

Affordable Housing Market Study For Wellesley and Surrounding Communities

**PREPARED FOR
Wellesley Housing Development
Corporation**

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Executive Summary

Overview

The Wellesley Housing Development Corporation hired LDS Consulting Group, LLC to provide an affordable housing market study for the Town of Wellesley. The purpose of the study is to estimate present and projected demand for affordable for-sale and rental housing units in the Town of Wellesley.

The study is comprised of two parts: a supply analysis of affordable housing units in the Town of Wellesley (Primary Market Area) and the five surrounding towns (Secondary Market Area and the Five Towns) and a demand analysis for the market areas. The supply analysis includes an inventory of existing and planned affordable housing units, both for-sale and rental. Information on unit size, age, affordability restrictions, occupancy rates and sale prices or rental rates has been provided.

The demand analysis includes estimated demand levels and trends for affordable housing programs targeted toward qualified households at or below 50%, 60%, 80%, 100% and 120% of area median income levels. LDS also analyzed demographic information for the primary and secondary market areas, including current and projected population levels, household numbers, employment levels and household incomes.

Conclusions and Recommendations

Wellesley is approximately half way to meeting its affordable housing requirement set forth by the Commonwealth of having 10% of its units affordable to households at or below 80% of area median income. The town needs to create an additional 450+ units. When the 2010 census results are calculated, it will reflect an increase in households, and therefore there will be a need for even more affordable housing. Wellesley has taken some innovative steps to create affordable housing through its commercial development inclusionary zoning.

Wellesley's housing units are currently 83% homeownership and 17% renter-occupied. It has an elderly population that is projected to increase at a high rate over the near- and long-term.

Below is a summary chart of estimated current and projected demand in Wellesley for affordable housing for households with annual income at or below 80% of area median income (AMI). We examined the need for multi-family households with 3-4 residents and elderly households with 1-2 residents. We did not examine the effects of homeownership or assets. We did not break down the need for homeowners and renters. To do so would result in information reflecting the current breakdown of ownership households and renter households in Wellesley. It would not reflect the real need for a more diverse mix of housing options in the community.

Multi-Family Need		
Wellesley	Current	Future
Total 80%<	922	915
Total Affordable	152	189
Unmet Demand	770	726
Five Towns	Current	Future
Total 80%<	9,250	9,247
Total Affordable	1,324	1,620
Unmet Demand	7,926	7,627

Elderly Need		
Wellesley	Current	Future
Total 80%<	950	2,828
Total Affordable	274	274
Unmet Demand	676	2,554
Five Towns	Current	Future
Total 80%<	8,010	8,829
Total Affordable	1,841	1,866
Unmet Demand	6,169	6,963

Need for Affordable Rental Housing

This information, taken with the supply analysis which shows full occupancy and wait lists for affordable rental housing, had led us to conclude that the greatest demand in Wellesley is for affordable rental housing for families and seniors in Wellesley and surrounding communities. Our research showed that low-income renters do not move once they are in a unit. This breaks the myth that renters are more transient than homeowners. The greatest need is for households with female head of householders and children under the age of 18. There are few Section 8 mobile rental vouchers or project-based rental vouchers available; therefore it is difficult for a new development to service households at income levels lower than 80% of AMI unless it is very large. Wellesley does not have any assisted living facilities, and it has a comparatively small amount of rental units for low-income seniors. It would benefit from some type of supportive rental housing for seniors at all levels of income.

In addition, although not widely studied in this piece of work, there is a need for affordable rental housing for all types of special needs populations from small group homes, which could accommodate improperly-housed nursing home residents, to small residences with 8-12 units and supportive services, which could support populations such as those surviving traumatic brain injuries or Multiple Sclerosis.

Need for Affordable Homeownership

Based on income alone, there is a need for homeownership housing. However with regard to the elderly, the state has a limitation on assets of \$250,000 for purchasing affordable units. Therefore, the majority of elderly homeowners in Wellesley will be over the asset test and will not be permitted to purchase affordable homeownership units. In contrast, there is no or little asset test for affordable rental housing.

The income window for homeownership is between 70%-80% of median income which also limits the number of income qualified households who can afford a homeownership unit. Wellesley may want to consider expanding income limits to 120% of AMI to allow some households to qualify, although they may not necessarily be counted by the state. We suggest that any new affordable homeownership units be for households at 80% of AMI. Lower income households, those below 80% of AMI, are not in a financial position to absorb increasing costs of homeownership.

Potential purchasers have also been concerned about the profit limit on the resale of a unit. In this down real estate economy, low income purchasers have choices to purchase units in some communities at relatively similar prices as affordable units that do not limit their potential profit. This may be contributing to the lack of sales of affordable units being experienced in communities such as Natick. It is also difficult for households to access debt to purchase affordable homeownership units due to the current economic crisis, but hopefully that will change in the future.

We believe there is a need for smaller homes in Wellesley that could benefit both new homeowners and older households earning 80% -120% of area median income annually.

General Observations

We also note that the proximity to major roadways or public transportation is an important consideration for developing affordable housing, and this should be considered when locating a site for new affordable housing in Wellesley.

Preference Policy

There are many households that qualify under Wellesley preference policy based on income alone. However, this number is misleading because it only includes income of the person working or receiving a pension from the City. We recommend looking at the possibility of expanding the Wellesley preference policy to include people working in Wellesley.

2. States Subsidized Housing Inventory

The Subsidized Housing Inventory is used to measure a community's stock of low-or moderate-income housing for the purposes of M.G.L. Chapter 40B, the Comprehensive Permit Law. While most housing developed under Chapter 40B is eligible for inclusion on the state inventory, many other types of housing also qualify to count toward a community's affordable housing stock. Units need to meet certain requirements to be eligible for the subsidized housing inventory so there are some cases when a community has affordable units, but they are not included in the subsidized housing inventory. The housing unit count is based on the number of units counted in the 2000 census. It is expected that there will be a significant increase in the number of year round housing units when the 2010 census data results are calculated. The chart below shows the subsidized housing inventory of the communities in the study area as reported by the state on September 9, 2008:

Community	2000 Census Year Round Housing Units	Total Development Units	Total SHI Units	Percent SHI
Dover	1,874	65	17	0.9%
Natick	13,337	1,193	992	7.4%
Needham	10,793	514	498	4.6%
Newton	31,857	2,505	2,435	7.6%
Wellesley	8,789	512	480	5.5%
Weston	3,796	180	133	3.5%

3. Summary Charts

Total Affordable Housing Inventory by Community

The chart below shows the results of our research of actual affordable housing units by community, by unit type:

Community	Dover	Natick	Needham	Newton	Wellesley	Weston	Total
Rental- multi-family	0	46	0	340	20	1	407
Rental- senior/disabled	0	242	67	519	134	117	1,079
Ownership- multi-family	17	58	10	33	5	18	141
Ownership- senior/disabled	0	0	0	15	7	0	22
Group Homes #	0	58	147	179	26	0	410
Total private affordable units	17	404	224	1,086	192	136	2,059
Rental- multi-family	0	89	110	83	101	0	383
Rental- elderly/disabled	0	325	198	358	133	0	1,014
Ownership- multi-family	0	0	20	0	0	0	20
Group Homes/Other	0	8	8	99	0	0	115
Total public affordable units	0	422	336	540	234	0	1,532

Community	Dover	Natick	Needham	Newton	Wellesley	Weston	Total
Total Multi-Family Rental	0	135	110	423	121	1	790
Total Senior Rental	0	567	265	877	267	117	2,093
Total Multi Family Ownership	17	58	30	33	5	18	161
Total Senior Ownership	0	0	0	15	7	0	22
Total Group Home	0	66	155	278	26	0	525
TOTAL AFFORDABLE UNITS*	17	826	560	1,626	426	136	3,591

Totals include group homes listed on towns' Subsidized Housing Inventories as well as others that are not listed.

* Not all units are counted on the towns' Subsidized Housing Inventories.

Expiring Use Units

When affordable units are created, the length of affordability is often determined by terms of the permitting or from funding sources. Many of the older affordable developments were created with 15-year affordability periods, which in some cases meant when the affordability period expired; the owner had the ability to convert the units to market rate housing. Most new developments are affordable in perpetuity. Some projects that have passed their affordability expiration date are renewing their affordability on a yearly basis. To the extent the information was available; we have summarized by community the number of units that will be affordable in perpetuity, the number that are not, and the number that could be expiring in the near term. The properties in Newton that will expire in the near term are currently renewing on a year to year basis. There is one property in Wellesley Glen Grove, a 125-unit age-restricted rental community owned by Equity Residential that is due to expire in 2009. It is our understanding that the property is actively being marketed and that the building owners are in discussion with the community about this matter.

Community	Dover	Natick	Needham	Newton	Wellesley	Weston	Total
In Perpetuity *	17	774	528	806	301	68	2,494
Expiring Use **	0	52	32	820	125	68	1,097
Expiring by 2015	0	0	0	168	125	0	293

*Totals in perpetuity include units where the date of expiration was not available.

** It is difficult to get an accurate count of expiring use projects because expiration dates have not all been updated on towns' inventories. In some cases, affordability terms are renewed before the given expiration date.

Planned Affordable Housing Summary Chart

Community	Dover	Natick	Needham	Newton	Wellesley	Weston
Rental units	0	431	350	0	141	0
Multi-family	0	431	350	0	141	0
Senior	0	0	0	0	0	0
Affordable	0	108	88	0	30	0
Market	0	323	262	0	111	0
Ownership units	44	303	80*	78	30	70
Multi-family	0	303	80	78	30	1
Senior	44	0	0	0	0	69
Affordable	11	74	16	15	7	8
Market	33	229	64	63	23	62

Public Affordable Housing Summary Chart

Community	Wellesley	Natick	Needham	Newton
Family units	101	89	110 *	83
Wait List	Closed	5-15 years	Closed	15 years
Elderly/disabled units	133	325	198	358
Wait List	6 months	6 months - year	6 months	Less than 6 months to 7 years
Section 8 Mobile Vouchers	11	102	108	441
Wait List	NA	5 or more years	NA	Closed **
Centralized List	Yes	Yes	Yes	No
Other units		8-unit group home	8-bed special needs	29 special-needs units, 25 SROs, 45 management units

* The total does not include 20 affordable condominiums that the Needham Housing Authority is developing and selling to first-time homebuyers. The units are being sold to households earning up to 60%, 80% and 100% of the area medium income.

** The wait list is closed except for 6 project-based vouchers for privately-owned SROs for disabled people and 20 slots for survivors of domestic violence.

4. Affordable Privately Owned Rental Housing Units

We analyzed private affordable rental housing in Wellesley and the surrounding municipalities of Dover, Natick, Needham, Newton and Weston. There are some smaller developments, scattered site housing and older developments that we did not examine on an individual basis. We analyzed 21 developments in the study area that had a total of 2,208 units. Of those units, 1,313 were affordable to households making 30% to 80% of the area medium income. In addition, we looked at three Benchmark Assisted Living facilities in Newton that have low-income units.

The chart below summarizes both multi-family and senior/disabled private affordable rental housing in the study area:

Community	Dover	Natick	Needham	Newton	Wellesley	Weston	Total
Rental- multi-family	0	89	110	83	101	0	383
Rental- elderly/disabled	0	325	198	358	133	0	1,014

Below is a summary of private rental housing by community.

Dover

There are no affordable rental properties in Dover.

Natick

There are two private affordable rental properties in Natick that are built and occupied, Sherwood Village and Cloverleaf Apartments. They have a total of 419 units, of which **282 are affordable** to low-income households. In addition, there are **six affordable rental units for people with disabilities** at Natick Village, a condominium development.

Sherwood Village, located at 145 Mill Street, is a Section 8 project-based development for elderly or disabled residents built in 1983. Managed by Cornerstone Corporation, it has **236** one-bedroom units, all of which are affordable to households earning up to 30% of the area medium income. There are two vacancies, but the development is typically full. The wait list is 6-9 months for seniors and 2 years for disabled residents. Approximately six people move out in a year. Heat and hot water are included in the rent, and the development has a community room, on-site laundry, off-street parking and a resident services coordinator. The majority of the residents are single and in their 80's.

Unit Type	Size	Market Rent	Rent/Square Foot
One	580	\$1,137	\$1.96

Cloverleaf Apartments is managed by Forest Properties Management Inc. and located at 321 Speen Street. The Chapter 40B project was completed in 2008 and has 183 units, including four studios, 94 one-bedroom units and 85 two-bedroom units. There are **46** units that are affordable to households earning up to 80% of the area medium income. They will remain affordable until at least 2031. The development is 40% occupied, with approximately 110 market-rate units vacant and **16-17 affordable units vacant**. Heat and hot water are included in the rent, and the development has a business center, fitness center, pool and media center. Every unit has laundry.

The affordable housing lottery was held this summer by Stockard Engler Brigham LLC. The lottery was advertised for 60 days in local and minority newspapers, Craigslist and

the Citizens' Housing and Planning Association website, and outreach efforts are ongoing. In the first 60 days, 23 people applied, 16 of which were qualified. Three units went to people under preference categories, including Natick residents. The units are located close to the Massachusetts Turnpike, but there is no public transportation nearby. In addition, Natick has a fairly large housing supply of older apartments that have rents that are lower than the affordable rents at this community. For example, Natick Village has a similar size one bedroom unit for \$1,050.

Unit Type	Size	Market Rent	Rent/Square Foot
Market Rents			
One	770	\$1,750	\$2.27
Two	1,225	\$2,050	\$1.67
Affordable Rent			
One	770	\$ 1,104	\$ 0.70
Two	1,225	\$ 1,315	\$0.93

Advocates Inc. provides residential programs and services to people with disabilities and owns 6 units at the 816-unit condominium development Natick Village at 8 Natick Village Way. The six units, which each have one bedroom, are rented to people with disabilities who earn up to 30% of the area medium income. The units are fully occupied, and vacancies are filled by referrals from the state Department of Mental Retardation. The six units will remain affordable until at least 2042.

Planned Affordable Rental Housing in Natick

Grant Street LLC received approval in 2005 to develop 16 rental units at 8-10 Grant Street under Chapter 40B but had proposed 24 units. An appeal to the Housing Appeals Committee resulted in the allowance of the originally-proposed 24 units in 2007. Six of the units will be affordable for households earning up to 80% of the area medium income. Overall, the project will have one studio, 22 two-bedroom units and one four-bedroom units. The developer plans to construct 18 new townhouses and rehabilitate six units within two existing houses.

Chrysler Apartments, a Chapter 40B project, is planned for 5 Chrysler Road. The project, developed by Chrysler Apartments LLC will include 407 rental units in two buildings. There is expected to be 13 studios that will be 650 square feet, 204 one-bedroom units that will be 750 square feet, and 190 two-bedroom units that will be 1,100 square feet. The project includes 102 affordable units for households earning up to 80% of the area medium income. It was approved in 2008, and construction is expected to start soon. Barberry Homes has proposed to develop a mixed-use, smart-growth project under Chapter 40R at the former Natick Paperboard factory at 75 North Main Street. The proposal is for 150 rental apartments, 28 of which would be affordable for households earning up to 80% of the area medium income. The units will be one- and two-bedroom,

with an average size of approximately 1,000 square feet. The project is in the permitting process. If approved, construction would start in the spring.

Barberry Homes has proposed to develop a mixed-use, smart-growth project under Chapter 40R at the former Natick Paperboard factory at 75 North Main Street. The proposal is for 150 rental apartments, **28** of which would be affordable for households earning up to 80% of the area medium income. The units will be one- and two-bedroom, with an average size of approximately 1,000 square feet. The project is in the permitting process. If approved, construction would start in the spring.

Needham

There are two private affordable rental properties in Needham, Nehoiden Glen and Chestnut Hollow. They have a total of 89 units, **67 of which are affordable** to low-income households.

Nehoiden Glen, managed by Equity Residential, is a Section 8 project-based age-restricted development located at 1035 Central Avenue. Built in 1979, the development has **61** units, including 43 one-bedroom units and 18 two-bedroom units. All of the units are affordable to households earning up to 80% of the area medium income. Contract rents are \$1,420 for a one-bedroom unit and \$1,523 for a two-bedroom unit. The average income of residents is \$15,000-\$20,000. The development is fully occupied, with a wait list of two to two and a half years. The annual turnover is approximately four to five units. All utilities are included in the rent, and there is laundry on each floor. The majority of residents are single and 62-years-old or older. Most residents come from the Metrowest area.

Unit Type	Size	Contract Rent	Rent/Square Foot
One	Up to 749	\$1,420	\$1.90
Two	Up to 999	\$1,523	\$1.52

Chestnut Hollow is a four-story apartment building located at 141 Chestnut Street. The building used to be the Hamilton House Nursing Home, which closed in 1999. With approval by Needham’s zoning board in 2000, it was redeveloped by Jeffrey Roche into an age-restricted rental community. It has 28 units, including 1 studio, 15 one-bedroom units and 12 two-bedroom units. **Six** of the units are designated as affordable and project-based, and they rented to people with vouchers from the Needham Housing Authority. They will remain affordable until at least April 2021. The development has an elevator and laundry on each floor.

Planned Affordable Rental Housing in Needham

The Hanover Company is developing a 350-unit apartment project at 300 Second Avenue. The project, approved in 2007, is under construction and is expected to open in

June 2009. It is a Chapter 40B development and will include 88 affordable units for households earning up to 80% of the area medium income. There will be a total of 251 one-bedroom units and 99 two-bedroom units. The buildings are expected to be four stories high.

Newton

We looked at 11 private affordable rental developments in Newton, which have a total of 1,345 units. The developments have **686 affordable units** with income limits that range from 30% to 80% of the area medium income. In addition, Benchmark Assisted Living has three facilities in Newton, which have a total of 49 low-income units.

Arbopoint at Woodland Station is a mixed-income development at 1940 Washington Street managed by National Development of New England. Built in 2005-2007, the development has 180 units, including 75 one-bedroom, 96 two-bedroom and 9 three-bedroom. There are **36** units that are affordable to households earning up to 50% of the area medium income. The average income of households in the affordable units is \$27,760. There is 1 senior, 15 families and 20 single people living in the affordable units. The affordable units are fully occupied, and there are 256 people on the wait list. The wait is one to two years. Approximately three affordable units turn over a year. There are 5 Section 8 vouchers at the development. The market-rate units are 94% occupied, with 250 people on the wait list for them. Gas is included in the rent, and there is laundry in the apartments. The affordable housing lottery drew 149 applicants, 31% of whom were qualified, and 70% of the units went to people under the Newton preference, which includes residents and immediate family members that work or have children in Newton schools.

Unit Type	Size	Market Rent	Rent/Square Foot
One	726-1,004	\$2,040-\$2,290	\$2.81-\$2.28
Two	1,094-1,282	\$2,515-\$2,994	\$2.30-\$2.34
Two townhouse	1,200-1,352	\$3,078-\$3,395	\$2.51-\$2.57
Three	1,687-1,770	\$3,524-\$3,690	\$2.08-\$2.09

Avalon at Chestnut Hill, managed by AvalonBay Communities Inc., is a mixed-income development built in 2006 at 160 Boylston Street. It has 204 units, including 5 studios, 35 one-bedroom units, 118 two-bedroom units and 46 three-bedroom units. There are **41** units affordable to households earning up to 50% of the area medium income and **2** units affordable to households earning up to 80% of the area medium income. The affordable units are fully occupied, and there are 748 people on the wait list. The wait is three to five years. Annual turnover of the affordable units is approximately 19%. There are 7 Section 8 vouchers at the development. No utilities are included in the rent. The development has a resident lounge with a kitchen, a fitness center, pool and garage parking. Approximately 25% of the residents are single and 50% have children. Over 94% of the residents come from within 10 miles of the community’s zip code. The affordable housing lottery was advertised for a month in community and minority

newspapers, local organizations like the Newton Housing Authority and the Boston Globe. It drew 291 applicants, 244 of whom qualified. Of those who qualified, 180 were under the Newton preference category.

Unit Type	Size	Market Rent	Rent/Square Foot
Studio	390-759	\$1,255-\$1,625	\$2.14-\$3.21
One	935-1,401	\$1,996-\$2,765	\$1.97-\$2.13
Two	1,115-1,759	\$2,350-\$3,720	\$2.11
Three	1,518-2,130	\$2,996-\$4,650	\$1.97-\$2.18

Avalon at Newton Highland is located at 89-99 Needham Street and managed by AvalonBay Communities Inc. Built in 2003, the development has 294 units, including 6 studios, 90 one-bedroom units, 139 two-bedroom units and 59 three-bedroom units. There are 74 low- to moderate-income units: 30 affordable to households earning up to 50% of the area medium income, 11 affordable to those earning up to 65% of the area medium income and 33 affordable to those earning up to 80% of the area medium income. There are 11 Section 8 vouchers at the development. The market-rate units are 95-96% occupied. The affordable units are fully occupied, and the wait list has 1,118 people on it. The wait time is more than five years. The annual turnover for affordable units is approximately 17%. No utilities are included in the rent. The development, however, has a clubroom with billiards, a kitchen and entertainment room, pool, spa, fitness center, sports court and putting green. Approximately 49% of the residents are single or elderly, and 26% have children. Over 94% of the residents come from within 10 miles of the community’s zip code. The affordable housing lottery was advertised for a month in community and minority newspapers, local organizations like the Newton Housing Authority and the Boston Globe. It drew 1,967 applicants. Of those who qualified, 397 were under the Newton preference category.

Unit Type	Size	Market Rent	Rent/Square Foot
Market Rents			
Studio	570	\$1,535	\$2.69
One	954-1,319	\$1,905-\$2,375	\$1.80-\$2.00
Two	970-1,723	\$1,615-\$2,625	\$1.52-\$1.66
Three	1,378-1,913	\$2,525-\$3,960	\$1.83-\$2.07
Affordable Rent			
One	954-1,319	\$657-\$1,109	n/a
Two	970-1,723	\$994-\$1,321	n/a
Three	1,378-1,913	\$1,232-\$1,528	n/a

Coleman House is an age-restricted Section 8 project-based development located at 677 Winchester Street and managed by Jewish Community Housing for the Elderly. Coleman I opened in 1984, and Coleman II opened in 1998. There are a total of 146 one-

bedroom units, 143 of which are age-restricted. The remaining three are rented to young residents who are disabled. The units are 530 square feet. At Coleman I, **45** units are affordable to households earning up to 30% of the area medium income, and at Coleman II, **99** units are affordable to households earning up to 80% of the area medium income. There is a site representative living in a unit at each facility. The average yearly household income is approximately \$10,000. The units are fully occupied, and the wait list is two and half years. The annual turnover is 15 to 20 units. Many residents age in place. All utilities are included in the rent, and the complex has a community room, computer room, gym, beauty parlor, convenience store and care-connections program, which connects residents to services like shopping. The average age of residents is 79-80 years old, and most are single. Many have family in the Newton area.

Golda Meir House I and II is an age-restricted community located at 160 Stanton Avenue and managed by Jewish Community Housing for the Elderly. Golda Meir I opened in 1987, and Golda Meir II opened in 1995. There are 199 one-bedroom units. A total of 175 units are affordable and 4 units are market rate. Of the affordable units, **75** are for households earning 30-50% of the area medium income, and **100** are for households earning up to 80% of the area medium income. Market rate rent is \$1,253. The development is fully occupied, and there is a three-year wait for the affordable units. The annual turnover for the affordable units is approximately 10%. All utilities are included in the rent, and the development has a community room, computer room, gym, beauty parlor, convenience store and a food program. The average age of residents is 81 years old, and most residents are single. Many residents have family in Newton, and there is a large Russian and Chinese population.

New Falls Apartments, managed by Barkan Management Company, is located at 2281 Washington Street. There are 60 units, 20 of which are age-restricted. There are 20 one-bedroom units, 28 two-bedroom units, 8 three-bedroom units and 4 four-bedroom units. There are **41** low-income units, which will remain affordable until at least 2018.

The Hamlet is a 50-unit townhouse community located at 37 Hamlet Street and managed by Newton Community Development Foundation. It was built in 1977 and underwent major rehabilitation in 2002. There are 17 two-bedroom units, 17 three-bedroom units and 16 four-bedroom units. There are **20** units that are affordable to households earning up to 80% of the area medium income and 10 units affordable to those earning up to 50% of the area medium income. They will remain affordable until at least 2017. The affordable units are fully occupied, and the wait list is maintained by the Newton Housing Authority. An average of two affordable units turnover per year. No utilities are included in the rent. The development has a youth center, playground and washer/dryer hookups in each unit. The average age of residents is 32 years old, and most households have children.

Unit Type	Size	Market Rent	Rent/Square Foot
Two	1,241	\$1,640	\$1.32
Three	1,640	\$2,300	\$1.40
Four	1,764	\$2,450	\$1.39

Casselmann House is a Section 8 project-based development located at 195 Sumner Street and managed by Newton Community Development Foundation. Built in 1980, the development has 43 affordable one-bedroom units for seniors or disabled residents. It underwent a major rehabilitation in 2003 when new windows, kitchens and bathrooms were installed, and upgrades were made to common areas. The units average 600 square feet, and all of the units are affordable to households earning up to 50% of the area medium income. They will remain affordable until at least 2022. The average income of residents is \$10,000 or less. The units are fully occupied, and the wait list is closed, though it is expected to reopen next year. There are 15 people on the list, and the wait is more than five years. The annual turnover is one unit per year. All utilities are included in the rent, and there is a community room, fitness studio, on-site laundry and resident services office. The average age of residents is 85 years old, and most residents are single. Approximately a third of residents are from Newton, and there is a 43% Russian population.

Warren House is a former junior high school that was converted into apartments in 1992. It is located at 1600 Washington Street and managed by Newton Community Development Foundation. The development has 59 units, including 15 one-bedroom units that are 800 square feet, 38 two-bedroom units that are 1,000 square feet and 6 three-bedroom units that are 1,500 square feet. There are 21 low-income tax-credit units, which are affordable to households earning up to 60% of the area medium income. They will remain affordable until at least 2017. There are 20 Section 8 mobile vouchers. The average income of residents living in the affordable units is less than \$20,000, and the average income of those in the market-rate units is \$125,000. The development is fully occupied, and the wait list for affordable units is five or more years for a three-bedroom unit. The list for one-bedroom units is closed. The annual turnover for affordable units is two per year. There is an inquiry list for the market-rate units, which is six months long. Hot water is included in the rent, and there is a fitness studio at the development.

Weeks School Apartments is a former junior high school that was renovated in 1984 into a 75-unit mixed-income building. Located at 7 Hereward Road and managed by the Newton Community Development Foundation, it has 67 age-restricted units and 8 family units. The building underwent a major rehabilitation in 2007 when the masonry and cast-stone exterior was redone. 42 units are affordable to households earning up to 50% of the area medium income. They will remain affordable until at least 2013. The average income of residents in the affordable units is \$15,000, and it is \$28,000-\$35,000

for those in the market-rate units. The entire development is fully occupied, and the wait list for one-bedroom units is closed. There are 40 people on the one bedroom wait list, 17 of whom have Newton preference. The wait for a three-bedroom unit is five or more years, and there are three people on that list, one of whom has Newton preference. Often, residents in market-rate units move into subsidized units when they become available. The annual turnover for the affordable units is two per year. Heat, hot water and cooking are included in the rent, and the development offers a community room, fitness studio and resident services office. Most residents are single, and the average age is 72 years old. Approximately half of the residents have family in Newton.

Unit Type	Size	Market Rent	Rent/Square Foot
One	700	\$1,400	\$2.00
Two	900	\$1,550	\$1.72

Nonantum Village Place is a 35-unit, Section 8 project-based development at 245 Watertown Street. Built in 2005, the age-restricted development is managed by CASCAP Inc. and has one-bedroom units that are approximately 550 square feet. All of the units are affordable to households earning up to 50% of the area medium income. The units are fully occupied and the annual turnover is three to four units per year. All utilities are included in the rent, and the development has a community room and live-in resident manager. Most residents are single, and their average age is mid- to late-80s. At least half of the residents are from Newton. The affordable housing lottery was advertised for approximately three months, with ads at the Newton Senior Center, Springwell and other Newton locations. Approximately 90 people applied, with approximately 50 qualifying. Most of the residents fell into a Newton or federal preference category.

Affordable Assisted Living: In addition, Benchmark Assisted Living LLC manages three facilities in Newton that have low-income units. Cabot Park Village is an independent living facility with no medical staff, and The Falls at Cordingly Dam and Evans Park at Newton Corner are assisted living facilities. They have a total of 302 units, 49 of which are low-income units. Cabot Park Village has 11 market-rate units that are vacant. Evans Park at Newton Corner has 6 market-rate units that are vacant, and the Falls at Cordingly Dam is fully occupied.

Wellesley

There are four affordable rental developments in Wellesley, including Ardmore at Wellesley, Glen Grove, Hastings Village and Linden Square. They have a total of 218 units, of which **154 are affordable** to households earning up to 80% of the area medium income.

Ardmore at Wellesley is a multi-family development at 4 Cedar Street. Built in the early 1980s, it has 34 units, 9 of which are affordable to households earning up to 80% of the

area medium income. The development, which has not had any major rehabilitation, includes 16 one-bedroom units, 16 two-bedroom units and 2 three-bedroom units. The low-income units are occupied by Section 8 mobile voucher holders. There is one vacant affordable unit, but the development is typically full. There is no wait list. Instead, vacancies are advertised in the local newspaper and at area housing authorities, and they are quickly filled. The annual turnover for affordable units is 0-3 per year. Heat and hot water are included in the rent, and there is a workout facility in the building. The development draws families who want their children to attend Wellesley public schools as well as commuters who work in the region.

Unit Type	Size	Market Rent	Rent/Square Foot
One	700-800	\$1,250	\$1.56-\$1.79
Two	850-950	\$1,450	\$1.53-\$1.71
Three	950-1,000	\$1,700	\$1.70-\$1.79

Glen Grove is an age-restricted development at 50 Grove Street. The **125-unit** development is Section 8 project-based and managed by Equity Residential. It has 79 one-bedroom units and 46 two-bedroom units. All of the units are affordable to households earning up to 80% of the area medium income. The average income of residents is \$15,000. The units are fully occupied, and the wait list is three years. The annual turnover is approximately 10%. Heat and hot water are included in the rent, and there is a community room and green houses. Most residents are single and come from all over the state. It has a Section 8 contract and financing that will expire in 2009 and the owners are marketing the property. The owners are in touch with the community about the affordability period. The hope is that with Section 8 mark to market program there will be incentive for it to remain affordable.

Hastings Village, managed by Eastland Partners, is located at 54-66 Hastings Street. The four-building, 52-unit development was constructed in 2005-2006 and has flats and town homes. All of the units have two bedrooms. There are **13** units that are affordable to households earning up to 80% of the area medium income. All of the units are occupied, and there is a wait list of approximately a year for affordable units. The annual turnover for affordable units is one to two people per year. Affordable units receive a utility allowance of \$197 for gas and electricity. Most of the residents have children, and there is an elementary school across the street.

Unit Type	Size	Market Rent	Rent/Square Foot
Two	1,232-1,845	\$2,025-\$2,900	\$1.57-\$1.64

The affordable housing lottery for Hastings Village drew approximately 25 applicants, and only a few of them qualified, according to Barbara Evans. Marketing of the affordable units went on for approximately six months, with fliers put in town employee

paychecks and distributed to existing affordable housing facilities in town, advertisements in the Wellesley Townsman, Boston Herald and Boston Globe for 12-13 weeks, and outreach done to the Citizens' Housing and Planning Association and local housing authorities. Evans said she thinks the initial affordable rent of \$1,190 might have been too high. We did a quick examination of affordable rents being charged for other affordable two bedroom units as shown below, and it does not appear that amount of rent is a factor.

80% Rents	Size	Rent	Utilities included in rent
Facility	Two	Two	
Avalon at Newton Highland	970-1,723	\$994-\$1,321	No
Linden Square	1,200-1,600	\$1,351	Yes (all utilities)
Merriam Village	800	\$795-\$845	No
Hastings Village	1,132	\$1,291	No (\$197 utility allowance)
Cloverleaf Apartments	1,225		Yes (heat, hot water)

In addition, she said the lack of mass transportation near the development proved to be a challenge in attracting residents who didn't have cars but wanted to be able to get to Boston to work or visit their families. This is probably a truer statement, if you couple the amount of the rent along with the need to have a car, it then makes the units unaffordable. In addition, the affordable units were coming on line at the same time as Arbor Point in Newton located next to the Woodland MBTA station and Avalon at Chestnut Hill located on a bus line and in walking distance to the Chestnut Hill MBTA station.

At least half of the residents who moved into Hastings Village came from Wellesley. There were four minority families and one handicapped person who were referred by the state Department of Mental Retardation.

Linden Square Apartments includes 7 affordable town homes that are located on Oak and Linden streets and managed by Federal Realty. There is 1 one-bedroom unit that is 700 square feet and 6 two-bedroom units that are 1,200-1,600 square feet. Four of the units are new, and three are renovations. People started moving into the town homes in September 2008, and there is one vacancy, though the unit is spoken for. All of the units are affordable to households earning up to 80% of the area medium income. They were developed as part of the Linden Square project, which includes the redevelopment of an 18.4-acre site into 276,200 square feet of retail and office space. Three of the affordable units are off-site and four are on-site. They were developed under Wellesley's inclusionary zoning, which requires there be one affordable unit for every 50,000 square

feet of commercial space. Affordable rents are \$1,126 for a one-bedroom unit and \$1,351 for a two-bedroom unit. The majority of the residents have children. Approximately 25 people applied for units in the affordable housing lottery, and nearly everyone qualified. Marketing was done for more than two months, with advertisements placed in minority newspapers, the Wellesley Townsman and other newspapers in the Community Newspaper Group from Shrewsbury to Boston.

Planned Affordable Rental Housing in Wellesley

NDNE Lower Falls LLC, National Development of New England plans to develop a mixed-use project at 27 Washington Street, formerly Grossman’s. The project in Wellesley will include the demolition of an existing building and construction of a two-story retail and office building as well as a rental apartment complex, which will consist of two buildings. There will be 141 one- and two-bedroom rental units, 30 of which will be affordable for households earning up to 50% of the area medium income. The project was approved this year, but neighbors have appealed to the state’s Housing Appeals Committee.

Weston

There are two private affordable rental developments in Weston, including Brook School Apartments and Merriam Village. They have a total of 137 units, of which **117 are affordable** to households earning up to 80% of the area medium income. In addition, there is **an affordable rental unit** on Jones Road.

Brookside School Apartments is a 75-unit mixed-income senior housing development located at 44 School Street. The property is a former school that was converted into apartments in 1979. Managed by the Town of Weston’s Elderly Housing Committee, the development has 73 one-bedroom units and 2 two-bedroom units. **55** of the units are affordable to households earning up to 80% of the area medium income and will remain affordable until at least 2050. The remaining units are market rate. The average income of residents who live in the affordable units is \$22,000-\$23,000. The affordable units are fully occupied, and there is a wait list with 77 people on it. The wait time is three years. The annual turnover is six units per year for affordable units and three units per year for market-rate units. There are one to two vacant market-rate units, though typically, the development is full. There are 35 people on the wait list for the market-rate units, with a wait time of approximately a year. Heat and hot water are included in the rent, and the development has a community room, elevator, on-site laundry and off-site parking. The average age of residents is in the late 70s. Most residents are single, and approximately 80% are either from Weston or have family in Weston.

Unit Type	Size	Market Rent	Rent/Square Foot
One	750	\$1,314	\$1.75
Two	NA	\$1,500	NA

Merriam Village is a 62-unit senior-housing development at 23 Village Road. Nine buildings in the development were built in 1978 and four were constructed in 1995. There are 10 one-bedroom units, 30 one-bedroom units with dens, 20 two-bedroom units and 2 handicap-accessible units. The units are approximately 800 square feet. All of the units are affordable to households earning up to 80% of the area medium income. The average income of residents is in the low \$20,000. The affordable units are fully occupied, and the wait list is one to two years. Many residents age in place. The annual turnover is four to five units per year. Preference is given to Weston residents or parents of Weston residents. No utilities are included in the rent, but there is a community room and library. Most residents are single, and the average age is in the late 70s.

5. **Private Affordable Homeownership Units**

We examined affordable homeownership housing in Wellesley and the surrounding municipalities of Dover, Natick, Needham, Newton and Weston. We analyzed 21 developments in the study area that had a total of 700 units. Of those units, **155 were affordable**, the majority to households earning up to 80% of the area medium income.

Dover

There is one affordable homeownership development in Dover called **County Court Condominiums** on Tisdale Drive. Built in the early 1990s, it has 56 town house units, **17 of which are affordable** to households earning up to 80% of the area medium income. The affordable units have two- or three-bedrooms, are 1,700 and 2,400 square feet and have been sold to households at discount rates that range from 45% to 71% of the market rate. Those units cost \$75,000-\$85,000 when they were first sold. Market-rate units are now going for approximately \$425,000-\$445,000, so the price of affordable units range from approximately \$217,500-\$308,850. At least 12 of the affordable units have been sold to Dover residents, which were given preference in the original affordable housing lottery, and two have been sold to residents under an affirmative action preference category. There is one affordable unit currently vacant. The condo fee for the market-rate units and affordable units are the same and today is approximately \$333.

Planned Affordable Ownership Units in Dover:

Meadows of Dover, a 40B project, is being developed by MVM Realty LLC at 20 Springdale Avenue. The project calls for 24 age-restricted condominiums, six of which will be affordable for households earning up to 80% of the area medium income. The senior housing project was approved in 2003 and is under construction. None of the affordable units have been built yet. All of the units are expected to have two bedrooms and range in size from 2,100-6,000 square feet. The affordable units will be 1,800-2,000 square feet, and their anticipated sale price is \$165,000-\$195,000. The monthly condo fee is expected to be approximately \$500 for the market-rate units and \$100 for the affordable units.

Dover Farms Estates is a 40B project approved in 2007 that is under construction. The project by Dover Farms LLC includes 20 age-restricted single-family homes on 20 lots. The two-bedroom condominiums are expected to range in size from 2,000 to 3,000 square feet. Five of the senior housing units will be affordable for households earning up to 80% of the area medium income. The affordable units are expected to sell for \$200,000-\$240,000, while the market-rate units will go for \$800,000-\$1.2 million. Amenities will include lawn service, snow removal and a van.

Natick

There are a total of **58 affordable homeownership** units in Natick for households earning up to 80% of the area medium income. Some of the affordable units are in three homeownership developments: Baseball Factory Condominiums, Deerfield Forest Condominiums and Admiral's Cove Condominiums. General Growth Properties Inc. is providing 48 of the units at scattered sites as part of its development of Nouvelle at Natick, which will have 213 garden-style luxury condominiums. Natick's affordable housing is created in several ways, including Chapter 40B, Inclusionary Housing Option Program and Housing Overlay Option Plans (HOOP I and II).

Baseball Factory Condominiums is a 20-unit mid rise condominium at 12-13 Walnut Street that has 5 units affordable to households earning up to 80% of the area medium income. The former baseball factory was converted into condos and one commercial unit in 1989. Affordable units cost approximately \$99,000, and market-rate units are selling for approximately \$188,000-\$220,000. One-bedroom units are approximately 474-482 square feet, and two-bedroom units are approximately 545-772 square feet.

Deerfield Forest Condominiums, built in 1989, is a 334-unit garden-style condominium on Walden Drive that has 3 affordable units in addition to those bought by General Growth Properties. The complex has one- and two-bedroom units that range from 600-1,000 square feet. Their market-rate units cost approximately \$369,000 and affordable units range from -\$120,000--\$130,000 for households at 80% of AMI.

Admirals Cove, built in 2006, is an 11-unit town house project at 7 Dewey Street that has 2 affordable units in addition to those bought by General Growth Properties. The affordable units at Admiral's Cove were created as a result of a HOOP district, which require that at least 15% of the housing units be affordable. Built in 2006, Admiral's Cove has two- and three-bedroom units. The market-rate units, all of which are two-bedroom, cost approximately \$437,000. An affordable two-bedroom unit cost approximately \$169,000, according to town officials. The two-bedroom units are 2,100 square feet.

General Growth Properties' affordable units are located in several developments in Natick, including Natick Village, Deerfield Forest, Natick Green and Admiral's Cove. The units, part of the Natick Affordable Housing program, are affordable to households earning up to 80% of the area medium income. Most of them are being purchased and

renovated by General Growth Properties (GGP). Three units at Admiral's Cove, which were bought by GGP, are new construction. Of the **48 off-site units** that will be provided, 39 have been identified. There are one-, two- and three-bedroom units as well as penthouse units. The one-bedroom units range from 683-778 square feet, and the two-bedroom units are 865-963 square feet. The affordable units cost an estimated \$115,800-\$131,200 for a one-bedroom, \$127,800-\$146,200 for a two-bedroom, and \$168,700-\$172,000 for a three-bedroom. **So far, eight units have been sold.**

Stockard Engler Brigham LLC (SEB) conducted the affordable housing lottery for General Growth Properties' affordable units in late 2007. They advertised for 60 days in minority newspapers, Community Newspaper Company newspapers, Metrowest Daily News and the Citizens' Housing and Planning Association website, among other places. Approximately 36 households applied by the lottery deadline, with 26 being eligible. Applications are still being accepted, and to date, 34 households have qualified. Approximately 50% of the applicants fell under a Natick preference category, which includes Natick residents and town employees.

Brian Engler at SEB said there are several potential reasons that the GGP affordable units have not been selling. One issue could be their location as they are renovated units in older developments, which are located in neighborhoods that might not be desirable. At the time of the lottery, people knew that there were three new units at Admirals Cove that were available, but GGP had not disclosed the other units. People, therefore, had hopes for the new Admirals Cove units, Engler said. In addition, he said people were aware that other affordable units would be coming online soon at a new project in Natick, 20 South Avenue, so some could have opted to wait for those instead. Furthermore, the general awareness of the many GGP affordable units could have resulted in a decreased sense of urgency in applying for them. Engler said there wasn't a rush for them that can occur when there is a new lottery for a limited number of units. None of the units are located near public transportation.

Planned Affordable Ownership Units in Natick

South Natick Hills LLC plans to develop a condominium project with 268 units at 226 South Main Street and 61 Rockland Avenue. Approved in 2007, the Chapter 40B project will include **67** affordable units for households earning up to 80% of the area medium income. There will be 24 one-bedroom units, 192 two-bedroom and 52 three-bedroom. Construction is expected to start next year. The affordable units are expected to sell for \$130,000-\$140,000 for a one-bedroom unit, \$150,000-\$160,000 for a two-bedroom and \$175,000-\$190,000 for a three-bedroom.

Natick Armory Castle LLC is developing a 23-unit condominium project at 97 East Central Street. It was approved in 2006 and is under construction. The project will

include 4 affordable units for households earning up to 80% of the area medium income. The affordable units are being created under a Housing Overlay Option Plan (HOOP) district, which requires at least 15% of the units developed to be affordable.

A condominium project called 20 South Avenue was approved in a HOOP district in 2006. Developed by Bob Rinaldi, it includes 24 units, 5 of which will be affordable for households earning up to 80% of the area medium income. There will be 12 two-bedroom units that are 1,150-1,750 square feet and 12 three-bedroom units that are 1,750 square feet. The affordable units will be sold for \$167,900. The monthly condo fees are \$80 for the affordable units and \$350 for the market-rate units. The development will include a fitness studio and underground parking. Construction is nearly complete. The lottery, conducted by Stockard Engler Brigham LLC, was held for 30 days, with advertisements in minority newspapers in the area, the Community Newspaper Company weeklies, Metrowest Daily News and the Citizens' Housing and Planning Association website, among other places. There were nine qualified applicants and five that did not qualify. Of the qualified applicants, five fell into local preference categories, which included residents, family members of residents and town employees.

There is an 11-unit condominium project at 42 South Avenue. Developed by Terrian LLC and Walnut Hill Management Corp., the project is expected to include 2 affordable units for households earning up to 80% of the area medium income. The development was approved in 2006, and it is in a HOOP district. Construction has not yet started, and the affordable units have not yet been priced and a lottery has not yet been held.

Needham

There are three affordable homeownership developments in Natick, Junction Place, Garden Street and High Cliff Estates. They are all Chapter 40B projects approved between 2000 and 2002. They have a total of **23 family units**, with **seven affordable** to households earning up to 80% of the area medium income. **Three additional units at Junction Place are affordable** to households earning up to 150% of the area medium income. All of the affordable units at the three developments have three bedrooms and are 1,512-2,592 square feet.

Junction Place at 32 Junction Street was approved in 2000. It consists of 5 attached townhouse units, all of which sold at below-market prices. Two sold for \$165,000 to households earning up to 80% of the area medium income, and three sold for \$310,000 to households earning up to 150% of the area medium income. All of the units have three bedrooms and are approximately 1,512 square feet. They each have a laundry room and one-car garage.

Garden Street, a project of Brown-Whitney LLC, is located at 207-213 Garden Street and was built in 2004. The development has six condominiums, 2 are affordable to households earning up to 80% of the area medium income. The affordable units sold for

\$160,000, and the market-rate units cost \$525,000-\$759,000 with condominium fees of \$285. All of the units have three bedrooms and two-car garages.

High Cliff Estates, approved in 2002, is a town house condominium development located at 199 St. Mary Street with 12 units that all have three bedrooms. The units are 2,016-2,592 square feet. 3 units are affordable to households earning up to 80% of the area medium income. The market units sold for \$447,000-\$582,300, and the affordable units sold for \$105,000-\$137,500. All of the units have a laundry room, unfinished basement and one-car parking garage.

Planned Affordable Ownership Units in Needham

Webster Street Green LLC plans to develop 10 condominiums at 28 Webster Street under Chapter 40B. The developer initially proposed to build 10 units, but the Zoning Board of Appeals only approved 8 units. Subsequently, the developer appealed, and the Housing Appeals Committee approved 10 units in 2007. There will be four two-bedroom units and six three-bedroom units. Two of the units will be affordable for households earning up to 80% of the area medium income.

A Chapter 40B project is planned for 21 High Street. The developer Hemark Realty Trust originally proposed 13 condominiums, with three being affordable. After two appeals, the Housing Appeals Committee granted six units in 2006. The units will have two bedrooms and be approximately 1,150 square feet. Two of the units are expected to be affordable for households earning up to 80% of the area medium income.

Robert Fox has proposed The Suites of Needham, a development of eight for-sale townhouses at 797 Highland Avenue. Two of the units will be affordable for households earning up to 80% of the area medium income. The Zoning Board of Appeals approved the Chapter 40B project in 2006. An extension was granted in 2008. All of the units are expected to have two bedrooms.

Nehoidan Knoll Inc. received approval in 2005 to develop a Chapter 40B project at 198-200 Nehoidan Street. The project includes 8 condominiums or townhouses, two of which will be affordable for households earning up to 80% of the area medium income. The project received a permit needed to proceed from the state Department of Environmental Protection in 2008, but there is no builder. Therefore, the project is on hold.

Burt Development proposed a 36-unit condominium project at 692 Greendale Avenue in 2002. The Zoning Board of Appeals denied the application, and the developer appealed. In 2004, the Housing Appeals Committee granted 24 units, with 6 affordable for households earning up to 80% of the area medium income. If after the sale of the units, the profit was less than what the developer would have realized with 23 units – not to exceed 20% – it was agreed that the developer could build additional units to

reach that profit level. A cap was set at 32 units, with eight being affordable. Neighbors filed suit in Superior Court, which was dismissed. The comprehensive permit has lapsed, and the developer is expected to file another proposal soon. He is in discussions with the landowners to acquire the site.

Habitat for Humanity is planning to develop a single-family affordable home on land at Bancroft and Brookline streets owned by the town of Needham. The organization was the winning respondent to a Request for Proposals issued by the town. The home will be sold to a first-time homebuyer earning up to 50% of the area medium income.

Newton

We looked at five affordable homeownership developments in Newton, including Covenant Residences on Commonwealth, Crescent Field Condominiums, The Homes at Auburndale Yard, Linden Green Homes and Millhouse Commons. They have a total of 98 units, **of which 40 are affordable**. There are 30 units affordable to households earning up to 80% of the area medium income and 7 units affordable to households earning up to 50% of the area medium income. Three units are rented through the Section 8 program. The projects were developed through Chapter 40B or the Local Initiative Program and Special Permit process in Newton.

Covenant Residences on Commonwealth, an age-restricted Chapter 40B project, has 57 one- and two-bedroom units, with **15** affordable to households earning up to 80% of the area medium income. The one-bedroom units are 783-790 square feet and cost \$320,000-\$419,000 at market-rate. Affordable one-bedroom units cost \$162,500. The two-bedroom units are 1,047-1,093 square feet and cost \$534,000-\$610,000 at market-rate. The affordable two-bedroom units cost \$192,500. The market-rate condo fees are \$250 for a one-bedroom unit and \$420 for a two-bedroom unit. The marketing period for the affordable housing lottery was 60 days, with advertisements in local minority and community newspapers, in communications to community and social groups, and registered on MassAccess. Ten units, or 70%, went to households under local preference categories.

Crescent Field Condominiums were completed in 2000, becoming the first homeownership project undertaken by the nonprofit Women's Institute for Housing and Economic Development. The development has 20 two- and three-bedroom townhouses. **8** homes were sold at market rate and were priced in the \$300,000 range. They are now selling for approximately \$450,000. Another eight were sold to households earning 50% or 80% of the area medium income. The asking price for these affordable units was \$66,000-\$117,000, but they are now selling for approximately \$132,000. They will remain affordable until at least 2040. The monthly condominium fees are \$180-\$230 for both market-rate and affordable units. The remaining **4** homes were purchased by the Newton Housing Authority and are being rented to low-income families who have been victims of domestic violence.

The Homes at Auburndale Yard is a 10-unit, mixed-income community that was developed in 1998 by the Newton Community Development Foundation. 3 homes were sold to first-time homebuyers that earned up to 80% of the area medium income. At the time, they cost \$99,000 for a two-bedroom home and \$112,500 for a three-bedroom home. Four units were sold at market-rate for approximately \$400,000. The affordable units could expire 2038. Newton Community Development Foundation retains ownership of three units and rents them through the Section 8 program. All of the rental units are occupied.

Linden Green Homes and **Millhouse Commons** were developed by CAN-DO, a community-based nonprofit developer of affordable housing in Newton. The two condominium properties have a total of four market-rate units and 7 units affordable to households earning up to 80% of the area medium income. The affordable housing lottery for the two developments was done together, drawing approximately 140 applicants. Three units went to households under preference categories: two Newton residents and one town employee, a police officer. The lottery was advertised for approximately a month in minority newspapers and the weekly Newton TAB and through the Metropolitan Council for Educational Opportunity (METCO) program in Newton.

Planned Affordable Ownership Units in Newton

Joseph and Daniel Santagelo, Derby Street LLC, plan to develop an 8 unit Chapter 40B project at 254-262 Derby Street. Approved in 2007, the condominium projects includes the renovation of an existing single-family home and the construction of seven new homes. Two of the condominiums will be affordable to families earning up to 80% of the area medium income. The anticipated sale prices for the affordable units are \$163,000 for a two-bedroom and \$189,000 for a three-bedroom. The two-bedroom units will be 1,897-2,695 square feet, and the three-bedroom units will be 1,889-2,781 square feet.

Kessler Woods Condominiums is a 62-unit condominium project on LaGrange Street in Newton. The project by Kessler Development LLC was initially approved in 2006, with a one-year extension granted in 2007. The special permit wasn't exercised in time, so the developer has resubmitted the application as approved in 2006. A public hearing was held in October, and a decision has not been made. The project includes 11 affordable units. Eight of those units would be affordable to households earning up to 80% of the area medium income and three would be affordable to those earning up to 120% of the area medium income. The affordable units will be 1,122-1,200 square feet, while the market-rate units will be 1,314-2,359 square feet. The anticipated sale prices are \$153,000 for units at 80% of the area medium income, \$285,700 for units at 120% of the area medium income, and \$875,000 for market-rate units. The monthly condo fees are expected to be \$242 for the affordable units and \$500 for the market-rate units.

There is an 8-unit condominium development under construction at 1235 Boylston Street. One unit will be affordable to households earning up to 80% of the area medium income. The anticipated sale price of the affordable unit is approximately \$188,000.

Wellesley

There are three affordable, homeownership housing developments in Wellesley, including Townhouses at Edgemore Circle, Walnut Street Fire Station and Wellesley Hollow. They have a total of 43 units, of which **11 are affordable** to households earning up to 80% of the area medium income. All three developments are Chapter 40B projects that have been completed in the last 4-5 years. In addition, there is **an affordable, single-family house** that was bought, renovated and sold by the Wellesley Housing Development Corporation as part of the town's buy-down program. That three-bedroom house, purchased for \$500,000, was sold for approximately \$205,000.

Townhouses at Edgemore Circle was completed in 2004 and sold out in 2005. It has 12 multi-family units, all of which have three bedrooms that are 1,500 square feet. There are nine market-rate units, which sold for \$540,000-\$575,000, and 3 low-income units, which sold for \$135,000. The monthly condo fee is \$300 for market-rate units and \$100 for affordable units. The affordable housing lottery drew approximately 20-25 applicants, and two units were sold to employees under the Wellesley Connection preference category. Another unit went to a previous Wellesley resident.

Wellesley Hollow, completed in 2007, is an age-restricted condominium development with 28 units, 7 are low-income units. The three-story building at 874-878 Worcester Street has a fitness center, elevator and on-site parking. Four of the units have one bedroom and are 750-800 square feet, and 24 have two bedrooms and are 1,100-1,150 square feet. The affordable two-bedroom units sold for \$131,000-\$150,250, and the market-rate two-bedroom units went for approximately \$500,000. The monthly condo fee is approximately \$500 for market-rate units and \$149 for affordable units. Most of the residents are from Wellesley or have family in town. The housing lottery drew approximately 30 applicants, all of whom qualified. The lottery was advertised for more than two months in the Wellesley Townsman, minority newspapers and Community Newspaper Group newspapers. Five of the seven affordable units were sold to people in preference categories, including Wellesley residents or parent of a resident. The latter is no longer a preference category.

Planned affordable ownership units in Wellesley:

Jones Lang LaSalle plans to develop the site of the old Wellesley Inn at 576 Washington Street into 19 market-rate condominiums and retail space. The project called The Durant received a special permit in 2007 and site plan approval this year. It will feature a fitness facility as well as an underground parking garage. The units will range from 1,650 to 3,333 square feet. As part of the project, there will be six additional units for households earning up to 80% of the area medium income. Two of the affordable units will be three-

bedroom condominiums on-site on Grove Street. Two others are expected to be bought off-site on the open market and be for sale. The remaining two affordable units are expected to be built on a vacant lot on Boulevard Road. The market-rate units will cost \$1.9-\$4.2 million

Michael Connolly has proposed to develop five condominium units at 65 Washington Street under Chapter 40B. The project will either consist of five townhouses or two single-family homes and three townhouses. All of the units will have three bedrooms. One unit will be affordable for households earning up to 50% of the area medium income. The affordable unit will be 1,600 square feet, and the market-rate units will be 2,200 square feet. The affordable unit is expected to cost approximately \$125,000, and the market-rate units are expected to cost \$900,000-\$1 million. The project is before the Zoning Board of Appeals and a decision is expected by the end of January.

Weston

There are four affordable, homeownership developments in Weston, including Dickson Meadow Condominiums, Winter Gardens, Boston Post Green and 680 South Avenue. They have a total of 66 units, of which **18 are affordable** to households earning up to 80% of the area medium income. All of the projects were developed through Chapter 40B.

Dickson Meadow Condominiums, completed by the Community Builders in 2002, has 18 three-bedroom units approximately 2,200 square feet. The free-standing homes are located on Livermore Lane. **6** of the units are low-income and will remain affordable until at least 2041. They cost approximately \$105,000 when first sold. Their current cost is not known. The market rate units cost approximately \$1.23 million today. The monthly condo fee for market-rate units is \$702.

The development at **680 South Avenue**, built in 2005, includes 16 townhouses, **4** of which are low-income. Those four units will remain affordable until at least 2055. The two-bedroom units are approximately 2,667-2,701 square feet. The two-bedroom affordable units cost approximately \$174,000, and the two-bedroom market-rate units are going for \$898,000-\$995,000 today. The monthly condo fees are approximately \$100 for affordable units and \$625 for market-rate units. The affordable housing lottery was done by SEB in November of 2005 and included not only the 680 South Avenue properties but three additional affordable units at scattered sites in Weston. The marketing period lasted 60 days, with advertisements going in minority newspapers, Community Newspaper Group newspapers, Metrowest Daily News and the CHAPA website, among other places. The affordable housing lottery drew approximately 90 applicants, and the lottery agent, SEB, qualified the top 20 or so applicants.

Winter Gardens, developed by Springwood Development Corp. and MCO & Associates, is located at 154 Winter Street. Completed in 1997, the Chapter 40B project

includes 24 detached single-family condominiums. All of the units have three-bedrooms that are approximately 2,000 square feet. There are 6 units affordable to households earning up to 80% of the area medium income. All of the homes were sold and occupied in 16 months. The market-rate units cost approximately \$650,000 today.

Boston Post Green is an eight-unit townhouse development at 809-911 Boston Post Road. The two- and three-bedroom homes were developed by Mark Seto in 2004 as a Chapter 40B project. 2 units are affordable to households earning up to 80% of the area medium income and will remain affordable until at least 2054. Two-bedroom, market-rate units that are 2,400 square feet sold for approximately \$874,000.

Planned Affordable Ownership Units in Weston

Highland Development is developing a 69-unit age-restricted condominium project at 36 Highland Meadows Lane. The senior housing project was approved in 2006 and is being built in four phases. All of the units are expected to be two-bedroom, either in townhouses or freestanding homes. There will be seven affordable units for households earning up to 80% of the area medium income. Three of the affordable units will be for seniors and four will be for families. The housing lottery is expected to be held for at least 60 days in the spring of 2009 and pricing on the affordable units has not been released. Local preference will be given to no more than 70% of the units, or 2 elderly and 2 family units. As part of the project, there also will be one off-site affordable unit at 45 Church Street. It will be a three-bedroom family unit, with an income limit of 80% of the area medium income.

6. Private Affordable Group Homes

Community	Dover	Natick	Needham	Newton	Wellesley	Weston	Total
Group Homes #	0	58	147	179	26	0	410

We looked at group homes in Wellesley and the surrounding municipalities of Dover, Natick, Needham, Newton and Weston. We took into account group homes that were either listed on subsidized housing inventories or brought to our attention by organizations that manage them in the area. It was difficult to get an accurate count of the number of total units in each municipality because some group homes were not listed on subsidized housing inventories. In addition, the inventories list state Department of Mental Retardation (“DMR”) and state Department of Mental Health (“DMH”) group homes with “confidential” addresses, so we could not determine which group homes were being counted. Town officials and organizations were unable to clarify this issue.

Dover

There are no subsidized group homes in Dover.

Natick

Charles River Association for Retarded Citizens Inc. has three group homes in Natick, which has the capacity for a total of 13 clients. The units are low-income and fully occupied, and the wait list is kept by the state DMR. The facilities are not listed on the town's subsidized housing inventory. The housing inventory lists 45 units in DMR group homes in Natick.

Needham

Charles River Association for Retarded Citizens Inc. has nine group homes in Needham, which has the capacity for a total of 65 clients. All of the units are low-income and fully occupied, and the wait list is kept by the DMR. Five of the facilities are on the town's subsidized housing inventory. In addition, the inventory lists 82 units in DMR group homes in Needham.

Newton

There are eight group homes in Newton that are managed by Charles River Association for Retarded Citizens, Newton-Wellesley-Weston Committee for Community Living, Alternative Home and Newton Community Development Foundation. The eight facilities have the capacity for a total of 50 clients. All of the units are low-income, and there are two vacancies. Most of the facilities get their referrals from DMR. The town's subsidized housing inventory lists 97 DMR group homes and 32 DMH group homes.

Wellesley

Charles River Association for Retarded Citizens Inc. has one low-income group home in Wellesley, which has the capacity for a total of 4 clients. It is fully occupied, with a wait list kept by DMR. It is not listed on the town's subsidized housing inventory. Newton-Wellesley-Weston Committee for Community Living has a group home in Wellesley called the Jubilee House, which has the capacity for 5 clients. The facility is full, with all clients referred by DMR. The town's subsidized housing inventory lists the Jubilee House as well as DMR group homes that have a total of 17 units.

Weston

There are no subsidized group homes in Weston, according to the town's subsidized housing inventory.

7. Public Affordable Housing summary

Housing Authority Summary Chart

Community	Wellesley	Natick	Needham	Newton
Family units	101	89	110 *	83
Wait List	Closed	5-15 years	Closed	15 years
Elderly/disabled units	133	325	198	358

Wait List	6 months	6 months - year	6 months	Less than 6 months to 7 years
Section 8 Mobile Vouchers	11	102	108	441
Wait List	NA	5 or more years	NA	Closed **
Centralized List	Yes	Yes	Yes	No
Other units		8-unit group home	8-bed special needs	29 special-needs units, 25 SROs, 45 management units

* The total does not include 20 affordable condominiums that the Needham Housing Authority is developing and selling to first-time homebuyers. The units are will be sold to households earning up to 60%, 80% and 100% of the area medium income.

** The wait list is closed except for 6 project-based vouchers for privately-owned SROs for disabled people and 20 slots for survivors of domestic violence.

Wellesley

The Wellesley Housing Authority manages six public housing developments that have a total of 233 units. In addition, it manages one unit in Ardmore at Wellesley. There are a total of 101 family units and 133 elderly units. The family developments are Barton Road and Linden Street. The elderly/disabled developments include Morton Circle, Washington Street, Weston Road and River Street. The wait list for family units is closed, and the list for elderly/disabled units is six months.

The housing authority has 11 Section 8 mobile vouchers and is part of the Massachusetts Section 8 Housing Choice Voucher Centralized Waiting List. Wellesley Housing Authority officials did not know how long the wait list was.

Natick

The Natick Housing Authority manages seven public housing developments that have a total of 409 units. In addition, it manages 13 family units at scattered sites in Natick. There are a total of 89 family units, 325 elderly/disabled units and 8 units of group home handicap housing. The family developments include School Street Extension Family Housing, West Hill Park Family Housing and Forest Green Family Housing. The elderly/disabled units are at Cedar Gardens Elderly/Disabled Housing, Coolidge Gardens and William Coolidge House Congregate. The group home is called West Hill Park Group Homes Handicap Housing.

There are 1,860 people on the wait list for public family housing, and the wait time is five years or more for Natick residents and 15 years or more for non-residents. There are 25 people on the wait list for public elderly housing, and the wait time is six months to a year.

The housing authority has 102 Section 8 mobile vouchers and is part of the Massachusetts Section 8 Housing Choice Voucher Centralized Waiting List. The wait list is at least five years.

Needham

The Needham Housing Authority manages two elderly/disabled public housing developments, Linden Street/Chambers Street, which has 152 units, and Seabeds Way, which has 46 units. There are two family public housing developments High Rock Development and Captain Robert Cook Drive, which has 30 units.

High Rock Development originally had 80 units, but the housing authority is tearing down 20 of the single-family units and is replacing them with 20 duplexes. This will create 20 additional units, for a total of 40 new units. Of the new High Rock units, 20 will be project-based Section 8 rental units, and the other 20 are being sold as affordable condominiums to first-time home buyers for \$150,000-\$292,500. Two are being sold to households earning up to 60% of the area medium income, 12 are going to households earning up to 80% of the area medium income, and 6 are being sold to households earning up to 100% of the area medium income.

Approximately 15 of the 20 new duplexes have been built, with approximately half of the units being condominiums. Two home-buyers have closed on condominiums, two more are about to close, and six are under agreement. The affordable housing lottery was held in May, but applications are still being accepted for the wait list for the remaining 10 condominiums that have not been spoken for.

The wait list for public family housing is closed. The wait list for elderly and disabled housing is approximately six months.

In addition to family and elderly housing, the Needham Housing Authority has an 8-bed special needs group home called Matthews House.

The housing authority has 108 Section 8 mobile vouchers and is part of the Massachusetts Section 8 Housing Choice Voucher Centralized Waiting List. Needham Housing Authority officials did not know how long the wait list was.

Newton

The Newton Housing Authority manages 12 public housing developments that have family, elderly and special needs units as well as a management program, Section 8 single-room occupancy units at the YMCA and family and elderly units scattered throughout Newton. There are a total of 540 units, which includes 358 elderly units (Echo Ridge, Nonantum Village, Centenary Village, Parker House, Jackson Garden, Horace Mann Apartments, Norumbega Gardens, Hamilton Grove and 6 scattered units), 83 family units (Beaconwood Apartments, 59 scattered units and 4 at Echo Ridge), 29 special needs units (Walnut Street, Central Street and New Hyde Apartments), 25 SROs at the YMCA, and 45 management units at 15 locations throughout Newton.

The federal elderly wait list (Parker House, Jackson Garden Horace Mann Apartments and Norumbega Gardens) has a total of 97 people. Approximately 50% of the annual placements are from standard applicants; the wait time is approximately two to three years for residents and less than six months for resident veterans. The other 50% of annual placements are from applicants with one of the following preferences: people who have been displaced, pay at least 50% of their income to rent or have substandard housing, the wait list is less than six months.

The state elderly wait list (Nonantum Village, Echo Ridge and Centenary Village) has 235 people, which includes approximately 40 Newton residents. The wait is six months for elderly residents, five to seven years for elderly non-residents, and five to seven years for non-elderly people. Hamilton Grove, which is elderly housing, has its own wait list, which is six months to two years.

The state family wait list (Beaconwood Apartments and scattered sites) is 15 years. The list for two-bedroom units has 502 people. Local domestic violence shelters are one of the main sources of references.

The wait list for single homeless men for the YMCA SROs is six months to a year. It varies depending on the vacancies.

The Newton Housing Authority has 441 Section 8 mobile vouchers. The wait list is closed except for 6 project-based vouchers for privately-owned SROs for disabled people and 20 slots for victims of domestic violence. The list is expected to be closed for at least another year.

The housing authority also has 41 Massachusetts Rental Voucher Program vouchers. Two of them are mobile, 20 are project-based at the Hamlet House and 19 are project-specific for people with special needs. There are two people on the wait list for the MRVP mobile vouchers.

Dover and Weston

Do not have a housing authority.

Supply Observations

Observations

- There are a total of 3,591 affordable housing units in the study area.
- The majority of the new affordable units have been developed under Chapter 40B, a small amount by overlay districts and a small amount as a result of inclusionary zoning.
- Newton is the only City in the Study Area, and has the most year round housing units - 31,000+ as compared to Wellesley with 8,700+.
- Newton is the community closest to reaching its 10% goal at 7.6%. This is due in large part to three relatively new large multi-family rental developments, and although only 25% of the units are affordable, all of the units count.
- There are twice as many affordable senior/disabled rental housing units than multi-family housing.
- There are six times more affordable multi-family ownership units as compared to senior/disabled ownership unit.
- Elderly units tend to be smaller than multi-family units, and newer units tend to be larger than older units and offer more amenities.
- There are few expiring use units in the study area except for Glen Grove in Wellesley, which has an affordability restriction expiring in 2009.

Rental

- All senior rental developments, whether private or public housing, have substantial wait lists ranging from six months to five years.
- All multi-family rental affordable rental housing, whether private or public, have substantial wait lists ranging from one year to fifteen years, the exception is Cloverleaf apartments in Natick.
- **Cloverleaf Apartments**-This development is in a location that is not readily accessible to public transportation. In addition, market rate rental pricing at other developments in Natick is lower than the affordable rental pricing at this development. The property may have been better served with units available to households at 50% of AMI rather than 80% of AMI.
- **Hastings Village**- We tried to ascertain information on why the initial lottery did not have a strong response. We learned that extensive marketing was done by the lottery agent. The issue could be the combination of the ill will around the development, the price of the affordable units compared to market rate units in Natick, the lack of transportation, or the fact that the units came on line at the same time the Arborpoint at Woodland and Avalon at Chestnut Hill were being marketed. These two developments are in close proximity to the MBTA green line.
- The wait list for Section 8 mobile vouchers is substantial (5 or more years), with many communities having a closed waiting list.

- A minimal amount of Section 8 mobile vouchers units are being utilized in the newer large apartment rental developments, therefore the majority of occupants are private payers.
- There is minimal yearly turnover in affordable rental housing units, regardless of whether they are for families or for seniors/disabled.
- As you move further away from the City of Boston, 80% rents are similar to, if not more than, market rate rents. In addition, the lack of available transportation becomes an issue because a would-be renter would need to spend money to purchase and maintain a vehicle.
- **Recommended Product:** Flats for households at or below 50% of median income and town house rentals for households at or below 80% of area median income near transportation and downtown areas.

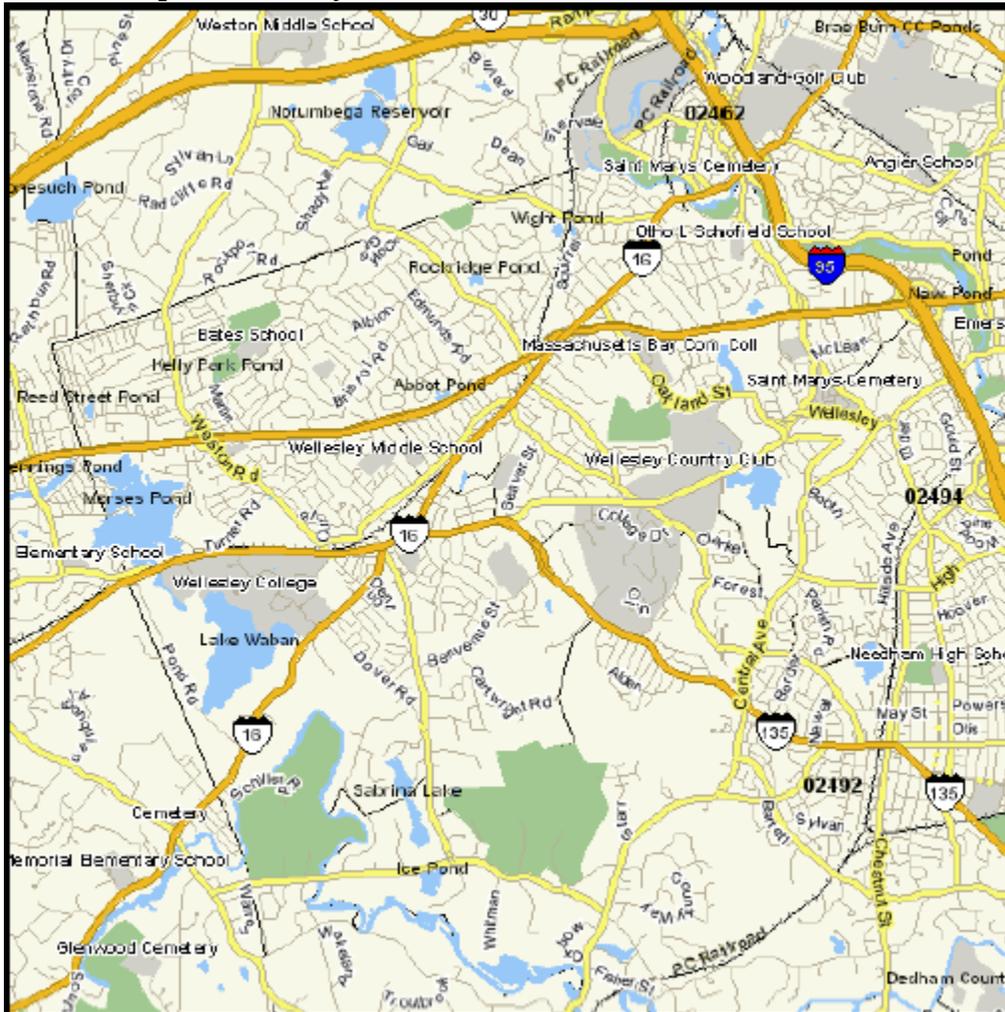
Ownership

- The majority of the homeownership units are for households at 80% of AMI. There is a concern that if you offer units to households earning less than 80% of AMI, they will not be able to absorb increases in maintenance costs or special assessments or downturns in the economy. This leaves a narrow window for customers who earn between 70% and 80% of area median income to qualify.
- The price of affordable home ownership units vary based on the number of bedrooms in the unit as well as the condominium fee. Many developers have opted to increase the affordable unit condominium fee as a marketing tool and to keep the peace with all unit owners in later years. The result is that unit selling prices are substantially reduced because the affordable household is only required to pay 30% of their income toward housing costs.
- Affordable buyers have more choices today in a down market and therefore are not willing to give up the potential upside by purchasing a unit with an affordability restriction.
- Some affordable buyers prefer town homes or single family home as compared to apartment flats. They want to raise their families in a home, and do not equate that with an apartment flat.
- General Growth Properties, Natick- Some of the reasons that they are seeing slow sales of affordable units are because the price of the affordable units are not substantially lower than the price of market rate units. In addition, it may be difficult for buyers to qualify for financing given the stricter underwriting guidelines.
- Chestnut Hollow in Wellesley – This age-restricted development is not performing well. This is due in part to market timing and in part to poor location. It has a good price point but not the location and amenities that would appeal to an empty nester.
- **Recommended Product:** Town House Condominiums and Small Single Family homes for households at 80%-100% of area median income with 2-3 bedrooms and close to town center and public transportation.

Demographics

We examined demographics for the Town of Wellesley and the five towns surrounding Wellesley, including Dover, Natick, Needham, Newton and Weston (the “Five Towns”). We examined census data and ran Claritas reports to obtain additional data for the zip codes for Wellesley and the aggregate reports for the zip codes for the Five Towns. Claritas is a data source that relies on the 2000 United States Census and uses the information along with other factors to project future demographics. It estimates data for 2008 and projects to 2013.

Claritas Map of Wellesley



Income

The American Community Survey (ACS) is a nationwide survey designed to provide communities with a fresh look at how they are changing. It is a critical element in the Census Bureau's reengineered decennial census program. The ACS collects and produces population and housing information every year instead of every ten years.

According to the ACS for the three year period of 2005-2007, the median income of households in Wellesley CDP was \$125,814. 83% of the households received earnings and 15% received retirement income other than Social Security. 26% of the households received Social Security. The average income from Social Security was \$18,521. These income sources are not mutually exclusive; that is, some households received income from more than one source.

According to the Claritas report that we ran, the average household income in the town of Wellesley is projected to increase by 23% from 2000 to 2013. It is projected to increase by 32% in the Five Towns, which is 9% more growth than in Wellesley. It is interesting to note, however, that the actual median household income in Wellesley is projected to grow by approximately \$29,000, the same amount as in the Five Towns.

Demographics - Wellesley	2000	2008	2013	Change 2000-2013	
Average Household Income	\$160,867	\$180,234	\$197,103	\$36,236	23%
Median Household Income	\$115,636	\$131,963	\$145,172	\$29,536	26%
Per Capita Income	\$52,866	\$59,134	\$64,856	\$11,990	23%
Demographics - Five Towns	2000	2008	2013	Change 2000-2013	
Average Household Income	\$121,066	\$143,849	\$159,767	\$38,701	32%
Median Household Income	\$85,506	\$102,447	\$114,644	\$29,138	34%
Per Capita Income	\$46,217	\$54,426	\$60,690	\$14,473	31%

Rent Burdened

Approximately 24% (3,411) of all households that are renters in Wellesley pay at least 30% of their household income toward rent, according to the 2000 Census. They are therefore considered rent burdened, according to the federal Department of Housing and Urban Development. Approximately 10% (150) of households that are renters in Wellesley pay at least 50% of their household income toward rent and are therefore considered severely rent burdened.

Approximately 34% of Wellesley households ages 65-74 and 46% of households age 75 and older are rent burdened, paying at least 30% of their income toward rent, according to the 2000 Census. A smaller proportion of the town’s younger households that are renters, 24% of those age 25-34 and 25% of those ages 35-44, are rent burdened.

Poverty Rate

According to the 2005-2007 ACS, approximately 5.5% of all persons in Wellesley live below the poverty level and 5.2% of all families. The category with the largest percentage of residents living below the poverty level, 29.4%, is families with female head of household and no husband present. Among families in that category, 33.1% of those with children under 18 and 23.9% of those with children under 5 live below the poverty level. 5% of all residents ages 65 and older live below the poverty level.

Poverty Level

All families	5.20%
With related children under 18 years	5.30%
With related children under 5 years only	2.70%
Married couple families	1.50%
With related children under 18 years	0.00%
With related children under 5 years only	0.00%
Families with female householder, no husband present	29.40%
With related children under 18 years	33.10%
With related children under 5 years only	23.90%
All people	5.50%
Under 18 years	3.50%
Related children under 18 years	3.50%
Related children under 5 years	1.10%
Related children 5 to 17 years	4.20%
18 years and over	6.40%
18 to 64 years	6.60%
65 years and over	5.30%
People in families	4.00%
Unrelated individuals 15 years and over	17.80%

Selected Conditions

Displayed in the chart below is the variable "Selected conditions" for the town of Wellesley from the 2000 Census. This is defined for owner- and renter-occupied housing units as having at least one of the following conditions: (1) lacking complete plumbing facilities, (2) lacking complete kitchen facilities, (3) with 1.01 or more occupants per room, (4) selected monthly owner costs as a percentage of household income in 1999 greater than 30 percent, and (5) gross rent as a percentage of household income in 1999 greater than 30 percent.

Total:	2,082
Owner occupied:	7,140
With one selected condition	1,488
With two selected conditions	0
With three selected conditions	0
With four selected conditions	0
No selected conditions	5,652
Renter occupied:	1,454
With one selected condition	275
With two selected conditions	35
With three selected conditions	0
With four selected conditions	0
No selected conditions	1,144

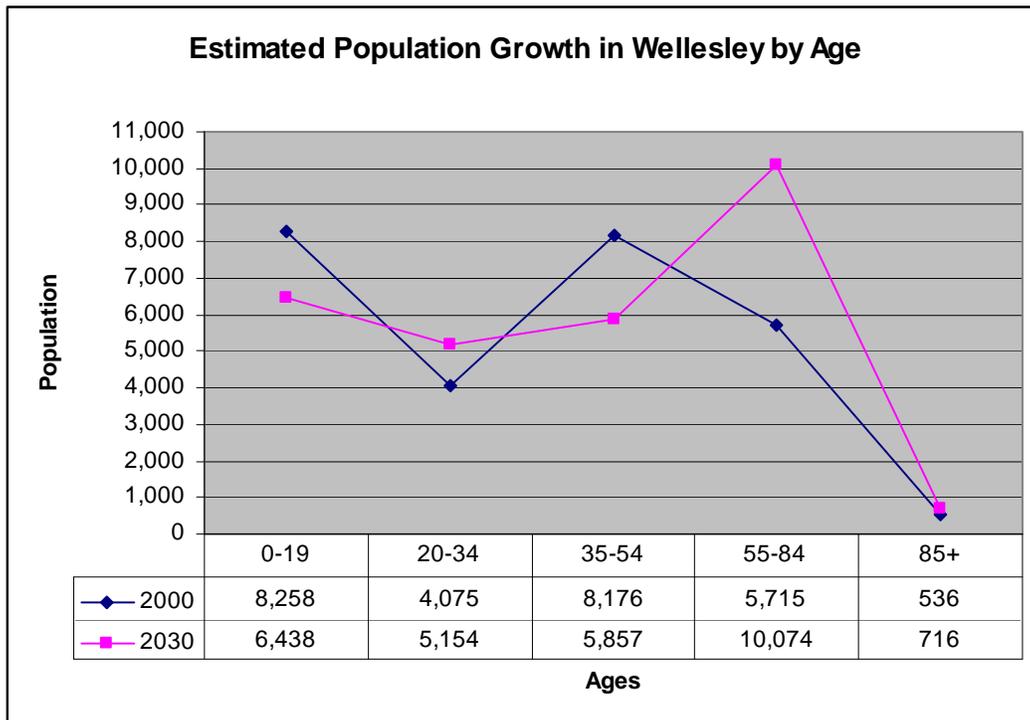
According to the 2000 Census, 21% of the households that own and 21% of households that rent have one or more selected conditions. The public Census data does not provide this information by age at the town level.

Long Term Population Growth

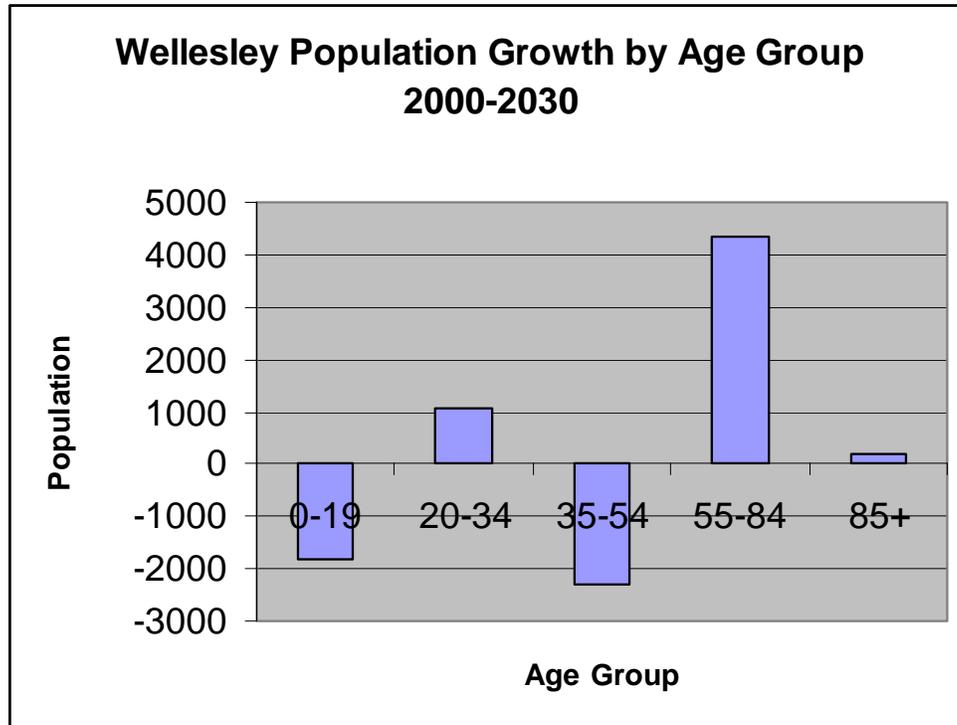
According to ACS for the years 2005-2007, the total population in Wellesley is 30,238. This number is substantially higher than the Massachusetts Area Planning Council (“MAPC”) estimates noted in the next paragraph.

The MAPC projects long term population growth for the Town of Wellesley in ten year periods. MAPC has projected that from 2000 to 2030, the total population is projected to grow by 1,480 people to 28,238, an increase of 6%. The 55-84 year old population is projected to increase the most, 76%, growing by 4,358 people to 10,074. The 85+ population is expected to increase by 180 people to 716, which is a 34% increase. In contrast, the 0-19 and 35-54 year old populations are expected to decline by 22% and 28% respectively.

We examined data for these years and age groups for the Five Towns based on Claritas Reports. Dover, Natick and Weston are expected to experience a greater percentage of population growth than Wellesley, with Weston’s population growing by the biggest percentage, 30%. Needham is projected to grow by 6%, the same amount as Wellesley. Newton’s population is expected to remain relatively the same. Our first chart compares the population in Wellesley for particular age groups for the years 2000 (blue) and 2030 (magenta):



Our second chart shows change by the number of persons in Wellesley from the year 2000 to 2030 by age groups:



Short Term Population Growth

The chart below shows changes in population by age based on the Claritas Report for the Town of Wellesley. Again, these numbers project a substantially lower number than the ACS.

Wellesley	2000	2013	Actual	%
Population by Age	Census	Projection	Change	Change
Total Population	26,613	26,444	-169	-1%
Age 25 – 34	1,892	2,084	192	10%
Age 35 – 44	4,193	1,402	-2,791	-67%
Age 45 – 49	1,973	1,581	-392	-20%
Age 50 – 54	1,965	2,040	75	4%
Age 55 – 59	1,437	1,966	529	37%
Age 60 – 64	1,070	1,733	663	62%
Age 65 – 74	1,802	2,092	290	16%
Age 75 – 84	1,375	1,181	-194	-14%
Age 85 and over	533	587	54	10%
Age 65 and over	3,710	3,860	150	4%

The overall population is expected to decrease from 2000-2013 by less than 1% or 169 people. The chart above shows that the 35-44, 45-49 and 75-84 year old population groups are projected to decline, while the rest are expected to grow. The 60-64 year old population group is expected to increase by the largest margin, 62%.

The chart below shows changes in population by age based on the Claritas Report for the Five Towns:

Five Towns	2000	2013	Actual	%
Population by Age	Census	Projection	Change	Change
Total Population	168,431	165,265	-3,166	-2%
Age 25 – 34	19,328	15,116	-4,212	-22%
Age 35 – 44	27,936	17,053	-10,883	-39%
Age 45 – 49	13,514	11,424	-2,090	-15%
Age 50 – 54	12,793	13,986	1,193	9%
Age 55 – 59	8,890	12,912	4,022	45%
Age 60 – 64	6,922	11,147	4,225	61%
Age 65 – 74	12,237	13,922	1,685	14%
Age 75 – 84	9,283	8,357	-926	-10%
Age 85 and over	4,260	4,900	640	15%
Age 65 and over	25,780	27,179	1,399	5%

The total population is projected to decrease in the Five Towns from 2000 to 2013 by 2% or 3,166 people. The chart shows that all of the population groups between 25 and 49 years old are expected to decline, while the older population groups, those between 50-74 years old, are expected to grow. Like in Wellesley, the 60-64 year old population in the Five Towns is projected to increase by the largest margin, 61%.

The median age in the Town of Wellesley is projected to decrease from 37.5 in 2000 to 31.9 in 2013. In contrast, the median age in the Five Towns was 39.1 in 2000 and is expected to increase to 41.5 in 2013, nearly 10 years older than Wellesley. Therefore, in the short term, the age of the Wellesley population is expected to remain younger than the population of the Five Towns.

Households

The ACS shows 9,430 households in the Town of Wellesley. The actual data from the ACS is substantially higher than Claritas projections. It is important to note that the number of households and population has increased more than demographic sources have predicted, and this is not taken into consideration in our calculations. This may be due to one-person elderly households being replaced with multi-person households with children.

According to Claritas, the number of households in Wellesley is expected to remain approximately the same from 2000-2013, which is in line with the less than 1%

population decrease. In the Five Towns, the number of households is projected to decrease by 1%, which also mirrors the projected 2% decrease in population.

Households	2000	2013	Change	% Change
Wellesley	8,614	8,606	-8	0%
Five Towns	62,451	61,976	-475	-1%

According to ACS, 76% of households in Wellesley are family households and 24% are nonfamily households. In addition, 43% of households have children under the age of 18, 10% have female heads of household with no husband present, and 10% have residents over the age of 65.

HOUSEHOLDS BY TYPE		
Total households	9,430	100%
Family households (families)	7,147	75.80%
With own children under 18 years	4,091	43.40%
Married-couple family	5,972	63.30%
With own children under 18 years	3,325	35.30%
Male householder, no wife present, family	222	2.40%
With own children under 18 years	164	1.70%
Female householder, no husband present, family	953	10.10%
With own children under 18 years	602	6.40%
Nonfamily households	2,283	24.20%
Householder living alone	1,973	20.90%
65 years and over	951	10.10%

According to the ACS, average household size is 2.73 persons and average family size is 3.21 persons.

The next chart is from a Claritas report for the Town of Wellesley for projections of household size. It shows that the number of one-person non-family households is estimated to increase. It shows that there will not be much change in the number of persons in family households.

Households by Household Type and Size	2000		2008		2013	
Description	Census	%	Estimate	%	Projection	%
Nonfamily Households	2,057		2,050		2,043	
1-person household	1,775	86.29%	1,801	87.85%	1,819	89.04%
2-person household	247	12.01%	216	10.54%	189	9.25%
3-person household	25	1.22%	25	1.22%	28	1.37%
4-person household	8	0.39%	6	0.29%	6	0.29%
5-person household	2	0.10%	1	0.05%	1	0.05%
6-person household	0	0.00%	1	0.05%	0	0.00%
7 or more person household	0	0.00%	0	0.00%	0	0.00%

Households by Household Type and Size	2000		2008		2013	
Family Households	6,537		6,557		6,563	
2-person household	2,546	38.95%	2,568	39.16%	2,586	39.40%
3-person household	1,451	22.20%	1,476	22.51%	1,484	22.61%
4-person household	1,637	25.04%	1,615	24.63%	1,601	24.39%
5-person household	686	10.49%	681	10.39%	676	10.30%
6-person household	170	2.60%	177	2.70%	180	2.74%
7 or more person household	47	0.72%	40	0.61%	36	0.55%

Housing

According to the ACS, from 2005-2007, Wellesley CDP had a total of approximately 10,000 housing units, 7% of which were vacant. Of the total housing units, 79% were in single-unit structures, 21% were in multi-unit structures, and less than 0.5% were mobile homes. Eight percent of the housing units were built after 1990.

From 2005-2007, Wellesley CDP had 9,400 occupied housing units - 7,400 (79%) owner occupied and 2,000 (21%) renter occupied. 1% of the households did not have telephone service and 5% of the households did not have access to a car, truck, or van for private use. Multi-vehicle households were not rare. 48% had two vehicles and another 16% had three or more vehicles.

According to the 2000 census, the vast majority of households in Wellesley, 83%, are homeowners, while only 17% are renters. There is a larger percentage of renters in the Five Towns than in Wellesley.

Renters	2000
Wellesley	17%
Five Towns	25%

Educational Attainment

According to the ACS from 2005-2007, 97% of people 25 years and over had at least graduated from high school and 79% had a bachelor's degree or higher. 3% did not graduate high school or were not enrolled in school.

2005-2007 3-Year Estimates		
EDUCATIONAL ATTAINMENT		
Population 25 years and over	17,088	100%
Less than 9th grade	180	1.10%
9th to 12th grade, no diploma	302	1.80%
High school graduate (includes equivalency)	1,091	6.40%
Some college, no degree	1,222	7.20%
Associate's degree	773	4.50%
Bachelor's degree	5,722	33.50%
Graduate or professional degree	7,798	45.60%

Employment

According to the ACS from 2005-2007, for the employed population 16 years and older, the leading industries in Wellesley CDP were Educational services, health care and social assistance at 32%, and Professional, scientific, and management, and administrative and waste management services at 21%.

The two most common occupations were Management, professional and related occupations at 66% and Sales and office occupations at 23%.

INDUSTRY		
Civilian employed population 16 years and over	13,203	100%
Agriculture, forestry, fishing and hunting, and mining	20	0.20%
Construction	194	1.50%
Manufacturing	773	5.90%
Wholesale trade	268	2.00%
Retail trade	685	5.20%
Transportation and warehousing, and utilities	236	1.80%
Information	512	3.90%
Finance and insurance, and real estate and rental and leasing	2,143	16.20%
Professional, scientific, and management, and administrative and waste management services	2,738	20.70%
Educational services, and health care and social assistance	4,192	31.80%
Arts, entertainment, and recreation, and accommodation, and food services	812	6.20%
Other services, except public administration	428	3.20%
Public administration	202	1.50%

83% of the people employed were private wage and salary workers; 7% were Federal, state, or local government workers; and 10% were self-employed.

CLASS OF WORKER		
Civilian employed population 16 years and over	13,203	100%
Private wage and salary workers	10,947	82.90%
Government workers	970	7.30%
Self-employed workers in own not incorporated business	1,264	9.60%
Unpaid family workers	22	0.20%

Long Term Job Growth

For the Town of Wellesley, MAPC has projected 13% job growth, or 2,488 jobs, between 2000 and 2030, with the most growth coming in the professional and business services sector. The national resources and construction sector also is expected to grow significantly, though the industry only makes up a small portion of the total employment in Wellesley. Projected job growth in Wellesley is second only to that of Natick in our study area.

Projected Job Growth

Town	2000	2010	2020	2030	Growth	% Growth
Wellesley	18,650	19,684	20,490	21,138	2,488	13%
Dover	764	742	721	702	-62	-8%
Natick	23,514	24,979	26,117	27,039	3,525	15%
Needham	18,363	19,022	19,513	19,892	1,529	8%
Newton	46,087	46,598	47,747	48,000	1,913	4%
Weston	3,453	3,543	3,606	3,652	199	6%

Source MAPC

Affordable Housing Income Limits and Rents

The Town of Wellesley is in the BOSTON-Cambridge-Quincy – HMFA. The charts below show the 2008 Income Limits and Rents based on household income as a percentage of area median income:

Income Limits	Persons				
	1	2	3	4	5
30%	\$18,050	\$20,600	\$23,200	\$25,750	\$27,800
50%	\$30,050	\$34,300	\$38,600	\$42,900	\$46,350
60%	\$36,060	\$41,160	\$46,320	\$51,480	\$55,620
70%	\$42,070	\$48,020	\$54,040	\$60,060	\$64,890
80%	\$46,300	\$52,950	\$59,550	\$66,150	\$71,450

Rents	Number of Bedrooms				
	0	1	2	3	4
30%	\$388	\$416	\$500	\$577	\$643
50%	\$751	\$804	\$965	\$1,115	\$1,243
60%	\$901	\$965	\$1,158	\$1,338	\$1,492
70%	\$1,051	\$1,126	\$1,351	\$1,561	\$1,741
80%	\$1,157	\$1,240	\$1,488	\$1,720	\$1,918

The 2009 Section 8 Fair Market Rents for the Boston area are as follows:

Section 8 Fair Market Rents by # Bedrooms				
0	1	2	3	4
\$1,080	\$1,146	\$1,345	\$1,609	\$1,767

Section 8 Fair Market Rent is the contract rent paid to Landlord’s for Section 8 mobile vouchers. The contract rent includes the sum of the tenants’ portion of the rent (i.e. 1/3 of their monthly income) plus HUD’s re-imbursement to make up the difference between the tenant rent and the contract rent. The contract rent includes utilities.

We have also estimated the purchase price a household could afford to pay for a condominium unit at various income levels:

% AMI	Income	Purchase Price
120%	\$ 102,960	\$ 350,000
100%	\$ 85,800	\$ 222,000
80%	\$ 62,000	\$ 170,000

Demand

We looked at the demand for both multi-family housing and elderly housing for Wellesley and the five towns. We only examined income. We did not examine assets. It is difficult to examine assets because they are not reported in Census data.

Age and Income Qualified Consumers – Multi-Family Affordable Housing

We examined annual household income for households ages 21-61. We looked at three- and four-person households at various income levels. The chart below shows the number of age and income eligible households in Wellesley and the Five Towns for the years 2000, 2008 and 2013 as estimated and projected by Claritas. To calculate the income levels for 2000 and 2013, we multiplied the existing income limits by the percentage that median income would decrease or increase for the same period.

Town of Wellesley

Income Limits	Ages 21-61, 3-4 Person Households		
	2000	2008	2013
% AMI			
<30%	366	334	340
50%	173	190	221
60%	162	119	118
70%	99	173	79
80%	98	106	158
100%	235	436	389
120%	546	337	370
Total	1,678	1,696	1,673

Five Towns

Income Limits	Ages 21-61, 3-4 Person Households		
	2000	2008	2013
% AMI			
<30%	2,200	2,257	2,319
50%	2,495	1,990	2,546
60%	1,198	1,980	844
70%	1,216	1,928	1,742
80%	2,356	1,094	1,796

100%	5,531	4,486	3,816
120%	4,098	3,448	4,145
Total	19,093	17,184	17,208

We then added together all of the household's ages 21-61 earning 80% of AMI or less in 2008 and 2013 to determine total demand today and in the future for households that fit into the broad definition of affordable. We subtracted out the number of competitive units for both affordable homeownership and rental units, including those planned.

Multi-Family Need		
Wellesley	Current	Future
Total 80%<	922	915
Total Affordable	152	189
Unmet Demand	770	726
Five Towns	Current	Future
Total 80%<	9,250	9,247
Total Affordable	1,324	1,620
Unmet Demand	7,926	7,627

We determined that there is unmet demand for 770 units of multi-family affordable rental housing in Wellesley today and 726 units in 2013. There is demand for 7,926 units in the Five Towns today and 7,627 units in 2013. We combined all competitive affordable units because we cannot determine the exact income level of a household occupying a given affordable housing unit. In addition, since we do not have an inventory of competitive units for households earning 80%-120%, we can only provide the number of qualified households at those income levels. We cannot determine the unmet demand for those households.

Age and Income Qualified Consumers –Elderly Affordable Housing

We examined annual household income for households ages 62 and older in Wellesley and the Five Towns. The chart below shows the number of age and income eligible households in Wellesley for the years 2000, 2008 and 2013 as estimated and projected by Claritas for various household income levels. To calculate the income levels for 2000 and 2013, we multiplied the existing income limits by the % that median income would decrease/ increase for the same period.

Town of Wellesley			
% AMI	2000	2008	2013
<30%	415	313	1,121
50%	226	255	743
60%	157	207	316

70%	122	108	450
80%	66	68	199
100%	295	298	716
120%	266	139	671
Total	1,545	1,386	4,214

Five Towns

Income Limits	Ages 62+, 1-2 Person Households		
	2000	2008	2013
<30%	3,762	2,674	3,653
50%	2,066	2,293	2,332
60%	887	762	738
70%	873	810	1,438
80%	754	1,471	670
100%	1,456	2,130	2,267
120%	1,257	1,694	1,587
Total	11,054	11,835	12,683

We then added together all of the elderly households earning 80% of AMI or less in 2008 and 2013 to determine total demand today and in the future for households that fit into the broad definition of affordable. We subtracted out the number of competitive units for both affordable homeownership and rental units, including those planned.

Elderly Need		
Wellesley	Current	Future
Total 80%<	950	2,828
Total Affordable	274	274
Unmet Demand	676	2,554
Five Towns	Current	Future
Total 80%<	8,010	8,829
Total Affordable	1,841	1,866
Unmet Demand	6,169	6,963

We determined that there is unmet demand for 676 units of elderly affordable rental housing in Wellesley today and 2,554 units in 2013. There is demand for 6,169 units in the Five Towns today and 6,963 units in 2013. We combined all competitive affordable units because we cannot determine the exact income level of a household occupying a given affordable housing unit. In addition, since we do not have an inventory of competitive units for households earning 80%-120%, we can only provide the number of

qualified households at those income levels. We cannot determine the unmet demand for those households.

Wellesley Preference Categories

Wellesley has three housing preference categories which enable a qualified household to have preference to buy or rent an affordable housing unit in the Town of Wellesley as follows:

1. Current Town Resident: at least one member of household is a Wellesley resident.
2. Familial Connection to Town: at least one member of the applicant's household is a parent or child of a Current Town Resident.
OR
at least one member of the applicant's household is a parent of a child enrolled in the Town's public school system (k-12).
3. Current or Retired Town Employee: at least one member of the applicant's household is a current employee of the Town or at least one member of the applicant's household is a former employee of the Town who a) had been employed by the town and b) at the time of application is retired and receiving retirement benefits as a result of employment by the Town.

You have asked us to determine the amount of demand for various types of affordable housing by preference category. Preference category 1 is answered in the charts entitled "Income Qualified Consumers by Income Category" for both multi-family housing and elderly housing. We are unable to determine the demand for preference category 2. In addition, we note that the state has recently made a determination that this type of preference is no longer allowed. With regard to preference category number 3, we contacted the Director of the Town of Wellesley's Human Resources department. She provided us with the following information:

- Permanent, full- and part-time employees over age 18: 1,197 (includes Town and School)
- Number of retirees: 697. That includes retirees who receive a pension from the Town and retired teachers whose pension comes from the state.

Income was not as easy to figure out since the Town can only report income paid by the Town or from a pension from the Town. Therefore, it is possible that employees have income from spouses, other jobs or investments. Therefore, our numbers are most likely higher than the actual number of eligible number of households. Based on town income and pension income alone, the number of employees and retirees by income category is as follows:

\$42,000 - \$66,000: 369 (approx. 70%-80%)
\$50,000 - \$80,000: 351 (approx. 80%-100%)

\$59,000 - \$92,000: 322 (approx. 100%-120%)

For informational purposes, we note that the City of Newton has a very broad employee preference policy. It defines an employee as someone who **works** in the City of Newton, rather than an **employee** of the City of Newton. This has led to very high response rate when affordable housing units are offered in a lottery.

Demand Observations

Demographics

- Median Income for the Town of Wellesley has increased by \$10,000 for the period from the 1999 census to 2007 according to the American Community Survey.
- Wellesley is a high income community, second only to Dover in the communities that we studied.
- Older renters pay more of their income towards rent.
- The poverty rate in Wellesley is 5.5%, and the highest poverty rate exists among families with female head of household and no husband present.
- 21% of households in Wellesley have one or more selected conditions, according to the 2000 census.
- There is some discrepancy between the population and households projected by MAPC, ACS and Claritas. The ACS, which has the most recent data, shows a total population of 30,238 persons in Wellesley in 2007 and 9,430 households. This is important because the state housing inventory shows 8,789 year round households. Therefore after the 2010 census, the number of affordable units needed to meet the state's 10% requirement will increase by approximately 64 units.
- According to ACS, 76% of households in Wellesley are family households and 24% are nonfamily households. 43% of households have children under the age of 18, 10% have female heads of household with no husband present, and 10% have residents over the age of 65.
- The number and make up of family households is not expected to change in the near term.
- According to MAPC, the 55-84 year old population is projected to increase by 76% and the 85+ population by 34% from 2000-2030. The data for the Five Towns is similar.
- The 0-19 year old population and 35-54 year old population are projected to decrease for this same period.
- The median age in Wellesley is expected to decrease, while the median age in the Five Towns is expected to increase.
- According to ACS, 79% of units are single-family units and 21% are multi-family units in Wellesley.
- According to ACS, 79% of households are owner-occupied and 21% are renter-occupied in Wellesley. According to the 2000 census, 25% of households are renters in the Five Towns.
- Residents in Wellesley are highly educated with over 79% of those age 25 and older having achieved a bachelors degree or higher.
- The two most common occupations in Wellesley are Management, Professional and Related Services, and Sales and Office Occupations. They total 89% of the civilian employed population age 16 and over.
- 83% are privately employed and 7% are employed by the government.

Demand

This information, taken with the supply analysis, had led us to conclude that the greatest demand is for affordable rental housing for families and seniors in Wellesley and surrounding communities. Our research showed that low-income renters do not move once they are in a unit. This breaks the myth that renters are more transient than homeowners. The greatest need is for households with female head of householders and children under the age of 18. There are few Section 8 mobile rental vouchers or project-based rental vouchers available; therefore it is difficult to for a new development to service households at income levels lower than 80% of AMI unless it is very large. Wellesley does not have any assisted living facilities, and a comparatively small amount of rental units for low-income seniors. It would be great to see some type of supportive rental housing for seniors at all levels of income.

We also believe there is a need for smaller homes in Wellesley that could benefit both new homeowners and older households earning 80% -120% of AMI annually. One constraint is the narrow income category that a household needs to meet in order to qualify and afford to live in affordable housing, between 70% and 80% of AMI. It is also difficult for households to access debt to purchase affordable homeownership units due to the current economic crisis, but hopefully that will change in the future. We suggest that affordable homeownership units be for households at 80% of AMI. Lower income households, those below 80% of AMI, are not in a financial position to absorb increasing costs of homeownership. By expanding the income guidelines to 120% of AMI, it also expands the potential for qualified households.

Based on income alone, there is a need for elderly homeownership housing, however, the state has a limitation on assets of \$250,000 for purchasing affordable units. Therefore, the majority of elderly homeowners in Wellesley will be over the asset test and not permitted to purchase affordable homeownership units. Expansion of income limits may allow some households to qualify, although they may not necessarily be counted by the state.

In addition, although not widely studied in this piece of work, there is a need for affordable housing for all types of special needs populations from small group homes, which could accommodate improperly-housed nursing home residents, to small residences with 8-12 units and supportive services, which could support populations such as those surviving traumatic brain injuries or Multiple Sclerosis.

Wellesley Preference

There are approximately 700 current or former employees of the Town of Wellesley that qualify for affordable housing for households below 80% of AMI based on income from the Town alone.

Other Matters

The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.

The information in this study was compiled after reviewing demographic information, speaking to present competition in the market, interviewing local officials and examining applications for projects in Wellesley and the surrounding towns. Please note that this report is reflective of the data, market conditions and conclusions considered at this point and time.

Sources

1. United States Census Data
2. Claritas Senior Life Report
3. American Community Survey
4. Massachusetts Department of Housing and Community Development
5. Metropolitan Area Planning Council

Possession

Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any other purpose by any person other than the party to whom it is addressed without the written consent of the author, and in any event only with the proper written qualifications and only in its entirety.

Neither all nor any part of the contents of this report or copy thereof shall be conveyed to the public through advertising, public relations, news, sales, or any other media without the consent and approval of the author.

Methodology

The information in this study was compiled after reviewing demographic information, speaking with the present competition in the market, speaking to local officials and reviewing project documentation. Please note that this report is reflective of the data, market conditions and conclusions considered at this point and time.

Certification

LDS has no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.