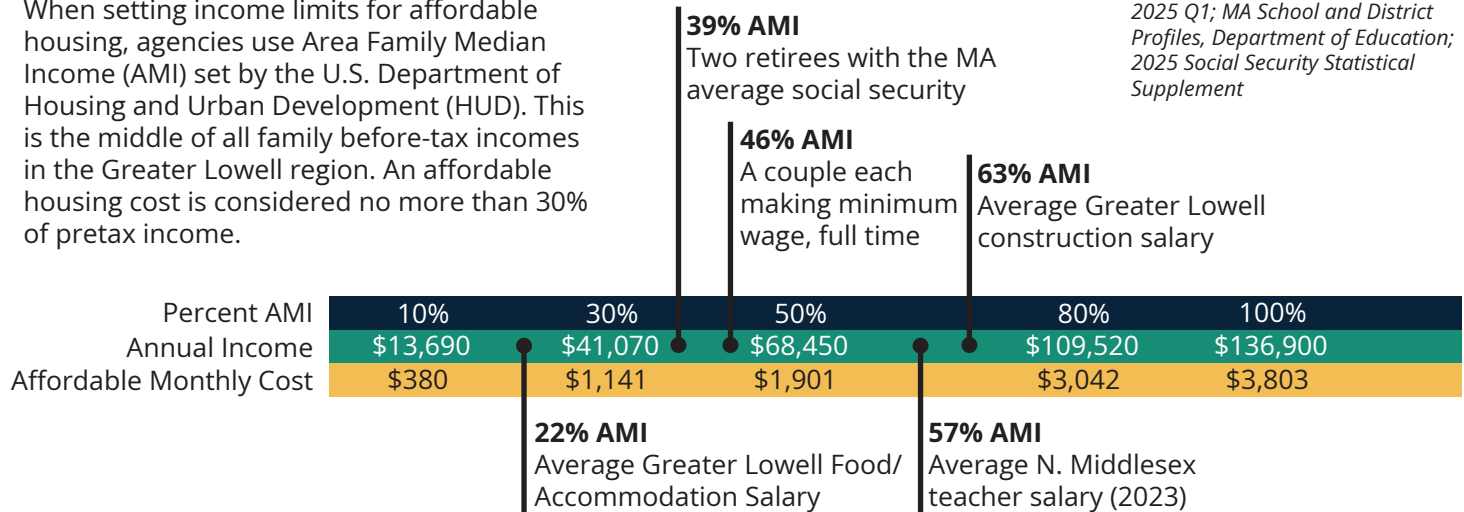


WHAT IS AFFORDABILITY?

What is Area Median Income?

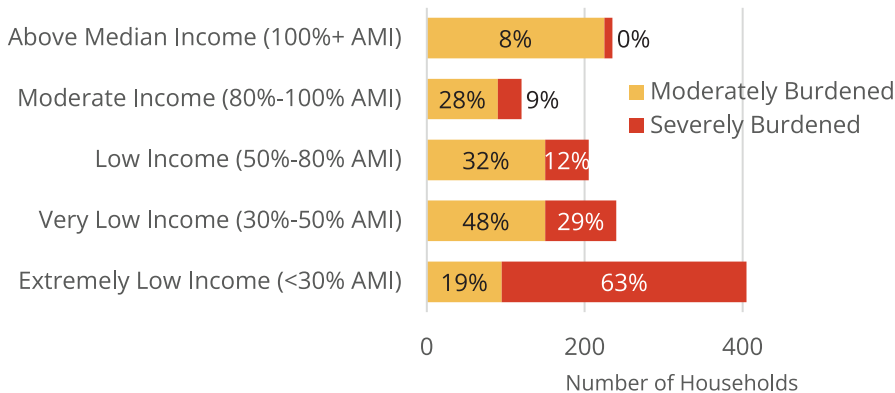
When setting income limits for affordable housing, agencies use Area Family Median Income (AMI) set by the U.S. Department of Housing and Urban Development (HUD). This is the middle of all family before-tax incomes in the Greater Lowell region. An affordable housing cost is considered no more than 30% of pretax income.

Sources: 2024 HOME Income Limits, U.S. HUD; MA Labor Market Information (ES-202) 2025 Q1; MA School and District Profiles, Department of Education; 2025 Social Security Statistical Supplement



What is considered affordable?

Housing Cost Burden in Pepperell, 2017-2021



Source: Comprehensive Housing Affordability Strategy Data 2017-2021

Affordability means different things to different people. Planners usually consider a home to be affordable if its costs do not exceed 30% of the household's annual pretax income. When a household pays more than 30% of its income on housing-related costs, it is moderately burdened by housing; households spending 50% or more of their income on housing are considered severely burdened.

In the chart to the left, the length of the bars represent how many Pepperell households are moderately or severely burdened at each income category, and the percentages are the proportion of the category that are burdened. Pepperell has about 1,205 total households that are burdened, with most of its 495 severely cost burdened households at the extremely low income level.



Supported by the Northern Middlesex Council of Governments through the District Local Technical Assistance Program funded by the Executive Office of Housing and Livable Communities (EOHLC).

WHAT IS AFFORDABLE HOUSING?

What types of affordable housing are there?

Affordable housing can be what planners call “naturally affordable,” or it could be subsidized in a variety of ways. Subsidized housing is a blanket term for any programming that reduces the cost of housing for low- and moderate-income households. It typically is restricted to households at or below certain AMIs. Planners sometimes call all of these types of housing, natural and subsidized, “achievable housing.”

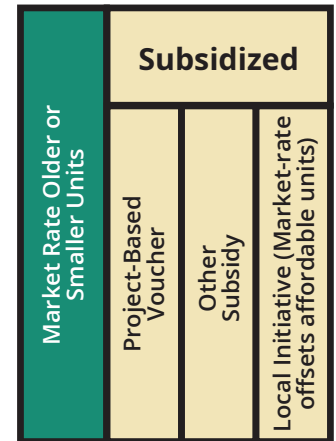
Naturally affordable: Smaller housing types, starter homes, or older housing, which in a well-functioning market should ideally be affordable to 80%-120% AMI.

Public/Voucher-based: To assist the lowest income categories, state and federal programs provide vouchers to housing authorities, who then can distribute them to qualifying households as “mobile vouchers” or to developers who will make specific units affordable as “project-based vouchers.” These vouchers cover the difference between 30% income and fair market rent for incomes 0% - 80% AMI.

Other subsidized: Units that utilize state funds from agencies such as MassHousing or low-income housing tax credits tend to have an income limit between 50%-80% AMI.

Local Initiative: Units that are offset by market-rate rents in the same project are called Local Initiative Program units. They usually, but not always, have an income limit of 80% AMI.

All Achievable Housing

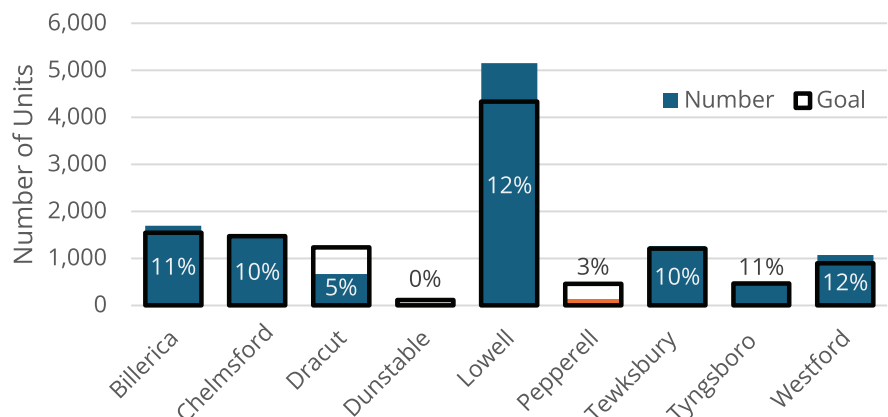


Source: “Glossary of Terms to Affordable Housing.” Accessed 8/19/2024. <https://archives.hud.gov/local/nv/goodstories/2006-04-06glos.cfm>.

What is the Subsidized Housing Inventory?

The Subsidized Housing Inventory (SHI) is a list of all Subsidized Housing in the state that meets its qualifications. The state lists a housing unit on the SHI if it is subsidized by local, state, or federal programs, is restricted to incomes at or below 80% Area Median Income, and meets other guidelines. The state sets a goal for each municipality to have 10% of Census 2020 year-round units on the SHI. Pepperell has 130 units, or 2.8% of its 4,588 year-round units. It must add 329 units to meet the state’s goal. Communities that make significant progress toward the goal or surpass the goal have more control over Comprehensive Permit developments.

Subsidized Housing Inventory in Greater Lowell

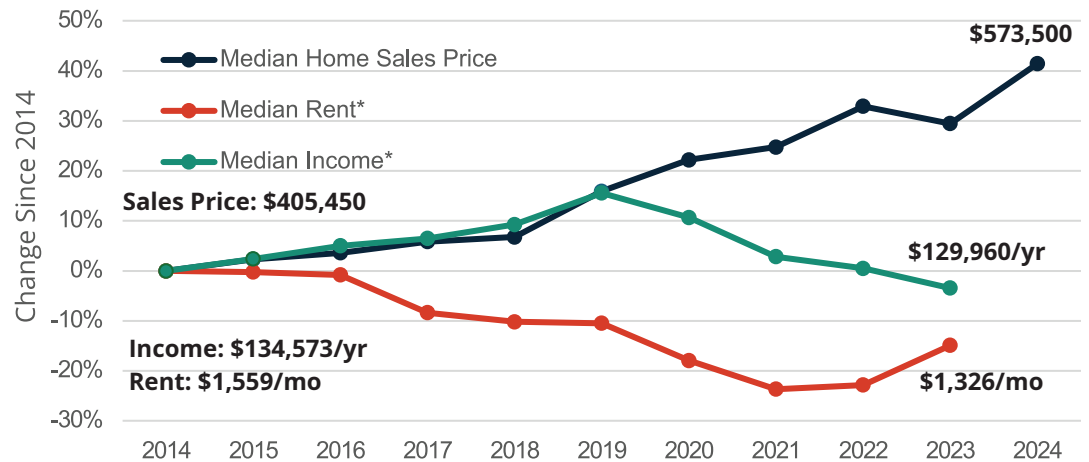


HOW IS PEPPERELL CHANGING?

Median Income and Housing Costs (2025 Dollars)

Median income and home sales price were rising in unison until 2019, when inflation-adjusted income began to drop, but sales price kept increasing.

Inflation-adjusted rent actually dropped until 2021, but since then, rent has been climbing as well, squeezing the residents with lower incomes that tend to rent in Pepperell.

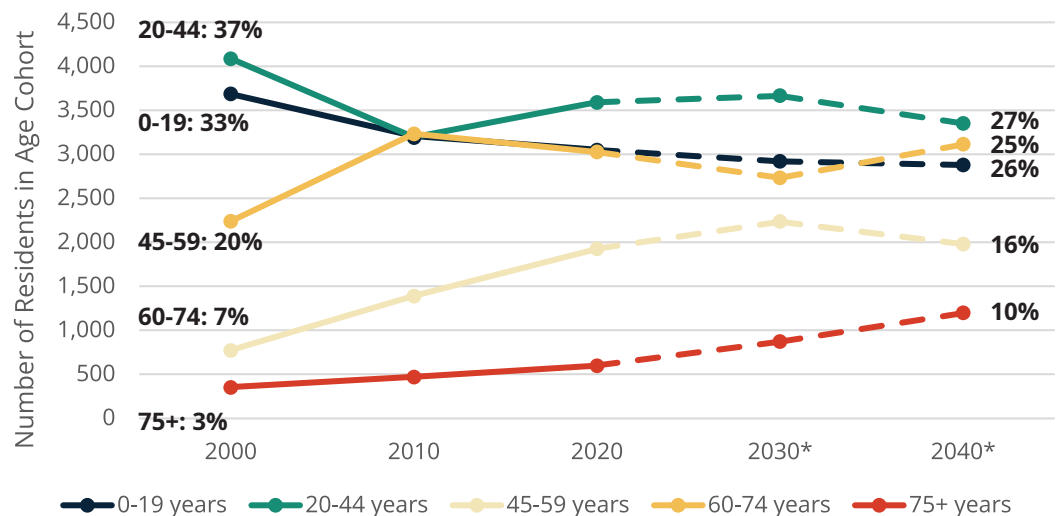


Sources: 2014-2023 Home Sales Price: Warren Group, 2024. Median Rent and Median Income: U.S. Census Bureau, 2010-2014 – 2019-2023 American Community Survey Five-Year data, Tables B25031 and S1903. Adjusted through Bureau of Labor Statistics (BLS) Inflation Rate Calculator, which uses the average Consumer Price Index (CPI). Adjustment rate from May of last year of each ACS survey to May 2025. ACS data is charted at the last year of the five-year data.

Population by Age (2000-2040)

The median age of Pepperell residents has increased since 2020, and the number of residents 75 or older (the red line) is expected to grow to 10% of the population by 2040.

Younger cohorts are expected to stabilize, not changing much in the next 20 years.



Sources: 2000-2020, U.S. Decennial Census. 2030 - 2040, University of Massachusetts Lowell Donahue Institute/MassDOT



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WHY PLAN FOR HOUSING?

A Housing Production Plan (HPP) is an opportunity to gather the input from all types of Pepperell community members to build consensus on tackling challenges and capitalizing on opportunities. It analyzes both housing needs and capacity constraints to recommend and prioritize actions the town may take to meet those needs.

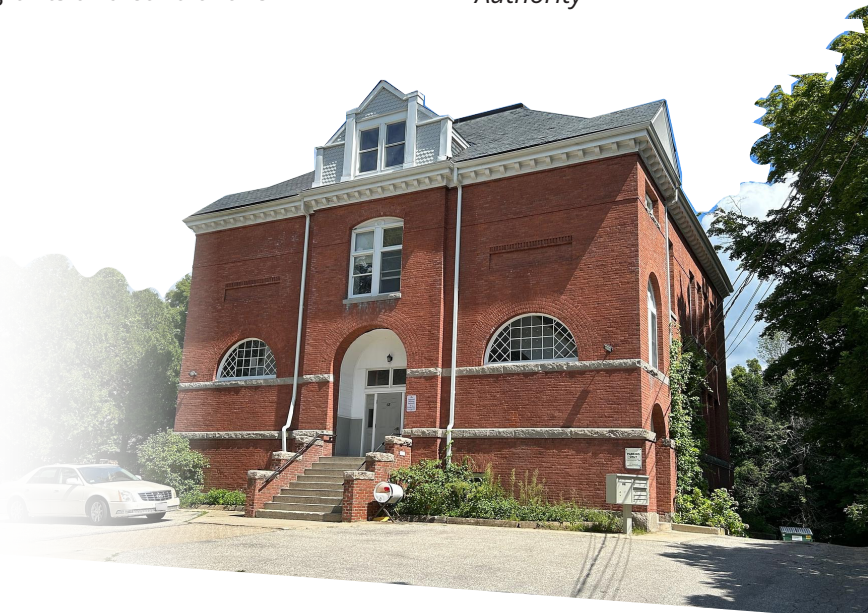
HPPs align the efforts of community-based organizations, state agencies, private developers, and the community itself. It also plays important regulatory functions, including providing preferred status for certain state grants and control over Comprehensive Permit projects.

*Affordable Housing at
68 Groton Street managed
by Pepperell Housing
Authority*

Comprehensive Permits

Comprehensive Permit projects, also known as “40B” projects, allow Zoning Boards of Appeals (ZBA) to permit a developer to override local zoning if they provide a certain amount of subsidized units and meet other conditions. The ZBA can approve, approve with conditions, or deny the permit.

Working with a developer on a project in alignment with the HPP is a powerful tool to develop affordable housing. However, if the Town hasn't met its 10% goal or hasn't made significant progress toward that goal in alignment with its HPP, the state can override the decision of the ZBA.



Pepperell's HPP

Pepperell is concentrating on building consensus during its planning process to identify the best way to provide affordable housing while retaining what residents feel makes Pepperell special. This will be accomplished in a three-phase process over the course of 2025-26 as shown below.

Needs Analysis
July - October

Goal Creation
Nov - December

Action Development
January - March 2026



A **survey** is open during the Goal Creation phase, and **public meetings** will be held during the Goal Creation and Action Development phases to make sure the team is getting it right. The plan will be shared for public comment before adoption.

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