



Senior Housing Supply and Demand Analysis Erving, Massachusetts



Subject Property – currently an open field, located behind the Senior Center

Prepared By:
Lynne D. Sweet, Principal
LDS Consulting Group, LLC
233 Needham Street
Newton, MA 02464
617-454-1144

Table of Contents

Executive Summary	4
Overview.....	4
Methodology.....	4
Affordable Housing Defined	6
Conclusions.....	8
Community	8
Demographics	8
Senior Housing Supply	9
Demand.....	9
Recommendations.....	10
Community Description.....	11
Regional Area Overview	11
Community	12
Medical Services.....	13
Education	13
Regional Services	14
Council on Aging and Services for the Elderly	14
Transportation.....	15
Neighborhood and Site	15
Demographics in Erving and Neighboring Communities.....	17
Population	17
Households.....	19
Median Household Income.....	20
Household Income by Age	20
Housing Tenure.....	20
Housing Cost Burden.....	21
Poverty	21
Disability.....	22
Supply Analysis	23
Senior Affordable Housing Summary	23
Affordable Rental Housing Supply.....	24
Public Housing Authorities/Subsidized Housing	24
Private Subsidized Senior Rental Housing	25
Affordable Rental Housing.....	25
Market Rate Rental Housing Supply	27
Market Rate Rental Housing Outside of Erving & Surrounding Communities	29
Ownership Housing Supply	30
Age of Housing Stock.....	30
Housing Permits.....	30
Banker and Tradesman Research.....	31
Multiple Listing Service Research.....	31
Pipeline	32
Senior Housing Reference Materials	32
Demand Analysis	33
Other Matters	36

Works Cited 36
Possession 37
Certification 37
Exhibit 1 – Site & Neighborhood Photos 38
Exhibit 2 – Franklin County Utility Allowance Schedule 39
Exhibit 3 – Senior Housing Definitions..... 40
Exhibit 4 – Senior Housing Case Studies 41

Executive Summary

Overview

The purpose of this study is to examine the affordable housing supply and demand for senior housing in Erving, Massachusetts. This senior housing market study looks at senior housing demographics and the current housing options available to seniors living in Erving. In addition to the senior housing market study, LDS Consulting Group, LLC (“LDS”) is conducting a senior housing consumer survey to Erving households, with occupants over age 55. Both the study and survey results will be used to analyze a potential senior housing development to be located adjacent to 1 Care Drive in Erving, MA (the “Subject Property”). The Subject Property is an 11-acre site located adjacent to the Erving Senior Center in the Erving side area of the Town as more fully described in the site and neighborhood section.

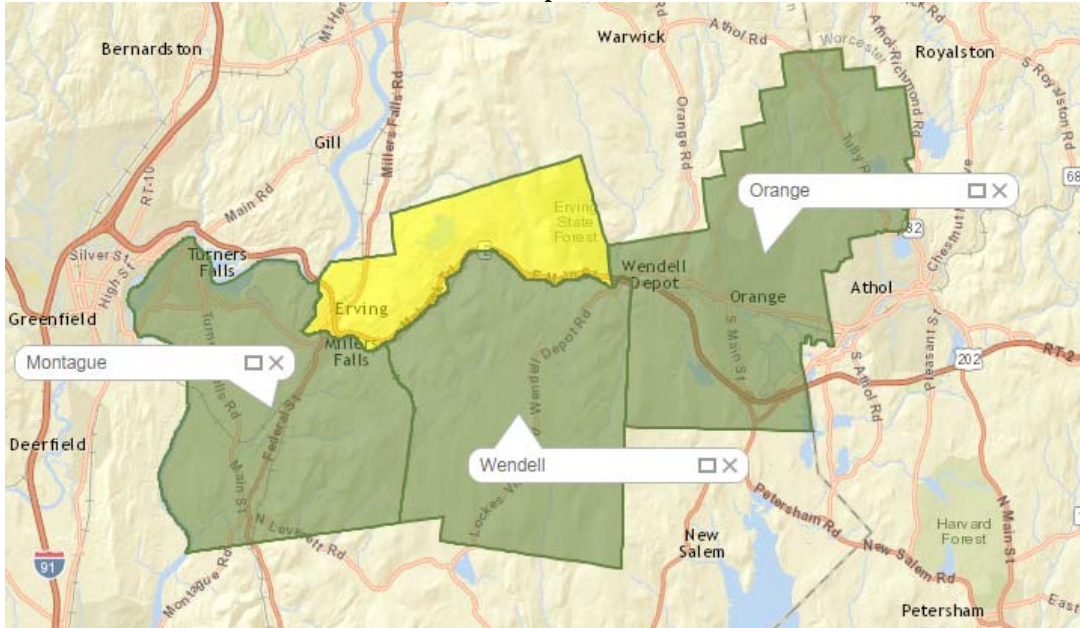
It is our understanding that this information will be used by the Town of Erving for planning purposes in order to determine, along with the findings of the consumer survey, what if any type of housing would best serve Erving’s aging population.

Methodology

The information in this study was compiled after reviewing demographic information, reviewing and speaking with representatives of the present competition in the market, speaking to local officials, and analyzing the results of the senior housing consumer study. This report is reflective of the data, market conditions and conclusions considered at this point and time. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.

For purposes of this study, we looked at a number of different areas in order to examine demand and supply. We examined a variety of demographics for Erving, with a focus on the age 55 and over population, shown in yellow on the map below. Data is drawn from the decennial census, the American Community Survey, and ESRI demographic projections, among other sources. We also analyzed data for the neighboring towns of Wendell, Orange, and Montague (as shown on the map below) and the larger geographies of Franklin County and the Commonwealth of Massachusetts in order to understand the information for Erving in a broader context.

Map 1

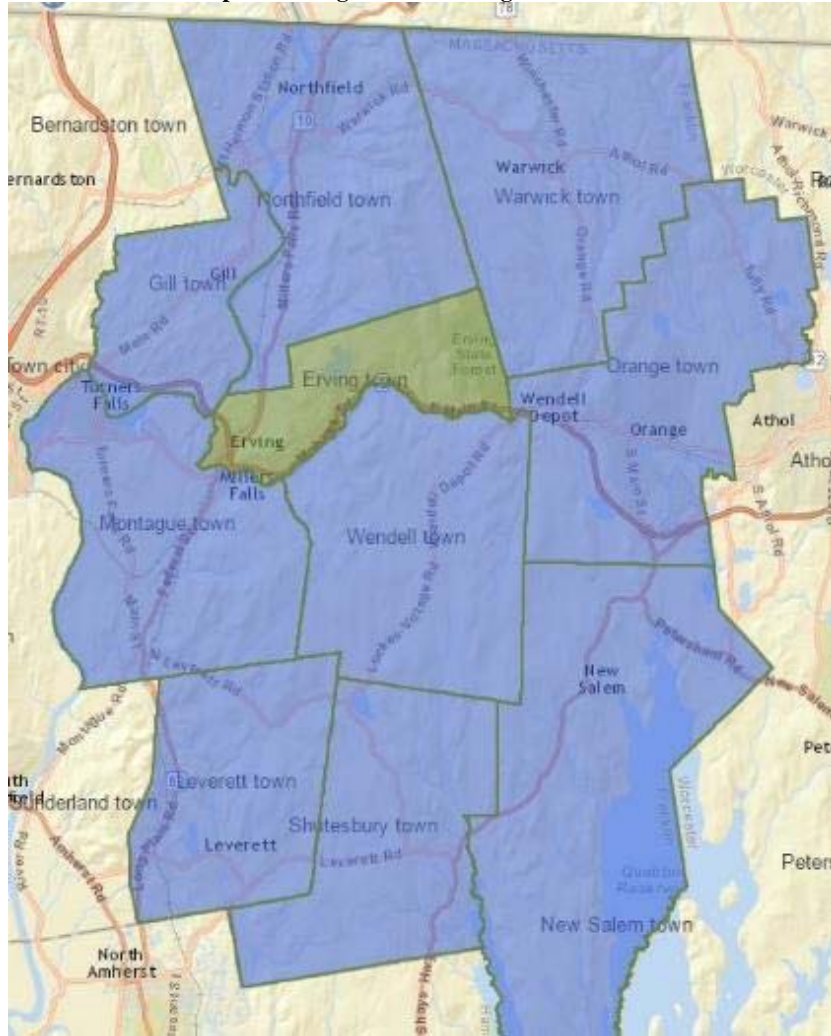


To understand the competitive environment that currently exists for market rate and affordable housing, including rental housing, age restricted housing and homeownership housing we examined housing in Erving, shown in green on the map below, and the surrounding communities of Gill, Leverett, Montague, New Salem, Northfield, Orange, Shutesbury, Warwick, and Wendell (the “Surrounding Communities”), shown in blue on the map on the next page.

To estimate potential demand for age-restricted housing in Erving, we used HISTA data provided by Ribbon Demographics. HISTA draws on decennial census and ACS data to create current estimates as well as future projections of households by age, number of persons, and income level. We examined demand for Erving, and then for Erving along with the Surrounding Communities.

The majority of the work for this study was performed in June 2016. We have provided a summary of the sources utilized in this study at the end of the Study in a section titled “Other Matters, Possession and Sources.”

Map 2 – Erving & Surrounding Communities



Affordable Housing Defined

The term “affordable housing” can mean different things so we typically refer to affordable housing by the income one needs to earn in order to qualify to live in affordable housing. *Typically, housing is considered affordable if a household pays no more than 30% of its income toward housing costs.* Affordable housing can either be subsidized (i.e. a resident pays 30% of their income for rent and the government subsidizes the rest) or self – pay (i.e. the rent is lower than market and the tenant pays the lower rent). Examples of subsidized housing are most public housing units and persons that utilize a Section 8 mobile voucher to pay rent.

The term “low-income” housing generally refers to housing that is affordable to households earning up to 80% of Area Median Income (AMI). According to HUD, Erving is located in the Franklin County Service Area for purposes of calculating affordable income limits, rents and homeownership prices. A household qualifying at 80% of AMI in this area could earn no more than \$46,000 for a one-person household or \$52,600 for a two-person household. “Very low-income” housing is typically affordable to qualifying households earning no more than 50% of AMI; that would be \$29,150 for a one-person household or \$33,300 for a two-person household.

These two income levels – 50% and 80% of AMI – are used in 40B projects. For units to qualify for the Commonwealth’s Subsidized Housing Inventory, among other things, they need to be income restricted to less than 80% of AMI. The table below shows the income limits for households in Erving by household size.

Table 1

2016 Franklin County Income Limits		
AMI Level	1 Person	2 Person
30%	\$17,500	\$20,000
50%	\$29,150	\$33,300
60%	\$34,980	\$39,960
80%	\$46,000	\$52,600
110%	\$64,130	\$73,260

The table below provides the maximum allowable rents for affordable housing in Erving in 2016.

Table 2

2016 Franklin County - Maximum Affordable Rents by Bedroom					
AMI Level	0 BR	1 BR	2 BR	3 BR	4 BR
30%	\$ 437	\$468	\$562	\$667	\$814
50%	\$728	\$780	\$936	\$1,081	\$1,207
60%	\$874	\$936	\$1,123	\$1,298	\$1,449
80%	\$1,150	\$1,232	\$1,478	\$1,708	\$1,906
110%	\$1,603	\$1,717	\$2,059	\$2,380	\$2,656

It shows, for example, that the monthly rent of a one-bedroom unit in Erving that is affordable to households earning no more than 80% AMI cannot exceed \$1,232. The rents listed above assume that the landlord pays all utilities. The table below shows the Fair Market Rents for the Franklin County HUD Service Area (HMFA). These rents are used for several purposes, including determining the amount of contract rent used for the Housing Choice Voucher program, commonly known as the Section 8 mobile voucher program. This is the amount of rent a landlord can get for a unit occupied by a tenant with a mobile voucher. The tenant pays 30% of their income towards rent and the federal government pays the remaining amount to the landlord. Some communities are located in high wealth areas and may be able to charge 110% or 120% of FMR, whereas other communities are of lower wealth and may not be able to charge the full amount, if the rent is less than market rate rents.

Table 3

2016 Section 8 FMR's					
Bedrooms	0	1	2	3	4
Franklin Co HMFA	\$693	\$741	\$919	\$1,140	\$1,375

Conclusions

Community

Erving is a small rural community of 14.4 square miles with a population density of only 129 people per square mile, located in central Franklin County. In the 19th Century the Town was noted for its timber and grazing lands. The topography of the Town is very rugged with most of the development occurring in the flat land on the southern edge of Town along the Millers River in three areas: Ervingside at the western end of town across from Millers Falls, where the Subject Property is located, Farley, and at the eastern end of town in Erving Center. Ervingside is home to the French King Bowling Center, the French King Restaurant, French King Entertainment Center, the French King Motor Inn, and the Weatherhead Apartments.

All three centers lie along Route 2, a major east-west artery running from Cambridge to North Adams and Williamstown, and connects Erving to Greenfield and Interstate 91 (10 miles west as the crow flies). Hospitals are located in Greenfield (8 miles west of Ervingside) and Athol (13 miles east of Erving Center).

While the Subject Property is located in the heart of the Ervingside neighborhood in walking distance to Erving's post office, library, and senior center, it is a fifteen-minute drive to the closest grocery store or hospital. The Franklin County Regional Transit Authority provides fixed-route bus service and a van service for seniors in Erving, but service is limited. Therefore, residents of Erving are very car dependent.

Demographics

Erving's population spiked between 2000 and 2010, growing by 23%. By 2020, Erving's population is projected to decline slightly to 1,759 people, remaining larger than neighboring Wendell, but much smaller than Orange to the east or Montague to the west. The dominant demographic trend in Erving is the rapid aging of the population with little influx of younger workers and families to replace them. By 2010, the over 55 population had increased by nearly 57% in one decade as the first ten years of baby boomers became seniors. Between 2000 and 2020, Erving's over 55 population is projected to increase from 24% to 36% of the population. This cohort is now reaching retirement age, and will soon be entering a phase of life that demands additional housing choice and services. In just the next five years, the 75 – 84 year old population in Erving is projected to increase by 40%.

While Erving is a relatively affluent community compared to its neighbors as measured by higher median household income and lower poverty levels, consistent with national trends, household income decreases as households in Erving age over 55 and become increasingly reliant on savings and assets. While nearly nine out of ten households over age 55 are homeowners in Erving, nearly one in five are financially stressed, paying over one third of their income in housing costs. Thirty-one percent of Erving households over 65 have a disability including 16% with an ambulatory disability.

Senior Housing Supply

There is no affordable senior housing in Erving. However, there are 456 subsidized senior housing units in the Surrounding Communities and all but 34 units are located in the larger communities of Montague and Orange. All units are leased with 1-2 year waitlists and many are occupied by younger disabled persons. With the exception of one 30-unit market rate development in Erving, the majority of the market rate rental housing stock is also located in Montague and Orange, with few rental listings in the other Surrounding Communities. This points to a highly constrained rental housing supply in Erving and the Surrounding Communities, other than in Orange and Montague. Furthermore, average market rents in Erving and the Surrounding Communities are significantly depressed, well below that considered affordable to a household at 50% of AMI, meaning that new affordable housing would not be any more affordable than what the market is currently charging.

While we did not identify any non-subsidized age-restricted affordable housing in Erving or the Surrounding Communities, we did identify 48 affordable units for households earning at or below 60% of AMI at the Crocker-Cutlery Apartments in Montague. Notably, the 60% rents are significantly below the maximum allowable rents in Franklin County, due in part to the very low market rents in the area.

The majority of housing in Erving is single-family homes, built prior to 1960 on large lots. These older homes require significant maintenance and are expensive to heat. The majority of single family homes sold on average for only \$176,500 in Erving in 2015. Seniors who sell their existing homes at these prices may lack the equity to buy or even rent in some of the potential senior housing options being considered. Therefore, there is little housing choice for seniors in Erving.

Demand

According to HISTA estimates and as shown in the table below, currently there is a lower percentage of senior households earning above 80% of AMI in Erving as compared to Erving and Surrounding Communities. In Erving, the majority of senior households are very low income with the percentage of senior households earning less 50% AMI increasing with age. Between 2016 and 2021, modest growth is projected in the percentage of Erving households earning more than 80% of AMI. There appears to be demand for seniors at all incomes levels in Erving and in the Surrounding Communities.

Table 4

1 & 2 Person Households Over Age 55 by Income - Erving/Erving & Surrounding Communities: 2016 - 2021								
AMI Level	Erving				Erving & Surrounding Communities			
	2016		2021		2016		2021	
	#	%	#	%	#	%	#	%
0-50%	133	42%	134	40%	2,031	39%	2,018	36%
50%-80%	57	18%	60	18%	860	16%	883	16%
80%+	130	41%	142	42%	2,356	45%	2,724	48%
Total 1&2 Person Households over 55	320		336		5,247		5,625	

Recommendations

Based on our review of the demographics, socioeconomic characteristics, and existing supply of senior housing in Erving and Surrounding Communities, we believe there is demand for a small senior development in Erving in the relatively near future. There is little housing choice for seniors in Erving and the Surrounding Communities. The senior population is growing and in need of an alternative that would provide one-level living to address seniors with ambulatory issues as well a communal setting that would provide some type of supportive services.

Given the current pattern of housing tenure in Erving, which is overwhelmingly homeownership rather than rental, it is likely that many potential senior housing residents would prefer an ownership option. However, preferences tend to change with age, and as seniors age into their 70's and 80's are more likely to rent.

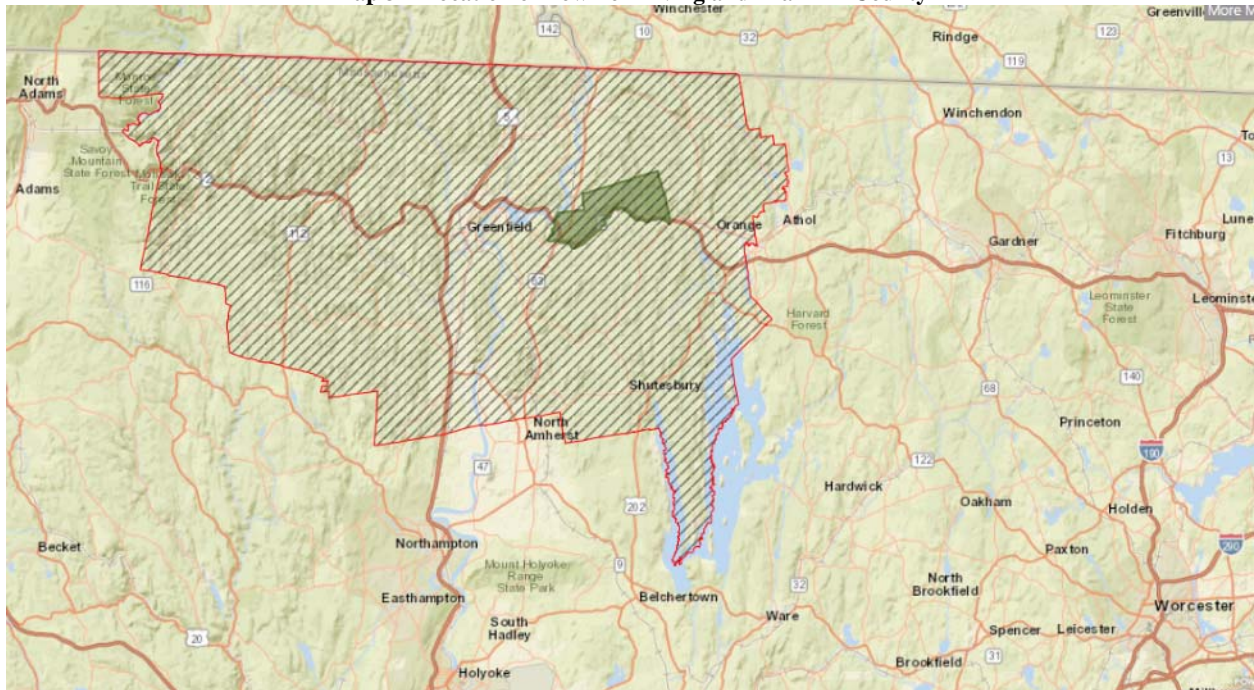
Price will be an issue due to limited income and home equity. In addition, private investment in senior housing will be difficult as the low market rents and sales prices will make it hard for private investors to see a return. Significant subsidies in the form of state and local funding will be required to bridge the gap between what new housing will cost to build and what seniors in Erving are able to afford. Based on the limited services and transportation options for seniors, supportive services provided on site or at the adjacent senior center as well as additional transportation options for seniors should also be considered at the Subject Property. Once the survey results are complete and analyzed, LDS will be in a better position to recommend a specific type of housing (i.e. ownership, rental or both) and price point (i.e. market, affordable and/or both).

Community Description

Regional Area Overview

Erving is a town of 14.4 square miles located in central Franklin County. Franklin County (the “County”) is located in west-central Massachusetts and borders Berkshire County to the west, Hampshire County to the south, Worcester County to the east, and Vermont and New Hampshire to the north. The County is the northern section of the Pioneer Valley in Massachusetts; Hampshire County to the south is home to the “Five Colleges” which include Amherst College, Hampshire College, and the University of Massachusetts in Amherst; Mount Holyoke College in South Hadley; and Smith College in Northampton. The Connecticut River runs north-south through the County. The map below shows Franklin County, in stripes, in relation to the Town of Erving, in green.

Map 3 – Location of Town of Erving and Franklin County



The eastern part of the County borders the Quabbin Reservoir and northern portions of Worcester County. The western portions of the County are in the Berkshire Mountains; the Berkshires, as a region, encompass the entirety of Berkshire County and portions of Franklin, Hampshire and Hampden Counties in Massachusetts and portions of Litchfield and Hartford Counties in Connecticut.

There are 26 towns in Franklin County. Four of these towns have villages within their boundaries: the Town of Montague contains five villages (Lake Pleasant, Millers Falls, Montague Center, Montague City and Turners Falls), Deerfield has one village, and the Village of Shelburne Falls is part of two separate towns – Shelburne and Buckland – that are on opposite banks of the Deerfield River.

Franklin County is the most rural and one of the poorest counties in Massachusetts. Per capita income is the second lowest in the state and the County's median household income is only 80% of that of Massachusetts. As of the 2010 Census, the total population for the county was 71,372 residents, making Franklin County the 3rd smallest of the 14 Massachusetts counties in population (the smallest being the island counties of Nantucket and Dukes) while being the fourth largest in terms of land area. Due to the remoteness and small population size of Franklin County's 26 communities, many residents must commute to larger population centers for employment, supermarkets, medical care, and other essential services. Public transportation is not available in most of the County. Greenfield, the county seat, is over 90 miles from Boston and nearly 175 miles from mid-town Manhattan. As the crow flies, Albany is approximately 60 miles to the west of Greenfield, Hartford is approximately 60 miles to the south, and Worcester is approximately 50 miles to the southeast.

The housing stock in most of the County's 26 towns is widely spread geographically (with the exception of the denser housing cores of the commercial centers in Greenfield, Turners Falls and Orange). In this rural region, most houses are sited on relatively large properties. In fact, 79% of homes are located on properties larger than 0.5 acres (Franklin Regional Council of Governments 2013). For seniors, this can mean increasingly difficult yard upkeep and snow removal as well as isolation from close neighbors.

Community

Erving is a small rural community located in central Franklin County. The Town, which was not incorporated until 1838, was noted for its timber and grazing lands. In the 19th Century Erving had seven sawmills, two chair factories, a pail factory, and a children's carriage factory. The topography of the Town is very rugged with most of the development occurring in the flat land on the southern edge of Town along the Millers River. Erving contains abundant natural recreation areas, including the Erving State Forest, Northfield Mountain Recreation Area and the Farley Ledges, notable for its rock climbing. The State Forest provides a wide range of recreational opportunities, including boating, swimming, fishing, camping, hiking, hunting, and horseback riding. Northfield Mountain offers opportunities for hiking, mountain biking, cross-country skiing, canoeing and kayaking, and environmental programs at the Visitor Center.

Settlement in Erving is strung out along the Millers River (a tributary of the Connecticut River), with three main concentrations: Erving side at the western end of town across from Millers Falls, Farley, and at the eastern end of town in Erving Center. All three centers lie along Route 2, a major east-west artery running from Cambridge to North Adams and Williamstown. While only a two lane road in much of Franklin County, Route 2 provides access from Erving to Interstate 91 in Greenfield (10 miles to the west as the crow flies), and the larger regional centers of Orange (4.5 miles), Athol (9 miles) and Gardner (20 miles) to the east. Interstate 91 provides access from Greenfield to Brattleboro Vermont to the north, and Springfield, Hartford and New Haven to the south.

The Town's Administrative Coordinator and many municipal offices are located in Erving Center, which is also home to the Crooked Tap Café, the Rail Yard Diner, a convenience store, Freight Yard Antiques, the Congregational Church, and the Erving Paper Mill. The Ervingside section of town, where the Subject Property is located, is home to the Erving police department, library, elementary school and senior center. This western area of the Town is also home to the French King Bowling Center, the French King Restaurant, French King Entertainment Center, the French King Motor Inn and the Weatherhead Apartments.

Ervingside is just across the Millers River from Millers Falls in Montague and is 4.5 miles from the commercial district of Turners Falls and an 8-mile drive to downtown Greenfield. Both downtown Turners Falls and Greenfield offer restaurants, banks, places of worship, grocery stores and pharmacies, movie theaters and other cultural resources; Greenfield Community College is located to the west of the downtown. Greenfield also has large supermarkets and a Home Depot.

Erving Center, which is a 6 mile drive east of Ervingside along Route 2, is closer to Orange and Athol than to Greenfield. Orange Center, a 5-mile drive from Erving Center, offers banking, real estate, grocery stores and other shopping, restaurants, and other cultural destinations (Town of Erving 2016). Erving is bordered by Warwick and Orange to the east, Wendell to the south, Montague to the west, and Gill and Northfield to the north. Erving covers 14 square miles and with a 2010 population of 1,800 people has a population density of only 129 people per square mile (MA Department of Housing and Community Development 2005).

Medical Services

Medical and dental services are offered in both Orange and Athol; however, the nearest hospital to Erving Center is 13 miles east in Athol. Athol Hospital is a non-profit acute care hospital serving nine communities, including the towns of Athol, Erving, New Salem, Orange, Petersham, Phillipston, Royalston, Warwick, and Wendell. In addition to acute care and emergency services, a variety of physician offices are located near Athol Hospital and in the West River Health Center in Orange (Athol Hospital 2016).

Baystate Franklin Medical Center in Greenfield is the closest hospital, approximately 8 miles, from the Ervingside section of Erving. This 90-bed community hospital offers a full range of adult and pediatric emergency services, including cancer, heart and vascular, obstetrics and gynecology, midwifery, and emergency services, as well as a broad range of other medical, surgical and psychiatric services (Baystate Health 2016).

Education

Erving is a member of the Union 28 School District, which also includes Leverett, Shutesbury, New Salem and Wendell. The Erving Elementary School is a locally-controlled member of this district, with approximately 141 pre-K through 6th grade students. 7th through 12th grade students from Erving are served by the Gill-Montague Regional School district and attend classes at the Great Falls Middle School and Turners Falls High School in Montague. Students

in Erving can also choose to go to school at the Franklin County Technical School in Turners Falls or the Four Rivers Charter Public School, a college preparatory middle and high school in Greenfield (Town of Erving 2016).

Regional Services

In addition to the regional middle and high school, Erving participates in several regionalized services, including regional building inspectional services, health agents (including food establishment permits and housing complaints), and veterans' services.

Council on Aging and Services for the Elderly

Erving has a Council on Aging, which meets once a month in the Senior Center ("the Center"), located in Erving'side. The COA has a full-time director and sponsors exercise classes at the Center four days each week and bowling at the French King Bowling Center on Fridays. The Center changed its hours in the past year and is open 8 AM to 4 PM, Monday through Friday. Over the past year, the Center has seen a 50% increase in utilization of its services from 1,006 visits in April through June 2015 to 2,055 visits during the same period in 2016. This may be due in part to the increased hours from 30 to 40 hours a week as well as its programming under a new director.

Approximately 30% of people utilizing the senior center services are Erving residents with the majority from the Surrounding Communities of Montague, Orange, Athol, Warwick, Wendell, Greenfield, Northfield, and Bernardston. This may be due to both the newness of the facility as well as the extensive programming. Residents range in age from 55 to 97 years old and average 75 to 80. The Center is in the process of improving its record keeping system, which will allow it to track the number of individual people it serves on an annual basis. The Town of Erving is also in the process of implementing a Work Off program which will allow ten Erving seniors to volunteer at the senior center, library, or other municipal offices in exchange for a discount on their real estate taxes. This may help the Center to continue expand its programming and capacity.

The Center includes a commercial kitchen and provides lunches five days a week, including homemade meals on Tuesdays and Fridays, and also sponsors Meals-on-Wheels. Lunches on Tuesday are \$4 and \$3 on Friday, with a suggested donation of \$2.50 for lunches during the other days of the week. Approximately 30 people come for meals on Tuesday and Fridays. Expansion of the existing commercial kitchen would be required to service additional people in addition to having a dedicated kitchen person on staff. The Center also provides weekly activities including crafts, bingo, creative coloring, quilting and painting, and has pool tables and exercise equipment available for use. The Center has a van to assist seniors getting to and from medical appointments and other errands. The van also makes bi-monthly trips to area shopping malls, for residents. However, the Franklin Regional Transit Authority (FRTA), which runs the service, only has one van available on a limited basis.

The Council also sponsors several health and nutrition programs: monthly blood pressure and foot clinics; a Brown Bag Program of monthly groceries provided by the Food Bank of Western MA; a SHINE and a SNAP councilor; and a Small Home Repair and Safety Installations Service with a Massachusetts Executive Office of Elder Affairs grant to provide labor services for small home repairs and safety improvements. The Center also works with the Erving Elementary School and runs field trips for residents several times a year. Other annual events include a spring crafts fair and hosting three holiday meals (Erving Council on Aging 2016, Betters 2016).

Transportation

Public transportation for the region is provided by the Franklin Regional Transit Authority, which offers a fixed route bus service connecting Erving to Orange and Greenfield. The Route 32 bus picks up from the French King Bowling Center, a half mile south of the Subject Property, on Route 63, every two hours from 5 AM to 5 PM, Monday through Friday. In Greenfield connections can be made to FRTA buses to UMass Amherst and to Northampton and to Amtrak service on the Vermonter to St. Albans, Vermont; New Haven, Connecticut; New York City and Washington DC (Franklin Regional Transit Authority 2015). There are two small municipal airports in the area, one in Turners Falls that serves the local industrial park and students from area colleges and schools, and one in Orange.

Neighborhood and Site

The Subject Property is located off of Route 63 approximately 0.5 miles north of Route 2 and 0.15 miles north of the Erving Elementary School in the Erving side section of the town. The Subject Property is currently a vacant field and is located directly behind the Erving Senior Center. The site is in the Town's "rural residential" zoning district, which does not allow multi-family residential uses. The Post Office, Weatherheads Apartments, Weatherheads Convenience Store/Dunkin Donuts/Post Office, the French King Bowling and Entertainment Center, and a stop for the Route 32 bus to Orange and Greenfield are all clustered together, approximately a half mile from the Subject Property, on Route 2. However, currently there is no sidewalk on Route 63, connecting these amenities to the Subject Property. While the Subject Property is located in the heart of the Erving side section of Erving in an otherwise rural town, the closest full size grocery store, Food City, is located in the Village of Turner Falls in Montague, a fifteen-minute drive from the Subject Property. The closest hospital is also a fifteen-minute drive from the Subject Property, in Greenfield. Smaller grocery stores including, Carrol's Market and Franklin Grocery are located in the Village of Millers Falls in Montague, approximately a 1.5-mile drive from the Subject Property. Two churches, the Elements Brewing Company, as well as a small library are also located in Millers Falls.

Map 4 - Aerial View of Subject Property in Proximity to Nearby Amenities



See Exhibit 1 for photos of the Subject Property and the surrounding area.

Demographics in Erving and Neighboring Communities

We examined a variety of demographics for Erving, with a focus on the age 55 and over population. Data is drawn from the decennial census, the American Community Survey, and ESRI demographic projections, among other sources. We also analyzed data for the neighboring towns of Wendell, Orange, and Montague (the “Neighboring Towns”) and the larger geographies of Franklin County (the “County”) and the Commonwealth of Massachusetts (the “Commonwealth”) in order to understand the information for Erving in a broader context.

Population

We examined total population growth in Erving and the Neighboring Towns using 2000 and 2010 census data, as well as ESRI estimates for 2015 and projections for 2020. The population of Erving increased by nearly 23% from 2000 to 2010, while most Neighboring Towns and the County were stagnant or declining (US Census 2010). This population growth did not continue after 2010, however, with Erving actually losing a small number of people. By 2020, Erving is projected to decline slightly to 1,759 people, remaining larger than neighboring Wendell, but much smaller than Orange to the east or Montague to the west (ESRI 2015).

Table 5

POPULATION GROWTH, 2000-2020						
	2000	2010	2000-2010 Change	2015 Estimate	2020 Projection	2010-2020 Projected Change
Erving	1,467	1,800	22.7%	1,771	1,759	-2.3%
Wendell	986	848	-14.0%	840	831	-2.0%
Montague	8,489	8,437	-0.6%	8,450	8,466	0.3%
Orange	7,518	7,839	4.3%	7,924	7,973	1.7%
Franklin County	71,535	71,372	-0.2%	72,057	72,535	1.6%
Massachusetts	6,349,097	6,547,629	3.1%	6,689,353	6,880,602	5.1%

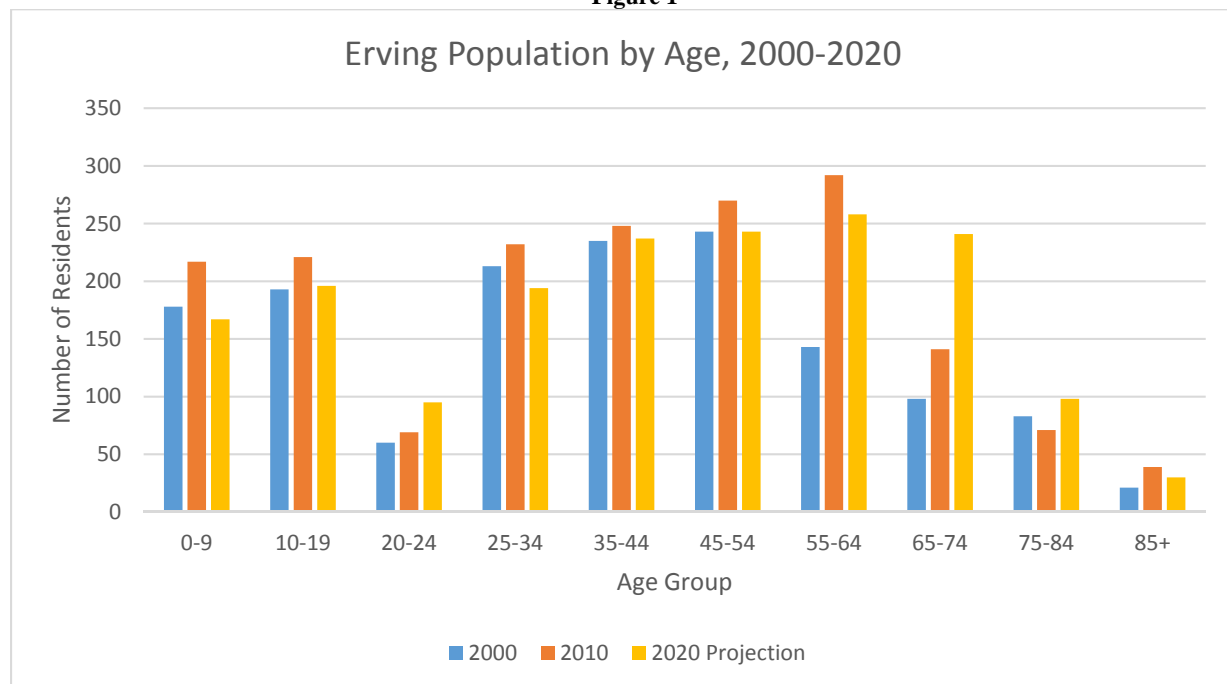
Table 6 below shows the Erving population by age in 2000, 2010, 2015, and 2020. From 2000 to 2010, the fastest growing age groups were younger seniors, with the number of 65-74 year olds increasing by 44% and the number of 55-64 year olds more than doubling, becoming the single largest age group in Erving (US Census 2010). The number of individuals age 85 and over also increased by 86%, but because the absolute numbers in that group are so small (with only 21 persons 85 and over in 2000) such an increase should not be viewed as definitive evidence of a trend. From 2010 to 2020, according to ESRI projections, the aging of the baby boomer demographic group will drive large increases in the cohorts age 65-74 and 75-84. Individuals between 55 and 64 years old will continue to be the largest single group in 2020, but that group will decline by 12% while the number of individuals age 65-74 will increase by 71% and those age 75-84 will increase by 38% (ESRI 2015).

Table 6

ERVING POPULATION GROWTH BY AGE, 2000 - 2020										
	2000		2010		Change 2000- 2010	2015 Estimate		2020 Projection		Change 2010-2020
	Number	Percent	Number	Percent		Number	Percent	Number	Percent	
Total Population	1,467		1,800			1,771		1,759		
0-9	178	12%	217	12%	22%	173	10%	167	9%	-23%
10-19	193	13%	221	12%	15%	221	12%	196	11%	-11%
20-24	60	4%	69	4%	15%	89	5%	95	5%	38%
25-34	213	15%	232	13%	9%	194	11%	194	11%	-16%
35-44	235	16%	248	14%	6%	238	13%	237	13%	-4%
45-54	243	17%	270	15%	11%	247	14%	243	14%	-10%
55-64	143	10%	292	16%	104%	288	16%	258	15%	-12%
65-74	98	7%	141	8%	44%	210	12%	241	14%	71%
75-84	83	6%	71	4%	-14%	70	4%	98	6%	38%
85+	21	1%	39	2%	86%	41	2%	30	2%	-23%
55+	345	24%	543	30%	57%	609	34%	627	36%	15%
75+	104	7%	110	6%	6%	111	6%	128	7%	16%
45 to 64 yrs.	386	26%	562	31%	46%	535	30%	501	28%	-11%

Figure 1 below offers an illustration of the observed and projected aging of the Erving population. The baby boomer generation can be seen moving through the age groups in each decade, with the largest cohort in the age 45-54 bracket in 2000, the 55-64 age bracket in 2010, and the 65-74 age bracket by 2020 (ESRI 2015).

Figure 1



The population dynamics in Erving are similar to what is happening nationally, where baby boomers are now turning 65 at a rate of more than 10,000 per day. As a result, the population aged 65+ is forecast to grow at an annual rate of 2.93% over the next five years. This so-called “graying of America” will lead to significant growth in demand for senior housing over the next two decades (Congressional Budget Office 2014).

Households

The table below shows a slightly different measure of demographic change in Erving and its surrounding communities, looking at the number of households over time rather than the number of individuals. The trends are similar to those shown in Table 4, however, with the number of households in Erving growing much faster than its neighbors from 2000 to 2010, but then declining slightly from 2010 to 2020 (ESRI 2015).

Table 7

HOUSEHOLD GROWTH, 2000-2020						
	2000	2010	2000-2010 Change	2015 Estimate	2020 Projection	2010-2020 Projected Change
Erving	600	745	24.2%	737	735	-1.3%
Wendell	378	391	3.4%	390	389	-0.5%
Montague	3,616	3,694	2.2%	3,713	3,740	1.2%
Orange	3,045	3,172	4.2%	3,203	3,233	1.9%
Franklin County	29,466	30,462	3.4%	30,878	31,263	2.6%
Massachusetts	2,443,580	2,547,075	4.2%	2,613,774	2,695,209	5.8%

The table below shows household growth in Erving from 2000 to 2020 by age of householder, focusing on the over 55 population. While the total number of households in Erving grew by 24% from 2000 to 2010, the number of senior households grew even faster at 54%. Most of this growth occurred in the 55-64 age group, with the number of those households increasing by nearly 100 in just ten years (US Census 2010). From 2010 to 2020, ESRI projections indicate that the number of households with a householder between 55 and 64 years old will decline by 15%, but the overall number of senior households will still increase by 13% thanks to strong growth in households over age 65 (ESRI 2015).

Table 8

ERVING HOUSEHOLDS BY AGE OF HOUSEHOLDER, 55 AND OVER, 2000-2020										
	2000		2010		Percent Change 2000-2010	2015 Estimate		2020 Projection		Projected % Change 2010-2020
	Number	Percent	Number	Percent		Number	Percent	Number	Percent	
Total households	600		745		24%	737		735		-1%
Over age 55	227	37.8%	350	47.0%	54%	384	52.1%	394	53.6%	13%
55 to 64 years	83	13.8%	174	23.4%	110%	168	22.8%	148	20.1%	-15%
65 to 74 years	65	10.8%	95	12.8%	46%	137	18.6%	155	21.1%	63%
75 to 84 years	60	10.0%	52	7.0%	-13%	79*	10.7%	91*	12.4%	12%
85 and over	19	3.2%	29	3.9%	53%					

*ESRI estimates and projections count all households 75 and over in one category

Median Household Income

The table below shows the median household income for Erving and the Surrounding Towns, as measured by the 2010-2014 ACS. At \$61,083, Erving appears to have a higher median annual household income than its neighbors and the County, although it still lags behind the statewide median (ACS 2014). However, the estimates for Erving and Wendell should be viewed cautiously, because the ACS sampling method produces very large margins of error for jurisdictions with such small populations.

Table 9

MEDIAN HOUSEHOLD INCOME, 2014 ACS	
Erving	\$61,083
Wendell	\$38,636
Montague	\$47,236
Orange	\$41,473
Franklin	\$54,072
Massachusetts	\$67,846

Household Income by Age

The table below shows household income in 2015 by age of householder, as estimated by ESRI. While the total number of households in each individual bracket are fairly small, the bottom row of the table shows the median income declining with age. The youngest senior households (ages 55 to 64) have a median income of \$55,116, while households over age 75 earn just \$27,989 (ESRI 2015).

Table 10

ERVING HOUSEHOLDS BY INCOME BY AGE OF HOUSEHOLDER, 55 AND OVER (2015 ESTIMATE)								
	55 to 64 yrs.		65 to 74 yrs.		75 yrs. and over		All 55 and over	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<\$15,000	18	10.7%	16	11.7%	4	5.1%	38	9.9%
\$15,000-\$24,999	18	10.7%	17	12.4%	28	35.4%	63	16.4%
\$25,000-\$34,999	22	13.1%	31	22.6%	19	24.1%	72	18.8%
\$35,000-\$49,999	18	10.7%	27	19.7%	14	17.7%	59	15.4%
\$50,000-\$74,999	29	17.3%	25	18.2%	9	11.4%	63	16.4%
\$75,000-\$99,999	30	17.9%	14	10.2%	5	6.3%	49	12.8%
\$100,000-\$149,999	15	8.9%	7	5.1%	0	0.0%	22	5.7%
\$150,000-\$199,999	10	6.0%	0	0.0%	0	0.0%	10	2.6%
\$200,000+	8	4.8%	0	0.0%	0	0.0%	8	2.1%
Total	168		137		79		384	
Median Income	\$55,116		\$36,763		\$27,989		\$38,782	

Housing Tenure

As shown by Table 11 below, most senior households in Erving own their own homes. Just 11.4% of all households over age 55 are renters, a total of 40 renter senior households (US Census 2010).

Table 11

TENURE BY AGE OF HOUSEHOLDER, 2010 - ERVING					
	Total	Renter		Owner	
		Number	Percent	Number	Percent
Total Households 55 and over	350	40	11.4%	310	88.6%
55-64	174	24	13.8%	150	86.2%
65-74	95	3	3.2%	92	96.8%
75-84	52	11	21.2%	41	78.8%
85+	29	2	6.9%	27	93.1%

Housing Cost Burden

Housing cost burden describes the total monthly costs of homeownership (mortgage, insurance, etc.) as a percentage of monthly gross income. If a home-owning household pays more than 30% of its income towards its mortgage and other housing costs it is considered cost burdened, while if it pays over 50% of income towards housing it is considered severely cost burdened. Given the extremely high rate of homeownership in the area, housing cost burden should be the primary indicator for housing-related financial strain in Erving and its neighboring towns. As shown in Table 12 below, Erving is roughly in line with its neighbors in housing cost burden, with 103 cost burdened owner households (18% of the total). However, Erving appears to have significantly less severe cost burden than its neighbors, with only 27 severely cost burdened owner households (4.7% of the total) (ACS 2014).

Table 12

OWNER COST BURDENED HOUSEHOLDS										
	Erving		Wendell		Montague		Orange		Franklin County	
	#	%	#	%	#	%	#	%	#	%
Total Owner Households	571		324		2,333		2,127		20,846	
Cost Burdened (30%-50%)	103	18.0%	73	22.5%	469	20.1%	294	13.8%	3,917	18.8%
Severely Cost Burdened (50%+)	27	4.7%	52	16.0%	242	10.4%	334	15.7%	2,311	11.1%
Not Computed	0	0.0%	0	0.0%	16	0.7%	11	0.5%	89	0.4%

Poverty

As shown in the table below, Erving has a lower poverty rate for both individuals and families than the Neighboring Communities, as well as the County and the Commonwealth. An estimated 8.5% of individuals and 6.7% of families in Erving are below the federal poverty line (ACS 2014).

Table 13

POVERTY STATUS OF INDIVIDUALS AND FAMILIES, 2014					
	Individuals			Families	
	Total	Below Poverty	% Below Poverty	Total	% Below Poverty
Erving	1,814	154	8.5%	520	6.7%
Wendell	889	142	16.0%	221	13.6%
Montague	8,223	1,445	17.6%	2,119	14.1%
Orange	7,665	956	12.5%	2,019	7.8%
Franklin County	70,131	8,321	11.9%	18,382	8.0%
Massachusetts	6,424,688	742,784	11.6%	1,615,062	8.3%

Disability

The 2010-2014 ACS estimates in the table below show the large disparity in disability status between seniors and the rest of the Erving population. While only 11.5% of the overall population has some form of disability, 31.3% of individuals 65 and over have a disability. The most common disability is a hearing difficulty, affecting 18% of all residents over 65 in Erving (ACS 2014). Independent living and ambulatory difficulties affect 10.3% and 16.5% of 65 and over residents, respectively. While cognitive, vision, and self-care difficulties are relatively rare at this point, this may change as the baby boom generation, currently in their 50's and 60's, age into their 70's and 80's over the coming decades. We note that these disability categories are not mutually exclusive; an individual may have two or more of the disability types listed.

Table 14

TOWN OF ERVING – DISABILITY STATUS AND TYPE, 65 AND OVER POPULATION			
	Total	With a disability	% with a disability
Total civilian noninstitutionalized population	1,832	211	11.5%
Population 65 years and over	243	76	31.3%
With a hearing difficulty		44	18.1%
With a vision difficulty		23	9.5%
With a cognitive difficulty		11	4.5%
With an ambulatory difficulty		40	16.5%
With a self-care difficulty		15	6.2%
With an independent living difficulty		25	10.3%

Supply Analysis

This section examines the competitive environment that currently exists for market rate and affordable housing, including rental housing, age restricted housing and homeownership housing in Erving and the Surrounding Communities.

We analyzed housing with regard to location, product type, unit size, inventory, occupancy and amenities. In order to locate developments, we reviewed internet web sites, the Commonwealth of Massachusetts Affordable Housing Award lists and Subsidized Housing Inventory, LIHTC findthedata, and MassHousing and HUD websites. This information is also based on interviews with on-site personnel.

Senior Affordable Housing Summary

The chart below summarizes the affordable senior housing (or age-restricted) supply, based on the state’s Subsidized Housing Inventory (SHI) that our office was able to identify in Erving and the Surrounding Communities.

Table 15

Senior Affordable Rental Housing in Erving & Surrounding Communities				
	Housing Authority	Private Subsidized	Affordable	Total
Erving	0	0	0	0
Gill	14	0	0	14
Leverett	0	0	0	0
Montague	97	90	0	187
New Salem	0	0	0	0
Northfield	20	0	0	20
Orange	56	179	0	235
Shutesbury	0	0	0	0
Warwick	0	0	0	0
Wendell	0	0	0	0
Total	187	269	0	456

We identified 456 affordable senior housing units in Erving and the Surrounding Communities, all of which are subsidized. All but 34 of the 456 age-restricted units are located in Montague and Orange (14 in Gill, 20 in Northfield). There are no affordable senior housing units in Erving, Leverett, New Salem, Shutesbury, Warwick or Wendell. In Montague, the majority of senior affordable units are located in three Montague Housing Authority properties; 17 of the units included are located in the Winslow-Wentworth House, operated by the Franklin County Housing and Redevelopment Authority (HRA) as a “semi-assisted congregate living” facility with shared baths, communal kitchen, noon-time meals, and support and essential services provided in coordination with LifePath, formerly Franklin County Home Care, the Area Agency on Aging for Franklin County. The Athol-Orange Housing Authority has 56 units of senior housing in Orange. Two-hundred and sixty-nine additional units of subsidized senior housing are located at four private subsidized developments in Montague and Orange. We did not identify any affordable, non-subsidized age-restricted developments with self-pay affordable units in Erving or the Surrounding Communities.

Affordable Rental Housing Supply

Public Housing Authorities/Subsidized Housing

In most instances, housing authorities provide subsidized housing; this means that residents pay one third of their income towards rent and the government pays the remainder of the rent as further described below. Typically, the upper income limit is 50% of AMI, in reality most renters earn at or below 30% of AMI annually. We identified Housing Authorities that serve Erving and the Surrounding Communities and have provided a summary of the information we received in the chart below. For purposes of clarification, Elderly Housing is typically housing owned and managed by the Housing Authority and the Section 8 and MRVP lines refer to mobile vouchers that are used out in the community. We note that Erving does not have a housing authority, but instead HRA oversees the mobile vouchers for them.

Table 16

Elderly/Disabled Public Housing Authority Units in Erving & Surrounding Communities			
Housing Authority	Montague Housing Authority	HRA*	Athol/Orange**
# Elderly Units	80	51	56
Occupancy	100%	100%	100%
Waitlist	Senior: 62 applicants; 1 – 2 years 2+ years family.	10 - 40 applicants depending on the development	2 years; most units are occupied by non-elderly disabled
Section 8	0	568	0
MRVP	0	32	45
Voucher waitlist	Sec 8-138 HH/2 years; MRVP closed since 2010		
* # of elderly units is for Erving & Surrounding Communities only			
**Data for Orange only			

We identified 187 public housing units (including 17 semi-assisted congregate living units) for households that have elderly/disabled residents. HRA owns and/or manages a number of properties in the Surrounding Communities. It owns a 14- unit senior housing development, Stoughton Place, in Gill; 20 units in Northfield at Squakheag Village, and 17 units of semi-assisted congregate living in Montague. Both Stoughton Place and Squakheag Village have elevators to access the units on the second floor (Miner 2016). In addition, the Montague Housing Authority owns and operates 80 units of senior housing in several separate developments and the Orange Housing Authority has 56 units at Colonial Acres. All these senior housing developments are fully occupied, with waiting lists ranging from 1-2 years and from 10 to 20 households waiting at Squakheag Village to over 60 in Montague; many of the senior/disabled units in Orange are rented by non-senior disabled residents (Bella 2016, Connie 2016).

The HRA also administers 568 Section 8 mobile vouchers and 32 MRVP vouchers throughout Franklin County. The waitlist for the Section 8 vouchers is approximately 2 years, with 138 families currently on the wait list. The waitlist for the MRVP vouchers has been closed since 2010 (Reardon 2016).

Private Subsidized Senior Rental Housing

We identified four age-restricted, multi-unit rental developments, with a total of 269 subsidized units, in Erving and Surrounding Communities, for seniors age 62 plus. These developments include Park Villa (56 units) and Power Town (34 units) in Montague as well as King James Court (120 units) and Redbrook Village (64 units) in Orange. All units are occupied or in the process of turning over and being filled from their respective waitlists. Park Villa is a USDA-subsidized senior housing development and contains 56 one-bedroom units; the contract rent for these units is \$773 per month, with heat and hot water included. The two vacancies at Park Villa were being filled off the wait list; normally there is a 1-2 year wait. Power Town contains 81 subsidized units, 34 of which are age-restricted for seniors age 62 plus and the disabled. The contract rents are \$1,048 for a one-bedroom unit and \$1,231 for a two-bedroom unit and includes heat and hot water. It is not known why the contract rents at Power Town are significantly higher than the contract rents at the other subsidized developments.

King James Court in Orange contains 102 one-bedroom and 18 two bedroom units. The contract rents are \$897 for a one-bedroom unit and \$1,005 for the two-bedroom units and do not include any utilities. Redbrook Village is a USDA-subsidized senior housing development with 59 subsidized units and 5 market rate units including 56 one-bedroom and 8 two-bedroom units on two floors. Eight of the one-bedroom units are accessible. Because there is no elevator, the waitlist for first floor units is slightly longer than that for second floor units. The contract rent for these units is \$580 for a one-bedroom unit and \$625 for a two-bedroom unit with heat and hot water included. Market rents are \$671 for a one-bedroom and \$738 for a two bedroom (Jane 2016, Receptionist 2016, Lori 2016, Sharon 2016).

These developments are summarized in the table below.

Table 17

PRIVATE SUBSIDIZED SENIOR HOUSING IN ERVING SURROUNDING COMMUNITIES				
Development	Park Villa	Power Town	King James Court	Redbrook Village
Community	Montague	Montague	Orange	Orange
Units	56	34	120	59
Occupancy	96%*	100%	100%	97%*
Wait List	1-2 years	1BR: closed; 2BR: 0.5-1 yr.	6 months – 1 year	1 st Flr.: 15 households, 2 nd Flr: 10 households
Subsidy	USDA	Section 8	Section 8	USDA

*vacant units in the process of being filled from wait list

Affordable Rental Housing

We did not identify any affordable, non-subsidized, age-restricted rental housing in Erving or the Surrounding Communities. We did identify one non-age-restricted, multi-unit affordable development, the Crocker-Cutlery Apartments, located at 51 Avenue A in the Village of Turner Falls in Montague, four miles northwest of the Subject Property.

Crocker-Cutlery Apartments contains 48 units for households earning at or below 60% of AMI. The development consists of an eight-unit three-story historic building with first floor commercial space, which was gutted by a fire in 1997 and rebuilt in 2002 (the Crocker property) as well as 40 two-story row houses located on nearby Third Avenue, renovated in 2002 (the Cutlery Block). Second and third floor apartments in the renovated Crocker Building are accessible by an elevator and one unit is barrier-free. The property manager noted these units are especially attractive to seniors and the disabled. There are also coin-op laundry facilities for residents on the second and third floors. All units are occupied with ten households currently waiting for a unit with an approximate one year wait time. Currently, thirty-three of the forty-eight units are filled by mobile voucher holders and fifteen residents are paying the self-pay 60% rent.



The Crocker Building – Village of Turner Falls, Montague

One and two bedroom 60% rents are summarized in the table below for both buildings. One-bedroom units at the Crocker Building are 750 -800 square feet compared to 540 square feet at the Cutlery Block. Two bedroom, one and a half bath units are 1,300 square feet at the Crocker Building and 1,141 square feet at the Cutlery Block. Heat, hot water, and domestic water and sewer are included in base rent. We have utility adjusted rents to included electricity based on HRA’s 2015 - 2016 Utility Allowance Schedule, attached as Exhibit 2, for comparison to the maximum 60% rents for Franklin County, which includes all utilities.

Table 18

60% Rents at Crocker-Cutlery Apartments Compared to Franklin County 60% Maximum Rents			
	One Bedroom	Two Bedroom	Franklin County Maximum 60% Rent
Crocker Building	\$577	\$718	\$936
Cutlery Block	\$551	\$736	\$1,123

This table shows that the 60% rents at both the Crocker Building and Cutlery Block are significantly below the maximum allowable 60% rents for Franklin County. This is due to HRA only increasing rents by a maximum of 3% per year in order to keep rents affordable to residents who have lived at the buildings since they opened in 2002, when the maximum rents were significantly lower. The property manager also noted that the maximum 60% rents are not achievable in Montague or Surrounding Communities (Miner 2016, Franklin County Regional Housing and Redevelopment Authority 2016).

Market Rate Rental Housing Supply

Next we examined market rate rental housing in Erving and Surrounding Communities. We did not identify any age-restricted market rate rental housing in Erving or the Surrounding Communities, but we did identify one market rate multi-family rental development, the Weatherheads Apartments in Erving.



Weatherheads Apartments – Erving, MA

The Weatherheads Apartments, located at 65 French King Highway (Route 2), .45 miles southwest of the Subject Property is the only multi-family market rate rental housing in Erving. The Weatherheads Apartments contains 30 units in two, two-story walk-up buildings, built in 1954. While the buildings are old and tired and lack elevators, each unit has a private entrance and amenities include an outdoor pool, common laundry facilities, and storage space for rent. The Weatherhead offers 2 studios renting at \$400 per month plus utilities, 24 one-bedrooms at \$600-\$625 plus utilities, and 4 two-bedrooms for \$725 plus utilities. The studios are therefore renting at just below the affordable rents for a person earning 30% of the AMI; the one- and two-bedrooms are priced below the affordable rents for a household at 50% AMI and well below the HUD FMRs for Franklin County (Semb 2016, Weatherheads LLC 2016). Information on occupancy was not available.

We also searched for one-off units that are typically found in smaller homes. For this data, we examined the multiple listing service (“MLS”) for units rented in Erving and the Surrounding Communities over the past 12 months, as well as current rental listings on Craigslist and similar sites. We did not identify any rental listings or rentals during the past 12 months in Erving, on MLS. We did identify two current rental listings in Erving, on Craigslist. In total, we identified only 14 MLS listings in Erving and Surrounding Communities and a total of 29 current listings on Craigslist. All of the MLS listings were located in Orange or Montague, and 22 of the 29 Craigslist listings were also located in those two communities. This points to a highly constrained rental housing supply in Erving and the Surrounding Communities, particularly outside of Orange and Montague.

Table 19

MLS Surrounding Communities Rentals – Last 12 Months as of 6/15/2016							
# Beds		# Baths	Square Feet	Rent	Rent/ Sq. Ft.	Year Built	# Rentals
1 Bed	High	1	800	\$650	\$0.81	1920	2
	Low	1	800	\$650	\$0.81	1920	
	Average	1	800	\$650	\$0.81	1920	
2 Bed	High	2	1,474	\$1,350	\$0.92	2010	7
	Low	1	1,200	\$650	\$0.54	1880	
	Average	1.1	1,182	\$828	\$0.7	1913	
3 Bed	High	1	1,068	\$950	\$0.89	1970	4
	Low	1	1,000	\$730	\$0.73		
	Average	1	1,156	\$870	\$0.76		
4 Bed		2	1,700	\$1,600	\$0.94	2010	1

Table 20

Erving & Surrounding Communities Rentals (Craigslist) – Last 12 Months as of 5/26/2016						
# Beds		# Baths	Square Feet	Rent	Rent/ Sq. Ft.	# Rentals
1 Bed	High	1	1,200	\$900	\$0.75	3
	Low	1	600	\$675	\$1.13	
	Average	1	843	\$783	\$0.98	
2 Bed	High	2.5	1,400	\$1350	\$0.96	9
	Low	1	n/a	\$700	n/a	
	Average	1.17	1,113	\$936	\$0.93	
3 Bed	High	1	1,600	\$1,600	\$1.00	11
	Low	1	1,000	\$950	\$0.95	
	Average	1.6	1,421	\$1,235	\$0.90	
4-5 Bedroom	High	3.5	4,536	\$3,200	\$0.71	5
	Low	2	1,715	\$925	\$0.54	
	Average	2.7	3,126	\$1,705	\$0.62	

The information from the MLS, reflecting the rental market over the 12 months ending in early June 2016, and the current listings from Craigslist, shown in the table below, tell the same story: average rents for a one- or a two-bedroom unit are about the same as both the HUD Fair Market Rents (FMRs) and the affordable rents for a household at 50% of the Area Median Income (AMI). The average for all MLS and Craigslist units is well below that considered affordable to a household at 50% AMI, meaning that new subsidized housing would not be any more affordable than what the market is currently charging.

Table 21

Erving & Surrounding Communities Rentals -MLS and Craigslist						
# Beds		# Baths	Square Feet	Rent	Rent/Sq. Ft.	# Rentals
1 Bed	Average	1	742	\$718	\$1.10	6
2 Bed	Average	1.2	1,157	\$889	\$0.78	17
3 Beds	Average	1.4	1,324	\$1,138	\$0.85	15
4-5 Bed	Average	2.6	2,650	\$1,688	\$0.73	6

The two listings in Erving, both from Craigslist, appear to be outliers: a 3 bedroom rent-to-own house for \$1,050 per month and a 320 ft. one-bedroom efficiency apartment for \$660 per month, including utilities.

Market Rate Rental Housing Outside of Erving & Surrounding Communities



Mill House Apartments

As a point of comparison, we looked at multifamily housing in nearby Greenfield, and in particular one of the larger and newer developments, Mill House Apartments, located six miles west of the Subject Property. Mill House is a four-story building built in 1900 and renovated in 1986. The building has 2 elevators and 103 units. Amenities included a fitness center and outdoor pool. The development is also aided by a full-time resident services coordinator who connects residents to resources and also runs educational programming including some targeted towards seniors on topics including Social Security. Thirty-six of the 103 units are subsidized elderly/disabled units. The subsidies come from the Greenfield Housing Authority in the form of both MRVP and Section 8 project based assistance; these residents pay 30% of their incomes in rent. Contract rents differ between programs. The MRVP contract rents for a one-bedroom is \$740 and \$935 for a two-bedroom. Section 8 rents are \$880 for a one-bedroom and \$1,040 for a two bedroom. All subsidized units are occupied with a waiting list, maintained by the Greenfield Housing Authority. The remaining 67 units are priced at market. Market rents are higher, ranging from \$995 to \$1,025 for a one-bedroom to between \$1,200 and \$1,250 for a two-bedroom, depending on amenities such as balconies. Rent includes heat, hot water, and domestic water and sewer (Nancy 2016).

The market units are currently 95% occupied. Mill House Apartments is able to achieve higher market rents than developments in Erving and Surrounding Communities due to its location in downtown Greenfield, close to retail amenities and public transportation as well as being a more amenity-rich community (Mill House Apartments 2016).

Ownership Housing Supply

This next section looks at competitive information with regard to the homeownership housing supply in Erving.

Age of Housing Stock

Erving experienced spurts in housing growth in the 1950s and 1980s, with over 100 new units added in each of those decades. Since that time, growth has declined somewhat, with just over 70 new units in the 1990s and again in the decade between 2000 and 2009. One-third of the housing in Erving was built prior to 1940 (ACS 2014).

Table 22

Age of Housing Units in Erving	
Total housing units	814
Built 2010 or later	5
Built 2000 to 2009	72
Built 1990 to 1999	73
Built 1980 to 1989	111
Built 1970 to 1979	66
Built 1960 to 1969	22
Built 1950 to 1959	144
Built 1940 to 1949	54
Built 1939 or earlier	267

Housing Permits

The housing permit market is influenced largely by local and national economic trends. According to the US Census and as shown in the chart below, the average number of housing permits authorized for single family homes in Erving has averaged about one building permit a year over the past 10 years, with no multi-family permits issued for the past decade. It should be noted that each building permit type does not make a distinction between rental and ownership. It is clear that little new product has come on line in the past five years, which has led to pent up demand across all categories (United States Census 2016).

Table 23

NUMBER OF HOUSING UNITS PERMITTED BY BUILDING TYPE IN ERVING				
Year	Single Family	Two Family	Three & Four Family	Five or More Families
2015	1	0	0	0
2014	0	0	0	0
2013	1	0	0	0
2012	1	0	0	0
2011	1	0	0	0
2010	1	0	0	0
2009	1	0	0	0
2008	0	0	0	0
2007	4	0	0	0
2006	1	0	0	0
2005	14	0	0	0

Banker and Tradesman Research

Banker and Tradesman tracks the sales prices listed on deeds recorded at the County Registry of Deeds in Massachusetts. The table below shows the average sale price and total number of sales for single family homes in Erving in each year from 2005 through 2015, as reported by the Warren Group. Because the volume of sales is so low each year in Erving, these averages are fairly volatile from year to year – they may be skewed by the sale of a single very high value house in a given year, for example. The pattern over the last several years appears to be one of gradual increase from the post-recession low of \$130,000 in 2011 to \$176,000 in 2015. However, home prices remain fairly low and have yet to climb back to their pre-recession high of \$192,500 observed in 2006 (Warren Group 2016).

Table 24

SINGLE FAMILY HOME SALES – ERVING, MA					
Year	Period	Sale Price	% Change in Sale Price	Number of Sales	% Change in Number of Sales
2015	Jan - Dec	\$176,500	2%	10	-38%
2014	Jan - Dec	\$173,450	2%	16	78%
2013	Jan - Dec	\$170,000	-7%	9	-25%
2012	Jan - Dec	\$183,400	41%	12	-20%
2011	Jan - Dec	\$130,000	-18%	15	50%
2010	Jan - Dec	\$159,000	5%	10	-23%
2009	Jan - Dec	\$151,500	-10%	13	18%
2008	Jan - Dec	\$169,000	-11%	11	-15%
2007	Jan - Dec	\$189,900	-1%	13	-7%
2006	Jan - Dec	\$192,500	2%	14	-36%
2005	Jan - Dec	\$188,000	-	22	-

Multiple Listing Service Research

We next examined sales and listing on the Massachusetts Multiple Listing Service. This is used by real estate brokers in Massachusetts to advertise, among other things, residential sales and listings. Please note that the Multiple Listing Service does not include off market sales or reflect adjustments made for closing costs. The chart below shows a summary of the sales of one-, two- and three-bedroom single family homes in Erving in the past 12 months. There were no one-bedroom homes sold and only 3 two-bedroom homes, 8 three-bedroom homes and 1 four-bedroom house sold in that time. This analysis indicates that both the supply of houses for sale in Erving and the price owners are receiving for them are quite low (Multiple Listing Service 2016)

These houses stayed on the market for an average of just over three months, indicating the inventory does sell. The low selling prices make these houses affordable for moderate income households to purchase (to purchase a 3-bedroom house at the average sales price of \$191,500 would require an income of \$42,667, which is below the 80% AMI income limits). However, seniors who sell their existing homes at these prices may lack the equity to buy or even rent in some of the potential senior housing options being considered.

Table 25

Erving Single Family Sales in the last 12 Months as of 5/26/2016 by Bedroom - MLS							
# Beds		# Baths	Sales Price	Sq. Ft.	Price/Sq. Ft.	Days on Market	# Sales
2 Bed	High	1	\$165,000	960	\$171.88	245	3
	Low	1.5	\$799,000	1,568	\$50.38	64	
	Average	1.5	\$131,333	1,176	\$124.09	126	
3 Bed	High	3	\$265,000	2,234	\$118.62	56	8
	Low	2	\$134,000	1,242	\$107.89	103	
	Average	1.875	\$191,500	1,537	\$121.02	85	
4 Bed		4.5	\$65,000	1,700	\$38.24	87	1

Table 26

Erving Single Family Home Sales in Previous 12 Months, MLS	
Number of Sales	12
Avg. Listing Price	\$172,575
Avg. Square Footage	1,460
Avg. Sale Price	\$165,917
Avg. Sale Price (\$ / Sq. Ft.)	\$113.64
Avg. Days on Market	95

One constraint on home sales in the Town of Erving is the lack of high speed internet.

Pipeline

We contacted staff in the building and planning departments as well as the planning and zoning board of appeals in Erving and the Surrounding Communities to learn what, if any, senior housing is in the permitting and/or planning stages and may be built in the future. We did not learn of senior housing projects in permitting, planning, or under construction. We note that the towns of Leverett and Wendell like Erving, are in the process of studying senior housing needs in their community. However, unlike Erving, neither community has a specific site designated for senior housing (Stratford 2016). We also note that there are discussions about senior housing to be located in a historic mill building in Downtown Orange (Legare 2016). However, no formal plans have been filed to date. Therefore, additional details on the number of units, level of affordability, and time frame are not currently available.

Senior Housing Reference Materials

Since there is little non-subsidized senior housing product in Erving and the Surrounding Communities we have included a series of senior housing reference materials including Senior Housing Definitions, attached as Exhibit 3 and case studies on the development of senior housing in other parts of Massachusetts, including Westhampton Woods in Westhampton, as Exhibit 4.

Demand Analysis

To estimate potential demand for age-restricted housing in Erving alone and Erving with the Surrounding Communities, we used HISTA data provided by Ribbon Demographics. HISTA draws on decennial census and annual ACS data to create current estimates as well as future projections of households by age, number of persons, and income level. We used this data to estimate the number of one- and two-person households with a householder age 55 or older, within three separate income brackets: 0%-50% of AMI, 50%-80% of AMI, and 80% or greater of AMI. The table below shows how these income brackets translate into actual dollar terms for annual incomes of one- and two-person households in the Franklin County HUD FMR area.

Table 27

2016 ANNUAL INCOME LIMITS, FRANKLIN COUNTY		
AMI Level	1 Person Household	2 Person Household
0%-50%	\$0 - \$29,150	\$0 - \$33,300
50%-80%	\$29,150 - \$46,000	\$33,300 - \$52,600
80%+	\$46,000 and over	\$52,650 and over

For each of the three income brackets listed above, we estimated the number of age- and income-qualified households in two different time periods: 2016 (the most current data available) and 2021 (the limit of HISTA projections). We then broke down the number of qualified households by age bracket: 55-64 years old, 65-74 years old, and 75 and over (Ribbon Demographics 2016).

2016 Demand

The tables below show the result of our demand analysis for the year 2016, in Erving alone and then for Erving and the Surrounding Communities.

Table 28

2016: Erving 1 & 2 Person Households by age and income					
AMI Level	Income Range*	All 55+	55-64	65-74	75+
0%-50%	\$0 - \$33,300	133	46	42	46
50%-80%	\$29,150 - \$52,600	57	18	24	16
80%+	\$46,000 and over	130	74	39	17
Total	-	320	138	104	79
*Range shown is a combination of 1 person and 2-person household limits.					

As shown in Table 28, there are an estimated 320 total one- and two-person households over age 55 in Erving in 2016. The largest single income group, totaling 133 households, have annual income between 0% and 50% of AMI, meaning that they earn less than \$33,300 if a two-person household, or under \$29,150 for a single person household. The proportion of households in the higher income brackets declines with age: there are only 79 households in Erving aged 75 and over, but nearly 60% of them (46 households) are earn 50% of AMI or less.

Table 29

2016: Erving & Surrounding Communities 1 & 2 Person Households by age and income					
AMI Level	Income Range*	All 55+	55-64	65-74	75+
0%-50%	\$0 - \$33,300	2,031	673	613	746
50%-80%	\$29,150 - \$52,600	860	335	300	225
80%+	\$46,000 and over	2,356	1,292	792	272
Total	-	5,247	2,299	1,705	1,243

*Range shown is a combination of 1 person and 2-person household limits.

The table above shows that Erving and the Surrounding Communities have a total of 5,247 households over age 55, of which 2,891 earn less than 80% of AMI. As with Erving, the number of households in the lower income bracket increases with age: of 1,243 households aged 75 and over, 746 earn less than 50% of AMI.

2021 Demand

The tables below show the result of our demand analysis for the year 2021, in Erving alone and then in Erving and Surrounding Communities.

Table 30

2021: Erving 1 & 2 Person Households by Age and Income					
AMI Level	Income Range*	All 55+	55-64	65-74	75+
0%-50%	\$0 - \$33,300	134	39	42	53
50%-80%	\$29,150 - \$52,600	60	16	27	18
80%+	\$46,000 and over	142	77	50	15
Total	-	336	132	118	86

Table 31

2021: Erving & Surrounding Communities 1 & 2 Person Households by Age and Income					
AMI Level	Income Range*	All 55+	55-64	65-74	75+
0%-50%	\$0 - \$33,300	2,018	612	668	738
50%-80%	\$29,150 - \$52,600	883	304	340	239
80%+	\$46,000 and over	2,724	1,384	1,009	331
Total	-	5,625	2,300	2,017	1,308

*Range shown is a combination of 1 person and 2-person household limits

Change in Demand, 2016-2021

The tables below show percent change in each age and income bracket from 2016 to 2021, in Erving alone and then in Erving and Surrounding Communities.

Table 32

Erving % Change, 2016-2021					
AMI Level	Income Range*	All 55+	55-64	65-74	75+
0%-50%	\$0 - \$33,300	0.4%	-15.2%	0.9%	15.4%
50%-80%	\$29,150 - \$52,600	5.1%	-8.9%	11.6%	10.9%
80%+	\$46,000 and over	9.1%	3.1%	28.3%	-8.8%
Total	-	4.7%	-4.5%	13.5%	9.3%

*Range shown is a combination of 1 person and 2-person household limits

According to HISTA projections, from 2016 to 2021 Erving can be expected to see a 4.7% increase in households over age 55, with all of that increase coming from the 65-74 and 75+ age brackets. Overall, households under 50% of AMI are not projected to see large growth, while households over 80% of AMI are expected to see the most growth. However, among households aged 75 and older that trend is reversed: there is expected to be a 15.4% increase in households earning less than 50% of AMI and a 10.9% increase in households between 50% and 80% of AMI, while higher income households are projected to decline.

Table 33

Erving & Surrounding Communities % Change, 2016-2021					
AMI Level	Income Range*	All 55+	55-64	65-74	75+
0%-50%	\$0 - \$33,300	-0.6%	-9.0%	9.1%	-1.1%
50%-80%	\$29,150 - \$52,600	2.7%	-9.3%	13.3%	6.3%
80%+	\$46,000 and over	15.6%	7.2%	27.3%	21.9%
Total	-	7.2%	0.0%	18.3%	5.3%

*Range shown is a combination of 1 person and 2-person household limits

As shown in the table above, the demographic changes in Erving and Surrounding Communities from 2016 to 2021 are somewhat different than those in Erving alone. The number of households under 50% of AMI and those between 50% and 80% of AMI are expected to stay essentially stable, while higher income households increase by 15.6%. This is true even in the 75 and over age bracket, where higher income households are expected to increase while households under 50% of AMI actually decline slightly.

Other Matters

Works Cited

- ACS. 2014. "ACS 2010-2014 5-Year Estimates."
- Athol Hospital. 2016. *Athol Hospital*. Accessed 6 11, 2016. <http://www.atholhospital.org/>.
- Baystate Health. 2016. Accessed 6 11, 2016. <https://www.baystatehealth.org/locations/franklin-medical-center>.
- Bella, interview by NH. 2016. *Montague Housing Authority Assistant* (6 15).
- Bettors, Paula, interview by LS. 2016. *Town of Erving Council on Aging Director* (7 11).
- Congressional Budget Office. 2014.
- Connie, interview by SH. 2016. *Orange Housing Authority Administrative Assistant* (6 17).
- Erving Council on Aging. 2016. *Council on Aging/Senior Center - Town of Erving, MA*. Accessed 6 4, 2016. <http://www.erving-ma.org/town-directory/senior-center-council-on-aging>.
- ESRI. 2015. "Demographic and Income Comparison Profile."
- ESRI. 2015. "ESRI Age 50+ Profile."
- ESRI. 2015. "ESRI Detailed Age Profile."
- ESRI. 2015. "ESRI Household Income Profile."
- Franklin County Regional Housing and Redevelopment Authority. 2016. *Other Rental Properties*. Accessed 7 7, 2016. <http://www.fchra.org/index.php/for-tenants/find-housing/other-rental-properties>.
- Franklin Regional Council of Governments. 2013. *Sustainable Franklin County PPlan*. 6. Accessed 6 4, 2016. <http://frcog.org/wp-content/uploads/2014/06/Sustainable-Franklin-County-2013-Plan.pdf>.
- Franklin Regional Transit Authority. 2015. *Fixed Route Schedule - Route 32 - Orange/Greenfield*. Accessed 6 24, 2016. <http://frta.org/getting-around/schedules-maps/route-32-athol-greenfield/>.
- Jane, interview by SH. 2016. *Park Villa Apartments Receptionist* (6 21).
- Legare, Robert, interview by NH. 2016. *Town of Orange Building Commissioner* (7 11).
- Lori, interview by SH. 2016. *Redbrook Village Receptionist* (6 27).
- MA Department of Housing and Community Development. 2005. *Erving, Franklin County*. Accessed 7 11, 2016. <http://www.mass.gov/hed/docs/dhcd/profiles/091.doc>.
- Mill House Apartments. 2016. *Mill House Apartments*. Accessed 7 7, 2016. <http://www.millhouseapartmentsbc.com/>.
- Miner, Tracy, interview by NH. 2016. *HRA Director of Asset Management* (7 7).

Multiple Listing Service. 2016. Accessed 5 26, 2016. <http://h3m.mlspin.com/home.asp>.

Nancy, interview by SH. 2016. *Mill House Apartments Receptionist* (6 27).

Reardon, Katelyn, interview by SH. 2016. *HRA Leased Housing Director* (6 24).

Receptionist, King James Court, interview by SH. 2016. (6 17).

Ribbon Demographics. 2016. *HISTA 2.2 Summary Data*. Neilsen Claritas.

Semb, Erik, interview by SH. 2016. *Weatherheads Apartments Receptionist* (6 15).

Sharon, interview by SH. 2016. *Power Town Apartments Receptionist* (6 22).

Stratford, Lisa, interview by NH. 2016. *Town of Leverett Municipal Clerk* (7 11).

Town of Erving. 2016. *Schools*. Accessed 6 4, 2016. <http://www.erving-ma.org/schools>.

—. 2016. *Welecom to the Town of Erving Website*. Accessed 6 4, 2016. <http://www.erving-ma.org/>.

United States Census. 2016. *Building Permit Survey*.

US Census. 2010. *American Factfinder*. Accessed October 2015. www.census.gov.

—. 2010. *American Factfinder*. Accessed July 13, 2012. www.census.gov.

Warren Group. 2016. *Town Stats*. Boston, 5.

Weatherheads LLC. 2016. *Weatherheads Apartments*. Accessed 7 7, 2016. <http://weatherheadsllc.com/weatherheads.apartments.html>.

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.

Certification

LDS Consulting Group, LLC certifies that is has no financial interest in the proposed potential development of the Subject Property. LDS certifies that recommendations and conclusions are based solely on professional opinion and best efforts.

Exhibit 1 – Site & Neighborhood Photos

Subject Property



View of Subject Property, currently a large, open field, looking west from the rear of the Senior Center



View off Subject Property, a large, open field, looking northwest from the rear of the Senior Center



Front of Erving Senior Center, with parking lot in foreground



View of Erving Senior Center from Route 63. Subject Property is located out of view, behind the Senior Center.



Route 63, looking south towards Route 2, from entrance to the Subject Property and Senior Center

Exhibit 2 – Franklin County Utility Allowance Schedule

ALLOWANCES FOR TENANT-FURNISHED UTILITIES AND OTHER SERVICES

Locality: _____ Unit Type: _____ Date: _____
 Franklin County Regional Housing & Redevelopment Auth. Multi Family 12/1/2015

Utility or Service	Monthly Dollar Allowances							
	OBR	1BR	2BR	3BR	4BR	5BR	6BR	
HEATING								
Natural Gas	61	83	104	118	158	179	211	
Bottled Gas	65	90	116	141	180	205	244	
Oil / Electric	62/48	86/67	110/85	135/105	172/134	197/152	235/181	
Pellet / Wood	72/63	101/88	130/113	158/138	201/178	230/201	273/239	
COOKING								
Natural Gas	9	13	16	20	25	29	34	
Bottled Gas	20	24	29	33	40	44	50	
Electric	11	15	19	24	30	34	41	
OTHER ELECTRIC								
	16	21	26	31	38	43	50	
AIR CONDITIONING								
	14	20	26	31	40	46	54	
WATER HEATING								
Natural Gas	24	33	43	52	67	76	91	
Bottled Gas	29	40	52	63	80	92	109	
Oil / Electric	25/30	35/42	45/55	54/67	69/85	79/97	94/115	
WATER (Home Ownership Only)								
	8	8	8	8	8	8	8	
SEWER								
	14	18	23	29	37	42	50	
TRASH COLLECTION								
	5	7	9	10	13	15	18	
RANGE/MICROWAVE								
	10	10	10	10	10	10	10	
REFRIGERATOR								
	13	13	13	13	13	13	13	
OTHER: Kerosene								
	91	127	130	163	254	290	345	

	Utility Service	Per month cost
Name of Family	Heating :	
	Cooking:	
	Other Electric	
Address of Unit	Air Conditioning	
	Water Heating	
	Water	
	Sewer	
	Trash Collection	
Number of Bedrooms	Range	
	Refrigerator	
	Other	
	TOTAL:	

Replicated from HUD-52667 form 12/87

Exhibit 3 – Senior Housing Definitions

Independent Senior Housing

Generally, independent or retirement living is housing or apartments set aside specifically for individuals over the age of 55 and is not licensed by the Commonwealth of Massachusetts. Residents are permitted to occupy living units by entering into rental contracts for fixed periods of time. Living units are usually apartments that can vary in size. While these communities are not required to be licensed, they must comply with local building ordinances and safety codes in terms of the design, construction and safety features of the building. Although residents are typically independent, some of them may use supportive services to help maintain their independence.

Subsidized senior housing

Project-based subsidized senior housing is typically age-restricted to households with head of householder age 62 and over, or for younger disabled persons. In Massachusetts, many subsidized senior housing developments are owned by housing authorities, and are either State Public Senior Housing or Federal Public Senior Housing. In addition, subsidized housing can also be provided by not-for-profit or for-profit entities. Income limits are typically at 50% of Area Median Income (“AMI”), however some programs allow for up to 80% of AMI. In most instances, households living in subsidized housing earn much less, typically at the 30% of AMI level. In subsidized housing, households typically pay 30% of their annual adjusted income towards housing costs, which include utilities, and the government pays the remainder of what are often referred to as fair market rents. For example, a resident with an annual income of \$12,000 can expect to pay approximately \$300 per month in rent. Fair market rent, as determined by HUD, is typically priced at or close to market rate.

Typically these subsidized senior buildings only provide a rental unit and common laundry. Some provide a service provider in the form of a case manager, and a community room. Some provide Meals on Wheels in their community room. But overall, residents are not provided with services such as help with getting dressed or housekeeping.

It is very difficult to build any new subsidized senior housing because HUD eliminated the HUD 202 program five years ago. This program provided both capital funds and operating subsidies for age-restricted housing.

Age-restricted Senior Rental Housing

Age-restricted rental housing is typically rental units reserved for households with a head of household age 55 and older or 62 and older. Units can either be at market rate, or they may be at a reduced (affordable rent) due to the type of funding utilized to build the development. Affordable self-pay rent can be at the 80% level, the 60% or the 50% level. In all cases, the rents are priced so that the resident will not pay more than 30% of their income towards rent. In most instances, these types of developments are financed in part with Low Income Housing Tax

Credits (“LIHTC”) and in some instances, historic tax credits and/or soft debt like HOME, CDBG and other funds. LIHTCs bring equity into a project when they are sold to investors, and they reduce the investment by the owner as well as the debt on the property, allowing for lower operating costs and therefore lower rents. We have provided below an example of affordable income limits and rents, as well as market rate income requirements and rents, which is based 110% of AMI. Please keep in mind that people may choose to pay more than 30% of their income towards rent.

Table 1

Area Median Income*	1 Person Income Limit	1 Bedroom Rent	2 Person Income Limit	2 Bedroom Rent
30% AMI	\$17,500	\$468	\$20,000	\$562
50% AMI	\$29,150	\$780	\$33,300	\$936
60% AMI	\$34,980	\$936	\$39,960	\$1,123
80% AMI	\$46,000	\$ 1,232	\$52,600	\$1,478
Market	\$64,130	\$1,717	\$73,260	\$2,059

*Based on Franklin County HUD Service Area

Sacred Heart Apartments in Lawrence is age-restricted rental housing financed with LIHTCs and therefore all units are affordable to households earning at or below 60% of AM. Rents are not subsidized, however, they are fixed at a lower level than market rents. For example, the 60% rent in Lawrence for a one-bedroom unit including utilities can be no more than \$984, and two-bedroom rents can be no more than \$1,182.

Age-restricted senior housing may only provide a unit to live in and some common space, or it may be what is often referred to as “**Independent Living.**” Independent living facilities tend to offer one or more meals per day, weekly housing keeping, transportation and social activities. Their monthly fees are significantly higher than just paying for rent. The independent living that we identified at Cambridge Homes was \$5,500-\$7,100 per month and includes, among other things, three meals a day but no personal care services.

Adult Day Health

Adult day health centers are planned programs that offer a variety of services to elderly persons and others with functional and/or cognitive impairments who are unable to remain at home unattended during the course of the work day. The services are designed to keep elderly individuals in the community for as long as possible, thereby postponing or preventing institutionalization. Services can include some or all of the following: supervision, health monitoring, meals, transportation, recreational activities and therapy. Medicare does not pay for adult day services, however, MassHealth (Medicaid) covers adult day health services and dementia day programs. Individuals may also be eligible for subsidies through their local Aging Services Access Point (ASAP). The Executive Office of Elder Affairs (EOEA) has set standards for dementia and social day programs. Typically persons who attend adult day

health programs are good candidates for assisted living that caters to residents with memory deficits and/or dementia.

Residents pay for adult day health on a sliding scale based on their income if they are eligible for MassHealth. There are some private pay adult health facilities located within assisted living facilities but they tend to cost \$50 or more a day or \$250 a week/\$1,000 a month.

D'Youville has a small adult day health program on its Lowell campus that sees 29 clients Monday-Friday. They charge \$59 a day for private pay customers and also accept persons with MassHealth.

At this point and time, it is difficult to build new adult day health centers/programs because the MassHealth reimbursement is not high enough to pay for the cost to own and operate facilities.

Residential Care Homes/Rest Homes

Residential Care Homes (RCHs), formerly known as "homes for the aged," are licensed in Massachusetts by the Department of Health and Human Services. Residents of RCHs may have some health, social, and personal care needs, but they do not require the extensive care a nursing home provides. Most residents, however, require some assistance with Activities of Daily Living (ADLs), supervision of medications and/or protective oversight. Although they may use assistive devices, residents must be ambulatory and have some degree of independence, but they are not able to live on their own. Residents must be able to evacuate the home unassisted in case of an emergency.

Physically, they differ from assisted living facilities since they provide a room rather than an apartment, and bathrooms may be private or shared. The monthly rate depends on the home and type of accommodation chosen. Some residents use government assistance to help pay for their care. They provide residents with a communal environment. In fact, the majority of rest homes were formerly single-family homes that have been renovated.

They are required to provide three meals per day, housekeeping and laundry services, personal care, recreational activities, 24-hour supervision, and emergency call systems. Menus for meals must meet requirements set by the Department of Public Health. Staff is not required to provide nursing services; however, some homes have nurses on staff. Staff members can supervise medications that residents self-administer and may help residents schedule their physician appointments.

Somerville Home is a residential care home which charges \$100-\$130 per day or \$3,000-3,900 a month. They have two GAFC slots which share a room (see GAFC definition below).

Assisted Living Facilities

Since 1995, assisted living residences in Massachusetts have been regulated by Massachusetts General Laws Chapter 19D. Each facility is certified by the Executive Office of Elder Affairs prior to opening, and recertified every other year. Assisted living is a special combination of housing, personalized supportive services and care designed to respond to the individual needs of those requiring help in activities of daily living, but not requiring the skilled medical care provided in a hospital or skilled nursing facility. Residences combine apartment-like living with a variety of supportive services, including three meals a day in a common dining room, housekeeping services, transportation, 24-hour security, on-site staff to respond to emergencies, emergency call systems, medication management, personal laundry services, social and recreational programs and assistance with ADLs such as eating, bathing, dressing, toileting and mobilizing, and instrumental activities of daily living (IADLs) such as shopping and laundry.

Assisted living residences monitor the well-being of their residents and can help coordinate health services by licensed outside agencies or providers. However, they do not provide skilled nursing services directly. The physical layout of assisted living residences includes studio, one- and two-bedroom apartments with entry doors, private bathrooms and kitchenettes. As much as fifty percent of the facility is used for common areas including lobby/reception area, administrative offices, food service, dining room, activity areas, beauty salons/barbershops, cafes/bakeries, resident laundry, central laundry, storage spaces, maintenance area, loading/trash area, mechanical rooms, employee lounge and lockers, areas for linens and cleaning supplies and ancillary uses. Units are typically furnished with residents' belongings and furniture. Residents entering an assisted living residence sign an annual residency contract which is similar to a lease and agree to pay a monthly fee or rent that includes the cost of housing, meals and services and other amenities. Assisted living is considered to be need driven. Based on our experience, the typical customer for an assisted living facility is a one-person household that has experienced some type of crisis, either an illness or the loss of a spouse. They are no longer able to live totally independently and may need help with cooking, cleaning and/or bathing or toileting. The average assisted living customer is early to mid-80's, female and stays 24 months.

The cost to live in a typical market rate assisted living facility such as Cambridge Homes is \$5,975-\$7,575 a month. Standish Village in Dorchester starts at \$4,500 a month.

Affordable Assisted Living Programs/Subsidies

It is very hard to provide affordable assisted living due to the cost of building, which brings high carrying costs often in the form of a mortgage, as well as ongoing operating costs to pay for personnel and the cost of running a building. Therefore, in order to provide affordable assisted living one will need to have a low cost of entry (i.e. low building cost) and some type of operating subsidy to help residents afford rent. The following are funding mechanisms that can be used to assist low income residents in affording assisted living:

PACE: Seniors who are eligible for MassHealth and with an annual income up to approximately 40% of AMI or \$24,000 a year are eligible for PACE. However, the PACE reimbursement may not actually pay for all of the charges and facilities find other ways to meet their bottom line. For example, in Standish Village, they accept PACE but also require a family to pay to supplement the difference between what PACE pays and the cost of living in the facility. MI Residential in Lawrence couples subsidized senior housing with PACE to provide assisted living.

GAFC: GAFC is a Massachusetts program that reimburses a provider for providing personal care services, 24-hour access to assistance, nursing, and social work oversight to Medicaid-eligible individuals. The Department of Public Welfare, Division of Medical Assistance, in response to two major trends, created this program in 1991. The first trend was a change in nursing home admissions clinical criteria. The second was an emerging need for Medicaid to fund assistance with activities of daily living for frail individuals in the community who no longer qualified for nursing home placement. The program was modeled after the Adult Foster Care program in which an individual with at least one medical diagnosis and a need for assistance with daily personal care would move into the home of a care giving family. The GAFC program allows individuals requiring such care to continue to age in a place by offering services in a managed housing environment while maintaining their independence, dignity and autonomy. GAFC services have evolved into Medicaid's assisted living services package. Providers of GAFC include certified home health agencies, licensed hospitals, home care corporations, assisted living facilities, community agencies, and housing organizations that are able to meet the program requirements. The reimbursement methodology includes two components. There is a daily rate per participant for personal care, and a monthly program administration rate per participant. The average rate is comprised of the caregiver rate and the administrative rate. Residents who are clinically eligible for GAFC may also be eligible for SSI-G. SSI-G represents the base SSI payment, the supplement added by Section G plus the GAFC rate total approximately \$2,300 a month. It is important to note that in order to qualify for GAFC an individual's income needs to be at poverty level, approximately \$14,340 a year, and they must have assets of \$2,000 or less. This typically leaves residents with only \$75 a month in spending money.

Veterans Pension Aid and Attendance Program – veterans or surviving spouses of veterans may be eligible for this supplemental income which can provide approximately \$1,788 or \$1,149 a month to cover assisted living costs. It is a higher amount for married couples.

Senior Care Organizations – The MassHealth Senior Care Options (SCO) program is a comprehensive health plan that covers all of the services reimbursable under Medicare and MassHealth through a senior care organization and its network of providers. The SCO program offers MassHealth Standard members aged 65 or older quality health care that combines health

services with social support services. By coordinating care and specialized geriatric support services, along with respite care for families and caregivers, SCO offers advantages for eligible MassHealth members over traditional fee-for-service care. SCOs are similar to an HMO and persons accessing SCOs must be eligible for MassHealth. Residents receive all health care services through the Senior Care Options network. SCOs provide services to residents living in Assisted Living Facilities.

Long-Term Care Insurance – This insurance is not affordable and the industry is still in its infancy and therefore it very costly. It is best purchased before age 50. Each plan is different but it can often cover one or more years of assisted living costs.

Other affordable assisted living

Some facilities are built by a mission driven organization, whose mission is to provide housing to a particular population at a discounted price. For example, **Cambridge Homes** has a scholarship program for people who lived or worked in Cambridge. About 30% of its residents are on scholarship. For example, if the resident has \$1,000 a month income from social security, and \$500 a month from a pension, the facility is paid \$1,000 a month the individual keeps \$500. Their foundation makes up the rest of the costs. This is because the organization is over 100 years old, and in a prior iteration residents donated all of their funds and were taken care of for their lifetime, and left over funds have accumulated over time.

D'Youville is building an affordable assisted living facility in Lowell. It will have 15 low income units priced at \$3,000 a month, 15 moderate income units priced at \$3,000-\$5,999 a month and 15 market units' prices at \$6,000 and above. It will also offer 15 memory care units priced at market.

Skilled Nursing Facilities

Nursing homes provide both short-term and long-term care to elders who need medical care. Services typically include 24-hour nursing care, rehabilitative care (i.e. physical, occupational and speech therapy) and personal care. They traditionally provide a room with or without a private bath but no kitchen facility. Coverage for nursing home care is available under both the federal Medicare program and the state and federal Medicaid program, called MassHealth. To be eligible for MassHealth benefits, an individual must have at least one nursing need and two additional nursing or activity of daily living needs.

Studies have shown that some skilled nursing residents are actually better suited for an assisted living facility. This tends to happen when there are no alternatives (i.e. assisted living facilities) in the area.

D'Youville has two skilled nursing facilities on its Lowell Campus including 208 long-term care beds in one building and 33 short-term rehabilitation beds in its other building.

Continuing Care Retirement Communities or CCRCs

Sometimes referred to as "life care communities," CCRCs provide living accommodations and a wide variety of services, including long-term health and nursing services. Various levels of care, such as independent living, assistance with daily activities, and nursing services are usually provided on a single community campus. Residents may move from one level of care to another as their needs change. Each resident is required to be able to live independently upon admission. Every resident is required to pay a substantial lump-sum entrance fee and monthly fees in exchange for lifetime housing and health-related services. These fees vary depending on the community, the type of living unit chosen, and whether an individual or a couple is to occupy the unit. CCRC's have differing policies regarding the availability and terms of entrance-fee refunds.

Housing units can be apartments in high-rise or low-rise buildings, townhouses, garden apartments, cottages, or freestanding homes. Units can range in size from studios to three-bedrooms. Residents are not generally entitled to have equity in their units, but adhere to certain statutory requirements. The way CCRCs differ is in what they promise to deliver, and what you pay for service. There are three different types of CCRCs:

Life Care Communities/Extensive Care Contract: Under an extensive care contract, sometimes referred to as life care contract, a resident typically pays an upfront fee and an ongoing monthly fee in exchange for the right to lifetime occupancy of an independent living unit and certain services and amenities. Residents who require a higher level of care such as assisted living or skilled nursing may transfer to that level of care and continue to pay the same monthly fee plus the cost for additional meals. Most extensive care contract communities are owned by a not-for-profit corporation and were built in the 1980's and early 1990's. Very few are being built today due to the actuarial nature of this product. Many of the residents in these communities are highly educated and understand that they are making an investment in their future. In most instances, residents receive 90% of their entrance fee back and don't have to worry about high nursing home costs. Some facilities allow long-term care insurance to reduce entry fees.

Modified Contract: A resident typically pays an upfront fee and an ongoing monthly service-fee for the right to stay in an independent apartment and receive certain amenities. When a resident needs to move to a higher level of care, the facility may pay for this higher level of care for a certain period of time, or provide a discount for these services.

Fee-For-Service Contract/A la Carte CCRCs: This requires an entry fee, but does not include any discounted health care or assisted living services, therefore you pay as you go from one level of care to the next. Typically residents receive priority admission to the higher levels of care on the campus. Residents pay one monthly fee to live in an independent apartment, a higher monthly fee to live in assisted living, and an even higher fee to live in the skilled nursing facility. The difference in monthly fees could be from \$2,000-\$6,000. Therefore, although a resident is entitled to a refundable entry fee, facilities can spend your entrance fee in order to pay monthly service fees as you move to a higher level of care.

Sources:

1. National Survey of Assisted Living Residents: Who is the Customer? by NIC and ALFA, copyright, 1998.
2. The Assisted Living Industry, and Overview – 1999, by ALFA and Price Waterhouse Coopers.
3. Aging America Trends and Projections, 1991 Edition.
4. The Commonwealth of Massachusetts, Department of Communities and Development.
5. Prevalence of Alzheimer's Disease in a Community Population of Older Persons, JAMA, November 10, 1989-Vol. 262, No. 18, Page 2551.
6. National Institute on Aging Progress Report on Alzheimer's Disease, 1998.
7. Needs & Unmet Needs of the Elderly in Massachusetts: A Statewide Survey Report, published by the Executive Office of Elder Affairs, Commonwealth of Massachusetts, 1994; p.17.

Exhibit 4 – Senior Housing Case Studies



Case Studies

Merriam Village – Senior Rental Apartments

23 Village Road

Weston, MA 02493





Year Built	1978 (phase I); 1995 (phase II)
Size of Site	15 acres (bordered by 150 acres of conservation land)
Number of Units	62 (30 built in phase I, 32 built in phase II)
Unit Type	2 Story Flats, Phase 1 walk up, Phase 2 elevator
Housing Type	1 bedroom, 1 Bath + Den
Size	800 Square feet
Rent Phase 1	\$852 for 1 st floor 2-bed, \$802 for 2 nd floor 2-bed
Rent Phase 2	\$927
Age Restriction	60+
Services	Plowing and snow removal included, \$15 to have snow removed from car/parking spot as well
Funding Source(s)	Weston Community Housing, Inc. purchased 15 acres from Town for \$100; Lump sum/entrance fee at pre-construction paid for
Best Features?	Proximity to town center, quiet community
Worst Features?	The homes feature electric baseboard heating, which is generally more expensive than alternative heat sources.

Merriam Village is an age-restricted affordable community that was built in a similarly rural town made up mainly of single family homes. Weston Community Housing, Inc. was created in the 1970's to create affordable senior housing for the town. They were able to convince townspeople to support the project by suggesting there would be no place for their parents to retire due to rising land costs. The design of the residences fits in with the housing in the community and is accomplished by two story buildings. Because the 62 units are spread across 15 acres, the village retains a very rural, wooded atmosphere. This is complemented by the 150 acres of conservation land adjacent to the site. The large amounts of green space create a very quiet and safe community.

Unlike the services offered at some other intergenerational communities, Merriam Village residents live pretty independently. Most residents drive, though Merriam Village is only about 1 mile away from the town center's supermarket, banks, restaurants, and shops if residents feel compelled to walk. There is very low turnover; however, when residents leave they most likely move to an assisted living facility depending on their finances. Residents' ages range between their mid-60's to early 90's, and some of the eldest residents have a visiting nurse that comes to their home.



Westhampton Woods – Senior Rental Duplexes
13 Main Road
Westhampton, MA 01027





Year Built	2005 (phase I); 2013 (phase II)
Size of Site	8.72 acres (3.8 acres of wetlands)
Number of Units	15 (7 built in phase I, 8 built in phase II)
Unit Type	Flats, all first-floor and fully accessible
Housing Type	1-bedroom, 1 bath
Size	800 Square feet, 2-bedrooms
Rent Phase 1	50%AMI* - \$660-\$675; 60% AMI - \$712-\$720
Rent Phase 2	50% AMI - \$700; 60% AMI - \$726
Age Restriction	62+
Services	n/a
Funding Source(s)	Federal Home Loan Bank of Boston – Grant Mass. Affordable Housing Trust Fund (, HOME – DHCD, and MHP Permanent Loan
Best Features?	Proximity to hospital, accessible homes (featuring roll-in showers, for example)
Worst Features?	Energy costs of newer homes exceeded expectations

*AMI = Area Median Income

Westhampton Woods is an age and income-restricted residential community located at 9 Main Road in Westhampton, Massachusetts. It was built in two phases by Hilltown CDC and has 15 units including a community room in 8 duplex structures. The age restriction is for people 62 years and older and the income restrictions are for households earning at or below 50% and 60% of AMI with the exception of two project-based Section 8 units which are restricted to households earning at or below 30% of AMI. The first phase was completed in 2005 and includes four structures with 7 residential units and a community room. These one-bedroom, duplex units are approximately 790 square feet each. The units come with all appliances (including all kitchen appliances and in-unit washer and dryer).

The second phase, completed in 2013, added an additional 8 units in four duplexes with unit sizes of approximately 685 square feet. Like phase 1, these units also come with appliances, but do not come with microwaves. Moreover, to try and achieve an Energy Star – Level 3 rating and to reduce operation costs, phase 2 units are equipped with ductless mini split heat and air-conditioning units. However, these heating/cooling units have turned out to be about twice as inefficient (and expensive) than originally planned and have been a stain on the operating budget for Westhampton Woods (costing approximately \$600 per unit per year).

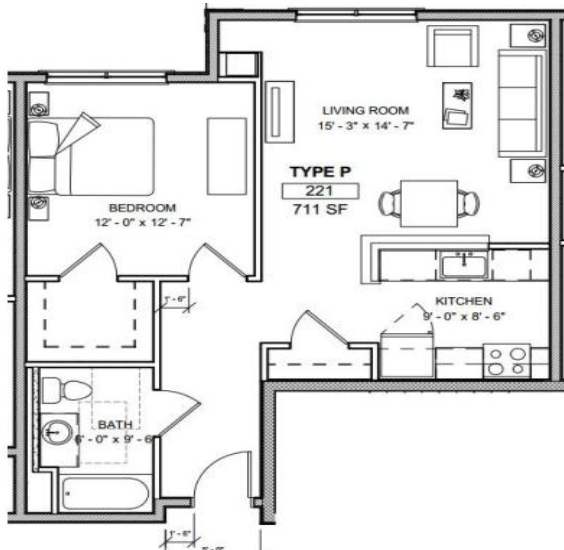
In addition, Westhampton Woods is not serviced by city sewer, it had to build its own septic system.



The Coolidge at Sudbury – Senior Rental Apartments

189 Boston Post Road

Sudbury, MA 01776





Year Built	2014
Size of Site	6 acres
Number of Units	64
Unit Type	Flats in multi-family, elevator building
Housing Type	1- and 2-bedroom apartments
Size	625 sq. ft. to 711 (1-bedroom); 868 sq. ft. (2-bedrooms)
Rent	\$1,056 for 1-bedroom; \$1,600 for 2-bedroom
Age Restriction	55+
Services	-
Waitlist	2-3 years
Funding Source(s)	Low Income Housing Tax credits (state and federal), MetroWest Home Consortium, Town of Sudbury Housing Trust Fund (\$250,000)
Best Features?	Premium on-site amenities, including a library, business center, billiards, fitness room, and on-site management office
Worst Features?	-

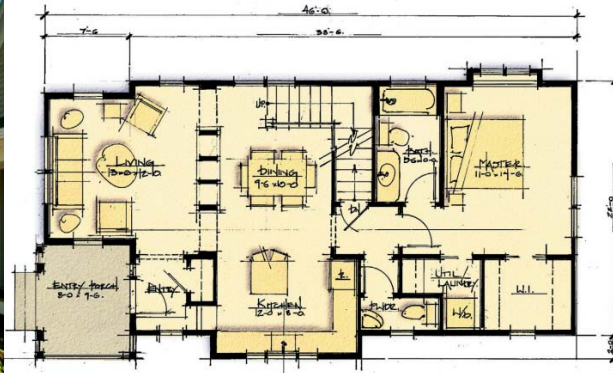
The Coolidge at Sudbury is a fairly new, age-restricted multi-family community featuring accessible home options and several on-site amenities, all at an affordable rate. It was developed by B’Nai B’rith Housing, a nonprofit developer of affordable housing in Greater Boston with the capacity to create affordable developments in municipalities with high housing costs. The Town of Sudbury’s median household income of \$151,041 and median home price of \$759,405 are among the highest in Massachusetts; therefore, partnering with a developer like B’Nai B’rith Housing was necessary for the municipality to realize its affordable senior housing goals.

The development features acres of adjacent conservation land and is pet friendly. Of the case study sites, The Coolidge at Sudbury has one of the most extensive waitlists to move in—about 2 to 3 years—and with 64 units, it is the largest development among the case studies. Taking into account the amenities, accessibility, and overall quality of the new complex, The Coolidge’s popularity confirms a preference among area seniors for this type of housing option.



Concord Riverwalk – Cottage-style Homes (Ownership)

1631 Main Street
Concord, MA 01742





Year Built	2011
Size of Site	3.7 acres (1.85 acres preserved open space)
Number of Units	12
Unit Type	Flats and cottages with basements, ownership
Housing Type	2-bedrooms and 3-bedrooms
Size	1,340 sq. ft. to 1,760 sq. ft.
Cost	\$599,000 to \$699,000 (non-affordable)
Age Restriction	None
Services	Multi-use community building
Funding Source(s)	Privately funded
Best Features?	Community-centric, connections to riverfront trail system
Worst Features?	Price—not an affordable community

Concord Riverwalk features small single family cottages that front a common pathway and form a little village around a small community building. The award-winning pocket neighborhood along the town’s Main Street features private centralized septic, access to public water supply, and a denser cluster of uses in a town that is largely single-family homes.

Due to the property’s location along the Assabet River, the development needed to be setback far enough from the floodplain. Concentrating the development closer to Main Street has the added benefit of placing residents within a 15-minute walk from the West Concord town center and commuter rail station. Despite the small lot sizes and proximity to neighbors’ homes, the home designs, community garden, and landscaping succeed at promoting a village atmosphere while preserving individuals’ privacy.

This is a model that could be recreated to provide rental and ownership opportunities with the goal of having more community-centric housing where seniors can age in place, and also retain some of the single family home character that lends to a small town’s identity.



Benfield Farms Apartments

575 South Street

Carlisle, MA 01741





Year Built	2014
Size of Site	4.4 acres (part of 45.2-acre parcel purchased by town with Community Preservation Act funds)
Number of Units	26
Unit Type	Flats, multi-story building (elevator access)
Housing Type	1-bedroom and 2-bedroom, rental
Size	529 sq. ft. to 728 sq. ft. for 1-bedrooms; 790 sq. ft. to 850 sq. ft. for 2-bedrooms
Rent	\$1,200+ for 1-bed, \$1,600 for 2-bedroom
Age Restriction	62+
Services	Residents have access to walking paths and a conservation area; storage closets; and 24-hour maintenance.
Funding Source(s)	26-acre open space received \$2M in CPA OS funds; Affordable Housing received \$425,000 CPA Affordable Housing Funds, Low Income Housing Tax Credits, DHCD HOME Funds; from Housing Stabilization Funds; \$700,000 from Town of Carlisle Affordable Housing Trust Fund; State Tax Credit; \$25,000 CPA Recreation funds for 15 acres of recreation land
Best Features?	Offers both affordable and market rate rental housing in a community that has none. Offers one level living.
Worst Features?	Modern design materials (concrete and glass) may not appeal to target customer.

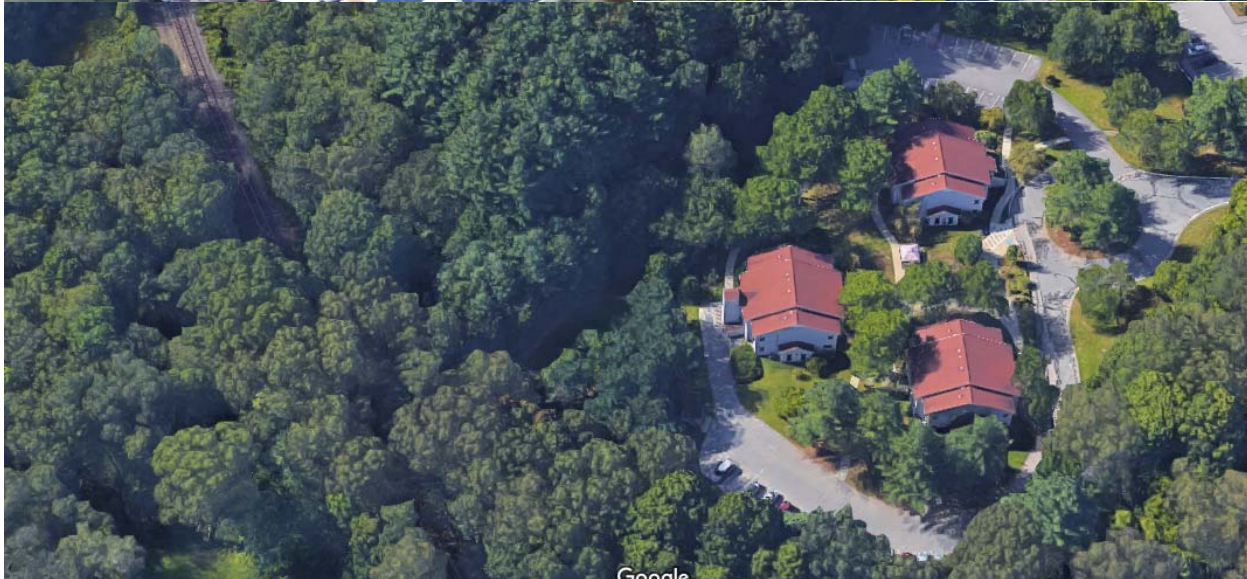
This age-restricted development features the types of housing and amenities that an aging population in a more rural community may be looking for: smaller 1-bedroom and 2-bedroom apartments in an accessible building with community activity spaces on site. The homes here targeted households earning less than 60% area median income (AMI).

The building's layout minimizes walking distances from residents' front doors to the central common areas, which is favorable for a senior population that may have less mobility. The ample communal areas and small catering kitchen are not only good for small gatherings among residents, but also highlight an opportunity for complementary organizations—such as a Council on Aging—to have a facility convenient to seniors.

One of the challenges at Benfield Farms has been finding residents for 2-bedroom units reserved for households earning less than 30% AMI. Too many people were above the income threshold to qualify for those homes.



Woodhaven Senior Housing Complex (Sherborn, MA)
3 Village Way
Sherborn, MA 01770





Year Built	1982/1983; renovated in 2013
Size of Site	8 acres
Number of Units	24
Unit Type	Multi-story buildings, duplexes
Housing Type	1-bedroom and 2-bedroom, rentals
Size	700 to 900 square feet (*estimate)
Rent	\$1,100 for renovated 1-bedrooms, \$980 for others
Age Restriction	62+
Services	Community Room, "Lifetime Learning" education program; great participation with local Council on Aging
Funding Source(s)	Town of Sherborn owns the site- see below
Best Features?	Robust community events calendar for seniors that meet on site; proximity to town center;
Worst Features?	It's difficult for some seniors to downsize to a 1-bedroom, so several have expressed a preference for a 2-bedroom to make the transition easier (especially if they have family coming to visit)

Woodhaven features three buildings with 8 apartments each—there are six 2-bedroom and eighteen 1-bedroom apartments. The Sherborn Council on Aging works very closely with the complex, hosting several activities per week through the Woodhaven community room. When it first opened, management gave preference to local residents and their families to rent at Woodhaven; however, some of the current residents have moved from nearby towns, western Massachusetts, and Florida.

Located a stone's throw away from S Main Street, Woodhaven is situated adjacent to Sherborn's town center. Although car ownership is high, residents are a 10-minute walk (or less) from the library, town hall, police department, post office, pharmacy, and other nearby businesses. ***The Town issued a \$500,000 bond in 2012 to pay for renovating apartments at Woodhaven as they become vacant, using income from rent payments to pay back the bond. Presently more than half of the apartments have been updated.***