in-law apartments") allow for additional housing diversity in the Single Family Residence district, it is unknown whether and how many Accessory Dwelling Units are being established. Although the 2021 amendment adopted many best practices and was a powerful step toward increasing housing diversity which should be celebrated, it is recommended that Dunstable track and record ADU permits to determine the success of this amendment. These units help homeowners by giving them additional options to provide housing for friends or family members, or for tenants that can offset the cost of mortgages. However, they are not equivalent to two-family homes because they cannot be separate ownership units and because their impact is limited because the permitting burden is on a homeowner, not a developer.

**Dunstable does not reflect the diversity of other neighboring suburbs in the region, raising fair housing concerns.**

Non-Hispanic or Latino/a White people remain the largest race/ethnicity in Dunstable, composing 87% of the population, down from 98% in 2000. That said, Dunstable still has a lower proportion of non-White or Hispanic or Latino/a people than its neighboring suburbs in the Greater Lowell region. This may be because the lack of housing at various price points and lack of diverse types of housing limits the ability of certain populations to be able to afford to live in Dunstable. It may also reflect a need for additional research into data sources such as the Home Mortgage Disclosure Act (HMDA) data.

**Figure 3: Population by Race and Ethnicity, Selected Regions (2020)**



Source: U.S. Census Bureau, 2020 Decennial Census.

**Dunstable has an aging population that may need affordable and fully-accessible housing.**

Households headed by individuals aged 65 years and older are a fast growing proportion of all Dunstable households. Households with heads of household age 65 years and older have increased as a proportion of total family households from 12% in 2000 to an estimated 25% in 2017-2021. MassDOT projects this proportion to grow to 35% by 2050. Unfortunately, 61% of the population living in poverty (25 individuals) were 65 years or older. This is much higher than averages in Greater Lowell or Massachusetts, which generally see a greater proportion of young people of their populations living in poverty.

This Housing Production Plan needs to be sensitive to the needs of elders and those with disabilities in considering future affordable housing developments. This does not necessarily mean requiring housing to be age- or disability- restricted. In fact, some elders cannot move into age-restricted housing because a member of their family does not qualify. With that in mind, the growing elder population indicates a need for ensuring housing is accessible, ideally within accessible neighborhoods that allow seniors or people with disabilities a variety of accessible transportation and recreation options. It may also indicate a need for supportive programs, including providing options to age in place or downsize without moving out of town. Given the limited resources available to the elderly and the projected growth for this age cohort, the Town will need to keep in mind their special circumstances and work with partners to address those needs.

**Infrastructure capacity varies across the town, and the existing water infrastructure may limit affordable housing production.**

Although water and transportation capacity and lack of a public sewage system do not currently seem to directly limit the production of affordable housing in Dunstable, the capacity is not evenly distributed across the town. The public water supply is limited to around 100 connections, and extensions of the existing supply lines along with additional connections would be required to service new dwellings outside of the current service area. A lack of suitable water supply may hinder denser development

patterns including multifamily dwellings, subdivisions, and mixed-use developments with strong potential for affordable housing development. For example, the limits of this water supply have been identified as a key factor constricting development on the Town-owned “triangle” property.

In addition, the public survey indicated that a significant proportion of respondents believed that the Town needed additional sidewalk connections to link homes to the Town Center or recreation opportunities. Walk audits are being planned for certain areas, and efforts like these will be critical to ensure housing is accessible by multiple modes of transportation.

With the above challenges in mind, the Town may consider different approaches to mitigate these capacity issues to ensure their housing goals may be met. That may include the promotion of water conservation efforts, the targeting of development where there is existing capacity, or making targeted capacity upgrades such as expansion of water supply lines that would allow the town to meet its housing goals. It also suggests promoting development patterns that most efficiently and fully make use of existing or planned infrastructure, including sidewalks.