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# TOWN OF BARNSTABLE HOUSING PRODUCTION PLAN

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Prepared by the Town of Barnstable's Growth Management Department



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## 1. EXECUTIVE SUMMARY

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*The Town of Barnstable has made considerable progress in meeting the housing needs of its citizens. This Housing Production Plan sets forth the extent of estimated need for additional housing units, according to the specific composition of its current and expected populations, the nature of the Town's economy and housing stock, and regional conditions. It also establishes production goals for meeting these needs and getting closer to the state's 10% affordability threshold under Chapter 40B based on specific strategies for promoting affordable housing.*

## 1.1. Introduction

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Barnstable lies along the “bicep” of the arm of Cape Cod and its central location has led it to become the Hub of Cape Cod with the Cape’s County seats, hospital, airport, ferry services to the Islands, and the only shopping mall. With Cape Cod Bay on the north and Nantucket Sound on the south, the town enjoys great accessibility to the water, including both recreational beaches and working harbors. Sandwich and Mashpee lie to the west of Barnstable and Yarmouth to the east. The town of almost 50,000 residents is located 69 miles southeast of Boston and includes 60 square miles of land area.

The town is distinguished by considerable variation, largely a result of the development of seven villages within its boundaries, each with its own unique and significant cultural and historical qualities (see map of the villages in the Appendix). These villages include:

- *Centerville* is located on the south side and is primarily residential area that includes beautiful Craigville Beach. Most of its historic buildings, totaling 118, as well as its scenic areas have remained intact, drawing considerable numbers of tourists and vacationers each year.
- *Osterville*, also located on the south side and also primarily residential, has notable inlets and harbors for fishing and boating. Osterville’s popularity evolved largely from its location and the beginning of rail service in the mid-1850s. As tourism expanded, picturesque streets and buildings were thoughtfully planned and developed.
- *Hyannis* is much more urban than the other villages, with a denser and more populous village center, including more lower income residents and most of the affordable housing in town. Hyannis is also a fishing village with steamship access to Martha’s Vineyard and Nantucket and a transportation and commercial hub of not only Barnstable, but much of the Cape.
- *Marstons Mills* is located north of Route 28, which bisects Barnstable, and is primarily a residential community. The village is working to recreate the original village downtown area, however wishes to retain its rural village character.
- *Cotuit* is also a primarily residential village located on a peninsula on the south side of town with several small beaches. While the village has lost some historic houses, it retains its historic character. In addition to its treasured waters, the community puts a high premium on open areas including central water protection lands, the Mosswood Cemetery, and conservation areas.
- *West Barnstable* is located on the north side of Barnstable and is more sparsely populated and mostly residential in nature. The village was the second area of the town to be settled and has largely remained a more rural community with some remaining farms and old historic roads.
- *Barnstable Village*, also located on the north side, is the Barnstable County seat, and has a working harbor. The Barnstable Village business district is fully developed while retaining its historic character through the protection afforded by the Old Kings Highway Local Historic District.

While all villages have some amount of affordable housing, albeit limited in a couple of villages, such units are more concentrated in Hyannis (see Table 2-28 for this breakdown). This is largely because it is a major employment and service center, the preferred setting for people with limited means who need to more efficiently connect to jobs and services. Additionally, Hyannis’ existing land use patterns and public facilities are better suited to supporting the higher densities that are more typical of affordable housing. Despite these advantages in Hyannis, lower income residents in each village should not have to move away from their familiar surroundings and jobs to find affordable housing any more than any other resident should have to leave his or her own town in search of reasonable housing choices. Thus the Town’s existing policy, based on its Master Plan, of striving towards a more even distribution of affordable housing among the seven villages should affirmatively guide the allocation of all available affordable housing resources and initiatives and is a centerpiece of this Housing Production Plan.

A summary of some of the demographic and housing characteristics of Barnstable versus Barnstable County and the state is included in Table 1-1. This information actually shows how closely aligned Barnstable is as a whole to the overall characteristics of the County, with sizable differences from the state.

**Table 1-1**  
**Summary of Demographic and Housing Characteristics for**  
**Barnstable, Barnstable County and the State<sup>1</sup>**

<i>Characteristics</i>	<b>Barnstable 2000/2009</b>	<b>Barnstable County 2000/2008</b>	<b>Massachusetts 2000/2008</b>
<b>HOUSEHOLD CHARACTERISTICS</b>			
<i>% less than 18 years</i>	22.0%/19.1%	20.4%/17.7%	23.6%/22.0%
<i>% 20 to 34 years</i>	14.2%/19.1%	13.2%/15.5%	21.0%/19.8%
<i>% 35 to 44 years</i>	16.4%/12.6%	15.3%/12.5%	16.7%/14.7%
<i>% 45 to 54 years</i>	14.9%/15.7%	14.8%/15.0%	13.8%/15.4%
<i>% 55 to 64 years</i>	11.6%/12.9%	11.5%/13.4%	8.6%/11.6%
<i>% 65 years or more</i>	20.1%/20.7%	23.1%/24.0%	13.5%/13.4%
<i>Median age</i>	42.3 years/44.5	44.6 years/46.3	36.5 years/38.7
<i>% non-family households</i>	33.7%/33.8%	36%/37.4%	36%/36.4%
<i>Average household size</i>	2.38 persons/2.35	2.28 persons/2.33	2.51 persons/2.33
<i>Median income 2000/2009 projections</i>	\$46,811/ / \$46,375	\$45,933/ / \$57,314	\$50,502/ / \$65,401
<i>Individuals in poverty</i>	8.8%	7%/7.4%	9%/9.7%
<i>% earning less than \$25,000</i>	24.6%/22.0%	24.6%/19.4%	24.6%/19.8%
<i>% earning more than \$100,000</i>	13.6%/11.2%	12.4%/23.7%	17.7%/30.2%
<b>HOUSING CHARACTERISTICS</b>			
<i>% owner-occupied units</i>	76.2%/76.2%	77.8%/81.2%	61.7%/64.5%
<i>% renter-occupied units</i>	23.8%/23.8%	22.2%/18.8%	38.3%/35.5%
<i>% occupied housing units</i>	78.4%	64.5%/59.6%	93.2%/90.2%
<i>% units for seasonal or occasional use</i>	19.0%	32.0%	3.6%
<i>% units in single-family, detached structures</i>	84.1%/84.1%	82.9%/83.6%	52.4%/52.9%
<i>Housing growth 2000 to 2008</i>	3.6%	6.2%	4.3%
<i>Housing density 2000 to 2008</i>	433.6 to 449.4 units per square mile	371.6 to 394.5 units per square mile	334.5 to 349 units per square mile

<sup>1</sup> This Housing Plan tries to update the 2000 census data to the greatest extent possible, however, in many cases no other source of reliable data is available.

<i>Median sales price</i>	\$171,500/ \$310,000 (3/09)	\$178,800/ \$300,000 (8/09)	\$185,700/ \$264,900 (5/09)
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*Source: 2000 census, 2009 data for Barnstable from Nielsen Claritas, Inc. data source, 2008 data from the U.S. Census Bureau's American Community Survey for Barnstable County and state information.*

### **Housing Growth and Density**

Barnstable County is experiencing significant housing growth, fifth highest among the state's 14 counties, and resulting increases in density, third highest among the 14 counties. Barnstable is experiencing somewhat lower housing growth than the County and the state and overall density levels are higher.

### **Age Distribution**

The distribution of residents among various age ranges was fairly similar to that of Barnstable County in general in 2000, and more recent estimates show continued similarities with the exception of somewhat more younger residents and fewer older ones in the case of Barnstable. Of particular note are the higher portions of population who are aging, more than 20% of the population was 65 years of age or older as opposed to 13.5% for the state as a whole, reflective of the Cape as a major retirement destination. Moreover, the Cape, including Barnstable, has a significantly lower population of those young adults who are forming their own households and entering the labor market, 14.2% and 13.2% for Barnstable and the County, respectively, as opposed to 20.1% for the state in 2000. This trend highlights a local concern about job opportunities in the Cape as well as high housing prices that compel younger households to go elsewhere in search of better jobs and more affordable living conditions. The 2009 estimates, however, suggest that this population has increased since 2000, which is surprising and somewhat questionable.

### **Seasonal Housing Pressures**

Barnstable actually has proportionately less seasonal or occasional housing units than the Cape as a whole, 19% as opposed to 32%, but substantially more than the state at 3.6%. However, even this level of seasonal units and second homes has put substantial pressure on Town services and the long-term, permanent population, particularly during the summer months. Town estimates indicate that the total number of visitors actually comes close to 125,000 due to its seasonal attractions. This temporary population, however, has bolstered the local economy and employment has increasingly focused on servicing these residents.

### **Lower Incomes**

The 2000 median income in Barnstable was only a bit higher than that for the County, \$46,811 versus \$45,933, respectively, however lower than the state at \$50,500. Updated 2009 projections for Barnstable and the Cape are \$46,375 and 57,314 based on Nielsen Claritas data and \$73,493 and \$72,115 based on increases in HUD area median income.<sup>2</sup> Additionally, the percentage of those earning less than \$25,000 annually was exactly the same for Barnstable as it was for the County and state in 2000 at 24.6%, however updated estimates show more limited decreases in these lower income households for Barnstable. At the other end of the income range, Barnstable had only a somewhat higher percentage of year-round residents earning more than \$100,000, 13.6% versus 12.4% for the County, both below the state level of 17.7%. Estimates for Barnstable suggest a decrease to 11.2% in these higher income households versus an almost doubling of households earning more than \$100,000 for the County and state.

### **Changing Housing Market Conditions**

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<sup>2</sup> Based on the percentage change in the HUD area median income level between 2000 and 2009 or 57% applied to Barnstable's 2000 median income.

The 2000 median house price provides a comparison of Barnstable's housing market to that of Barnstable County and the state, with somewhat lower market values than the County – a median single-family house price of \$171,500 versus \$178,800, also lower than the state at \$185,700. Since that time housing prices have soared and then more recently have softened considerably. Barnstable's median house value for a single-family home was \$407,500 as of the end of 2008, and then decreased to \$310,000 as of the end of March 2009. To afford this price, a purchaser would have to earn approximately \$78,500 based on conventional lending practices, beyond the means of many local residents. High housing prices have been also reflected in increased property taxes, which in combination with rising energy bills and insurance costs, cause a serious financial strain on long-term residents, particularly those with fixed incomes. Applying the 2009 adjusted median income estimate of \$73,493 for Barnstable, based on the 57% change in the HUD median income levels for Barnstable County between 2000 and 2009, resulted in an affordability gap of \$20,000, the difference between what the median income household could afford (\$290,000) and the median priced house (\$310,000). The affordability gap would in fact be significantly greater but declining mortgage interest rates as well as a softening housing market have made housing more affordable in Barnstable and throughout the Cape and much of the country. In fact only two years ago the gap was approximately \$217,500. However more stringent financing requirements, including down payments of at least 20% of the purchase price, are in effect widening the affordability gap.



## 1.2. Definition of Affordable Housing

There are a number of definitions of affordable housing as federal and state programs offer various criteria. For example, HUD generally identifies units as affordable if gross rent (including costs of utilities borne by the tenant) is no more than 30% of a household's income (with a small deduction for each dependent, for child care, for extraordinary medical expenses, etc.) or if the carrying costs of purchasing a home (mortgage, homeowners association fees, property taxes and insurance) is not more than 30% of income. If households are paying more than these amounts, they are described as experiencing housing affordability problems; and if they are paying 50% or more for housing, they have severe housing affordability problems and heavy cost burdens.

Affordable housing can also be defined according to percentages of median income for the area. Housing subsidy programs can be targeted to particular income ranges depending upon programmatic goals. Affordable housing can also be defined according to percentages of median income for the area. Housing subsidy programs can be targeted to particular income ranges depending upon programmatic goals. Extremely low-income housing is directed to households with incomes at or below 30% of area median income as defined by the U.S. Department of Housing and Urban Development (\$20,950 for a family of three for the Barnstable area) and very low-income is defined as households with incomes less than 50% of area median income (\$34,900 for a family of three). Low- and moderate-income generally refers to the range between 51% and 80% of area median income (\$55,900 for a family of three at the 80% level). These income levels are summarized in Table 1-2.

**Table 1-2**  
*2009 Income Levels for Affordable Housing in the Barnstable Area*

<i># Persons in Household</i>	<i>30% of Median Income</i>	<i>50% of Median Income</i>	<i>80% of Median Income</i>
1	\$16,300	\$27,150	\$43,450
2	18,650	31,050	49,700
3	20,950	34,900	55,900
4	23,300	38,800	62,100
5	25,150	41,900	67,050
6	27,050	45,000	72,050
7	28,900	48,100	77,000
8+	30,750	51,200	81,950

*2009 Median Household Income for the Barnstable Metropolitan Statistical Area (MSA) = \$75,400*

The state established legislation for promoting affordable housing under Chapter 774 of the Acts of 1969, creating the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B).<sup>3</sup> This legislation allows developers to override local zoning if the project meets certain requirements and the municipality has less than 10% of its year-round housing stock defined as affordable under the 40B Subsidized Housing Inventory. In calculating a community's progress toward the 10% Chapter 40B goal, the state counts a housing unit as affordable if it is created by state or

<sup>3</sup> Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

federal programs that support low- and moderate-income households earning at or below 80% of area median income.

**FOR THE PURPOSES OF CHAPTER 40B, AFFORDABLE HOUSING IS GENERALLY DEFINED AS HOUSING UNITS THAT ARE:**

- Subsidized by an eligible state or federal program.
- Subject to a long-term deed restriction limiting occupancy to income eligible households for a specified period of time (at least 30 years or longer for newly created affordable units, and at least 15 years for rehabilitated units).
- Subject to an Affirmative Fair Housing Marketing Plan.

Based on the Massachusetts Department of Housing and Community Development's most recent data on Barnstable's supply of affordable housing included in the state's Subsidized Housing Inventory, the Town had 20,266 year-round housing units, of which 1,362 are currently counted by the state as affordable, representing 6.87% of the year-round housing stock. Recent development and pipeline projects should push Barnstable beyond the 7% threshold, but the town will still have a significant challenge to meet the 10% affordability standard. Assuming future housing growth, this 10% figure is a moving target and ultimately the required minimum number of year-round units will increase over time.

Additionally, most state-supported housing assistance programs are targeted to households earning at this same level, at or below 80% of area median income, however, others, particularly rental programs, are directed to those earning at lower income thresholds. For example, the Low Income Housing Tax Credit Program that subsidizes rental units are targeted to households earning within 60% of median income, \$39,960 for a family of three in Barnstable. First-time homebuyer programs typically apply income limits of up to 80% of area median income. It is worth noting that according to the 2000 census, approximately 7,500 households or almost 40% of Barnstable's total households would have been income-eligible for affordable housing using the 80% of area median income criterion without reference to other financial assets.

The Community Preservation Act allows Community Preservation funding to be directed to those within a somewhat higher income range – 100% of area median income – now commonly referred to as "community housing". Additionally, some housing developments incorporate several income tiers. For example, one project could combine units for those earning at or below 80% of area median income, moderate-income "workforce" units for those earning between 80% and 120% of median income, and even some market rate units to help cross-subsidize the more affordable ones. A rental project might include a couple of tiers below the 80% level in addition to workforce and/or market rate units. It should be noted, however, that those units that involve occupants with incomes higher than 80% of area median income, while still serving local housing needs, will not count as part of the Subsidized Housing Inventory and help the Town reach its 10% affordability goal unless they are part of a Chapter 40B rental development where 100% of the units would qualify for inclusion in the SHI.

## 1.3. The Planning Process and Housing Goals

This Housing Production Plan builds on prior planning efforts, updating and augmenting previous housing needs assessments and plans and insuring compliance with new Housing Production requirements under Massachusetts General Law Chapter 40B, 760 CMR 56.00. In January 2001, the Barnstable Town Council unanimously approved a town-wide Affordable Housing Plan with the goal of producing 1,000 units of affordable housing over a ten-year period. In March 2004, the state's Department of Housing and Community Development (DHCD) approved the Town's Plan with accompanying and required Housing Needs Assessment under the state's Planned Production Program, a precursor to Housing Production. Because the Town of Barnstable successfully produced at least 0.75% of the year-round housing stock (152 units), the Town's Affordable Housing Plan was "certified" by DHCD in September 2004, giving the Town full control over all proposed housing development including those it might find inconsistent with local needs. The certification period for Barnstable ended in August 2005, but the Town continues to work towards recertification, this time under new state regulations and guidelines that actually lower annual production goals to 0.50% of the year-round housing stock or 101 units.

In 2008, the Town finalized the draft Community Housing section of its Comprehensive Plan. With the completion of this Housing Production Plan, the Community Housing section will be further revised to insure compatibility between the documents. The Comprehensive Plan includes a vision statement which is presented below.

*The seven diverse yet interconnected villages of Barnstable form one community that is an integral part of Cape Cod. As the town in 2008 has been shaped by its past, through this plan Barnstable will shape a sustainable future. The Town will preserve its history, environment and community for future generations through active stewardship of community character and quality of life while balancing growth, infrastructure and natural systems.*

This Housing Production Plan acknowledges the interconnection of the seven villages and the importance of managing growth to maintain community character and natural resources. It also incorporates a number of housing-related goals. The first goal, included in the Comprehensive Plan, provides an overriding housing and development goal to establish a broad context from which the housing strategies included in Section 6.0 relate.

*Sustain diverse villages and livable neighborhoods for year-round residents while providing housing opportunities for all.*

The following additional goals were derived largely from the 2003 Housing Needs Assessment that was incorporated in the 2004 Affordable Housing Plan, augmenting the overriding goal above.

- Provide *at least* 10% of its year-round housing as decent, safe, and affordable housing.
- Ensure the distribution of affordable housing throughout the seven villages.
- Promote the provision of fair, decent and safe affordable housing, for rental and purchase, which meets the present and future needs of the low- to moderate-income residents (incomes less than 80% of the county median income) of Barnstable.
- Integrate the development of affordable housing with the protection of the Cape's environment.
- Promote a balanced and sustainable community, which provides reasonable accommodation of people in diverse populations and income levels.

- Preserve and improve the fabric and quality of community life in Barnstable by retaining an adequate mixture of income levels, work skills, talent, and participation in the community.
- Preserve existing affordable housing.
- Promote smart growth principles to the greatest extent possible providing direction and incentives for guiding growth in more appropriate configurations and locations.

## 1.4. Summary of Development Challenges

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By most measures, there has been a crisis of affordability in the housing sector in Barnstable. Median home prices and rents have exceeded the median income household's ability to pay by large amounts. Said differently, in 2000 more than half of the Town's households could not afford to purchase or rent a new or existing home in the Town. The situation for the next few years only got worse as housing prices soared, with median house values going from \$171,500 in 2000 to \$482,500 in 2007. Historically high market prices of housing led to a shortage of affordable housing, especially rental housing, and contributed to homelessness; community loss of valuable, contributing, young families and individuals; higher costs for goods and services; greater inconvenience in securing services; stressful and frequently uprooted lives; and poor attention to maintenance of rental housing. Since then housing prices have declined in response to a national recession with prices down to \$407,500 as of the end of 2008, still high, and then plummeting to \$310,000 as of the end of March 2009. While prices now are much more affordable, Barnstable and the Cape is confronting other significant challenges including that of securing mortgage financing and holding off increasing foreclosures.

Barnstable has experienced housing growth, mostly in the higher end of the housing market as second-home purchasers and retirees have largely driven the market. Appropriately, the Town of Barnstable has ambitiously pursued affordable housing solutions that bring annual production totals of such units higher. Increased annual production is further encouraged by changes to housing policy at the state level, which reward higher affordable production communities by allowing them local control over all future affordable housing development proposals while their production is sustained, through Housing Production on which this Plan is based.

The Town of Barnstable had, as of September, 2003, 1,036 units of state-approved affordable housing that was counted toward fulfillment of the state's goal of 10% of the year-round housing stock as affordable and has subsequently increased the Subsidized Housing Inventory to 1,362 units as of June 5, 2009. Based on a total year-round housing unit count of 20,266, the total amount needed to satisfy this goal is 2,027 units, thus Barnstable still needs to produce 665 additional affordable units without consideration of housing growth. When the 2010 census becomes available the number of year-round units on which the 10% goal is based will be higher, closer to 21,300 units, and thus the affordability goal will likely involve a gap of 768 units assuming production goals are met during 2010 and 2011.<sup>4</sup>

Undertaking a more proactive housing agenda to promote affordable housing will be a significant challenge in Barnstable. First, the town's resources for absorbing growth are limited given significant physical constraints. In addition to the considerable extent of the town's preserved open and recreational space and sensitive environments, Barnstable has no sewer or water services in many areas, making denser development more costly and difficult. This raises concerns among residents about water supply and water quality impacts of any new developments. The town's numerous natural features, many of which have attracted visitors for years, as well as the area's environmental systems are fragile. Given increases in population and development, including seasonal visitors that boost the town's population to more than 125,000, it will be essential for the community to continue to monitor and address impacts from growth related to the drinking water supply, effects on natural resources, traffic congestion and basic service delivery.

Second, while the Town of Barnstable has made significant strides in amending its local zoning ordinance to promote smart growth principles and better integrate affordable housing into new development, zoning still presents some obstacles to affordable and workforce housing development, and current regulations would have to be reformed or in many cases overridden through "friendly" comprehensive permits to overcome these barriers. Zoning for denser development also raises local

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<sup>4</sup> Figures take into consideration new unit development since 2000, pipeline projects and assume new units are for year-round use.

questions concerning capacity and changing the very nature of the community with its small coastal town distinctions.

Third, the Town needs to continue to be strategic in effectively managing the Town's limited assets as a whole and directing growth for the overall environmental and social health of the community. Besides Community Preservation Funds, Barnstable has established an Affordable Housing Trust Fund that has been capitalized from several sources. It also has CDBG funding to apply to affordable housing efforts. Because the Town has limited commercial and industrial uses, it relies predominantly on property taxes raised through its residential base. While tax revenues increased substantially for awhile based on rising property values, Barnstable, like other nearby communities, has a relatively low tax rate of \$6.90 per thousand<sup>5</sup> as opposed to more than \$15.00 per thousand in quite a few other communities in the Boston region.

Due to the still high costs of homeownership, including related costs associated with taxes, insurance and utilities, some residents continue to find it difficult to afford to remain in Barnstable. Children who grew up in the town are now facing the possibility that they may not be able to return to raise their own families locally particularly given the lack of job prospects. Long-term residents, especially the elderly, are finding themselves less able to maintain their homes and keep up with increased expenses, but are unable to find alternative housing that better meets their current life styles. Families are finding it more difficult to "buy up," purchasing larger homes as their families grow. Town employees and employees of local businesses are increasingly hard pressed to find housing that is affordable, particularly affordable rentals. Clearly more housing options are still required to meet local needs.

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<sup>5</sup> For fiscal year 2009.

## 1.5. Summary of Housing Needs

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The Housing Needs Assessment, which is a major component of this Housing Production Plan, examines market conditions as well as demographic and housing trends, local resources, and affordability gaps to determine priority local needs.

### **Rental Housing is Top Need**

Barnstable loses a substantial amount of year-round housing units to retired and second homebuyers. Due to the town's popular mid-Cape geographic location, and because its housing stock is primarily comprised of single-family detached homes, houses are being purchased as second homes by off-Cape residents. A declining availability of buildable land exacerbates the problem.

This conversion trend has had the greatest impact on rental housing, driving rents up beyond affordable limits. The greatest need in the Town is for rental housing, especially with monthly rents of at least \$1,100, not including the costs of utilities, which are beyond the means of most who are looking for rental options. While Barnstable has a greater supply of rental housing than surrounding communities, its needs continue to be greater largely because of the concentration of service sector jobs in the Town and the economic growth generated by ongoing population growth in the region.

Additional factors that demonstrate the serious need for affordable rental housing include:

- Those with very limited incomes, the most vulnerable residents in town, require subsidized rental housing, particularly given the high rents that continue to be charged as well as requirements related to paying a first and last months rent in addition to a security deposit before even entering into a lease.
- The National Low Income Housing Coalition's annual report, "Out of Reach", indicated market rents require at least an hourly wage of \$23 or \$47,680 annually, assuming that the household paid no more than 30% of their income on housing-related expenses.
- Despite increasing household wealth, there are substantial numbers of households with incomes below \$25,000 that included 4,835 households or about 25% of all households, based on 2000 census data. There are substantially more of these households than subsidized units available (1,362 units), and they are challenged to compete in Barnstable's private, unsubsidized housing market.
- There were 7,506 households with incomes at or below 80% of the 2000 area median income. Therefore, based on income alone, about 40% of Barnstable's households might have qualified for housing assistance without consideration of other financial assets.
- The absolute numbers and proportion of those with incomes below the poverty level (\$10,400 for an individual and \$17,600 for a family of three in 2008) actually increased from 1989 to 1999 from 6.6% of the population to 8.8% and from 2,711 people in poverty to 4,173.
- There were 1,991 households earning at or below 30% of area median income, referred to by HUD as extremely low-income households, and of these 1,147 were renters. Of these renter households, almost 60% were spending more than 50% of their income on housing-related expenses.
- Of the 823 renter households earning between 30% and 50% of area median income, referred to as very low-income households, about 36% were spending more than 50% of their income on housing.
- There are also limited housing options for seasonal workers who are essential for sustaining Barnstable's significant resort economy.
- The Leadership Council to End Homelessness on Cape Cod and the Islands counted 932 homeless individuals in its point in time census of the homeless in 2008. This was higher than the 904 counted in 2007, and given current economic conditions is likely to be higher still in 2009. A substantial portion of these homeless was counted in Hyannis, where services for the homeless are concentrated.

### **First-time Homeownership Opportunities Second Need**

While Barnstable has a relatively large population of renters, it also has a great need to accommodate the housing needs of a more permanent workforce. The composition of this sector is largely professional and managerial workers, such as teachers, medical technicians, public safety personnel, administrators, managers, etc. The secondary ranking for retention of these types of workers after service sector workers is due only to the numbers of each. However, professional and managerial workers tend to have greater job stability and greater earning power, both important conditions for viable homeownership. This more settled population is also likely to have growing families in need of homes with three or more bedrooms. As households move from rental units to homeownership, they offer some new availability in the rental stock as well.

Based on historic demographic characteristics, ownership units are more likely to be occupied by long-time residents, which enhance stability and a sense of community. Retaining workers in the community is dependent in large measure on the ability of new households to form and raise families reasonably close to employment centers. The forms of housing choice for this population should be quite varied so as to allow choices at all price levels. While subsidized first-time homebuyer opportunities are greatly needed to attract younger adults to the community, the Town's homeownership agenda should also focus on two additional needs. First, the problem of growing foreclosures, housing abandonment in particular, will require additional money and special initiatives to address. Second, the Town should focus resources on the needs of seniors to be able to downsize and find housing in town that requires little or no significant maintenance, is more likely to be barrier free, and also includes some supportive services to allow them to remain independent in their own homes for as long as possible.

### **People with Disabilities and Special Needs**

For Barnstable and the County as a whole in 2000, disabled people were about 16% of the noninstitutionalized population over age 5. There were no unusual concentrations of this population among the villages, but the largest concentration of noninstitutionalized disabled residents (34% or 2,435) was in Hyannis. Some 3,000 residents (6% of the Town's total 2000 population based on a sample) reported they had an employment disability. However, it is not known how well-housed any of these residents were in 2000 or what their household incomes were.

The affordability gap is likely the widest for the disabled, those on public assistance, the elderly, minorities and the unemployed. It can be estimated that the disabled population that could not work was probably challenged to keep or find housing. While Social Security and/or Supplemental Security Income would be the likely type of income in most of these households, together with other potential sources, there would be implicit limitations in competing in the housing marketplace not just due to prevailing high rental prices but also to the scarcity of affordable, barrier-free units.

Barnstable continues to house a substantial number of individuals with various special needs, including people with AIDS, mental retardation, and mental illness. These housing needs are typically met in group homes or congregate settings.<sup>6</sup> Programs to develop and operate such housing should be encouraged to continue, as the need for them will grow with the general population. The Town of Barnstable is fortunate to have a number of highly proficient special needs providers who have sponsored residential housing development and supportive service programs.

### **Suggested Proportions**

This Housing Plan establishes the following proportionate shares of housing needs and proposes that they be applied, to the greatest extent possible, in each village as opportunities for affordable housing arise.

- 75% rental (2 and 3 bedroom, primarily for the resident labor force) and some studios.
- 25% ownership with 20% for first-time homebuyers, including buy-downs of foreclosed properties, and 5% for seniors.

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<sup>6</sup> It should be noted that group homes are required by State law to be treated under zoning as single-family uses.



- Of all new units created, 10% should be barrier free and/or have supportive services, 20% in the case of housing for seniors.

## 1.6. Summary of Production Goals

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The state administers the Housing Production Program that enables cities and towns to adopt an affordable housing plan that demonstrates production of .50% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory. Barnstable would have to produce at least 101 affordable units annually to meet these production goals through 2010. Despite considerable progress towards promoting affordable housing in recent years, it will still be a substantial challenge for the Town to meet this prescribed annual affordable housing production goal, which is then likely to increase to about 106 units after the next decennial census count becomes available. If the state certifies that the locality has complied with its annual production goals, the Town may be able, through its Zoning Board of Appeals, deny comprehensive permit applications.<sup>7</sup>

Production goals over the next five (5) years include the creation of 523 affordable units and 4 workforce units<sup>8</sup>, and 798 market units with 1,325 total projected number of housing units created.

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<sup>7</sup> If a community has achieved certification within 15 days of the opening of the local hearing for the comprehensive permit, the ZBA shall provide written notice to the applicant, with a copy to DHCD, that it considers that a denial of the permit or the imposition of conditions or requirements would be consistent with local needs, the grounds that it believes have been met, and the factual basis for that position, including any necessary supportive documentation. If the applicant wishes to challenge the ZBA's assertion, it must do so by providing written notice to DHCD, with a copy to the ZBA, within 15 days of its receipt of the ZBA's notice, including any documentation to support its position. DHCD shall review the materials provided by both parties and issue a decision within 30 days of its receipt of all materials. The ZBA shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be consistent local needs, provided, however, that any failure of the DHCD to issue a timely decision shall be deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days.

<sup>8</sup> Workforce units are defined in this Plan as those earning between 80% and 120% of area median income who are still largely priced out of the existing housing market.

## 1.7. Summary of Housing Strategies

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The strategies outlined below are based on previous plans, reports, studies, the Housing Needs Assessment, local housing goals and the experience of other comparable localities in the area and throughout the Commonwealth. The strategies also reflect state requirements that ask communities to address a number of major categories of strategies to the greatest extent applicable:<sup>9</sup>

It should be noted however, that while a major goal of this Plan is to eventually meet the state's 10% goal under Chapter 40B, another important goal is to serve the range of local housing needs and there are instances where housing initiatives might be promoted to meet these needs that will not necessarily result in the inclusion of units in the Subsidized Housing Inventory (examples include workforce housing for those earning between 80% and 120% of area median income).

Within the context of the compliance issues, local needs, existing resources, affordability requirements, and the goals listed in Section 1.3 of this Plan, the following housing strategies are offered for consideration. It is important to note that these strategies are presented as a package for the Town to consider, prioritize, and process, each through the appropriate regulatory channels. Moreover, the proposed actions present opportunities to judiciously invest limited Community Preservation funding, Affordable Housing and Economic Development Trust Funds, CDBG allocations and other resources to build local capacity, modify or create new local zoning provisions and development policies, subsidize actual unit production (predevelopment funding and/or subsidies to fill the gap between total development costs and the affordable rent or purchase prices), leverage additional resources, and help preserve the existing affordable housing stock.

### **Promote Greater Local Coordination and Monitoring of Affordable Housing Activities**

While the following strategies do not directly produce affordable units, they provide the necessary support to implement a proactive housing agenda and build local support for new affordable housing initiatives.

#### *Conduct Ongoing Community Education*

Opportunities to engage the community in discussions on affordable housing and to present information on the issue are needed to continue to dispel myths and misinformation and help galvanize local support, political and financial, for new affordable housing production. These outreach efforts are mutually beneficial as they provide useful information to community residents and important feedback to local leaders on local concerns and suggestions. The presentation of this Housing Production Plan offers an opportunity to bring attention to the issue of affordable housing, offering information on housing needs and proposed strategies that can help attract community support for affordable housing initiatives. Other education opportunities should be pursued as well.

#### *Coordinate the Investment of Local and Regional Resources for Affordable Housing*

The Town of Barnstable has important local and regional resources to serve the housing needs of its citizens, particularly those of low- and moderate-income. These resources are summarized in Section 2.4.2 of this Plan. The use of these programs, separately or in tandem, will be essential in filling the gap between the costs of development and what qualifying occupants of the housing can afford.

#### *Monitor Needs of the Homeless*

The Barnstable Human Services Committee will be responsible for monitoring the needs of homeless families and individuals particularly in regard to the use and adequacy of services and programs for the homeless. The Human Services Committee will also advise the Town

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<sup>9</sup> Massachusetts General Law Chapter 40B, 760 CMR 56.03.4.

Manager's Office on any additional need for additional resources and intervention should the need arise.

*Monitor Progress in Implementing this Housing Plan*

The Growth Management Department will track the progress that is being made in the implementation of this Housing Production Plan and provide biannual updates to the Town Council and Housing Committee.

*Update the Housing Needs Assessment and Housing Production Plan*

The Growth Management Department will update this Housing Plan as needed and required by DHCD, at least every five (5) years based on current state regulations and guidelines.

*Monitor and Reconcile the Subsidized Housing Inventory*

Based on how housing was financed, how long the affordability requirements were established, and other stipulations in affordability agreements, the affordable status of housing units may be in jeopardy in many communities in the future. Barnstable's existing Subsidized Housing Inventory includes a number of projects where affordability restrictions are currently projected to expire at some point in the future, which need to be monitored and maintained as affordable.

**Modify Zoning and Other Regulatory Tools**

The Barnstable Zoning Ordinance should be revisited and modified to remove impediments to the development of affordable housing. Such a review process will be overseen by the Growth Management Department, in coordination with the Planning Board and Housing Committee, and include the following possible components:

*Fine-tune Existing Zoning Ordinances*

The Barnstable Zoning Ordinance should be revisited and modified to remove impediments to the development of affordable housing. Such a review process will be overseen by the Growth Management Department, in coordination with the Planning Board and Housing Committee, and include the following possible components:

- Analyze development and redevelopment opportunities in locations appropriate to increase density.
- Conduct a Town-wide analysis of zoning districts showing districts where multi-family housing is allowed as-of-right, as a conditional use or prohibited and convey results and recommendations for changes.
- Amend 240-21 A(9)(i) of the Zoning Ordinance to condition the grant of a Special Permit that allows an increase in the maximum lot coverage to 50% based on the developer agreeing to provide a 50% increase in the number of affordable units.
- Grant density bonuses in appropriate locations for developments that provide the highest feasible level of affordability and serve the most vulnerable segments of the community.
- Allow two-unit infill housing as-of-right if one of the units is affordable.

*Provide Zoning Incentives for Workforce Housing*

The Town of Barnstable has incorporated requirements to create workforce housing through its rezoning of downtown Hyannis, in its Medical Services District specifically, but should explore extending such requirements to other areas at some point in the future. As housing prices continued to soar throughout most of the last few years, communities, including Barnstable, sought to extend assistance to those earning between 80% and 120% of area median income but still typically priced out of the private housing market, referred to as workforce assistance. It should be noted, however, that unlike only months ago, the affordability gap has narrowed considerably and those earning between 80% to 120% of area median income are now better able to access units on the private housing market, however, securing financing has been a particular obstacle, particularly for condos. There still remains little affordable rental housing in Barnstable, however.

### *Provide Regulatory Incentives to Stimulate Affordable Housing*

There are a number of measures that the Town of Barnstable can consider that might not only stimulate the creation of affordable housing but also help subsidize its costs and establish a friendlier regulatory environment for the sponsors of such housing. These measures might include:

- Consider a reduction in permitting fees to contribute to the financial feasibility of the conversion of existing housing to affordable rental units when the economy rebounds.
- Explore methods to allow inclusionary units to be placed offsite and/or payment in-lieu of units.
- Draft a local comprehensive permit policy that expedites the Chapter 40B process provided certain agreed upon criteria are met.

### *Insure Compliance with Title V*

Based on the environmental fragility of Barnstable and Cape Cod in general, it is important that any affordable housing development comply with Title V. To promote this compliance and reasonable densities that make affordable housing feasible, this Plan suggests the following strategies be considered:

- Permit increased density for affordable housing development in appropriate locations in the aquifer protection zones where regulatory authorities find a substantial public benefit.
- Encourage the use of cumulative loading analyses to allow increased density for affordable housing. Town staff will work with regulatory authorities to confirm appropriate set-aside areas for site-specific cumulative loading analyses.
- Encourage the use of alternative septic technologies to offset impacts of increased density for affordable housing developments in areas unlikely to be served by public sewers.
- Allow increased density for affordable housing developments in appropriate locations and served by Public Sewer Treatment Facility (PSTF) systems as established by the Town according to the Wastewater Facilities Plan.

### *Change Accessory Apartment Ordinance to Allow Owners to Reside in Accessory Units*

Unlike most accessory unit provisions in local zoning, the Barnstable Zoning Ordinance does not allow the owner to live in the accessory unit or vice versa. There should be greater flexibility in this ordinance to promote its use.

### *Explore Feasibility of Adopting Parts of Dennis' Affordable Housing Bylaw<sup>10</sup>*

The Town of Dennis amended its zoning bylaw to include a number of provisions to encourage the development of affordable housing by creating incentives that would help people who, because of rising land prices, have been unable to obtain suitable housing at an affordable price and to maintain a stable economy by preventing the out-migration of residents who provide essential services. Barnstable should review this Affordable Housing Bylaw and consider sections that might be adapted to serve local needs and priorities.

### **Continue to Pursue Partnerships to Produce and Preserve Affordable Housing**

To accomplish the actions included in this Housing Plan and meet production goals, it will be essential for the Town of Barnstable to continue to reach out to the development community and sources of public and private financing to secure the necessary technical and financial resources. While some of the units produced may rely on the participation of existing property owners, most of the production will continue to rely on joint ventures with developers – for profit and non-profit – to create affordable units, which the Town has been actively pursuing over the past few years.

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<sup>10</sup> Dennis Zoning By-law, Section 4.9.

### *Continue to Make Suitable Public Land Available for Affordable Housing*

One of the biggest barriers to developing affordable housing in Barnstable is the lack of land available for development. To address this problem, a primary focus of the Town Council and Town Manager has been to utilize Town-owned land for the development of affordable housing. The Growth Management Department has been undertaking a comprehensive review of surplus Town-owned property and assessing its suitability for development. The Town, through its Growth Management Department, should continue to pursue the development of public land and work with landowners to obtain land donations to secure additional property to continue to diversify the Town's housing stock and simultaneously meet production goals.

### *Continue to Fund Key Programs*

The Town of Barnstable has made great strides in promoting affordable housing and has developed and funded important initiatives directed to not only new unit creation but also the conversion of existing housing into affordable units and housing rehabilitation. The Town should continue to provide funding to build on the impressive work that has been done to date.

### *Ensure the Distribution of Affordable Housing Throughout the Seven Villages*

Based on housing goals, the Town is committed to making progress in distributing affordable housing, including all types of housing (i.e., rental, ownership, elderly, special needs and family housing), to all villages as follows:

- Aim to provide at least 10% of the villages' year-round housing stock as affordable in accordance with MGL Chapter 40B. This Plan and its succeeding versions, will document the affordable housing units and percentages by village.
- Encourage mixed-use affordable housing that is close to transportation in the village centers.
- Research, identify and promote innovative wastewater management technologies that would allow higher densities in village areas with inadequate infrastructure.
- Identify and fund essential infrastructure improvements necessary to affordable housing development in village centers.
- Encourage small-scale affordable housing development in village centers including the conversion of existing housing to long-term affordability.

### *Promote Adaptive Reuse*

The Growth Management Department should identify nonresidential properties that are potentially suitable for conversion to residential use, including some amount of affordable housing, and identify appropriate funding sources and develop a program to acquire, improve and convert to long-term affordability, whether through rental or homeownership.

### *Continue to Promote Mixed-Use Development*

Barnstable's Zoning Ordinance allows mixed-use development through its rezoning of downtown Hyannis and in most village centers. There may be opportunities to modify the Ordinance to better promote mixed residential and commercial uses in the seven village centers that will add to the vitality of these areas without creating any significant negative impacts.

### *Address Foreclosure Crisis*

The range of foreclosures has negatively impacted the Town of Barnstable as neighborhoods are showing signs of decline with reduced selling prices. Barnstable ranks 12<sup>th</sup> in the state for the highest number of foreclosures, and particularly alarming is that 67% of the foreclosures are concentrated in downtown Hyannis. In addition to a recent allocation of Neighborhood Stabilization Funds, the Town should continue to research and pursue possible resources for addressing foreclosed and abandoned properties.

The Town of Barnstable has much to be proud of given the effectiveness of past and current efforts to promote housing diversity and meet the wide range of local housing needs. The Town has produced almost 1,400 affordable units with about another hundred or so in the pipeline that will push Barnstable beyond the 7% affordability level. As Barnstable moves forward with the implementation of these housing strategies, it is cognizant of the need to maintain valuable partnerships with non-profit and for profit developers, to be creative in amending zoning provisions to better integrate affordable housing in all seven (7) villages and guide it to appropriate "smart" locations, and to continue to strategically invest local resources, including land and subsidy funds, that leverage other public and private resources and meet its housing goals.

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## 2. HOUSING NEEDS ASSESSMENT

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*This Housing Needs Assessment presents an overview of the current housing situation in the town of Barnstable, providing the context within which a responsive set of strategies can be further developed to address housing needs and meet production goals.*



## 2.1. Demographic Characteristics and Trends

### 2.1.1. Population Change and Composition

Population growth has put significant pressures on the town, local services and the housing market in particular, and is summarized in Table 2-1 and visually presented in Figure 2-1 right below. Table 2-1 also shows that based on projections, the population has decreased somewhat to 46,738 residents, down from 47,821 in 2000.

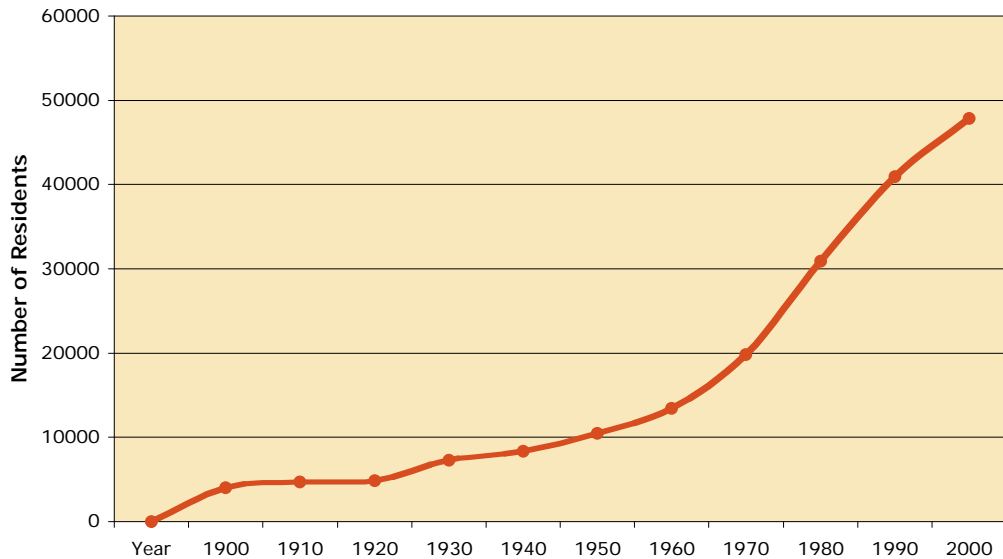
**Table 2-1**  
*Population Change, 1960-2000*

<i>Year</i>	<i>Population</i>	<i>Increase in # Residents</i>	<i>Percentage Change</i>
1900	4,023	--	--
1910	4,676	653	16.2
1920	4,836	160	3.4
1930	7,305	2,469	51.0
1940	8,333	1,028	14.1
1950	10,480	2,147	25.8
1960	13,465	2,985	28.5
1970	19,843	6,378	47.4
1980	30,898	11,055	55.7
1990	40,949	10,051	32.5
2000	47,821	6,872	16.8
July 2006	47,360	-461	-1.0
July 2007*	46,738	-622	-1.3

*Source: U.S. Census Bureau and Town records or projections.*

*\* Donahue Institute of the University of Massachusetts.*

**Figure 2-1**  
***Barnstable Population Growth 1900 to 2000***



During the last several decades of the 20<sup>th</sup> Century, Barnstable experienced a dramatic growth spurt, increasing in population from 13,465 in 1960 to 47,821 in 2000. Between 1970 and 1990 alone, the town's population more than doubled. Almost another 7,000 residents came to live in Barnstable between 1990 and 2000, representing a 6.8% increase in population but also signaling some slow down in growth. The Town does not keep updated information on new residents but the Town Clerk's Office indicated that while the Town has certainly experienced some increase in population, it has not been substantial since 2000. However, 947 new housing units were added to the housing stock since 2000 through mid-May 2009.

A more detailed summary of demographic changes from 1980 to 2000 is summarized in Table 2-2. Most notable is the considerable increase in the minority population from 1980 to 2000, almost tripling in size, from 1,304 residents to 3,897, while the town's overall population growth during this same time period was 55%. The Town of Barnstable was actually ranked third as the most diverse community on Cape Cod given the proportion of minority residents. Additionally, there was substantial growth in non-family households, from 3,535 such households in 1980 to 6,621 in 2000, an 87% increase. This is reflective of regional and national trends towards smaller, more nontraditional households.

**Table 2-2**  
*Demographic Characteristics, 1980-2000*

	1980		1990		2000	
	#	%	#	%	#	%
<i>Total Population</i>	30,898	100.0	40,949	100.0	47,821	100.0
<i>Minority Population*</i>	1,304	4.2	2,241	5.5	3,896	8.2
<i>Total # Households</i>	12,057	100.0	16,601	100.0	19,626	100.0
<i>Family Households</i>	8,522	70.7	11,116	67.0	13,005	66.3
<i>Female Heads of Households with Children **</i>	843	7.0	1,112	6.7	1,234	6.3
<i>Non-family Households **</i>	3,535	29.3	5,485	33.0	6,621	33.7
<i>Average Household Size</i>	Not Available		2.40 persons		2.38 persons	

*Source of above table: U.S. Census Bureau, 1980, 1990 and 2000*

*\*All non-White classifications*

*\*\* Percent of all households*

The percentage of female-headed households with children declined somewhat as a percentage of all households, from 7.0% to 6.3% but grew by 391 such households from 1980 to 2000. The average household size decreased slightly from 2.40 persons to 2.38 persons, largely reflective of more non-family households and resulting fewer children.

While the Town of Barnstable's population grew by 55% to a total of 47,821 residents between 1980 and 2000, it also changed in composition. Most significant was a net loss of those age 21 to 34 years, from 20.7% of the population in 1980 to 13.5% in 2000, which tracks with national trends. In fact this age group increased by only 32 residents during this timeframe. However, the impact in Barnstable may be greater than other areas that do not rely so heavily on this age group in its services sector. (See also Section 2.2 on employment.) Continued efforts to subsidize first-time homeownership and provide a range of rental opportunities and jobs for this age group will be needed to boost the levels of young adults and families, to maintain needed service workers and the diversification of the population.

**Table 2-3**  
**Age Distribution**  
**1980-2000**

	1980		1990		2000	
	#	%	#	%	#	%
<i>Under 5 Years</i>	1,712	5.5	2,671	6.5	2,509	5.2
<i>5 - 17 Years</i>	5,744	18.6	6,055	14.8	7,989	16.7
<i>18 - 20 Years</i>	1,218	3.9	1,362	3.3	553	1.2
<i>21 - 24 Years</i>	1,704	5.5	2,009	4.9	1,472	3.1
<i>25 - 34 Years</i>	4,698	15.2	6,315	15.4	4,962	10.4
<i>35 - 44 Years</i>	3,139	10.2	6,234	15.2	7,847	16.4
<i>45 - 54 Years</i>	2,786	9.0	3,924	9.6	7,124	14.9
<i>55 - 59 Years</i>	2,077	6.7	1,871	4.6	2,736	5.7
<i>60 - 64 Years</i>	1,958	6.3	2,223	5.4	2,354	4.9
<i>65 - 74 Years</i>	3,631	11.8	4,842	11.8	5,007	10.5
<i>75 - 84 Years</i>	1,681	5.4	2,583	6.3	3,486	7.3
<i>85+ Years</i>	550	1.8	860	2.1	1,106	2.3
<b>Total</b>	<b>30,898</b>	<b>100.0</b>	<b>40,949</b>	<b>100.0</b>	<b>47,821</b>	<b>100.0</b>
<i>Under 18</i>	7,456	24.1	8,726	21.3	10,498	22.0
<i>Age 65+</i>	5,862	19.0	8,285	20.2	9,599	20.1
<i>Median Age</i>	Not Available		38.1 years		42.3 years	

Source: U.S. Census Bureau, 1980, 1990 and 2000

While the numbers of residents age 21 to 34 years has dropped, the numbers of residents age 45 to 54 years increased dramatically, as did those 65 and older, rising 156% and 64%, respectively, from 1980 to 2000. The population of frail elderly, those 85 years or older, also doubled in size. The result of these changes was that the median age increased by 11%, from 38.1 years to 42.3 years from 1990 to 2000, a substantial jump. *This data suggests the Town continue to promote housing initiatives that integrate handicapped accessibility and supportive services into new housing development or redevelopment to accommodate the needs of an aging population.*

It should also be noted that the numbers of school-age children under 18 decreased as a percentage of population from 24.1% in 1980 to 22% in 2000, also reflective of trends on the Cape, including declining enrollments.

### 2.1.2. Age of Householder & Tenure<sup>11</sup>

The most striking aspect of tenure and age of householder data for 2000 was that as the age of householder went up, the likelihood of homeownership also went up while the drop in age corresponded to an increased share of renter-occupied units. According to the US Census, 2000 data, 51% of all householders under age 35 were renters. Only 17.2% of householders age 65 and up were renters. Householders age 55-64 were least likely to rent of all age groups. Twenty-four percent

<sup>11</sup> Section 2.1.2. and referenced appendices prepared by the Consultant, Michael Pessolano, as part of the 2003 Housing Needs Assessment.

(24%) of all year 2000 households were renter-occupied, down from 29% in 1990. This was due to a loss of rental units and a dramatic increase in new owner units.

### 2.1.3. Income<sup>12</sup>

There are several ways to measure wages and income in the context of housing affordability. These are described below in detail, according to the following headings:

- Average Wages
- Median Household Income
- Median Family Income
- Median Earnings
- Earnings by Type

#### Average Wages

In Barnstable, the average annual wages (earnings by workers) was \$33,592 in 1999 and \$35,592 in 2001. Although average wages increased by 55% between 1991 and 2001, the cost of housing increased much more dramatically over a shorter period.

#### Median Household Income

According to the 2000 US Census, the median 1999 household income (combined income from all sources in a household) among the 19,647 households in Barnstable was \$46,811. Table 2-4 presents income data based on the 1979, 1989 and 1999 census counts. Figure 2-2 graphs this same information visually.

**Table 2-4**  
*Income Distribution by Household, 1979-1999*

	1979		1989		1999	
	#	%	#	%	#	%
<i>Under \$10,000</i>	3,560	29.5	1,873	11.3	1,383	7.0
<i>10,000-24,999</i>	5,545	46.0	4,179	25.2	3,452	17.6
<i>25,000-34,999</i>	1,642	13.6	2,542	15.3	2,437	12.4
<i>35,000-49,999</i>	833	6.9	3,175	19.1	3,154	16.1
<i>50,000-74,999</i>	322	2.7	2,818	17.0	4,237	21.6
<i>75,000-99,999</i>	155	1.3	1,016	6.1	2,309	11.8
<i>100,000-149,999</i>			641	3.9	1,584	8.1
<i>150,000 or more</i>			349	2.1	1,091	5.5
<b><i>Total</i></b>	<b>12,057</b>	<b>100.0</b>	<b>16,593</b>	<b>100.0</b>	<b>19,647</b>	<b>100.0</b>
<b><i>Median income</i></b>	<b>\$16,312</b>		<b>\$33,411</b>		<b>\$46,811</b>	

*Source: U.S. Census Bureau, 1980, 1990 and 2000*

There were substantial decreases in those earning below \$50,000 from 1980 to 2000, as might be expected, however, those earning more than \$75,000 increased from only 155 households in 1979 to almost 5,000 in 1999. In 1979 only 2.7% of households were earning between \$50,000 and \$74,999, but in 1999 this level was 21.6%, a substantial increase. While it is to be expected that the incomes of longer-term residents would increase over time, it was largely the influx of new residents with higher income levels that boosted median income levels.

<sup>12</sup> Section 2.1.3, with the exception of median income, prepared by the Consultant, Michael Pessolano, as part of the 2003 Housing Needs Assessment.

Despite this increasing household wealth, there are substantial numbers of households with incomes below \$25,000 that included 4,835 households or about 25% of all households, based on 2000 census data. There are substantially more of these households than subsidized units available (1,362 units as of June 5, 2009), and they are challenged to compete in Barnstable’s private, unsubsidized housing market. It is likely that many of the households in the lower income ranges may in fact be long-term residents who own their homes, which are now worth considerably more than they paid for them. As such they are cash poor but equity rich. Nevertheless, continued increases in taxes, insurance and energy bills as well as health-related issues, may drive these households out of the community given the relatively limited supply of affordable units for seniors. Also, more barrier-free, service-enriched housing alternatives are needed in town for both seniors and special needs individuals.

**Figure 2-2**  
*Income Distribution by Census*

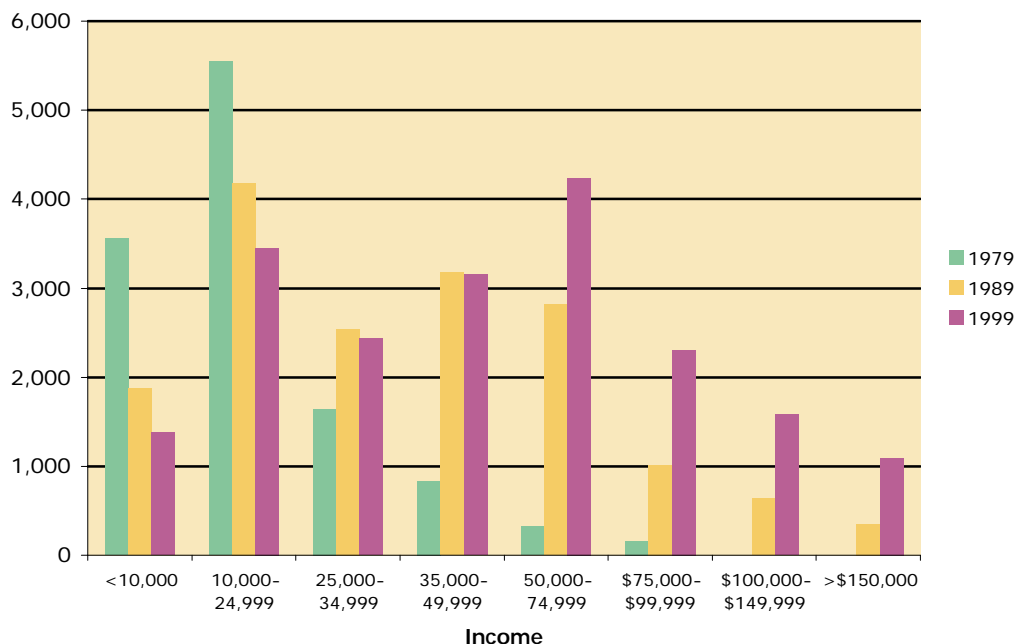


Table 2-5 compares the 1999 income distribution of Barnstable to that of Barnstable County, indicating a fairly comparable spread of incomes.

**Table 2-5**  
*Income Distribution by Household: Barnstable County and Barnstable, 1999*

	Barnstable County		Barnstable	
	#	%	#	%
<i>Under \$10,000</i>	6,478	6.8	1,383	7.0
<i>10,000-24,999</i>	16,843	17.8	3,452	17.6
<i>25,000-34,999</i>	12,148	12.8	2,437	12.4
<i>35,000-49,999</i>	15,935	16.8	3,154	16.1
<i>50,000-74,999</i>	20,425	21.5	4,237	21.6
<i>75,000-99,999</i>	11,243	11.9	2,309	11.8
<i>100,000-149,999</i>	7,605	8.0	1,584	8.1

<i>150,000 or more</i>	4,168	4.4	1,091	5.5
<b>Total</b>	<b>94,845</b>	<b>100.0</b>	<b>19,647</b>	<b>100.0</b>
<i>Median income</i>	\$45,933		\$46,811	

Source: U.S. Census Bureau, 2000

Both the Town and County's median income level was about 10% lower than that of the state at \$50,502. While this data is now almost a decade old, other more recent data is not available for the town. However, projections of median income, based on the percentage increase of HUD area median income levels for Barnstable County of 57% from 2000 to 2009, would put the 2009 median for Barnstable at \$73,493 and for the County at \$72,115, however the 2009 HUD area median income level is a bit higher at \$75,400.

### Median Family Income

This measure of income is typically higher than median household income because of the more consistent presence of two wage earners among families (i.e. single householders and nonfamily households are excluded). The 1999 median family income in Barnstable was \$54,026.

### Median Earnings By Gender and Industry

This measure provides an estimate of income for each year-round, full-time worker by gender. According to the 2000 US Census in Barnstable in 1999, male median earnings were \$41,494 and female earnings were \$30,442, per worker, demonstrating a substantial earning gap between the genders. Median earnings by industry sector are also useful to consider. The following listing of occupations provides annual median wages or wage ranges for salaried workers and hourly rates for unsalaried workers. Many unsalaried positions on Cape Cod are likely to be part-time.

**Table 2-6**  
*Median Earnings by Industry Sector, 2000*

<b>Occupation</b>	<b>Median Salary/Hourly Rate</b>
<i>General managers</i>	\$43,500-\$58,000
<i>Food service managers</i>	\$29,471
<i>Lodging managers</i>	\$31,352
<i>Medical and health care managers</i>	\$48,442
<i>Social and community service managers</i>	\$44,243
<i>Business operations specialists</i>	\$34,000-\$48,000
<i>Social service specialists</i>	\$20,700-\$38,500
<i>Teachers</i>	\$26,000-\$46,000
<i>Health technicians</i>	\$20,000-\$45,500
<i>Health care support</i>	\$8.43-\$17.97
<i>Office workers</i>	\$9.00-\$15.19
<i>Fire fighters</i>	\$21.04
<i>Food service workers</i>	\$6.48-\$11.36
<i>Miscellaneous service workers</i>	\$7.63-\$10.50
<i>Retail workers</i>	\$7.91-\$11.93

Source: MA Dept. of Employment & Training, 2001

The above wage rates, which are representative of typical employment sectors in the Town of Barnstable, indicate very few opportunities for earning the median household income without multiple income sources. While this data is old, it nevertheless shows the proportionate earnings between

types of jobs. Using the increase in HUD area median income between 2000 and 2009, it can be projected that salaries and wages might have increased up to 57% since 2000.

### Mean Earnings by Type

The 2000 US Census identified the numbers of households by the type of earnings used in compiling total household income. There are some multiple income sources per household in these numbers because the percent of total numbers add up to more than 100%. The data shows that almost one-quarter of all households received some retirement income, averaging less than \$20,000, and 35% were receiving Social Security benefits of an average of about \$12,000, many of these households likely receiving both types of income. Another 6% received public assistance or supplemental social security of extremely limited amounts, not sufficient on which to live.

**Table 2-7**  
*Mean Earnings by Type*

<i>Category</i>	<b>Number of Households</b>	<b>Mean Earnings/ Income Households</b>	<b>Percent of Total</b>
<i>With earnings</i>	14,643	\$59,924	74.5
<i>With Social Security income</i>	6,886	\$11,979	35.0
<i>With Supplemental Security income (needy aged, blind, disabled)</i>	858	\$6,176	4.4
<i>With public assistance income</i>	333	\$3,612	1.7
<i>With retirement income</i>	4,599	\$18,451	23.4

*Source: US Census, 2000*

### 2.1.4. Poverty Status

Table 2-8 presents poverty levels in Barnstable from 1979 to 1999. The 2000 census indicates that the absolute numbers and proportion of those with incomes below the poverty level (\$10,400 for an individual and \$17,600 for a family of three in 2008) actually increased from 1989 to 1999, from 6.6% of the population to 8.8% and from 2,711 people in poverty to 4,173. The poverty level for families declined from 1979 to 1989 and then increased to 830 families or 6.3% of all families in 1999. The level of children in poverty fluctuated but was higher in numbers in 1999, increasing from 1,030 to 1,199 children under 18 years of age since 1979, after a significant fall-off in numbers and proportion of all children in 1989. Seniors 65 years and older, who were living in poverty, included 391 residents in 1979, or 6.7% of all seniors, increased to 408 and 4.9% in 1989, and increased still more to 564 seniors or 5.9% of all seniors in 1999.



**Table 2-8**  
**Poverty Status, 1979-1999**

	1979		1989		1999	
	#	%	#	%	#	%
Individuals Below Poverty *	3,091	10.0	2,711	6.6	4,173	8.8
Families **	734	8.6	501	4.5	830	6.3
Related Children Under 18 Years ***	1,030	13.8	720	8.2	1,199	11.7
Individuals 65 and Over ****	391	6.7	408	4.9	564	5.9

Source: U.S. Census Bureau, 1980, 1990 and 2000

\*Percentage of total population for whom poverty status was determined

\*\*Percentage of all families for whom poverty status was determined

\*\*\*Percentage of all related children under 18 years

\*\*\*\*Percentage of all individuals age 65+

The concentration of low-income residents living below the poverty level is contained in two (2) census tracts, both located in the Village of Hyannis – tract #123 had 29% of its residents living below the poverty level and tract #124 with 26% living in poverty. In fact, despite an increase in Hyannis' overall median income between 1990 and 2000, the number of families living in poverty grew by 65.2% in these areas. In addition, 70% of the persons and families living below the poverty level in the entire town lived in Hyannis.

This data demonstrates that, at least in 2000, there still remained a population within the town of Barnstable, including 4,173 individuals and 830 families who had substantial income limitations and may require public assistance to meet their housing needs. How these residents have fared since then is difficult to predict as some may have been forced to leave Barnstable in search of more affordable living conditions, others may have joined the ranks of those living in poverty, while others may have successfully improved their economic situations and have been boosted out of poverty. Escalating housing prices since 2000 until just recently as well as continued high rents could only have worsened the plight of those in poverty.

### **2.1.5. Disability Status**

There was a large segment of the population that reported having at least one disability in 2000. The breakdown of disabled residents by age and status is provided in Table 2-9 below. This data indicate that as of 2000 there were almost 9,000 who claimed a disability or more than 18% of the population – not an insignificant number.

**Table 2-9**  
***Disability Status of the Civilian Noninstitutionalized Population***

<b><i>Population 5 to 20 years</i></b>	<b>9,213</b>	<b>100%</b>
<i>With a disability</i>	1,058	11.5%
<i>Population 21 to 64 years</i>	26,063	100%
<i>With a disability</i>	4,630	17.8%
<i>Percent employed</i>		56.4%
<i>No Disability</i>	21,433	82.2%
<i>Percent employed</i>		80.9%
<i>Population 65 years &amp; over</i>	9,517	100%
<i>With a disability</i>	3,133	32.9%

*Source: US Census, 2000*

## 2.2. Characteristics of Local and Regional Economy<sup>13</sup>

### 2.2.1. Employment

The largest employment sectors in the Town of Barnstable in 2001 were services (9,702 employees) and trade (9,416 employees). These two sectors combined represented 68.2% of all employees in Barnstable at that time. This measure indicates the number of employees by their place of work rather than by where they live. It is the more meaningful measure when considering housing need because it is more specific to a particular community. Employment data by place of residence may tell how many people work in each occupation or industry but the jobs these residents hold are dispersed within the Town as well as beyond town boundaries. In general, employment in the Town of Barnstable, as well as the County of Barnstable, is concentrated in the retail and service sectors, including health care and social services. This has been the dominant pattern for decades. The significance of this is that wages are largely derived from lower paying jobs due to the concentration of low and medium skilled positions in these industries.

The mismatch between wages and housing prices has manifested in the recent and growing trend of employers importing workers from other communities and even other countries. Foreign workers appear to have temporary housing arrangements due to their temporary residency here. Such housing is very likely to be overcrowded and/or employer-supplied. Some retail, lodging and restaurant employers have secured housing for workers to sustain their basic staffing levels during the summer months with many such workers coming from abroad. This activity may serve to reduce the overall supply of housing for workers in general, but data is not available for adequate documentation.

In any event, the importation of workers is necessary because not enough workers exist locally. A likely cause of the shortage of workers is the lack of affordable housing. The significant reduction of residents age 20 to 24 years and 25 to 34 years between 1990 and 2000 (25.7% and 21.4%, respectively) is a major indicator behind this labor trend. While this is a national phenomenon due to demographic changes, it hits particularly hard in local economies that are deeply vested in low-skilled trade and service occupations, as is the case with Barnstable and all Cape Cod communities. The absence of adequate housing choice for younger workers greatly exacerbates their shrinking numbers. Even if more families with teen-age children seek to move in to replace the reduced numbers of 20-somethings, the housing shortage and prevailing low wages will make it difficult for them to establish and sustain independent households.

According to the 2000 US Census, there were 22,677 employed civilians 16 years and over living in Barnstable. These workers were distributed among the following industries as shown in Table 2-10:

**Table 2-10**  
*Employment of Residents, 2000*

<i>Industry</i>	<b>Number of Employees</b>	<b>Percent of Total</b>
<i>Agriculture, forestry, fishing and hunting, mining</i>	88	0.4
<i>Construction</i>	2,111	9.3
<i>Manufacturing</i>	1,071	4.7
<i>Wholesale trade</i>	478	2.1
<i>Transportation &amp; warehousing, and utilities</i>	1,046	4.6

<sup>13</sup> A substantial portion of Section 2.2 was prepared by the Consultant, Michael Pessolano, as part of the 2003 Housing Needs Assessment.

<i>Retail trade</i>	3,336	14.7
<i>Information</i>	658	2.9
<i>Finance, insurance, real estate &amp; rental and leasing</i>	1,256	5.5
<i>Professional, scientific, management, administrative, &amp; waste management services</i>	1,973	8.7
<i>Educational, health and social services</i>	5,356	23.6
<i>Arts, entertainment, recreation, accommodation and food services</i>	2,868	12.6
<i>Other services (except public administration)</i>	1,317	5.8
<i>Public administration</i>	1,119	4.9
<b>Total</b>	<b>22,677</b>	<b>99.8%*</b>

Source: U.S. Census, 2000

\*Total not shown as 100% due to rounding

Three of the traditionally lower wage industries - 1.) retail trade, 2.) education, health and social services, and 3.) arts, entertainment, recreation, accommodation and food services - constituted 50.9% of the adult employed population. It is probable that relatively few employees (managers) of the roughly 12,000 in these three industries earned more than the approximate 1999 median HUD income of \$50,000. It is not known how many or what types of households are represented by these employment statistics. However, it would be accurate to say that most of these 12,000 workers would be very challenged if they had to replace their current home with another place to live, due to the wide gaps between median income and median housing prices at that time and since then. Unfortunately, it would also be accurate to state that one very plausible option would be to leave the community if reasonably priced housing could not be readily found.

Over the decade of 1991 to 2001, total annual employment in Barnstable grew by 6,589 workers or 3% per year, and 60% of this growth was in the trade and services industries where lower wages have been typical. The number of establishments grew by about 1.5% per year. The total Barnstable labor force in 2000 was 23,901 or 61.9% of the total population age 16 years and over. This was measured in March 2000, at the time of the 2000 Census. However, the total labor force in Barnstable varies significantly due to seasonal influences. According to the Mass. Department of Employment and Training (DET), July employment levels in establishments are much higher than January levels in Barnstable (30,173 in July 2001 vs. 26,393 in January 2001). The traditional seasonal increase has been due to the seasonal nature of the overall economy. However, more year-round employment exists in Barnstable than any other Cape community. Thus, Countywide employment fluctuation is roughly double the rate of change in the Town of Barnstable (27% vs. 14%) between January and July.

More recent labor and workforce data, from 2007, is presented in Table 2-11, which shows an increase of 3,664 employees in Barnstable, or 15%, since 2000, for a total of 27,565 employees. The data also confirms the concentration of jobs in the retail and service sectors and demonstrates that these jobs tend to have lower wages levels. All industries with almost 1,000 employees or more had average weekly wages of less than \$1,000 with the exception of public administration jobs as highlighted below. As a point of comparison, the average weekly wage for Barnstable was \$756, about half of Boston's at \$1,476.

**Table 2-11**  
***Average Employment and Wages By Industry in Barnstable, 2007***

<i>Industry</i>	<i># Establishments</i>	<i>Total Wages</i>	<i>Average Employment</i>	<i>Average Weekly Wage</i>
<i>Agriculture, forestry, fishing and hunting</i>	9	\$476,521	25	\$367
<i>Construction</i>	254	\$69,080,161	1,444	\$920
<i>Manufacturing</i>	48	\$34,591,568	598	\$1,112
<i>Wholesale trade</i>	72	\$17,564,326	394	\$857
<i>Retail trade</i>	413	\$161,455,263	5,830	\$533
<i>Transportation and warehousing</i>	53	\$34,167,771	973	\$675
<i>Information</i>	34	\$37,010,477	754	\$944
<i>Finance &amp; insurance</i>	107	\$60,372,840	785	\$1,479
<i>Real estate, rental and leasing</i>	71	\$9,280,836	279	\$640
<i>Professional and technical services</i>	207	\$38,788,758	759	\$983
<i>Management of companies/enterprises</i>	8	\$9,732,314	224	\$836
<i>Administrative and waste services</i>	128	\$36,288,350	1,032	\$676
<i>Educational services</i>	29	\$67,668,936	1,528	\$852
<i>Health care and social assistance</i>	222	\$312,309,848	6,184	\$971
<i>Arts, entertainment and recreation</i>	48	\$23,084,475	726	\$611
<i>Accommodation and food services</i>	204	\$62,445,263	3,318	\$362
<i>Other services</i>	323	\$41,574,879	1,518	\$527
<i>Public administration</i>	42	\$64,583,409	1,128	\$1,101
<b><i>TOTAL</i></b>	<b>2,275</b>	<b>\$1,084,037,711</b>	<b>27,565</b>	<b>\$756</b>

*Source: Massachusetts Executive Office of Labor and Workforce Development, 2008*

The 2007 state labor statistics project an unemployment rate in Barnstable in March 2009 of 9.5%, with 2,354 Barnstable residents unemployed, up significantly from 5.1% in 2008. As another point of comparison, the unemployment level in March 2009 was 7.1% for Boston.

### **2.2.2. Place of Work**

There were several indicators that a significant number of Barnstable workers traveled to jobs outside of Barnstable. In the 2000 US Census, 45% (10,014) of the workers age 16 and over reported working outside their place of residence. However, it is unclear whether "place" meant village place or town place to the Census respondent. The US Census also reported an average commute time of 23.7

minutes for the 22,161 workers 16 years and over. This, too, suggests that a fair number of workers traveled outside of Barnstable for employment in 2000. This is further supported by the following considerations. The March 2000 employed resident labor force was 22,677 per the US Census. The total number of employees in Barnstable establishments in 2000 was 27,558. Many of these were residents of other towns (as demonstrated by commuter congestion at Town entrances). Therefore, it stands to reason that not all the jobs in Barnstable were filled by Barnstable residents and that at least 4,881 Barnstable workers had to work elsewhere ( $27,558 - 22,677 = 4,881$ ). It is likely that more than that actually worked outside the Town.

The significance of the place of work indicators is that Barnstable is part of a larger employment region. With Hyannis Village as the central location for many businesses serving the Mid-Cape area (Barnstable, Yarmouth, Dennis) and beyond, all Barnstable villages, especially Hyannis, are desirable places to live in terms of proximity to work for many thousands of people. This helps sustain upward pressure on rental prices in these villages.

## 2.3. Housing Characteristics, Market Trends and Affordability

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Housing in Barnstable involves two distinct markets, the year-round housing stock and the seasonal or second-home market now comprising 38% of all dwellings. This seasonal usage, the burgeoning interest in second homes by affluent baby boomers, the attractiveness of the Cape for retirement, in addition to regional market pressures, resulted in soaring housing prices that became no longer affordable to most long-term, year-round residents. A recent survey of second-home owners, sponsored by the Cape Cod Commission, indicated that second homes are in fact used mostly for personal use with about one-quarter of such units being rented (5% used exclusively as rentals and 21% as a combination of rentals and personal use). The survey also found that almost 22% of second-home owners were planning to move to the Cape on a full-time basis sometime within the next 15 years, thus converting many of these units to year-round use. This full-time usage will further diminish the supply of rentals, particularly for short-term visitors. Not surprisingly, the survey also found that second homes were used most heavily in the summer with an average of 4.5 people per home for each second home throughout the Cape for at least 24 days per month in both July and August. Such intense summer usage in addition to the future conversion to primary homes will have varying yet significant impacts on the local and regional economies, putting substantial pressures on local services and existing infrastructure.<sup>14</sup>

The significance of impacts related to second-home usage was echoed in research conducted in Northwest Colorado that includes such resort communities as Vail and Aspen, among others. "Knowing the pressures that second home development has placed generally on tourism destinations worldwide and concerned about how such pressures are impacting the physical landscape, availability of affordable housing, and the social and economic climate in select resort counties of Colorado, this study was initiated."<sup>15</sup> The study found that "over time, second homes become a large and often dominant part of the physical, economic and social landscape. Their development creates a demand for workers above that of the traditional tourist industry, especially in housing construction, but also in their maintenance, operation and use. As the number of second homes increase, the demand for workers to support the second home industry increases as well."<sup>16</sup> The study also points out that second homes take up large amounts of land where developable land is already in short supply. They also erode housing affordability as second home values and land costs rise above that normally paid for worker housing and thus make it increasingly more difficult for workers to live within a reasonable distance of their place of work. This is exactly what has been occurring on the Cape.

It has only been in the last couple of years that the market has softened in response to regional and national market dynamics, yet the creation and preservation of affordable housing remains particularly important in enabling the year-round population to stay in the community. There are also few if any housing options for seasonal workers who are essential for sustaining Barnstable's significant resort and tourist economy, and rental prices remain unaffordable if they are not subsidized.

### 2.3.1. Housing Characteristics

The 2000 census counted 26,018 total housing units in the town of Barnstable, up 11% from 23,370 units in 1990 and as much as 58% from 16,436 units in 1980. Substantial housing growth occurred between 1980 and 1990 when the town gained 6,934 units, including 2,835 owner-occupied homes and 1,752 rental units. During this same time period, Barnstable gained 3,792 new seasonal units, or about 80% of all its seasonal units. Housing growth between 1990 and 2000 slowed down with 2,648

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<sup>14</sup> Research and Evaluation Group, UMass Donahue Institute, "2008 Survey of Cape Cod Second-Home Owners, Technical Report on Findings," prepared for the Cape Cod Commission, November 12, 2008.

<sup>15</sup> Venturoni, Linda, "The Social and Economic Effects of Second Homes," for the Northwest Colorado Council of Governments, June 2004, page 1.

<sup>16</sup> Ibid, page 11.

new units, 3,190 in owner-occupied housing accompanied by a loss of 165 rental units as well as a loss of 45 seasonal units, most likely these rental and seasonal units converted to year-round homeownership. Table 2-12 includes a summary of these housing characteristics.

Out of the total housing units in 2000, Barnstable had 20,266 year-round units. It also had 19,626 occupied units of which 78.4% were owner-occupied while the remaining 21.6% were rental units. These figures represent a comparable level of owner-occupancy in 2000 to that of Barnstable County where 78% of the units were also owner-occupied.

**Table 2-12**  
**Housing Characteristics, 1980-2000**

	1980		1990		2000	
	#	%	#	%	#	%
<i>Total # Housing Units</i>	16,436	100.0	23,370	100.0	26,018	100.0
<i>Occupied Units *</i>	12,014	73.1	16,601	71.0	19,626	78.4
<i>Occupied Owner Units **</i>	8,929	74.3	11,764	70.9	14,954	76.2
<i>Occupied Rental Units **</i>	3,085	25.7	4,837	29.1	4,672	23.8
<i>Total Seasonal, Recreational or Occasional Use *</i>	1,005	8.4	4,797	20.5	4,752	18.3
<i>Average Household Size of Owner-Occupied Unit</i>	Not Available		2.47 persons		2.43 persons	
<i>Average Household Size of Renter-Occupied Unit</i>	Not Available		2.23 persons		2.19 persons	

Source: U.S. Census Bureau, 1980, 1990 and 2000

\* Percentage of total housing units \*\* Percentage of occupied housing units

The 2000 Census count of 4,672 renter-occupied units probably included most of the multi-family units and two-family units. Not all of these types were considered rental because owners may live in some of them. The 2000 Census reported that 2,242 Barnstable condos and single-family units were renter-occupied. There were 843 rental units counted in two to four-unit structures as well.

Vacancy rates are presented in Table 2-13.

**Table 2-13**  
**Vacancy Rates by Tenure, 1990 and 2000**

	1990	2000	MA 2000	Nation
<i>Rental</i>	11.4%	3.7%	3.5%	5%
<i>Homeowner</i>	3.9%	1.1%	0.7%	3%

Source: U.S. Census Bureau, 1990 and 2000

The homeowner vacancy rate in 2000 was 1.1%, down somewhat from 3.9% in 1990. The change in the homeowner rate is relatively insignificant as any level below 5% is considered to represent tight market conditions and the rate remains well below that of the state and nation as a whole. Given more recent home foreclosures and increasing number of abandoned homes, particularly in Hyannis, this homeowner vacancy rate has likely increased.

The rental vacancy level declined substantially between 1990 and 2000, from 11.4% to 3.7%, confirming the overall tight market conditions in 2000. As housing market prices escalated since



2000, with demand far outpacing supply, vacancy rates were likely reduced to unprecedented low levels. Rental demand continues to be high as well as rent levels, and it is likely that vacancy rates have decreased substantially except for considerations regarding seasonal adjustments.

Table 2-14 and Figure 2-3 summarize the distribution of housing units by structure type in Barnstable. The 2000 census indicated that a great majority of the existing housing units were in single-family, detached structures totaling 21,038 units or 84.1% of the Town's housing units, fairly comparable to the 83% level for the County. Almost all of the housing growth between 1990 and 2000 was in these dwellings, with only modest increases in the number of units in single-family attached and large multi-family structures. There was actually a decrease in the number of units in the small multi-family structures, a loss of 157 units in two to four-unit dwellings and a loss of 30 units in properties of five to nine units. There was also a substantial fall-off of "other" dwelling types including mobile homes, boats and RV's, from 286 units in 1990 to 29 in 2000.

**Table 2-14**  
*Units in Structure, 1990 - 2000*

<i>Type of Dwelling</i>	1990		2000	
	#	%	#	%
<i>1 Unit Detached</i>	19,151	82.0	21,038	84.1
<i>1 Unit Attached</i>	341	1.5	487	1.9
<i>2 to 4 Units</i>	1,495	6.4	1,338	5.4
<i>5 to 9 Units</i>	690	3.0	660	2.6
<i>10 or More Units</i>	1,407	6.0	1,466	4.3
<i>Other</i>	286	1.2	29*	0.1
<b><i>Total</i></b>	<b>23,370</b>	<b>100.0</b>	<b>25,018</b>	<b>100.0</b>

Source: U.S. Census Bureau, 1990 and 2000

\*Includes 24 mobile homes and 5 boats or RV's.

Figure 2-3  
*Units in Structure, 2000*

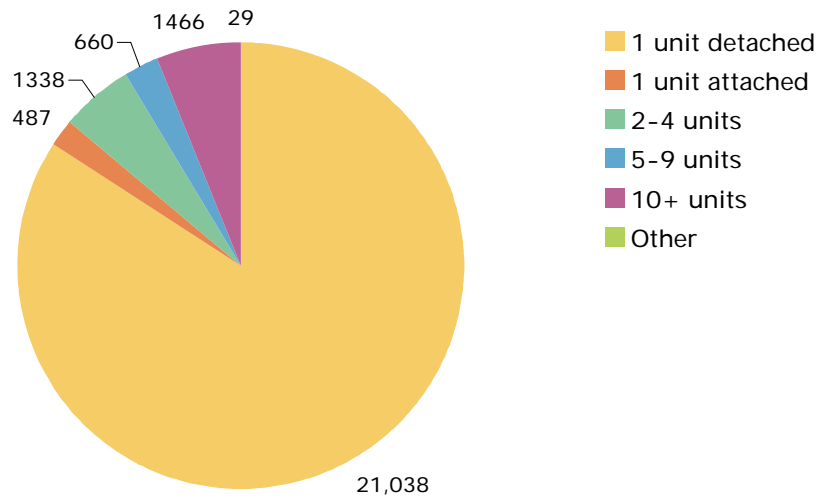


Table 2-15 charts housing growth, identifying that *half of Barnstable's housing units were created between 1970 and 1989*, directed largely to the higher priced market based on the growing demand for second homes and places to retire on or near the seashore. Still almost another 40% of the town's housing was built prior to 1970.

Table 2-15  
*Year Structure Built, 2000*

	#	%
1999 to March 2000	398	1.6
1995 to 1998	928	3.7
1990 to 1994	1,423	5.7
1980 to 1989	6,647	26.6
1970 to 1979	5,957	23.8
1960 to 1969	3,427	13.7
1940 to 1959	3,185	12.7
1939 or earlier	3,053	12.2
<b>Total</b>	<b>25,018</b>	<b>100.0</b>

Source: U.S. Census Bureau, 2000

Table 2-16 compares Barnstable's housing growth, from 1970 through 2000, to that of other Cape communities including its neighbors.

**Table 2-16**  
**Recent Housing Development, 1970 to 2000**  
**Barnstable and Other Cape Communities, Barnstable County and Massachusetts**

<i>Community</i>	<i># Units Built 1970-2000</i>	<i>% Units Built 1970-2000</i>
<i>Barnstable</i>	15,353	61.4
<i>Bourne</i>	4,615	47.8
<i>Brewster</i>	5,480	74.7
<i>Chatham</i>	3,405	50.7
<i>Dennis</i>	7,162	50.8
<i>Eastham</i>	3,576	64.6
<i>Falmouth</i>	10,378	51.8
<i>Harwich</i>	5,416	57.3
<i>Mashpee</i>	6,725	80.8
<i>Orleans</i>	3,002	58.9
<i>Sandwich</i>	6,721	76.8
<i>Yarmouth</i>	8,818	53.1
<i>Barnstable County</i>	85,148	57.9
<i>Massachusetts</i>	847,922	32.3

*Source: U.S. Census Bureau, 2000*

About 61% of Barnstable's housing stock was built during this timeframe, a bit higher level than that of neighboring towns where new unit production was substantial but typically between 50% and 60% with the exception of Eastham at about 65%, Brewster at almost 75% and neighboring Mashpee at about 81%. These overall levels of housing growth in this time period are significantly higher than that for the state at 32.3%. It is during this timeframe when the second home and retirement boom hit Cape Cod as evidenced in these relatively high growth trends.

The median number of rooms per housing unit was 5.9, indicating that the average home was medium-sized with three bedrooms. The number of rooms per dwelling ranged from three rooms or less in 2,329 units (9.3%) to nine rooms or more in 2,427 dwellings (9.7%), representing a significant number of very large residential units. Although this data is based on 2000 information, it is likely that given the economics of new development, new home construction since then has been focused on the larger, luxury home market, particularly for second homes and summer residences.

Table 2-17 summarizes building permit activity since 2000 through mid-May of 2009. During this time, a total of 947 new units were added to the housing stock, averaging 105 units from 2000 through 2008. The Table demonstrates the reduction in building activity as time passed. For example, the number of new units built in 2008 was about one-quarter that of 2000. This data also indicates that the total number of housing units in Barnstable was about 26,965 as of mid-May 2009.

**Table 2-17**  
*Building Permit Data, 2000 to May/2009*

<i>Year</i>	<i># Building Permits for New Units</i>
2000	201
2001	180
2002	111
2003	96
2004	67
2005	98
2006	73
2007	67
2008	50
<i>As of May 14, 2009</i>	4
<b>TOTAL</b>	<b>947</b>
<i>Average Per Year (2000-2008)</i>	<b>105</b>
<i>Average Per Year (2005-2008)</i>	<b>72</b>

*Source: Barnstable Building Department*

Town projections of the future number of units at buildout indicate about another 2,100 housing units will be built from 2007 to some future date when buildout occurs. It should be noted that future zoning changes and development patterns are likely to alter this estimate somewhat and there is no specific timeframe within which buildout is expected to occur.

### 2.3.2. Market Conditions

#### Ownership

Census data also provides information on housing values for homeownership and rental units, presented in Table 2-18.

**Table 2-18**  
*Housing Values 2000*

<i>Value</i>	<i>Number of Units</i>	<i>% Units</i>
<i>Less than \$50,000</i>	48	0.3
<i>\$50,000 to \$99,999</i>	779	5.7
<i>\$100,000 to \$149,999</i>	4,189	30.4
<i>\$150,000 to \$199,999</i>	3,538	25.7
<i>\$200,000 to \$299,999</i>	2,687	19.5
<i>\$300,000 to \$499,999</i>	1,718	12.5
<i>\$500,000 to \$999,999</i>	634	4.6
<i>\$1 million or more</i>	191	1.4
<b>Total</b>	<b>13,784</b>	<b>100.0</b>
<i>Median (dollars)</i>	\$171,500	

*Source: U.S. Census Bureau, 2000*

While this information is now almost a decade old, it still provides a reasonable frame of reference to compare with more current values, with other communities, the Cape as a whole and the state. The census indicated that the 2000 median house value was \$171,500, up about 7% from the median in 1990 of \$160,000. There were 827 units valued at less than \$100,000 at this time, representing 6% of the housing stock, however, most of the homes, 56.1%, fell in the \$100,000 to \$200,000 price range with almost another 20% in the \$200,000 to \$300,000 range. Consequently, in 2000 there was actually a fair amount of affordability in the private housing stock.

The 2000 housing prices in Barnstable were somewhat lower in comparison to Barnstable County with a median house value of \$178,800. Barnstable's median price, however, was considerably higher than the state's at \$162,800. More updated and reliable market data is tracked by The Warren Group from Multiple Listing Service information based on actual sales. This market information since 1988 is summarized in Table 2-19.

The median sales price of a single-family home as of the end of 2008 was \$407,500, down considerably from the previous year when it was \$484,500. The data indicate that the median fell to \$310,000 and as of the end of March 2009, however, this is based on only 20 sales. Nevertheless, this much reduced 2009 figure points to a continuing and significant decline in housing prices in Barnstable. It remains higher, however, than the median of \$275,000 for Barnstable County as of the end of March 2009, and is in line with current sales data.

The number of sales in Barnstable ranged from a low of 102 total sales in 1990 to a high of 322 in 1999. Sales activity after 2005 seemed to fall-off steadily despite a high median sales price in 2007. After a decline in market prices in the early 1990s, due largely to the region's economic recession at that time, the market began to revive somewhat in the mid-90s but did not surpass the 1988 median sales price for all sales until 2000, a full decade later. After that the market escalated precipitously. For example, single-family homes sales climbed more than 124% from \$215,000 in 1999 to \$482,500 by the end of 2007.

**Table 2-19**  
***Median Sales Prices, January 1988 – March 2009***

<b>Year</b>	<b>Months</b>	<b>Single-family</b>	<b>Condo (#)</b>	<b>All Sales</b>	<b># Sales</b>
2009	Jan – Mar	\$310,000	\$0	\$277,500	28
2008	Jan – Dec	407,500	203,500 (12)	390,000	126
2007	Jan – Dec	482,500	190,000 (13)	428,000	143
2006	Jan – Dec	472,000	186,820 (20)	390,000	151
2005	Jan – Dec	475,000	201,000 (36)	405,000	201
2004	Jan – Dec	455,000	187,000 (31)	415,000	217
2003	Jan – Dec	393,500	191,250 (24)	360,625	214
2002	Jan – Dec	360,000	242,500 (28)	335,000	217
2001	Jan – Dec	322,500	134,000 (25)	282,000	224
2000	Jan – Dec	268,700	180,000 (13)	229,950	240
1999	Jan – Dec	215,000	93,500 (18)	185,450	322
1998	Jan – Dec	185,000	69,900 (11)	156,000	287
1997	Jan – Dec	182,550	50,000 (23)	160,000	286
1996	Jan – Dec	168,225	100,000 (13)	147,400	212
1995	Jan – Dec	187,500	138,750 (10)	158,500	167

1994	Jan - Dec	170,000	62,000 (18)	150,000	190
1993	Jan - Dec	162,500	70,750 (6)	139,000	153
1992	Jan - Dec	150,000	56,200 (7)	149,800	143
1991	Jan - Dec	147,000	69,900 (14)	125,000	120
1990	Jan - Dec	185,000	60,000 (7)	150,000	102
1989	Jan - Dec	164,000	120,000 (11)	151,200	145
1988	Jan - Dec	185,000	176,000 (6)	190,000	149

Source: The Warren Group, May 12, 2009

Table 2-20 summarizes assessed values for residential properties by housing type. This table indicates that there were 20,550 single-family homes, 1,027 condominiums and 988 multi-family properties in Barnstable and of these about 60% were valued between \$200,000 and \$400,000. Those properties that were priced in the more affordable range of less than \$200,000 included 199 single-family homes, 213 condos, and only two (2) multi-family structures. Some of these units were subsidized, and therefore subject to long-term deed restrictions and eligibility requirements. At the other end of the range, more than 10% of all these residential properties were assessed at more than \$800,000, including almost 8% assessed at more than \$1 million. This demonstrates the strong luxury market that persists in Barnstable.

**Table 2-20**  
**Assessed Values of Residential Properties**

Assessment	Single-family Dwellings		Condominiums		Multi-family Dwellings**		Total Residential Properties	
	#	%	#	%	#	%	#	%
0-\$99,999	35*	0.2	25	2.4	1*	0.1	61	0.3
\$100,000-\$199,999	164	0.8	188	18.3	1	0.1	353	1.6
\$200,000-\$299,999	6,592	32.1	379	36.9	145	14.7	7,116	31.5
\$300,000-399,999	6,203	30.2	190	18.5	236	23.9	6,629	29.4
\$400,000-499,999	2,706	13.2	114	11.1	128	13.0	2,948	13.1
\$500,000-599,999	1,367	6.6	45	4.4	79	8.0	1,491	6.6
\$600,000-699,999	801	3.9	23	2.2	57	5.8	881	3.9
\$700,000-799,999	533	2.6	35	3.4	29	2.9	597	2.6
\$800,000-899,999	357	1.7	15	1.5	25	2.5	397	1.8
\$900,000-999,999	267	1.3	6	0.6	27	2.7	300	1.3
Over \$1 million	1,525	7.4	7	0.7	260	26.3	1,792	7.9
<b>Total</b>	<b>20,550</b>	<b>100.0</b>	<b>1,027</b>	<b>100.0</b>	<b>988</b>	<b>100.0</b>	<b>22,565</b>	<b>100.0</b>

Source: Barnstable Town Assessor, Fiscal Year 2009.

\* Includes units at Sandy Neck (small cottage housing) and Danvers Way (Habitat for Humanity development).

\*\* Includes two-family homes, three-family homes, multiple houses on one parcel and structures with four units or more.

Another analysis of housing market data is presented in Table 2-21, which demonstrates the escalation of prices based on a breakdown of sales data from the Multiple Listing Service for *single-family homes*.

**Table 2-21**  
**Single-family House Sales, January 1, 2008 Through May 15, 2009**

<i>Price Range</i>	<b>Current Listings #/%</b>	<b>Sale Pending* #/%</b>	<b>Sold Since 1/2008 #/%</b>	<b>Total #/%</b>
<i>Under \$99,000</i>	2/ 0.3%	2/ 2.1%	12/ 1.4	16/ 1.0%
<i>\$100,000- \$199,999</i>	39/ 6.0%	28/ 28.9%	165/ 19.9%	232/ 14.7%
<i>\$200,000-299,999</i>	102/ 15.6%	41/ 42.3%	280/ 33.7%	423/ 26.8%
<i>\$300,000-399,999</i>	126/ 19.3%	8/ 8.2%	170/ 20.5%	304/ 19.2%
<i>\$400,000-499,999</i>	90/ 13.8%	7/ 7.2%	78/ 9.4%	175/ 11.1%
<i>\$500,000-599,999</i>	49/ 7.5%	1/ 1.0%	40/ 4.8%	90/ 5.7%
<i>\$600,000-699,999</i>	45/ 6.9%	4/ 4.1%	22/ 2.6%	71/ 4.5%
<i>\$700,000-799,999</i>	33/ 5.0%	1/ 1.0%	13/ 1.6%	47/ 3.0%
<i>\$800,000-899,999</i>	16/ 2.4%	0/ 0.0%	5/ 0.6%	21/ 1.3%
<i>\$900,000-999,999</i>	14/ 2.1%	1/ 1.0%	2/ 0.2%	17/ 1.1%
<i>\$1 million or more</i>	137/ 21.0%	4/ 4.1%	44/ 5.3%	185/ 11.7%
<b><i>Total</i></b>	<b>653/ 100.0%</b>	<b>97 /100.0%</b>	<b>831/100.0%</b>	<b>1,581/ 100.0%</b>
<b><i>Median Price</i></b>	<b>\$474,000</b>	<b>\$230,000</b>	<b>\$285,000</b>	<b>--</b>

Source: Multiple Listing Service, May 16, 2009

\* Includes sales that are pending with conditions.

This data indicates that there were a significant number of single-family homes that were priced affordably in the private housing market including 12 units that sold for less than \$100,000 and another 165 for between \$100,000 to \$199,999, representing 21% of all sales from January 1, 2008 and May 16, 2009. More than half of the sales below \$100,000 were clustered on General Patton Drive. Almost all of these sales that were priced below \$200,000 were located in Hyannis with a sprinkling of sales in Centerville and Marstons Mills. More than half of the properties sold between \$200,000 and \$399,999, and more than 5% of the single-family homes were priced above \$1 million, demonstrating still a sizable luxury market in Barnstable, many of these homes with likely waterfront views and/or accessibility. At least half of the properties that were sold above \$1 million were located in Osterville.

In regard to active listings of single-family homes, the two (2) homes for sale for under \$100,000 were small two-bedroom, 1-bath homes in Hyannis priced at the top of the range at \$99,000 and \$99,900. There were also 39 homes priced between \$100,000 and \$199,999, again mostly located in Hyannis with a couple of listings in Centerville. There was a greater spread of listings among price ranges including 137 properties or 21% of all listings priced at \$1 million or more. It is also interesting to compare the median priced listing of \$474,000 to the median sales price of \$285,000, suggesting that homes on the market were priced too optimistically or by happenstance were in general of better quality.

Table 2-22 provides some summary information for Multiple Listing Service data from January 1, 2008 to May 15, 2009 for single-family homes that included 827 sales. During this timeframe, the lowest priced home of only 430 square feet sold for \$65,000, down about 4% in price from its listed price of \$67,900. On the other hand the highest priced property with 8,645 square feet, sold for \$7.6 million, down 4% as well from its listed price. The data show that the average home sold for above \$400,000 while the median sold below \$300,000, demonstrating the skewing of the average price by high-end

properties. Also, this information shows that the average or median property is from about 1,500 square feet to about 1,700, representing fairly moderately-sized, three-bedroom homes. Days on the market ranged considerably. Looking at cumulative days on market the average was 172 days and the median less at 125 days or about four (4) months.

**Table 2-22**  
*Market Data for Single-family Home Sales, January 1, 2008 Through May 15, 2009*

	# Bed-rooms	# Bath-rooms	Square Feet	List Price	Sale Price	DOM/CDOM*
<i>Minimum</i>	0	0.00	430	\$67,900	\$65,000	0/0
<i>Average</i>	3	2.25	1,663	\$443,970	\$413,644	142/172
<i>Median</i>	3	2.00	1,469	\$299,000	\$282,500	102/125
<i>Maximum</i>	7	9.00	8,645	\$7,950,000	\$7,600,000	1,307/1,307
<i>Total Value</i>					<b>\$342 million</b>	

*Source: Cape Cod & Islands Multiple Listing Service, May 15, 2009*

*\* Indicates Days on Market (DOM) and Cumulative Days on Market (CDOM) when properties are listed more than once.*

A local realtor indicated that in the summer of 2008 there was practically nothing available on the market for less than \$300,000, but in the spring of 2009 there is actually quite a number of good single-family properties available for less than \$150,000. She also mentioned that properties priced below \$300,000 were still doing fairly well, not great but OK. The Multiple Listing Service data shows a 34% decline from the average price from 2008 to 2009, however, from 2007 to 2008 the market was down only 23% as opposed to an actual 4% average increase in the average price from 2006 to 2007. Whereas last year another realtor had total sales of \$26 million, he is now down to only \$6 million. Low prices, less property turnover, longer times on the market before sale, obstacles to securing financing, and general financial doldrums have substantially affected the housing market in Barnstable and throughout the Cape and Boston region as well as realtors' ability to earn a living. The average days on the market is 185 days or almost a half-year.

**Table 2-23**  
*Market Data for Condominium Sales, January 1, 2008 Through May 15, 2009*

	# Bed-rooms	# Bath-rooms	Square Feet	List Price	Sale Price	DOM/CDOM*
<i>Minimum</i>	0	0.00	0**	\$30,000	\$30,000	2/2
<i>Average</i>	2	1.81	1,070	\$207,345	\$191,506	175/207
<i>Median</i>	2	2.00	1,031	\$140,450	\$133,000	114/138
<i>Maximum</i>	4	3.00	2,254	\$1,249,000	\$1,185,000	917/917
<i>Total Value</i>					<b>\$17,235,555</b>	

*Source: Cape Cod & Islands Multiple Listing Service, May 15, 2009*

*\* Indicates Days on Market (DOM) and Cumulative Days on Market (CDOM) when properties are listed more than once.*

*\*\* Must be a misprint.*

Table 2-23 includes summary information for condominium sales, demonstrating that values for these units are considerably lower than for single-family homes and more units fall within an affordable range. There were 90 sales of condos between the beginning of 2008 and mid-May 2009 with prices ranging considerably from a small unit for \$30,000 to a 2,254 square foot condo for about



\$1.2 million. The average and median priced condo was sold for \$191,506 and \$133,000, respectively, down 7.6% and 5.3% from the list prices, also respectively. In addition to substantially lower prices, condos tended to stay longer on the market than single-family homes. When asked about the condo market, one hears “in the tank” or “dead”. Despite very affordable prices, market demand for these units is extremely low and exacerbated by huge challenges in obtaining financing. Some condo owners are reverting to rebates upon sale or even advertising opportunities for potential purchasers to “rent to own”, putting aside half of their rent towards the sales price. Developers of new condo developments are confronted with outrageous financing terms that require them to pre-sell 70% of the units before financing becomes available.

Table 2-24 provides similar information for multi-family properties (without specific bedroom and bathroom data), involving 22 such sales from January 1, 2008 to May 15, 2009. Sales prices ranged from \$115,000 to \$574,500, averaging \$232,995 and with a median price of almost \$200,000. These prices are also very affordable and when rental income is calculated, could be accessible to first-time purchasers assuming financing was available. The square footage of these properties is not much different than the average and median of the single-family homes, suggesting small two-unit properties predominate. Also, the Cumulative Days on the Market were only a little less than single-family homes. It is worth noting that the lowest priced properties, whether they be single-family homes, condos or multi-family properties, had only a handful or no Days on the Market as they were quickly snapped up despite their size and condition.

**Table 2-24**  
*Market Data for Multi-family Home Sales, January 1, 2008 Through May 15, 2009*

	Square Feet	List Price	Sale Price	DOM/CDOM*
<i>Minimum</i>	1,200	\$113,900	\$115,000	7/7
<i>Average</i>	1,931	\$251,536	\$232,995	157/160
<i>Median</i>	1,699	\$217,450	\$196,867	122/122
<i>Maximum</i>	3,132	\$599,900	\$574,500	760/760
<i>Total Value</i>			<b>\$5,125,899</b>	

*Source: Cape Cod & Islands Multiple Listing Service, May 15, 2009*

*\* Indicates Days on Market (DOM) and Cumulative Days on Market (CDOM) when properties are listed more than once.*

## Rentals

Table 2-25 summarizes census data for rental units from 1980 to 2000. Barnstable gained 1,710 new rental units between 1980 and 1990, from 3,064 units to 4,774, a 56% increase. However, it lost 99 rental units between 1990 and 2000, most likely through conversions to ownership.<sup>17</sup> After 1970, Barnstable experienced substantial growth and demographic shifts as significant numbers of homes were built based on the increasing demand of those interested in a second home or retiring to Cape Cod. With this building boom, home prices increased significantly, including rental values, which more than doubled from 1980 to 1990 alone, from \$317 to \$673. By 2000 this median rent had increased to \$742, just a bit higher than the 2000 median gross rent of \$723 for the County.

<sup>17</sup> This is summary data from the census and there are discrepancies in the number of rental units from actual counts as presented in Table 2-12.

**Table 2-25**  
**Rental Costs, 1980-2000**

	1980		1990		2000	
	#	%	#	%	#	%
<i>Under \$200</i>	458	15.0	411	8.6	239	5.1
<i>200-299</i>	794	25.9	174	3.6	264	5.6
<i>300-499</i>	1,377	44.9	662	13.9	514	11.0
<i>500-749</i>	187	6.1	1,567	32.8	1,205	25.8
<i>750-999</i>			1,185	24.8	1,510	32.3
<i>1,000-1,499</i>			527	11.0	553	11.8
<i>1,500 or more</i>			75	1.6		
<i>No cash rent</i>	248	8.1	248	5.2	315	6.7
<b>Total</b>	<b>3,064</b>	<b>100.0</b>	<b>4,774</b>	<b>100.0</b>	<b>4,675</b>	<b>100.0</b>
<b>Median rent</b>	<b>\$317</b>		<b>\$673</b>		<b>\$742</b>	

Source: U.S. Census Bureau, 1980, 1990 and 2000

Like housing values for homeownership units, rental values tend to be underestimated in the census data, and actual market rents are typically higher as verified by local realtors. Realtors indicate that it is difficult to find a year-round rental for a two-bedroom unit for less than \$1,100, confirmed by local listings. Winter rentals are typically more affordable with three-bedroom units fetching about \$1,000. Summer rentals, like most of this part of the Cape, are very pricey, especially near the water with rentals of \$1,800 to \$3,500 per week, away from the water, and higher on or near the water.<sup>18</sup>

May 2009 Internet listings of year-round rental properties in Barnstable included the following<sup>19</sup>:

*Centerville*

- 2-bedroom, 2-bath townhouse with 1,000 square feet for \$1,100
- 3-bedroom, 2-bath Cape for \$1,400
- 3-bedroom, 2-bath single-family home a short walk to the beach for \$1,575

*Osterville*

- 1-bedroom, ¾-bath apartment with 800 square feet for \$800
- 5-bedroom, 4-bath single-family home with pool, deck and other amenities for \$5,000

*Marston Mills*

- 3-bedroom home a short walk to a private pond for \$1,500
- 3-bedroom, 1-bath ranch home for \$1,500

<sup>18</sup> Cape Cod Rentals, May 15, 2009

<sup>19</sup> Craig's List, May 15, 2009

- 4-bedroom, 2-bath antique Cape on a cranberry bog with 2,100 square feet for \$2,050

#### *Cotuit*

- Studio apartment for \$795
- 3-bedroom, 2 ½-bath home with deck and porch “on a quiet street” for \$2,000

#### *Hyannis*

- 1-bedroom loft on Main Street across from the Town Green for \$900
- 1-bedroom, 1-bath apartment in nice Victorian house for \$1,100
- 2-bedroom, 1-bath unit with 900 square feet for \$1,100
- 2-bedroom, 1-bath “rent to own” unit that includes a \$15,500 rebate and a provision that will allow the prospective purchaser to put ½ of the rent aside towards the purchase
- 2-bedroom, 2-bath townhouse for \$1,200
- 2-bedroom, 2-bath, ground-floor unit for \$1,250
- 3-bedroom, 2-bath single-family home for \$1,500
- 3-bedroom, 2-bath expanded Cape for \$1,800

These listings, which included the available units with the lowest and highest prices, confirm the lack of affordable rentals in Barnstable. Moreover, almost all of these units require the tenant to pay the costs of utilities as well as a first and last month’s rent in addition to a security payment.

### **2.3.3. Affordability**

The borrowing power of the median income household (\$46,811) in 2000 was about \$155,000<sup>20</sup>, lower than the median house value as reported in the 2000 census of \$171,500. The affordability gap was then only about \$16,500 - the difference between the cost of the median priced home and what a median income household could afford. A three-person household earning 80% of median income at that time, or \$36,650, could afford a home priced at little more than \$125,000 based on conventional lending requirements, resulting in an affordability gap of \$30,000.

To afford the median sales price of the median valued home in Barnstable of \$310,000 (based on The Warren Group information as of the end of March 2009), a household would have to earn approximately \$78,500<sup>21</sup>, somewhat more than the projected 2009 median income of \$73,493. Applying this updated median income estimate of \$73,493, based on the 57% change in the HUD median income levels for Barnstable County between 2000 and 2009, would result in an affordability gap of \$20,000 as of the end of March 2009, the difference between what the median income household could afford (\$290,000) and the median priced house (\$310,000). Therefore, since 2000 the affordability gap has widened only slightly from \$16,500 to \$20,000. *The current affordability gap would in fact be significantly greater but declining mortgage interest rates as well as a softening housing market have made housing more affordable in Barnstable and throughout much of the country. In fact, only two (2) years ago the gap would have approximated \$217,500.*

For those earning at 80% of area median income (\$55,900 for a family of three), this gap is now \$90,000, the difference between the maximum they could afford of \$220,000 and the median price of \$310,000 for single-family homes. As the market data that is summarized in Section 2.3.2 indicates, there are significant numbers of properties on the market for less than \$200,000 that included 177 sales from January 2008 through mid-May 2009. A single-family home sold for \$170,000, for

<sup>20</sup> Interest rates in 2000 were higher and figures are based on 7.5% interest.

<sup>21</sup> Figures based on 95% financing, interest of 5.5%, 30-year term, annual property tax rate of \$6.90 per thousand, insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), and private mortgage insurance estimated at 0.3125 of loan amount, and estimated monthly condo fees of \$250.

example, would require an income of approximately \$43,500, once again based on conventional lending terms.

It should also be noted that the median condo price as of the end of 2008 was \$210,000, but Multiple Listing Service data as of March 2009 put the median as \$133,000, considerably more affordable. The \$133,000 purchase price would require a purchaser with an income of approximately \$63,000 *assuming* a condo fee of \$250 per month and the ability to get financing. Once again, such financing has been terrifically challenging to secure as of late.

In regard to rentals, the gross median rent of \$742, according to the 2000 census, required an income of about \$29,680, and likely requiring an income closer to \$35,000 with added utilities. These costs are within the means of low- and moderate-income households. Rental listings indicate that year-round market rental listings are actually quite a bit higher with average year-round two-bedroom units renting for at least \$1,100 without utilities, affordable to a household earning above \$50,000 annually. Summer rentals are priced for a high-end market by the week, starting at about \$800 to \$900 per week up to more than \$5,000 for larger waterfront homes.

Table 2-26 provides a breakdown of the number of units existing within various affordability ranges. According to Assessor's data, only 44 single-family homes are affordable to households earning below 80% of area median income (\$55,900) in 2009 based on conventional lending terms. These units, however, largely included Danvers Way, a subsidized Habitat for Humanity project, and Sandy Neck where the Town owns the land but the homes are privately held. Another 2% or 404 units were affordable to those earning between 80% of area median and median income (\$73,493). These units are still reasonably priced and given interest rates of 5.5% or less, provide some potential opportunities for first-time homebuyers. An \$8,000 federal tax credit for first-time buyers, which has recently become available, sweetens such deals.

It should also be noted that the town's *multi-family housing* market is more affordable in the lower price ranges as it offers the opportunity of rental income. For example, the median valued two-family home in Barnstable, based on Assessor's data, is \$329,500, and if owner-occupied with one rental unit would be affordable to a purchaser earning approximately \$53,500 (assuming rental income of \$1,000 of which 75% -- \$750 -- is likely to be included in mortgage financing computations) as opposed to a condo at the same price that would require an income of about \$93,500 given the additional computation of the condo fee (assuming \$250) and no income to the owner.

**Table 2-26**  
**Approximate Cost of Single-family Units in Barnstable, 2009**

Price Range Single-family	Income Range	Single-family Homes Available in Price Range	
		Number	%
Less than \$135,000	Less than 50% AMI (Less than \$34,900)	44*	0.2
\$135,001-\$220,000	50% - 80% AMI (\$34,900 - \$55,900)	404	2.0
\$220,001-\$290,000	80% - 100% AMI (\$55,901 - \$73,493)	5,280	25.7
\$290,001-\$360,000	100% - 120% AMI (\$73,494 - \$90,480)	5,513	26.8
More than \$360,000	More than 120% AMI (More than \$90,480)	9,309	45.3
<b>Total</b>		<b>20,550</b>	<b>100.0</b>

*Source: Town of Barnstable Assessor's Database for fiscal year 2009. Please note that as a standard practice, assessed value is assumed to be 93% of actual value or potential sale price. Figures based on a three-person household.*

In addition to an analysis of the affordability of entering the existing housing market, it is also useful to identify numbers of residents living beyond their means based on their housing costs. The 2000 census provides data on how much households spent on housing whether for ownership or rental. Such information is helpful in assessing how many households are overspending on housing or encountering housing affordability problems, defined as spending more than 30% of their income on housing.

Based on 1999 data, the census indicated that 1,012 households or 7.3% of the homeowners in Barnstable were spending between 30% and 34% of their income on housing and another 2,744 or 19.9% of owners were spending more than 35% of their income on housing expenses. In regard to renters, 394 renters or 8.4% were spending between 30% and 34% of their income on housing and another 1,591 or 34.0% were allocating 35% or more of their incomes for housing. *This data suggests that more than 5,741 households or almost 30% of all Barnstable households were living in housing that is by common definition beyond their means and unaffordable. Housing costs rose precipitously after 2000, until just recently, and it is likely that even more households in Barnstable have experienced significant cost burdens over the past eight years.* Moreover, given recent housing finance problems associated with high cost mortgages from predatory lenders, some homeowners in Barnstable have lost their homes or are confronting possible foreclosure.

### 2.3.4. Subsidized Housing Inventory

The state currently lists 1,362 affordable housing units in Barnstable's state-approved Subsidized Housing Inventory, 6.87% of the total year-round housing stock of 20,266 units. Therefore, the town needs to produce at least 665 more affordable units to reach the state's 10% goal based on the existing housing stock. The Subsidized Housing Inventory, as of June 5, 2009, included the following major components:

- 1,075 rental units or 85% of all SHI units, almost half owned and operated by the Barnstable Housing Authority, including units for families, seniors and those with special needs.

- 158 ownership units with another 15 such units that will be added to the Subsidized Housing Inventory within the next 12 months.
- 163 units through group homes managed by the state's Department of Mental Retardation (DMR) and another 43 units through the Department of Mental Health (DMH) for a total of 206 such units for these special needs individuals.
- 35 additional units as part of housing rehabilitation efforts, 33 through the Cape Cod Commission's Program and another two (2) through Barnstable's own Housing Rehab Program. The units are scattered throughout the town of Barnstable and have deed restrictions in affect for 15 years, which are due to expire between 2008 and 2016, and thus eventually be eliminated from the Subsidized Housing Inventory.
- 128 units through Barnstable's Accessory Affordable Housing Program.

It is also worth noting that the Chapter 40B comprehensive permit process has been a useful affordable housing development tool in Barnstable as 460 units, or more than one-third of all units included in the SHI, involved such permitting with still more such units in development or under construction.

Table 2-27 provides a list of all units included in the Subsidized Housing Inventory as of June 5, 2009.

**Table 2-27**  
***Barnstable's Subsidized Housing Inventory***

<i>Project Name</i>	<b># Afford- able Units</b>	<b>Project Type/ Financing</b>	<b>Use of a Comp Permit</b>	<b>Affordability Expiration Date</b>
<i>Colony House Apts.</i>	68	Rental/HUD	No	Perpetuity
<i>Stevens Street</i>	64	Rental/DHCD	No	Perpetuity
<i>Sea Street Extension</i>	69	Rental/DHCD	No	Perpetuity
<i>South St./Pine St.</i>	20	Rental/DHCD	No	Perpetuity
<i>Race Lane</i>	4	Rental/DHCD	No	Perpetuity
<i>Newtown Road</i>	8	Rental/DHCD	No	Perpetuity
<i>Sandlewood Drive</i>	8	Rental/DHCD	No	Perpetuity
<i>78 Pleasant Street</i>	12	Rental/DHCD	No	Perpetuity
<i>High School Rd. Apts.</i>	20	Rental/DHCD	Yes	Perpetuity
<i>Scattered sites</i>	34	Rental/DHCD	No	Perpetuity
<i>AEI Group Homes</i>	4	Rental/EOHHS MassHousing	No	Perpetuity
<i>Anthony Drive</i>	12	Ownership/DHCD	Yes	Perpetuity
<i>Bishop's Common</i>	9	Ownership/DHCD	Yes	Perpetuity
<i>Bishop's Common</i>	4	Rental/DHCD	Yes	Perpetuity
<i>Bryan Chase House</i>	6	Rental/HUD	No	Perpetuity
<i>Cape Cod Homes</i>	6	Rental/HUD	Yes	2020
<i>Cape Head Injury Prog.</i>	10	Rental/DHCD	No	Perpetuity
<i>Craigville Court</i>	4	Ownership/ MassHousing	No	Perpetuity
<i>Cromwell Court</i>	124	Rental/ MassHousing	No	2016

<i>Fawcetts Pond Village</i>	100	Rental/HUD	No	2008
<i>Foundations Project</i>	4	Rental/DHCD and HUD	No	2037/2097
<i>Founders Court Apts.</i>	32	Rental/DHCD and MassHousing	Yes	Perpetuity
<i>Habitat for Humanity homes</i>	19	Ownership/DHCD	Yes for 17 units	Perpetuity
<i>Holly Hills</i>	46	Rental/DHCD	Yes	Perpetuity
<i>Homestead</i>	10	Rental/HUD	No	Perpetuity
<i>HAC Utility CV</i>	6	Rental/HUD	No	2027
<i>Kit Anderson House</i>	12	Rental/DHCD	No	Perpetuity
<i>Life Inc. I and II</i>	16	Mix Rental and Ownership/DHCD	Yes	Perpetuity
<i>Marston Mills/Cammett St.</i>	6	Rental/DHCD	No	Perpetuity
<i>May Institute</i>	4	Rental/HUD	No	2026
<i>Old Colony Road</i>	3	Ownership/DHCD	Yes	Perpetuity
<i>Prince Cove Highlands</i>	6	Ownership/DHCD	Yes	Perpetuity
<i>Sea Meadow Village</i>	5	Rental/DHCD	No	Perpetuity
<i>Sea Meadow Village</i>	29	Ownership/DHCD	No for 4 units and Yes for 25	Perpetuity
<i>Whitehall Estates</i>	81	Rental/DHCD and MassHousing	Yes	Perpetuity
<i>Winter Street Supportive Housing</i>	9	Rental/DHCD	No	2029
<i>Woodlands Marston Mills</i>	30	Ownership/DHCD	No for 5 units and Yes for 25 units	Perpetuity
<i>Aunt Sarah's Harborview House</i>	12	Rental/HUD and MHP	Yes	2040
<i>Colonial Court</i>	2	Rental/HUD	No	Perpetuity
<i>The Oldest House</i>	1	Rental/HUD	No	Perpetuity
<i>Pleasant Street</i>	8	Rental/HUD	No	Perpetuity
<i>Sea Meadow Village</i>	1	Rental/HUD	Yes	Perpetuity
<i>Accessory Unit Affordable Housing Program</i>	128	Rental/Director's waiver	Yes	Perpetuity
<i>Southside Village</i>	14	Rental/HUD	Yes	Perpetuity
<i>School House Pond Condominium</i>	2	Ownership/FHLBB	Yes	Perpetuity
<i>Cape Head Injury Prog.</i>	10	Rental/DHCD	No	2033
<i>DMR Group Homes</i>	163	Rental/DMR	No	N/A
<i>DMH Group Homes</i>	43	Rental/DMH	No	N/A

<i>Village at Marstons Mills</i>	18	Ownership/ MassHousing	Yes	Perpetuity
<i>CCC HOR Program</i>	33			
<i>Barnstable HOR Program</i>	2			
<i>Mill Pond Estates</i>	(3) not yet constructed	Ownership/DHCD	Yes	Perpetuity
<i>Cotuit Equitable Housing</i>	31 not yet constructed	Ownership/FHLBB MassHousing	Yes	Perpetuity
<i>Settlers Landing I</i>	5 not yet constructed	Ownership/FHLBB MassHousing	Yes	Perpetuity
<i>Settlers Landing II</i>	6 not yet constructed	Ownership/DHCD	No	Perpetuity
<i>Schooner Village</i>	6	Ownership/DHCD	No	Perpetuity
<i>West Barnstable Communities/YMCA site- Kimber Woods</i>	28	Rental/DHCD	Yes	Perpetuity
<i>West Barnstable Communities/Lombard</i>	12	Rental/DHCD	Yes	Perpetuity
<i>Life Inc. III</i>	4	Rental/DHCD	Yes	Perpetuity
<b>TOTAL</b>	<b>1356</b>			

Source: Massachusetts Department of Housing and Community Development, June 5, 2009

The distribution of affordable units in the Subsidized Housing Inventory among the Town's seven villages is presented in Table 2-28, demonstrating the much higher concentration of such units in Hyannis. Osterville, Barnstable and West Barnstable had less than 1% of their year-round housing stock count as affordable based on the state's Chapter 40B definition. Efforts to increase these affordability levels should continue to better distribute affordable units throughout all village areas as prescribed in all of the Town of Barnstable's planning and housing goals.

**Table 2-28**  
*Distribution of SHI Units by Village*

<i>Village</i>	SHI Home Ownership Units	SHI Rental Units	Total Year- Round Units	Total SHI Units	10% of Year- Round Housing	% Year- round Units in SHI
<i>Barnstable</i>	1	2 (148 soon)	1,371	3	137	0.22%
<i>Centerville</i>	5	54	5,611	59	561	1.05%
<i>Cotuit</i>	4	25	2,071	29	207	1.40%
<i>Hyannis</i>	109	752	6,580	855	658	13.09%
<i>Marstons Mills</i>	61	31	2,253	92	225	4.08%
<i>Osterville</i>	3	8	1,672	11	167	0.66%
<i>West Barnstable</i>	1	23	708	24	71	3.39%
<i>Confidential</i>				272		



<i>Units + Other Units</i>						
<b>Total</b>	<b>207</b>	<b>934</b>	<b>20,266</b>	<b>1,356</b>	<b>2,027</b>	<b>6.3%</b>

*Source: Massachusetts Department of Housing and Community Development, June 5, 2009, and the Barnstable Growth Management Department.*

The majority of affordable housing development that took place during the last ten (10) or so years has been conducted primarily by private developers using the Chapter 40B comprehensive permit process as noted in Table 2-27. In many cases the Town has partnered with the developer through the “friendly” comprehensive permit process offered by the state’s Local Initiative Program (LIP). Some of the major affordable housing developments that have been permitted and/or built since 1997 are as follows:

*Danvers Way*

In February 2003, a comprehensive permit was issued to Habitat for Humanity for the construction of 16 single-family homes in eight (8), two-unit buildings off Route 28 in Hyannis. The project is complete and all units are occupied.

*School House Pond*

In October 2001, a comprehensive permit was issued to Chatham Real Properties, Inc. for the construction of eight (8) condominium units in a single structure on a 2.26-acre parcel on Scudder Avenue in Hyannisport. Two (2) of the units are affordable and all units are occupied.

*Village Green*

JDJ, LLC was granted a comprehensive permit in July 2004, which was extended to January 2010 for the creation of 148 rental units on 14.32 acres of land off Independence Drive in Barnstable Village. The project will incorporate 40 affordable, deed restricted units and another 10 workforce units. Because this is a 40B rental development, all units will count as part of the SHI. The comprehensive permit has just been extended.

*Southside Village*

In February 2003, a comprehensive permit was issued to Southside Realty Trust for the construction of 14 attached and affordable rental units on 1.35 acres located off Route 28 in Hyannis. All units are occupied.

*Housing Land Trust for Cape Cod/Village at Marstons Mills*

In 2001, the Town of Barnstable negotiated the acquisition of 19.07 acres of vacant land known as the Childs Property, bordering the Marstons Mills Elementary and Middle Schools. The project involved a mix of recreational space and open space, purchased by the Town through Land Bank funds, as well as 6.4 acres for affordable housing, purchased by the Housing Land Trust for Cape Cod. A comprehensive permit was issued to WBC, LLC for the property in January of 2004, and today there are 30 occupied homeownership units, 18 of which are deed restricted as affordable.

*Mill Pond Estates*

A comprehensive permit was issued through the Local Initiative Program to Starboard, LLC in June 2005 to develop 11 single-family homes on a 2.81-acre parcel on Old Mill Road in Osterville. Three (3) of the units will be affordable and included in the SHI. The permit has been transferred to another developer, Mill Pond Osterville Associates, LLC, and road and utility work are partially installed.

*Scrimshaw Village/Cotuit Meadows*

In April 2006, a comprehensive permit was issued to Cotuit Equitable Housing, LLC for the development of 124 single-family homes on a 50.44-acre parcel off Route 28 in Cotuit. The project will include 31 affordable units and construction on the first phase has begun. Six (6)

affordable units in phase one have been sold and occupancy of these units will begin in July 2009.

#### *Settlers Landing I and II*

In May 2006, a comprehensive permit was issued to the Settlers Landing Realty Trust for the construction of 20 single-family homes at Settlers Landing and Castlewood Circle in Hyannis. Five (5) of the homes will be affordable and eligible for counting in the SHI. A second phase was approved under the Town's Private-Initiated Affordable Housing Development (PIAHD) ordinance and includes 29 units, of which six (6) will be affordable. Road and utility work have begun for both phases.

#### *LIFE, Inc.*

In July 2006, Living Independently Forever (LIFE, Inc.) was granted a modification of their original comprehensive permit issued in 1995 to construct a fifth building containing four (4) units at Lincoln Road Extension in Hyannis. The permit has been extended to August 2009. One (1) unit will be deed restricted as affordable.

#### *Schooner Village*

The Schooner Village development includes 29 units of homeownership with six (6) affordable units. The project was permitted by the Planning Board as part of a mediation process initiated by the Housing Appeals Committee, which developed into the PIAHD ordinance. The ordinance, limited to a small area of Hyannis, requires 20% of all project units to qualify as affordable. The project is under construction.

#### *Flagship Estates I and II*

This project involved a 29-units condominium development in Hyannis that will create three (3) affordable units through the Town's inclusionary zoning ordinance. Two (2) of the affordable units were built on site and sold to the Barnstable Housing Authority and are occupied as affordable rental units.

#### *Tradewinds*

This development, located off of Old Craigville Beach Road in Centerville, includes 21 condominium units, two (2) of which were required to be affordable by the Town's inclusionary zoning bylaw. The developer, however, has determined to pay cash in-lieu of building the units, the proceeds of which will help capitalize the Town's Affordable Housing Trust and be used to subsidize other housing units.

#### *Cotuit Center Residences/Bay Point*

This comprehensive permit project, located on Main Street in Cotuit, initially included five (5) condominiums with two (2) affordable units and was appealed to HAC. Subsequently, the developer changed the project to 12 units with three (3) affordable ones and a combination of multi-family and single-family ownership units. Additional hearings are being held.

#### *Barrel Hill*

This new subdivision was recently permitted and is required to donate one (1) lot for affordable housing through the inclusionary housing bylaw.

Another potential 93 affordable units are in the planning, development or early permitting phases, included in the following developments:

#### *Whaleport*

This project located on Wakeby Road in *Cotuit* involves a comprehensive permit application for 96 ownership units, 29 of which are planned to be affordable. The units are proposed to include a mix of multi-family and single-family units. The developer received the site

eligibility letter in April 2008, but has not yet submitted the comprehensive permit application.

*Stage Coach Road*

The Barnstable Housing Authority is conducting predevelopment work, funded by a Priority Development Grant from the state and a TAP grant from the Cape Cod Commission, on this site it owns in *Centerville*. Initial plans include a 12-unit, fully affordable, rental development.

*Granby*

This project involves an eight-unit condo development on School Street in *Hyannis* with two (2) of the units designated as workforce units as required by zoning in the designated medical services district.

*Sprinkle*

Initial permitting has begun on a 20-unit rental development on Barnstable Road in *Hyannis*. Two (2) of the units will actually be affordable as required by the Town's inclusionary zoning ordinance.

*The Greenery*

This development involves 42 assisted living units of which four (4) are planned as affordable as required by the Town's inclusionary zoning ordinance. The project is located in *Hyannis* on Lewis Bay Road and in its initial phases.

*Cape Cod Retirement Community - "The Villages"*

Initial permitting has also begun on this large project on Communications Way in *Hyannis*. The project requires DRI approval of the Cape Cod Commission and includes 384 multi-family ownership units plus 41 bedrooms that will be age-restricted. Based on inclusionary zoning provisions, at least 38 of the units must be affordable.

*Lyndon Court*

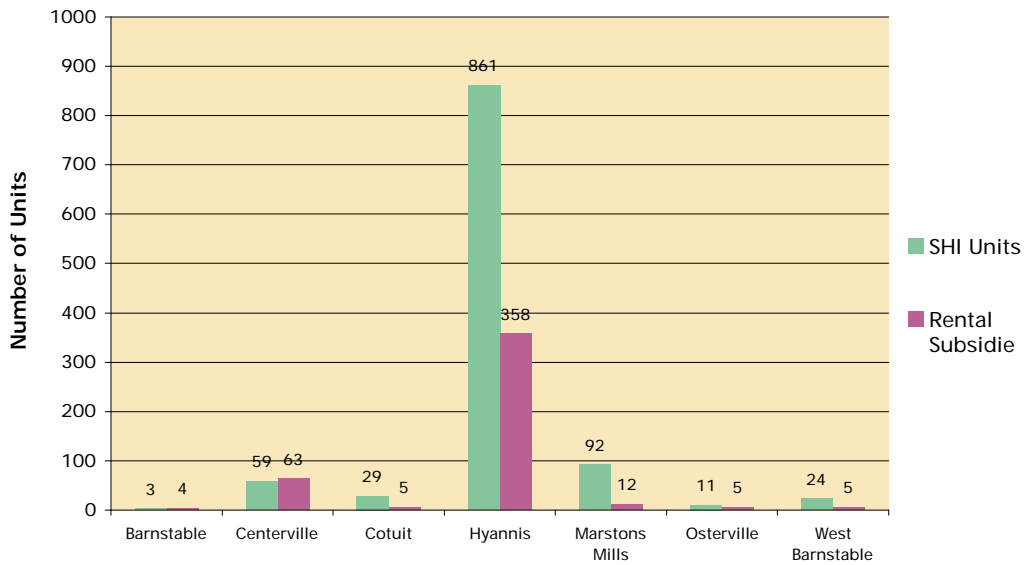
The developer of The Villages is proposing to build 44 affordable units on this site on Falmouth Road in *Hyannis* using the off-site provisions of the inclusionary zoning ordinance.

While not counted as part of the Subsidized Housing Inventory, units that are rented by those with rental subsidies are also an important component of Barnstable's affordable housing stock. Rental subsidies fill the gap between a HUD-designated Fair Market Rent (FMR) and a household's ability to pay (a proportion of their income), and enable qualifying households to secure housing in the private housing stock. Landlords enter into agreements to lease units based on program terms. There are a number of rental subsidy programs financed by both the state and federal government. The distribution of these subsidies by village is as follows:

Barnstable Village = 4 units  
Centerville = 63 units  
Cotuit = 5 units  
Hyannis/Hyannisport = 358 units  
Marstons Mills = 12 units  
Osterville = 5 units  
West Barnstable = 5 units

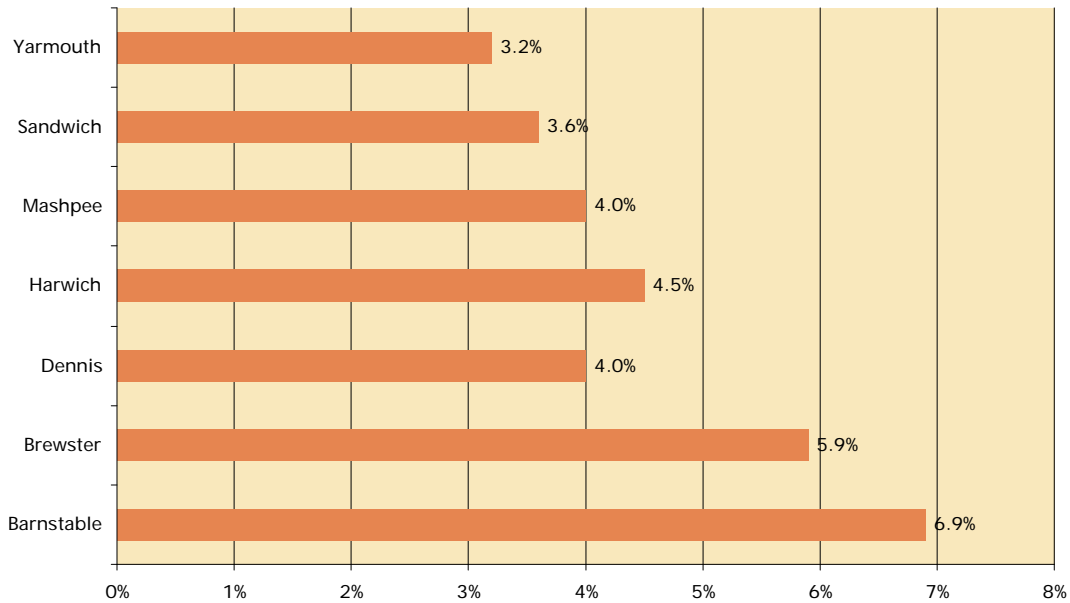
A chart showing the distribution of SHI units and rental subsidies by village is presented as Figure 2-4.

**Figure 2-4**  
*SHI Units and Rental Subsidies by Village*



Most of the towns on Cape Cod also have affordable housing levels below the state target, and, most, like Barnstable, face significant challenges in meeting the 10% state goal. The level of housing affordability for each of the nearby towns is presented in Table 2-29 and in Figure 2-5. Next to Orleans with 9.0%, Barnstable has the highest percentage of affordable housing at 6.3%, with most of the towns falling between 2% and 5%. The availability of Community Preservation funding for all communities on Cape Cod, has provided a significant boost to local housing efforts, enabling Cape towns to better plan and promote affordable units. Additional resources such as HOME funds and TAP grants, administered by the Barnstable County HOME Consortium and Cape Cod Commission, have also bolstered local efforts. Barnstable has been fortunate to also have Community Development Block Grant (CDBG) funding that has supported a number of important local initiatives, most significantly the Accessory Apartment Program.

**Figure 2-5**  
*Level of Affordable Housing, Barnstable and Neighboring Communities*



Source: Massachusetts Department of Housing and Community Development, May 15, 2009 and June 5, 2009 for Barnstable

### 2.3.5. Housing Gaps and Priority Housing Needs

This Housing Production Plan identifies three priority needs given demographic and housing trends. These priorities are as follows:

#### **Rental Housing is Top Need**

Barnstable loses a substantial amount of year-round housing units to retired and second homebuyers. Due to the town's popular mid-Cape geographic location, and because its housing stock is primarily comprised of single-family detached homes, houses are being purchased as second homes by off-Cape residents. A declining availability of buildable land exacerbates the problem.

This conversion trend has had the greatest impact on rental housing, driving rents up beyond affordable limits. The greatest need in the Town is for rental housing, especially with monthly rents of at least \$1,100, not including the costs of utilities, which are beyond the means of most who are looking for rental options. While Barnstable has a greater supply of rental housing than surrounding communities, its needs continue to be greater largely because of the concentration of service sector jobs in the Town and the economic growth generated by ongoing population growth in the region. As the Cape grows, the concentration of service jobs in Barnstable, the Cape's largest business center, will grow as well. Also, lower wage levels tend to prevail in the service and retail sectors, and thus these workers are increasingly challenged to find decent, affordable housing within the Town as wage growth has not kept up with real estate values in these industries. Additionally, the high turnover in this population is natural and expected to continue, indicating that the supply of housing units with reasonable rents needs to be adequate. Moreover, there is a tendency for existing rentals in Barnstable to be overcrowded with multiple wage earners required to meet rental rates.

Prevailing market rents make for inadequate choices largely at the mid and lower rent levels, as demonstrated by the length of waiting lists for affordable rentals. The numbers of applicants on the

waitlists for Housing Authority units total 681 and are listed below, ranging from a low of eight (8) applicants for two-bedroom units for seniors and four-bedroom family units to 224 applicants for federally-assisted two-bedroom units:

*State-assisted elderly and disabled units*

Studios	10 applicants
1-bedroom units	188 applicants
2-bedroom units	8 applicants
Subtotal of 206 applicants	

*Federally-assisted elderly and disabled units*

1-bedroom units	224 applicants	
1-bedroom units with handicapped modifications		18 applicants
Subtotal of 242 applicants		

*State-assisted family units*

2-bedroom units	163 applicants
3-bedroom units	62 applicants
4-bedroom units	8 applicants
Subtotal of 233 applicants	

Demand for high-end rental housing is much less significant than for lower cost units. The ability of the market place to produce an adequate supply of rentals is limited by zoning, land prices/supply, still relatively high homeownership costs, and significant challenges in securing financing, suggesting that subsidies for rental unit production should figure prominently in the Town's Housing Plan.

Moreover, there are those with very limited incomes, the most vulnerable residents in town, who require subsidized rental housing, particularly given the high rents that continue to be charged as well as requirements related to paying a first and last months rent in addition to a security deposit before even entering into a lease. It should be noted that the National Low Income Housing Coalition's annual report, "Out of Reach", indicated that the estimated mean (average) wage for a renter in Barnstable County was \$11.63 an hour in 2008. To afford the Fair Market Rent (FMR) for a two-bedroom apartment of \$1,192, as stipulated by HUD, would require 79 hours per week of work without vacation time at this wage level. In effect this Fair Market Rent with utilities would require an hourly wage of \$23 or \$47,680 annually, assuming that the household paid no more than 30% of their income on housing-related expenses. This analysis confirms that significant affordability gap in the rental housing stock, suggesting the region's primary workforce housing need for subsidized rental housing. Additional factors that demonstrate the serious need for affordable rental housing include:

- Despite increasing household wealth, there are substantial numbers of households with incomes below \$25,000 that included 4,835 households or about 25% of all households, based on 2000 census data. There are substantially more of these households than subsidized units available (1,362 units), and they are challenged to compete in Barnstable's private, unsubsidized housing market.
- There were 7,506 households with incomes at or below 80% of the 2000 area median income. Therefore, based on income alone, about 40% of Barnstable's households might have qualified for housing assistance without consideration of other financial assets.
- The absolute numbers and proportion of those with incomes below the poverty level (\$10,400 for an individual and \$17,600 for a family of three in 2008) actually increased from 1989 to 1999 from 6.6% of the population to 8.8% and from 2,711 people in poverty to 4,173. The poverty level for families declined from 1979 to 1989, and then increased to 830 families or 6.3% of all families. The level of children in poverty fluctuated but was higher in numbers in 1999, increasing from 1,030 to 1,199 children under 18 years of age since 1979, after a significant fall-off in numbers and proportion of all children in 1989. Seniors 65 years and older who were living in poverty included 391 residents in 1979, or 6.7% of all seniors, increased to 408 and 4.9% in 1989, and increased still more to 564 seniors or 5.9% of all

seniors in 1999. The absolute numbers and proportion of those with incomes below the poverty level actually increased from 1979 to 1999 from 6.4% of the population to 7.8% and from 573 people in poverty to 668.

- There were 1,991 households earning at or below 30% of area median income, referred to by HUD as extremely low-income households, and of these 1,147 were renters. Of these renter households, almost 60% were spending more than 50% of their income on housing-related expenses.
- Of the 823 renter households earning between 30% and 50% of area median income, referred to as very low-income households, about 36% were spending more than 50% of their income on housing.
- There are also limited housing options for seasonal workers who are essential for sustaining Barnstable's significant resort economy.
- The Leadership Council to End Homelessness on Cape Cod and the Islands counted 932 homeless individuals in its point in time census of the homeless in 2008. This was higher than the 904 counted in 2007, and given current economic conditions is likely to be higher still in 2009. A substantial portion of these homeless was counted in Hyannis, where services for the homeless are concentrated.

An analysis of the rental needs of different types of households is included in Table 2-30. This table indicates that in 2000 there were 2,051 renter households with housing problems, either overcrowding or spending too much of their income on their existing housing, of which 1,861 had incomes at or below 80% of area median income. Just looking at the proportionate need of seniors, small families (two to four family members) and large families (five or more members), without consideration of the "all other renters" category, suggests that seniors comprise about 36% of those with housing-related problems, small families (two to four family members) make-up about 50%, and large families about 14%.

**Table 2-29**  
*Level of Housing Problems by Type of Renter Household*

<i>Household by Type and Income</i>	<i>Elderly</i>	<i>Small Families</i>	<i>Large Families</i>	<i>All Other Renters</i>	<i>Total</i>
<i>&lt; 30% AMI</i>	351/211	359/254	88/78	349/245	1,147/788
<i>30-50% AMI</i>	336/178	285/205	18/18	184/165	823/566
<i>50-80% AMI</i>	167/103	405/210	60/45	329/149	961/507
<i>&gt; 80% AMI</i>	240/20	640/50	125/55	710/65	1,715/190
<i>Total</i>	<b>1,094/512</b>	<b>1,689/719</b>	<b>291/196</b>	<b>1,572/624</b>	<b>4,646/2,051</b>

*Source: 2000 HUD SOCDs CHAS Data - Housing Problems Output for All Households*  
*\* Problems due to overcrowding or paying too much for housing*

This Housing Plan suggests level of need included in Table 2-31, focusing on those who are overcrowded or paying too much, creates an approximate need for at least 2,000 affordable rental units in Barnstable over the long-term. This Plan recommends that these rental units be distributed as follows largely based on the distribution suggested in Table 2-30:

**Table 2-30**  
**Projected Distribution of Rental Units**

<i>Target Renter Households</i>	<i>Target Unit Size</i>	<i>Proportion of Need</i>	<i># Units Long-term/Short-term (5 years)</i>
<i>Seniors/Individuals</i>	One bedroom	36%	720/144
<i>Small Families</i>	Two bedrooms	50%	1,000/200
<i>Large Families</i>	Three + bedrooms	14%	280/56
<b>Total</b>		<b>100%</b>	<b>2,000/400*</b>

*Source: Source: 2000 HUD SOCDs CHAS Data - Housing Problems Output for All Households*

*\* 75% of an average of 106 units/year in total production goals or 80 units/year*

This amount of rental housing will unlikely accommodate all of the pent-up regional demand, but represents a reasonable local goal that will ultimately bolster Barnstable’s rental housing stock beyond 25% of the total number of housing units in the community. There should also be some focus on the housing needs of seasonal workers.

**First-time Homeownership Opportunities Second Need**

While Barnstable has a relatively large population of renters, it also has a great need to accommodate the housing needs of a more permanent workforce. The composition of this sector is largely professional and managerial workers, such as teachers, medical technicians, public safety personnel, administrators, managers, etc. The secondary ranking for retention of these types of workers after service sector workers is due only to the numbers of each. However, professional and managerial workers tend to have greater job stability and greater earning power, both important conditions for viable homeownership. This more settled population is also likely to have growing families in need of homes with three or more bedrooms. As households move from rental units to homeownership, they offer some new availability in the rental stock as well.

Between 1990 and 2000, the proportion of owner-occupied units to total units increased due to extremely high production of owner housing, relatively low production of rental housing, and an actual loss of rental units. Clearly, owner-occupancy will remain the predominant form of tenure for the foreseeable future as it has been in the past. Based on historic demographic characteristics, ownership units are more likely to be occupied by long-time residents, which enhance stability and a sense of community. Retaining workers in the community is dependent in large measure on the ability of new households to form and raise families reasonably close to employment centers. The forms of housing choice for this population should be quite varied so as to allow choices at all price levels. Attached single-family units, garden-style condos, and detached single-family units could realistically fill this need.

While subsidized first-time homebuyer opportunities are greatly needed to attract younger adults to the community, the Town’s homeownership agenda should also focus on two additional needs. First, the problem of growing foreclosures, housing abandonment in particular, will require additional money and special initiatives to address. Second, the Town should focus resources on the needs of seniors to be able to downsize and find housing in town that requires little or no significant maintenance, is more likely to be barrier free, and also includes some supportive services to allow them to remain independent in their own homes for as long as possible.

**People with Disabilities and Special Needs**

For Barnstable and the County as a whole in 2000, disabled people were about 16% of the noninstitutionalized population over age 5. There were no unusual concentrations of this population



among the villages, but the largest concentration of noninstitutionalized disabled residents (34% or 2,435) was in Hyannis. Some 3,000 residents (6% of the Town's total 2000 population based on a sample) reported they had an employment disability. However, it is not known how well-housed any of these residents were in 2000 or what their household incomes were.

The affordability gap is likely the widest for the disabled, those on public assistance, the elderly, minorities and the unemployed. It can be estimated that the disabled population that could not work was probably challenged to keep or find housing. While Social Security and/or Supplemental Security Income would be the likely type of income in most of these households, together with other potential sources, there would be implicit limitations in competing in the housing marketplace not just due to prevailing high rental prices but also to the scarcity of affordable, barrier-free units. Due to the fairly similar proportions of disabled people in the Town, County and State populations, this Housing Plan recommends that at least 10% of new affordable units should be barrier-free and/or with supportive services. This level should increase to 20% for senior housing.

Barnstable continues to house a substantial number of individuals with various special needs, including people with AIDS, mental retardation, and mental illness. These housing needs are typically met in group homes or congregate settings.<sup>22</sup> Programs to develop and operate such housing should be encouraged to continue, as the need for them will grow with the general population. The Town of Barnstable is fortunate to have a number of highly proficient special needs providers who have sponsored residential housing development and supportive service programs. These organizations include, but are not limited to, LIFE, Inc., Nauset, Inc., CHIPS House, Champs Homes, HAC, and the Barnstable Housing Authority.

### **Suggested Proportions**

This Housing Plan establishes the following proportionate shares of housing needs and proposes that they be applied, to the greatest extent possible, in each village as opportunities for affordable housing arise.

- 75% rental (2 and 3 bedroom, primarily for the resident labor force) and some studio apartments
- 25% ownership with 20% for first-time homebuyers, including buy-downs of foreclosed properties, and 5% for seniors.
- Of all new units created, 10% should be barrier free and/or have supportive services, 20% in the case of housing for seniors.

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<sup>22</sup> It should be noted that group homes are required by State law to be treated under zoning as single-family uses.

## 2.4. Housing Resources

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### 2.4.1. Local and Regional Organizations

#### Growth Management Department

In September of 2005, the Town of Barnstable reorganized by establishing one agency to better coordinate the Town's growth and development activities, creating the Growth Management Department. This Department includes a multi-disciplinary team to oversee the following important responsibilities:

- Coordinate a long-term vision for the future of the Town and its villages;
- Bridge the long-term vision with the regulatory review of private development; and
- Coordinate capital improvements towards that overall vision.

The Department manages six (6) important functions including regulatory review, comprehensive planning, community development, economic development, property management, and traffic and parking management. This department is also overseeing the development of this Housing Production Plan.

#### Barnstable Housing Authority

The Barnstable Housing Authority was established in 1948, and since that time has been producing and operating low-income subsidized housing in Barnstable. The agency is currently administering approximately 1,040 units of housing including the management of public housing units as well as rental subsidies as follows:

- 155 units of state-aided Chapter 667 housing for the elderly and handicapped
- 18 units of state-aided congregate housing for the frail elderly and disabled
- 52 units of state-aided special needs housing, financed through the Chapter 689 Program
- 52 units of state-aided family housing through the Chapter 705 Program
- 4 units for families with AIDS through the Cape AIDS Ministry Program
- 2 units under the Pilot House Plus Program for homeless individuals
- 27 units under the Rental Acquisition Program (RAP)
- 75 units of state-aided rental subsidies through the Massachusetts Rental Voucher Program (MRVP)
- 20 units of rental subsidies for disabled individuals through the Alternative Housing Vouchers Program (AHVP)
- 68 units of federally assisted housing for the elderly and handicapped (46-3)
- 170 units with HUD Section 8 rental assistance
- 90 units with HUD Section 8 Mobility Vouchers
- 200 units under the Disabled Independent Adult Living Program (DIAL)
- 93 Section 8 Vouchers under the Fair Share Program
- 16 units of Single Room Occupancy (SRO) Section 8 Moderate Rehabilitation housing for homeless veterans and homeless shelter participants
- 35 units with vouchers under the federally funded Shelter Plus Care Program for people with HIV/AIDS

The Barnstable Housing Authority has been an important partner with the Town of Barnstable in not only developing new units of affordable housing for individuals and families, including special needs individuals, but also managing such units and administering important rental subsidies that enable lower income families and individuals to remain in the community, renting units in the private housing stock. The Housing Authority will also receive some additional funding through a special Neighborhood Stabilization Fund grant to acquire and rehab abandoned and foreclosed properties for occupancy by low-income renters and managed by the BHA.

### **Barnstable Housing Committee**

The mission of the Barnstable Housing Committee is “to promote the production and preservation of balanced housing resources that address the unmet needs of the Town of Barnstable” and as such the Housing Committee facilitates the development of and equal access to affordable housing. It advises the Town Manager and Town Council on housing proposals from developers who are seeking to work with the Town through the state’s Local Initiative Program (LIP) and in regard to any programs and policies related to reaching the Town’s goals of making a minimum of 10% of its housing affordable in perpetuity. The Committee members actively participate in the review of Chapter 40B comprehensive permit applications, working closely with the Zoning Board of Appeals, and comprehensive permit applicants are encouraged to meet with the Housing Committee in the early stages of project planning. More recently the Housing Committee has assumed the role of approving affordable housing units created through the Town’s inclusionary zoning ordinance and monitoring the long-term affordability of the units.

### **Barnstable Affordable Housing and Economic Development Trust Fund**

The Town of Barnstable established an Affordable Housing and Economic Development Trust Fund in 2007. Trustees have been appointed who will manage this dedicated fund for supporting affordable housing and economic development initiatives.

### **Barnstable Human Services Committee (HSC)**

In 2005, the Town of Barnstable established the Human Services Committee (HSC) “to improve the human condition of all citizens of the Town of Barnstable and be an advocate for its most vulnerable populations.” As such the Committee advises the Town Council on a host of issues including those related to housing and the homeless. HCS administers the In From the Streets Program, an expansion of the former In From the Cold Program, which brings together human service groups and the Barnstable Police Department in an effort to locate and reach out to those who are living outdoors in the Village of Hyannis. These homeless individuals are screened for their compatibility with the Program, receive supportive housing, and are assessed and then linked to services with the goal of having them again become contributing members of the community.

### **Barnstable Council on Aging**

The Barnstable Council on Aging is a Town department that supports the quality of life of the community’s elders through a wide variety of services. These activities include an information and referral service on a wide range of issues, community-based services to promote independent living such as a free shuttle van to local stores and services, and in-home support services. The Council relies heavily on local volunteers to support its activities and operates a senior center.

The Council on Aging also works with the Town on a program that abates taxes for qualifying seniors in exchange for services to the Town. In addition to this work program, the Town also operates a variety of tax exemption programs for income-eligible seniors, veterans, surviving spouses, etc. that reduce property tax bills.

### **Habitat for Humanity of Cape Cod**

Habitat for Humanity is an ecumenical, non-profit Christian ministry dedicated to building simple, decent homes in partnership with families in need that has grown over the past two decades into one of the largest private homebuilders in the world. The organization has almost 1,600 U.S. affiliates and over 2,000 affiliates worldwide, including one on the Cape that has been able to build new homes for first-time homebuyers through donated land, materials, labor and funding as well as other special financing strategies. The organization has built 19 units in Barnstable including 16 units through its Danvers Way project and two (2) additional homes, all are currently included in the Town’s Subsidized Housing Inventory.

### **Housing Assistance Corporation (HAC)**

The Housing Assistance Corporation (HAC) has proclaimed its mission to “promote and implement the right of all people on Cape Cod and the Islands to occupy safe and affordable housing”. This non-profit organization is working throughout the Cape as a sponsor of affordable housing developments and has a wide range of financial and educational resources available for renters, existing homeowners and first-time homebuyers including HOME Program funding and rental subsidies. HAC has been designated as a Community Housing Development Organization (CHDO) to help the Town promote new affordable housing development. It has received CPA funding to introduce a homeowner purchase program in Barnstable to purchase, repair and then resell units to qualifying first-time homebuyers, subsidizing the resale price. HAC will also be receiving CDBG-NSP funding that will enable the organization to acquire, rehab and resell two to three abandoned and foreclosed homes in Hyannis to qualifying first-time homebuyers.

### **Cape Cod Commission**

The Cape Cod Commission was created as the regional planning and regulatory agency for the Cape. In addition to coordinating a wide range of planning and policy activities, the Commission administers the Technical Assistance Program (TAP), which provides funds for consultant to assist communities in promoting affordable housing. The Commission also manages the allocation of a number of housing subsidy funds that can be made available to communities to support affordable housing efforts including the oversight of HOME Program funds on behalf of the Barnstable County HOME Consortium, the Soft Second Loan Program to subsidize mortgages for first-time homebuyers, the DRI Fund Management, and the County Home Ownership Fund (CHOP). (3225 Main Street, Barnstable, MA 02630; 508/362-3828).

### **Community Action Committee of Cape Cod and the Islands, Inc.**

The Community Action Committee of Cape Cod and the Islands, Inc. (CACCI), founded in 1965 as one of the state’s Community Action Agencies, is a private, non-profit organization that helps low- and moderate-income people improve their quality of life through a wide range of programs and services. The agency’s efforts are focused primarily in the areas of housing, emergency shelter, advocacy for elders, and childcare.

CACCI is also the convener for the Leadership Council to End Homelessness on Cape Cod and the Islands, which is part of the national system of Continuums of Care supported by the federal Department of Housing and Urban Development (HUD) to provide an ongoing comprehensive, long-term strategic planning effort to maintain a seamless continuum of shelter, housing and supportive services to end homelessness. The Leadership Council has over 35 participating groups and organizations that creates a network of support for its activities including homeless service providers, non-profit agencies, private businesses, housing developers, public housing authorities, representatives from local, county, and state government, the faith-based community and formerly homeless individuals. Primary activities include:

- Oversees the submission of annual funding applications to HUD (the SuperNOFA/Vento Homeless Assistance grant application process which has brought more than \$3 million to the region and includes the creation of 19 new permanent supportive housing beds for homeless and disabled individuals and maintains over 100 beds for homeless individuals and families);
- Oversees the implementation and monitoring of the Council’s Ten Year Plan to End Homelessness;
- Conducts the annual “point in time” count of the number of homeless; and
- Facilitates monthly meetings and the coordination of various subcommittees

(115 Enterprise Road, Hyannis, MA 02601; 508/771-1727)

### **LIFE, Inc.**

Since 1993, Living Independently Forever (LIFE, Inc.) has been serving adults with learning disabilities through a model program created within its condominium communities on Cape Cod. LIFE, Inc. is a private, non-profit organization that provides support and resources in the areas of vocation, education, social and community involvement, and daily living, encouraging each resident’s aspirations, strengths and abilities. The organization has built several projects in the Town of

Barnstable including 16 mixed rental and ownership units through its LIFE I and II projects and another four (4) units through a third phase.  
(550 Lincoln Road Extension, Hyannis, MA 02601; 508/790-3600)

#### **CapeAbilities**

CapeAbilities, formerly Nauset, Inc., is non-profit organization that for more than 35 years has been providing housing, jobs and therapeutic services for individuals with developmental disabilities on Cape Cod. The organization's mission is to "serve individuals with disabilities by educating, counseling, and providing residential therapeutic, social, and employment supports so as to empower them to achieve meaningful and valued roles in society". CapeAbilities has sponsored housing in Barnstable using the assistance of CDBG funds to purchase a group home. (895 Mary Dunn Road, Hyannis, MA 02601; 508/778-5040)

#### **CHIPS House**

The Cape Head Injured Persons' Housing and Education Group, Inc., also known as CHIP, is a private, non-profit organization that was established in 1992 to provide support and assistance for head injured residents of Cape Cod and has been committed to providing community-based housing for these individuals. The housing includes support services so that the disabled residents can maximize their functional potential and achieve their highest level of independence in the community. The organization has developed CHIP's House and CHIP's House II in Barnstable, each with ten (10) units. (9 Park Avenue, Centerville, MA 02632; 508/790-7311)

#### **Champ Homes**

Champ Homes provide multi-generational housing for folks who are physically disabled, in recovery from drug or alcohol abuse, mentally ill, and with other assorted needs. A major component of Champ Homes' community-based housing program is to form a close-knit family in the housing based on mutual love and spirituality. The organization has worked with the Town of Barnstable using CDBG funds to purchase a group home for special needs housing. (82 School Street, Hyannis, MA 02601/ 508/771-0885)

In addition to the above non-profit organizations and agencies, the Town of Barnstable has worked cooperatively with private developers including McShane Construction, Chatham Real Properties, and Williams Construction, among others.

## **2.4.2. Local and Regional Housing Funds**

#### **Affordable Housing and Economic Development Trust Fund**

Barnstable's Affordable Housing and Economic Development Trust Fund was established in 2007 to help preserve the affordability of existing housing units that would otherwise be lost because the resale formula in the existing deed rider would make them unaffordable. Therefore, the Fund would also help preserve the character of the Town and its diverse socioeconomic population. Both Community Preservation funding and affordable housing mitigation funds, including proceeds from the inclusionary zoning ordinance, have helped capitalize the Fund and help also leverage CDBG funds that can also be applied to housing preservation activities.

#### **Community Development Block Grant Funds**

The Town of Barnstable has received \$352,830 in CDBG funding for the 2009 program year. The Town spends at least 70% of its funds to benefit low- and moderate-income persons and in 2008 allocated 46% of its CDBG funds to affordable rental housing efforts and another 4% for services to help the homeless. The number one priority for the CDBG program 2005-2010 is to create more affordable housing opportunities in all seven of Barnstable's villages to ensure safe, decent, affordable housing for its residents including rental and homeownership. CDBG funds have been used to support many different affordable housing projects over the years, including but not limited to, the Town's Accessory Affordable Apartment Program (AAP), the Rental Acquisition Program (RAP), 705 Self Sufficiency Program, and Affordable Housing Development Assistance. In addition to affordable

housing initiatives grant funds are used for community development projects that benefit our low and moderate income residents.

### **Rental Acquisition Program**

In an effort to increase the stock of affordable rental housing, the Town dedicates a percentage of its Community Development Block Grant (CDBG) allocation to fund the Rental acquisition Program. This authorizes the Town to use these federal funds towards the purchase of existing single and multifamily properties and maintain them as affordable rentals.

The Town solicits applications from various housing agencies and local non-profits who are interested in utilizing the program, and typically provides up to \$25,000 towards the purchase of a property.

### **705 Self Sufficiency Program**

CDBG funds have been granted to the Barnstable Housing Authority (BHA) to assist high performing 705 family housing participants to buy down the price of purchasing their own home. This program was piloted in program year 2007 and was successful in moving two low income families out of public housing and into their first homes. CDBG is funding the program again in 2009 with the goal of moving 2 more families into their own home.

### **Community Preservation Funds**

In September of 2000, the Community Preservation Act (CPA) was enacted to provide Massachusetts cities and towns with another tool to conserve open space, preserve historic properties and provide affordable housing. This enabling statute established the authority for municipalities in the Commonwealth to create a Community Preservation Fund derived from a surcharge of up to 3% of the property tax with a corresponding state match of up to 100% funded through new fees at the Registry of Deeds and Land Court. Once adopted the Act requires at least 10% of the monies raised to be distributed to each of the three categories (open space, historic preservation and affordable housing), allowing flexibility in distributing the majority of the money to any of the three uses as determined by the community. The Act further requires that a Community Preservation Committee of five to nine members be established, representing various boards or committees in the community, to recommend to the legislative body, in this case Town Meeting, how to spend the Community Preservation Fund.

In November 2004, the Barnstable Town Meeting adopted the CPA and ballot approval occurred in May 2005, with support of 78% of all voters. Barnstable approved a 3% surcharge without any exemptions. Like the other communities on Cape Cod, Barnstable voted to convert the 3% property tax surcharge that had been committed to the Land Bank for the purchase and conservation of open space into funding to support the Community Preservation Fund. As a result, the Town was able to continue to receive state matching funds, as state support for the Land Bank had run out, without raising additional taxes.

The Community Preservation Committee includes 10 members including representatives of the Board of Selectmen, Housing Authority, Conservation Commission, Recreation Commission, Historical Commission and Planning Board, each appointed for three-year terms by the Board of Selectmen. Estimates indicate that there will be approximately \$4,255,507 in FY09 revenue available in the Community Preservation Fund. There are also almost \$6.5 million in unreserved funds from prior years, about half of which was undesignated as of March 24, 2009. This translates into considerable funding that is potentially available to support community housing activities. The Town Council is projecting about an even distribution of funding among the three use categories, and thus community housing efforts could anticipate approximately another \$2.2 million in funding over the next year or so. The Town has thus far allocated almost \$2 million in CPA funding for the following housing efforts:

- \$75,000 for the Affordable Housing Program to buy-down existing units and convert them to long-term affordability for first-time purchasers
- \$115,000 for 46 Pearl Street (also \$250,000 in CDBG funds) to create affordable artist housing
- \$300,000 for HAC's Lombard and YMCA developments on previously Town-owned land (40 rental units)

- \$50,000 for the Wellness Center Manager to facilitate the design, construction and start-up of a center open 24/7 to provide assistance to the homeless
- \$158,000 for the Barnstable Housing Authority Rental Acquisition Program Stoneridge and Village Marketplace units
- \$118,420 for 93 Pleasant Street – Aunt Sarah’s House – to convert four (4) SRO units into two (2) one-bedroom and one (1) studio unit
- \$108,000 for BHA’s Rental Acquisition Program 2 units at Flagship.
- \$250,000 for HAC Home Ownership Purchase Program (Buy-down Program)
- \$100,000 to the Community Action Committee of Cape Cod and the Islands to provide rental assistance vouchers to 15 to 30 families over five (5) years

**HOME Funds**

The Barnstable County HOME Consortium includes all municipalities in Barnstable County and provides federal HOME Program funding to support the financing of a wide variety of housing activities. These funds are available to all towns participating in the Consortium, including Barnstable, and are administered by the Cape Cod Commission. HOME funding for Barnstable has totaled \$1,256,500 for 13 separate projects with 160 total units and 145 affordable units, more than any other community on the Cape. HOME funding allocations, as of the end of 2008, are presented in Table 2-32.

**Table 2-31**  
*HOME Funding Awarded to the Town of Barnstable,  
July 1, 1994 Through December 31, 2008*

<i>Project</i>	<b>Project Type</b>	<b># Units</b>	<b># Affordable Units</b>	<b># HOME Units</b>	<b>HOME \$ Committed</b>
<i>Foundations Project</i>	Rental	12	12	6	\$130,000
<i>Pine Street Residence</i>	Rental	4	4	4	\$30,000
<i>Winter Street/ Cape AIDS</i>	Rental	9	9	9	\$61,500
<i>Aunt Sarah’s</i>	Rental	12	12	10	\$70,000
<i>CHIP’s House II</i>	Rental	10	10	4	\$50,000
<i>Ashley Drive</i>	Rental	1	1	1	\$15,000
<i>Danvers Way</i>	Ownership	16	16	10	\$50,000
<i>Southside Village</i>	Rental	14	14	5	\$100,000
<i>Village at Marstons Mills</i>	Ownership	30	18	11	\$150,000
<i>Gallagher Lane</i>	Ownership	7	4	4	\$100,000
<i>Lombard Farm</i>	Rental	12	12	8	\$150,000
<i>Route 132/YMCA</i>	Rental	28	28	11	\$250,000
<i>Barnstable HOP-HAC</i>	Ownership	5	5	5	\$100,000
<b>Total</b>		<b>160</b>	<b>145</b>	<b>88</b>	<b>\$1,256,500</b>

*Source: Barnstable County HOME Consortium, Cape Cod Commission, December 31, 2008*

HOME funding has also supported down payment and closings costs of \$599,251 for 119 loans in Barnstable as well as Homeowner Repair Program funding of \$378,694 for 54 loans. (C/O the Cape Cod Commission; 3225 Main Street, Barnstable, MA 02630; 508/362-3828).

### **Technical Assistance Program (TAP) Grants**

The Cape Cod Commission provides grant funding for Cape communities to access technical assistance in promoting affordable housing. TAP grants that have been received by Barnstable total \$28,500 in funding and include the following:

- \$3,000 to Habitat for Humanity of Cape Cod for its Danvers Way project in Hyannis
- \$3,000 to the Housing Land Trust of Cape Cod for engineering work for a HLT-owned 6-acre parcel in Marston Mills
- \$3,000 to the Town of Barnstable for its 2003 Housing Needs Assessment
- \$3,000 to the Barnstable Housing Authority for engineering work on a BHA-owned parcel
- \$3,500 to the Housing Assistance Corporation towards an appraisal and architectural work on 11 lots in Hyannis
- \$5,000 to the Barnstable Housing Authority for engineering work on a BHA-owned parcel
- \$5,000 to the Town of Barnstable for engineering and legal work on a variety of Town-owned parcels
- \$3,000 to the Barnstable Housing Authority for a consultant to conduct an endangered species review for BHA-owned land

### **McKinney/Vento Funding**

Federal McKinney/Vento funding is provided to support the range of needs of those individuals and families who are homeless or at risk of homelessness through several programs including:

- Shelter Plus Care Program (funding for Housing First, Cape Aides Ministry, Pilot House Plus, Cape Cod Supported Housing, and Cape Regional Housing Initiative)
- Supportive Housing Program (funding for legal services outreach, HMIS, Kit Anderson House, Champ Homes)
- New Supportive Housing for the Homeless (formerly known as Kit Anderson House II)

### **Priority Development Fund Grants**

The state, through the Department of Housing and Community Development, has administered the Priority Development Fund Program, which provides grant funding to support housing development efforts, particularly those that reflect smart growth principles. The Town of Barnstable received three (3) such grants in 2006 and 2007 including the following:

- A grant to support the development of Stage Coach Road of \$40,000. This grant was originally awarded in November 2006, but was extended through April 2009. The funding went to cover predevelopment work for a BHA-owned site to develop 12 units of rental housing, which the BHA has been actively pursuing. The project was slowed down for a period of time due to the need to hire a consultant to conduct an endangered species review, which was funded by a Cape Cod Commission TAP grant. The BHA started the comprehensive permit process in the fall of 2009
- The PDF grant of \$50,000 was awarded in April 2006, and has been fully expended on predevelopment for a Town-owned parcel on Old Mill Road. The RFP was issued but not awarded.
- A PDF grant of \$25,000 was awarded in September 2007 for the Town's Pearl Street project and an extension has been granted through March 2010. The Town purchased 46 Pearl Street with CDBG funds with plans to renovate the property into affordable apartments. The PDF grant will go to hire a consultant to prepare a pro forma for the project and architectural plans. Some additional work was done on the property to remove lead and asbestos through CPA funding.

### **CDBG – Neighborhood Stabilization Program Funds (NSP)**

The Town of Barnstable applied for Neighborhood Stabilization Program funds and received \$400,000 to address the foreclosure crisis in our community. The Town partnered with Barnstable Housing Authority and Housing Assistance Corporation to acquire foreclosed upon properties in designated areas that will be used for affordable rental housing and home ownership opportunities. The goal of the program is to produce two affordable rental units and two affordable homeownership units and



25% of the funds will produce housing for households at or below 50% of the area median income. All units will be deeded to remain affordable in perpetuity.

**Cape Cod Commission Housing Mitigation Funds**

There are two potential sources of funds for affordable housing from the Cape Cod Commission, assuming there is a Development of Regional Impact (DRI) or new commercial development occurs in town during the next five (5) years. First, residential projects subject to Commission review are required to set-aside 10% of the units for affordable housing. The applicant has the option of meeting this requirement through the provision of on-site units/lots, use of off-site units/lots, a cash contribution, or some combination of these options. Second, commercial projects subject to Commission review are required to provide mitigation for the impacts that below-average-wage jobs have on the need for affordable housing determined by the 2005 Barnstable County Nexus Study.

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## **3. CHALLENGES TO PRODUCING AFFORDABLE HOUSING<sup>23</sup>**

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<sup>23</sup> Michael Pessolano, as part of Barnstable's 2003 Housing Needs Assessment, authored parts of this Section.

### 3.1. Availability of Funding

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The primary obstacle to meeting housing needs continues to be the availability of funds. Organizations involved in producing affordable housing and meeting the needs of the Town's low and moderate-income residents continue to experience significant reductions in funding from both governmental and private sources. The Town's CDBG entitlement funding has been reduced in prior years and then level funded during the past few years while the costs and level of need continue to rise. The situation is particularly acute given the current economic climate.

**Mitigation Measures:** This Housing Plan provides guidance on the use of Community Preservation Funds, CDBG funding as well as the Affordable Housing Trust Fund for affordable housing initiatives that will enable the Town to support the production of new affordable units and leverage other public and private funding sources. Moreover, like other communities on Cape Cod, Barnstable has access to federal HOME subsidies, administered by the Barnstable County HOME Consortium, as well as a host of other programs and services listed in Section 2.4.2 of this Plan. This Plan also includes a specific recommendation for the Growth Management Department to better coordinate the investment of local and regional resources for affordable housing to more strategically allocate and better leverage local funds. (see strategy 6.1.2 for details).

## 3.2. Zoning

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The Town of Barnstable has made impressive progress in reforming its land use regulations and establishing bylaws that promote diverse types of housing, including affordable housing, and in better directing growth according to smart growth principles.

### **Affordable Accessory Apartment Program**

The Zoning Ordinance created the Barnstable Affordable Accessory Apartment Program, which has served as a model for other communities in the state interested in promoting accessory apartments. (See Section 6.3.2 for more details on this important Barnstable initiative.)

### **Inclusionary Zoning<sup>24</sup>**

In June 1999, the Town adopted an Inclusionary Zoning ordinance to assure “that an appropriate share of the remaining undeveloped land in the Town is used to meet the Town’s critical need for affordable housing, and to promote the inclusion of a fair share of the costs of construction of affordable housing in all residential and nonresidential land development activity in the Town”. The ordinance requires that in certain developments of ten (10) or more units, at least 10% of the residential units constructed must be dedicated by deed restriction as affordable housing. In areas subject to Section 168 Regulatory Agreements, currently applicable only in the Downtown Hyannis Growth Incentive Zone, a developer may apply to the Town to enter into a development agreement. In this case, the Barnstable Housing Committee would review any proposed development agreement and advise the Town as to whether it provides benefits that are at least as beneficial to the Town as those under Inclusionary Zoning. A Development Agreement could propose off-site affordable units, land conveyance, or cash payments. To date the Inclusionary Zoning ordinance has resulted in the permitting of ten (10) units of affordable, deed-restricted housing, which the Town monitors to insure long-term affordability and compliance with the deed restrictions.

### **Growth Incentive Zone (GIZ)**

The Town has designated Downtown Hyannis as a Growth Incentive Zone (GIZ), a part of the larger Downtown Hyannis Revitalization Project that has been evolving over the past few years. Throughout the 1990s, downtown Hyannis experienced increasing distress in its downtown with failing businesses culminating in vacant storefronts. The Town’s inflexible single-use zoning coupled with an economic downturn exacerbated the problem.

The GIZ was approved by the Cape Cod Commission in April 2006, and includes most of downtown Hyannis where it is meant to streamline the regulatory review process as projects require only local permitting and are not required to be reviewed by the Cape Cod Commission. The GIZ also defines density bonuses and offsets and creates design and infrastructure parameters for development and redevelopment. The GIZ enables the Town to permit up to 600 new residential units and 585,000 square feet of new non-residential development. This rezoning and streamlined regulatory review through the GIZ have been reinforced by federal and local funding of approximately \$4 million towards streetscape improvements in the downtown. Such improvements, as well as recent arts and cultural activities, have enhanced both public safety and perceptions of the area and hence drawing new visitors and residents.

### **Rezoning of Downtown Hyannis**

The Town of Barnstable has completed a new zoning ordinance for the downtown Hyannis area to encourage mixed residential and commercial development to benefit both affordable and workforce housing. Based on a local buildout analysis and community input, the new zoning ordinance has the potential to provide a net gain of up to 2,736 multi-family units.

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<sup>24</sup> Article I Inclusionary Affordable Housing Requirements adopted in June 16, 1999 and amended in September 23, 1999; Chapter III, Article LXIII, of the General Ordinance.

Because of rising housing prices throughout most of the last few years in tandem with a decline of those young adults and families, the Town began looking for how it might also appropriately address the housing needs of those earning between 80% and 120% of area median income, defined as “workforce housing”, who were still largely priced out of the private housing market. Through the rezoning of downtown Hyannis in 2005, density bonuses were provided as follows:

*Medical Services District*

- By-right market units to include not more than 12 units per building (Project: East Main Medical/Park Square)
- Special permit workforce units to include not more than 16 units (Project: Granby)

*Office-Multifamily District*

- By-right market units not to exceed 6 units
- Special permit workforce units not to exceed 12 units per acre

*Hyannis Gateway District*

- By-right market units of not more than 4 units per acre
- Special permit workforce units of not more than 12 units per acre (Project: Sprinkle under discussion)

It should be noted, however, that the sharp declines in the housing market in tandem with a substantially reduced mortgage interest rate have greatly reduced the affordability gap, reducing the need for special workforce housing initiatives, at least temporarily. An \$8,000 federal tax deduction for first-time homebuyers has further narrowed the gap. It should be noted, however, that mortgage financing is far more difficult to obtain. Moreover, rental housing costs remain high and a push for more mixed-income rentals, including workforce housing units, would help meet some outstanding needs.

**Private-Initiated Affordable Housing Development (PIAHD)**

The Planning Board, as part of a mediation process initiated by the Housing Appeals Committee, developed the PIAHD ordinance. The ordinance, limited to a small area of *Hyannis*, requires 20% of all project units to qualify as affordable. When the projects are constructed, the two (2) PIAHD projects, totaling 58 units, will produce 12 affordable units. These projects include Schooner Village with 29 total units and six (6) affordable units as well as Settlers Landing II, also with 29 total units and six (6) affordable ones. Both projects are under construction.

**Artist Loft Housing**

The 2005 rezoning of downtown Hyannis also included an artist loft housing ordinance to allow live/work space to be developed in recognition of the role a dynamic arts and cultural community can play in encouraging economic revitalization. The ordinance defined an artist loft as “a place designated to be used as both a dwelling and a place of work by an artist, artisan, or craftsman, including persons engaged in the application, teaching, or performance of fine arts, photography, graphics, media arts, and writing. The work activities shall not adversely impact the public health, safety, and welfare, or the livability, functioning, and appearance of adjacent property.” The Town is actively seeking to develop deed restricted affordable artist live/work space as well in the downtown. The Town is in the very early stages of developing a project on Pearl Street.

**Building Cap Ordinance**

The Town of Barnstable has been concerned about managing growth, particularly in light of the area’s fragile environment and limited drinking water resources. The Town has taken steps, through its Zoning Ordinance, to curb market rate residential development while simultaneously working to increase affordable housing development. In July 2001, the Town Council approved a Building Cap Ordinance through a Growth Management Zoning Amendment that puts limits on the number of

building permits issued per year to 96 for new market units and 36 for affordable units. These limits have not been met or exceeded since their adoption.

**Mitigation Measures:** This Plan includes a number of recommendations related to amending the Zoning Ordinance to better promote smart growth development and affordable housing.

### 3.3. Limited Availability of Property for Development

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One of the biggest barriers to developing housing in Barnstable is the lack of land available for housing development. To address this problem, the Town has located several parcels of surplus Town-owned land, and is preparing them for housing development. Those properties that have not yet been developed are listed in Table 4-1. Properties that have been identified in the past and developed as affordable housing include the following:

- Stagecoach Road, proposed 12 unit 100% affordable rental development
- Mitchells Way single unit
- Sandalwood Drive DMR group home
- Darley Flynn House, DMR group home
- YMCA and Lombard Farms developments in West Barnstable, 40 units of 100% affordable rental housing
- Gallaghers Way with seven (7) single-family homes of which four (4) are affordable

**Mitigation Measures:** The Town of Barnstable remains committed to identifying and conveying additional Town-owned property for development as affordable housing and a preliminary list is provided in Table 4-1. The Town is in fact engaged in a comprehensive review of Town-owned land to determine use and disposition strategies. Parcels for housing will be prioritized in this review, the results of which are scheduled for FY 2010.

## 3.4. Infrastructure and Environmental Issues

Additional development constraints involve current infrastructure components including wastewater treatment issues, the area's sole source aquifer and the fragile environment not only in Barnstable but throughout the Cape. Affordable housing typically requires higher density than normal because of the economics of producing the affordable units. It is generally acknowledged that 3-4 market rate units are required to provide one affordable unit if no other subsidies are committed. In smaller projects, the density may exceed the zoning standards and surrounding development densities and also conflict with Title V. However, the higher density may be buffered by the lower densities around it so that the net increase area-wide is fairly small. Given the importance of affordable housing, this is a reasonable compromise in balancing the housing/environment equation. Where Town sewer capacity is available, densities may be significantly higher with negligible net impact on the environment.

In larger affordable developments, there may be enough units to make a wastewater treatment system financially feasible. If so, the effluent from such system may actually be cleaner than the aggregate discharge from a conventional (market rate) development with septic systems and developed to zoning specifications.

Town and non-profit sponsored affordable housing may have other subsidies that reduce the economic need for higher density. However, the fairly limited supply of Town-owned or donated land necessitates achieving optimal densities to make the most of this approach. In addition, the Town has hired environmental experts to evaluate the carrying capacity of its prospective Town-owned affordable housing sites. This practice should be continued.

**Mitigation Measures:** It will be important for any new affordable housing development to address these infrastructure constraints, septic issues in particular where public sewer systems are not available, and insure that there are sufficient amounts of subsidies incorporated into the project to adequately service new residents and protect the environment. The Town is spending \$57 million in extending sewer services in Barnstable, largely in Centerville, but will need to consider providing municipal sewer services in additional areas of town where growth could better be directed at some point in the future. The Town has already identified areas which have or will have infrastructure to target growth and increased densities (see Appendix for a map of these areas). Moreover, future water supply sites need to be addressed and protected in the Town's growth management planning.

Additionally, recommended housing strategies are largely oriented to actions that will promote smart growth and limit impacts on the environment such as promoting accessory apartments, converting existing housing to long-term affordability, developing infill sites in existing neighborhoods, cluster development, and encouraging mixed-use development (see Section 6 for details on these strategies).



## 3.5. Transportation

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Barnstable has a number of principal highways including Routes 6, 6A, 28 132 and 149, providing excellent road access except in the summer months when seasonal visitors cause major disruptions in traffic flow and what can seem like endless congestion. Other public transportation access to and from Barnstable includes the following:

- Barnstable is a member of the Cape Cod Regional Transit Authority (CCRTA), which provides fixed route services between Hyannis and Woods Hole.
- The Plymouth and Brockton Bus Company provides service to Boston and other locations on Cape Cod, and there is limited bus service to Sagamore, Plymouth, Kingston and Rockland.
- The Barnstable Council on Aging operates a van service to the town's seniors to help them with their transportation needs.
- The Barnstable Municipal Airport operates air service to Nantucket as well as many points in the Northeast through Island Air, Nantucket Air and Cape Air, plus US Airways that also operates services with national and international connections.
- The Cape Cod Airfield in Marstons Mills is a privately leased Town-owned facility for private planes.
- Ferry service is provided in Hyannis to Martha's Vineyard and Nantucket.

**Mitigation Measures:** The Town will have to pay particular attention to the projected traffic implications of any new development, working with the developer to resolve problems. One of the strategies included in this Housing Plan is to promote higher density, mixed-use development in appropriate locations that has the potential for reducing the reliance on the automobile (see Section 6.3.5 for details). Opportunities to continue to direct development to areas that are most conducive to higher densities, such as village centers and commercial corridors, may serve to reduce transportation problems somewhat.

## 3.6. Community Perceptions

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In many communities there are conflicting perspectives on the need for affordable housing. For example, some might say that there is a great need for affordable housing while others that the town has more than its fair share. This is a common divergence in perspective based on individual experiences and viewpoints as well as some misinformation, myths and negative stereotypes concerning affordable housing. There is a third common perspective, somewhere between the two opposing ones, which holds that affordable housing is needed in town but it should go in *some other neighborhood*. Some in this camp have been vocal about the ills of too much density, too much traffic, impact on the schools, etc, all in an effort to divert affordable housing away from their neighborhoods because they believe it will threaten their quality of life and property values. If all residents prevailed with this approach, there would be no Town-sponsored (i.e. highly controllable) affordable housing built at all. Under this scenario, the only builders of affordable housing would be private sector sponsors who, by virtue of MGL Chapter 40B, would have much freer rein to build at whatever density or design they need to produce the affordable units and make a reasonable profit.

It is important to recognize that proactive production of appropriate types of affordable housing is the only realistic option for a community to have any meaningful control over the location and design of affordable housing. As long as a community has less than 10% of its year-round units as publicly assisted affordable units and creates less than 0.50% of its year-round housing stock annually, very little control can be exercised over Chapter 40B affordable housing projects. It is also important to acknowledge that an affordable unit can appear anywhere, overnight, without any public process. Rental assistance programs can provide an affordable unit through any willing rental owner. History has shown that this approach may be problematic only where an excessive concentration of poorly monitored subsidized units is permitted to occur. This is why the Town was wise in adopting a housing policy that promotes widely dispersed affordable housing solutions.

In summary, the whole community benefits from meeting its affordable housing needs through reasonable, well-considered approaches. Therefore, every citizen interested in a quality community shares a civic responsibility in making it happen.

**Mitigation Measures:** Barnstable proposes launching an ongoing educational campaign to better inform local leaders and residents on the issue of affordable housing, to help dispel negative stereotypes, provide up-to-date information on new opportunities and to garner political support (see details on this strategy 6.1.1). It will be important to continue to be sensitive to community concerns and provide opportunities for residents to not only obtain accurate information on housing issues, whether they relate to zoning or new development, but have opportunities for real input. Moreover, this Plan proposes that the Town hold at least annual housing summits to provide opportunities for local leaders to share information about the status of affordable housing initiatives to better promote municipal communication and cooperation in the implementation of various strategies as well as for local leaders to obtain ongoing training related to affordable housing.

## 3.7. Demographic Changes

Demographic trends indicate that there will continue to be gains in the proportion of older residents and a continued dearth of younger people. A recent report commissioned by the Harwich Council on Aging in fact projected that the Town's senior population would increase to 60% of the total population within the next decade, almost doubling. Such trends are likely to occur throughout the Cape, including Barnstable, as the current population ages and as new second home owners and retirees are attracted to the area. As to the continued decline of young adults and families in Barnstable and throughout much of the Cape, recent school consolidation in Barnstable is one manifestation of this trend.

The need for senior housing is difficult to document. There are clearly many seniors in the Town who earned less than the median income in 1999. These households were widely distributed throughout all seven villages. However, many in the senior population may have purchased their homes long ago or with cash from the sale of another property such that for some, housing costs may be very low. Thus it would be erroneous to conclude that seniors have the greatest need simply due to their growing numbers and lower incomes, which have always been lower than those of the working population. This is borne out by the housing data itself. Only about 28% of elderly homeowners paid more than 30% of their income for housing costs.

Older people will be most able to move into Barnstable, as they will be most likely to bring with them the significant equity needed to buy into the Barnstable housing market, which is increasingly dominated by owner-occupied units. However, because of their increasing numbers, reliance on fixed incomes and unique needs, a substantial segment of seniors will need affordable housing, both rental and down-sized homeownership units, as well as assisted living arrangements.

While there will be additional older residents with increasing needs for housing assistance, housing for younger people is needed most of all because of the ongoing population losses from the younger age groups and the expected continued prevalence of homeownership among seniors. Young couples and families with children represent a vitally important segment of the population. Not only do families include the future citizens of the Town, but they are largely responsible for the function of the community through various employment and business venues. This is not to say that seniors or any other populations do not contribute. However, it must be recognized that the majority of the workforce is part of the family population. Families also include female-headed households, of which 2,103 households had no husband present and 1,234 of these had children.

Median family income was higher than median household income, largely due to the likelihood of two adults working in most family households. However, there is still a gap between what the household earning at the adjusted 2009 median income can afford and the median priced home. While this gap is getting smaller given falling house prices and interest rates, particularly for condos, access to mortgage financing is becoming far more challenging.

**Mitigation Measures:** This Plan includes a priority need to provide handicapped accessible units and/or service enriched housing to support the needs of an aging population at a level of 20% of all new ownership units and 36% of new rental units created. It further identifies a priority need for first-time homebuyer opportunities to attract young adults and families to the community (see Section 2.3.5). These needs are translated into actual production goals.

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## **4. PROPERTY INVENTORY**

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## 4.1. Publicly Owned Property

To address the problem of the lack of land available for housing development, the Town has undertaken a comprehensive analysis of surplus Town-owned land that might be suitable for some amount of affordable housing. The Town has sought predevelopment funds to conduct environmental testing and other feasibility analyses to determine their appropriateness for development for some of these properties.

The Barnstable Housing Authority also owns some property that may accommodate affordable housing development. For example, the Authority has received a Priority Development Fund grant and TAP grant to conduct environmental testing and an endangered species review for a 12-unit affordable rental development on Stage Coach Road in Centerville.

Table 4-1 provides a summary of these potential properties.

**Table 4-1**  
***Publicly-owned Properties with Potential for Affordable Housing Development***

<i>Parcels</i>	<i>Map #/ Parcel #</i>	<i>Total Parcel Acres</i>	<i>Estimated # Affordable Housing Units</i>	<i>Comments</i>
<i>57 Jennifer Lane</i>	292.289	0.23	1	Ready to proceed; combine into a single project
<i>65 Jennifer Lane</i>	292.290	0.22	1	
<i>71 Jennifer Lane</i>	292.291	0.22	1	
<i>79 Jennifer Lane</i>	292.292	0.22	1	
<i>85 Jennifer Lane</i>	292.293	0.22	1	
<i>Mid-Cape Hwy West</i>	348.008	0.96	28-30	Combine 3 Mid-Cape parcels for multi-unit project
<i>Mid-Cape Hwy West</i>	354.002	1.23		
<i>Mid-Cape Hwy West</i>	354.003	5.36		
<i>Hamstead Lane</i>	348.005	2.95	12	

In addition to currently owned Town parcels, the Town of Barnstable may decide to acquire privately owned sites at some time in the future for the purposes of protecting open space and developing some amount of housing, including affordable housing, through cluster development on a portion of the sites. Additional smaller sites may be available as well to build affordable new starter homes on an infill basis. Some limited opportunities may also be available through the taking of tax-foreclosed properties for affordable housing.

## 4.2. Privately Owned Property

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Continuing to work cooperatively with private developers, non-profit and for profit, is a major component of this Housing Production Plan, and the Town already has a good track record of working with developers on affordable housing, non-profit developers in particular. The Town will continue to partner with developers to pursue “friendly” comprehensive permit applications or the standard regulatory process for affordable housing development, and determine the best approach for negotiating with developers to guide new development to best satisfy local needs and requirements. In fact, the Growth Management Department has provided technical assistance, along with other Town departments, to work cooperatively with developers on “friendly” 40B projects as well as other local incentive projects (Local Action Unit projects).

Moreover, the Housing Committee should encourage private donations of property that provide the donors and the community as a whole with both social and economic benefits. The donors benefit through the positive attention they receive from local leaders and the public in acknowledging their gifts and can benefit economically from tax advantages. The community obtains a discounted price for a property that can be developed for affordable housing as well as actual new units for those who are experiencing difficulties living and likely working in town.

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## 5. HOUSING PRODUCTION GOALS

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*The Massachusetts Department of Housing and Community Development (DHCD) administered the Planned Production Program since December 2002, in accordance with regulations that have enabled cities and towns to prepare and adopt a Housing Plan that could potentially offer the community greater local control over affordable housing development. If DHCD certified that the locality had complied with its annual goals or that it had met two-year goals, the Town could, through its Zoning Board of Appeals, potentially deny comprehensive permit applications for one or two-years, respectively.<sup>25</sup> In fact, Barnstable has received this state certification of its Housing Plan in the past.*

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<sup>25</sup> If a community has achieved certification within 15 days of the opening of the local hearing for the comprehensive permit, the ZBA shall provide written notice to the applicant, with a copy to DHCD, that it considers that a denial of the permit or the imposition of conditions or requirements would be consistent with local needs, the grounds that it believes have been met, and the factual basis for that position, including any necessary supportive documentation. If the applicant wishes to challenge the ZBA's assertion, it must do so by providing written notice to DHCD, with a copy to the ZBA, within 15 days of its receipt of the ZBA's notice, including any documentation to support its position. DHCD shall review the materials provided by both parties and issue a decision within 30 days of its receipt of all materials. The ZBA shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be consistent local needs, provided, however, that any failure of the DHCD to issue a timely decision shall be deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days.

Recently adopted changes to Chapter 40B have established some new rules.<sup>26</sup> For example, Planned Production Plans are now referred to as Housing Production Plans. Moreover, annual goals changed from 0.75% of the community's year-round housing stock to 0.50% of its year-round units, meaning that Barnstable will have to now produce at least 101 affordable units annually to meet production goals through 2010. Despite considerable progress towards promoting affordable housing in recent years, it will still be a substantial challenge for Barnstable to meet this prescribed annual affordable housing production goal. This goal is also likely to increase to about 106 units after the next decennial census count becomes available and housing growth will continue to drive-up the 10% goal.

Using the strategies summarized under Section 6.0 and priority needs established in Section 2.3.5, the Town of Barnstable has developed a Housing Production Program to chart affordable housing activity over the next five (5) years. The projected goals are best guesses at this time, and there is likely to be a great deal of fluidity in these estimates from year to year. The goals are based largely on the following criteria:

- At a minimum, at least fifty percent (50%) of the units that are developed on publicly-owned parcels should be affordable to households earning at or below 80% of area median income – the **affordable units** – and at least another 10% affordable to those earning up to 120% of area median income – **moderate-income “workforce” units** – depending on project feasibility. The rental projects will also target some households earning at or below 60%<sup>27</sup> of area median income and lower depending upon subsidy program requirements. It should also be noted that the Town can provide CPA assistance to subsidize units for those earning between 80% and 100% of area median income, commonly referred to as **“community housing” units**, but these units will not be able to be counted as part of the SHI.
- Projections are based on no fewer than four (4) units per acre, averaging about eight (8) total bedrooms. However, given specific site conditions and financial feasibility it may be appropriate to decrease or increase density as long as projects are in compliance with state Title V and wetlands regulations.
- Because housing strategies include some development on privately owned parcels, production will involve projects sponsored by private developers through the standard regulatory process or possibly the “friendly” comprehensive permit process. The Town will continue to work with these private developers to fine-tune proposals to maximize their responsiveness to community interests and to increase affordability to the greatest extent feasible, potentially infusing funding from the Affordable Housing Fund, CDBG or CPA where appropriate.
- The projections involve a mix of rental and ownership opportunities that reflect the priority housing needs in the Housing Needs Assessment (see Section 2.3.5) where about 75% of the units are directed to rentals. The Town will work with developers to promote a diversity of housing types directed to different populations with housing needs including families, seniors and other individuals with special needs to offer a wider range of housing options for residents.

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<sup>26</sup> Massachusetts General Law Chapter 40B, 760 CMR 56.00.

<sup>27</sup> The Town of Barnstable has established some program thresholds at 65% of area median income such as for inclusionary zoning and the Rental Acquisition Program (RAP).



**Table 5-1  
Barnstable Housing Production Program**

<i>Strategies by Year</i>	<b>Units 30%- 50% AMI</b>	<b>Units 50%-80% AMI</b>	<b>Units 80%- 120% AMI</b>	<b>Total # units</b>
<b>Year 1 - 2010</b>				
<i>Stagecoach Road/"friendly" 40B/ rental</i>		12		12
<i>Whaleport/40B/ownership</i>		29		96
<i>Sprinkle/inclusionary zoning/rental</i>		2		20
<i>The Greenery/inclusionary zoning/ assisted living</i>		4		42
<i>The Villages/DRI age-restricted/ ownership</i>		38		384
<i>Barrell Hill/inclusionary zoning/ rental</i>		1		12
<i>Granby/Downtown Hyannis zoning/ homeownership</i>		0	2	8
<i>AAAP/rental</i>		20		20
<i>NSP -- rental</i>	1	1		2
<i>NSP-homeownership</i>		2		2
<i>705 homeownership (CDBG)</i>		2		2
<i>CPA Homeownership Purchase Program</i>		4		4
<b>Subtotal</b>	<b>1</b>	<b>115</b>	<b>2</b>	<b>604</b>
<b>Year 2 - 2011</b>				
<i>Development of Town-owned properties - Mid-Cape Hwy West/ "friendly" 40B/rental</i>		30		30
<i>Private development/inclusionary zoning/rental</i>		10		100
<i>Pearl Street/artist units/rental</i>		5		5
<i>Bay Point/40B/homeownership</i>		3		12
<i>AAAP</i>		30		30
<i>705 homeownership (CDBG)</i>		2		2
<i>Rental Acquisition Program (CDBG)</i>		3		3
<i>CPA Homeownership Purchase Program</i>		4		4
<b>Subtotal</b>		<b>87</b>		<b>186</b>
<b>Year 3 - 2012</b>				
<i>Development of Town-owned properties "friendly" 40B/Jennifer Lane/homeownership</i>		5		5

<i>Group homes/special needs rental</i>		8		8
AAAP		25		25
CDBG homeownership		2		2
Rental Acquisition Program (CDBG)		3		3
CPA Homeownership Purchase Program		4		4
Lyndon Court/inclusionary zoning/homeownership		44		44
Private development/40B/rental		15		60
<b>Subtotal</b>		<b>106</b>		<b>151</b>
<b>Year 4 - 2013</b>				
<i>Habitat for Humanity scattered site homeownership</i>		4		4
<i>Mixed-use development/rezoning/rental</i>		4		16
AAAP		25		25
CDBG homeownership		2		2
Rental Acquisition Program (CDBG)		3		3
CPA Homeownership Purchase Program		4		4
<i>Group homes/special needs rental</i>		8		8
<i>Non Profit Development 202 Senior Housing</i>	10	40		50
<i>Commercial DRI Mitigation Funds Homeownership purchase program</i>		6		6
<i>Private development/Downtown Hyannis zoning/homeownership</i>		0	2	8
<b>Subtotal</b>	<b>10</b>	<b>96</b>	<b>2</b>	<b>126</b>
<b>Year 5 - 2014</b>				
<i>Development of Town-owned properties/"friendly" 40B/Hamstead Lane/homeownership</i>		12		12
<i>Private development/adaptive reuse/"friendly" 40B/rental</i>		10		40
AAAP		25		25
CDBG homeownership		2		
CPA Homeownership Purchase Program		4		
<i>Housing Authority development/"friendly" 40B/senior rental</i>		30		30
<i>Private development/inclusionary zoning/homeownership</i>		10		100

<i>Mixed-use development/rezoning/ rental</i>		10		40
<i>Private development/artist units/ rental</i>		5		5
<b><i>Subtotal</i></b>		<b><i>108</i></b>		<b><i>279</i></b>
<b><i>Total</i></b>	<b>11</b>	<b>512</b>	<b>4</b>	<b>1325</b>

Total = 523 affordable units (for those earning at or below 80% of area median income), 4 "community housing" or "workforce housing" units (for those earning between 80% and 100% or 120% of area median), and a total projected number of housing units created of 1325 units.

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## 6. HOUSING STRATEGIES

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*The strategies outlined below are based on previous plans, reports, studies, the Housing Needs Assessment, local housing goals, the Barnstable Comprehensive Plan, Regional Policy Plan goals, the experience of other comparable localities in the area and throughout the Commonwealth as well as the status of ongoing local affordable housing initiatives. The strategies also reflect state requirements that ask communities to address all of the following major categories of strategies to the greatest extent applicable.<sup>28</sup>*

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<sup>28</sup> Massachusetts General Law Chapter 40B, 760 CMR 56.03.4.

*Identification of zoning districts or geographic areas in which the municipality proposes to modify current regulations for the purposes of creating affordable housing developments to meet its housing production goal;*

- Promote affordable housing in mixed-use development (see strategy 6.3.5)
- Fine-tune existing Zoning Ordinance (see strategy 6.2.1)
- Provide regulatory incentives to stimulate affordable housing (see strategy 6.2.3)

*Identification of specific sites for which the municipality will encourage the filing of comprehensive permit projects;*

- Continue to make suitable public land available for affordable housing (see strategy 6.3.1)
- See “friendly” 40B projects listed in production goals (Section 5)

*Characteristics of proposed residential or mixed-use developments that would be preferred by the municipality;*

- Provide zoning incentives for workforce housing (see strategy 6.2.2)
- Promote mixed-use development (see strategy 6.3.5)
- Promote adaptive re-use (see strategy 6.3.4)
- Fine-tune existing Zoning Ordinance (see strategy 6.2.1)
- Provide regulatory incentives to stimulate affordable housing (see strategy 6.2.3)

*Municipally owned parcels for which the municipality commits to issue requests for proposals to develop affordable housing.*

- Continue to make suitable public land available for affordable housing (see strategy 6.3.1)

*Participation in regional collaborations addressing housing development*

- Conduct ongoing community education that provides information on regional resources (see strategy 6.1.1)
- Coordinate the investment of local and regional resources for affordable housing (see strategy 6.1.2)

A table of all housing strategies is included in Appendix 1.

It will be important to also insure that affordable units produced through this Plan get counted, to the greatest extent possible, as part of the Subsidized Housing Inventory (SHI), applied through the Local Initiative Program (LIP) administered by the state’s Department of Housing and Community Development (DHCD) if another state or federal housing subsidy is not used. In addition to being used for “friendly” 40B projects, LIP can be used for counting those affordable units as part of a Town’s Subsidized Housing Inventory that are being developed through some local action including:

- Zoning-based approval, particularly inclusionary zoning provisions and special permits for affordable housing;
- Substantial financial assistance from funds raised, appropriated or administered by the city or town; and/or
- Provision of land or buildings that are owned or acquired by the city or town and conveyed at a substantial discount from their fair market value.

In order to be counted as part of the Subsidized Housing Inventory the units must meet the following criteria:

- A result of municipal action or approval;
- Sold or rented based on procedures articulated in an affirmative fair marketing and lottery plan approved by DHCD;

- Sales prices and rents must be affordable to households earning at or below 80% of area median income; and
- Long-term affordability is enforced through affordability restrictions, approved by DHCD.

Additionally, a Subsidized Housing Inventory New Units Request Form must be submitted to DHCD to insure that these units get counted.

It should be noted however, that a major goal of this Plan is not only to strive to meet the state's 10% goal under Chapter 40B, but to also to serve local needs, and there are instances where housing initiatives might be promoted to meet these needs that will not necessarily result in the inclusion of units in the Subsidized Housing Inventory (examples potentially include the promotion of accessory apartments or housing for those earning between 80% and 120% of area median income or mixed-income housing that includes "community housing" or "workforce housing" units).

Within the context of these compliance issues, local needs, existing resources, affordability requirements and the goals listed in Section I of this Plan, the following housing strategies are offered for consideration. **It is important to note that these strategies are presented as a package for the Town to consider, prioritize, and process, each through the appropriate regulatory channels.** Moreover, the proposed actions present opportunities to continue to judiciously invest local funding from the Affordable Housing Fund, CDBG or CPA to subsidize actual unit production (predevelopment funding and/or subsidies to fill the gap between total development costs and the affordable rent or purchase prices) and leverage additional resources, modify or create new local zoning provisions and development policies, help preserve the existing affordable housing stock, and build local coordination and monitoring functions.

## 6.1. Promote Greater Local Coordination and Monitoring of Affordable Housing Activities

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### 6.1.1. Conduct Ongoing Community Education

Entity Responsible: *The Growth Management Department in coordination with the Housing Committee*  
Timeframe: *Year 1 and ongoing*

Opportunities to engage the community in discussions on affordable housing and to present information on the issue are needed to continue to dispel myths and misinformation and help galvanize local support, political and financial, for new affordable housing production. These outreach efforts are mutually beneficial as they provide useful information to community residents and important feedback to local leaders on local concerns and suggestions.

The presentation of this Housing Production Plan offers an opportunity to bring attention to the issue of affordable housing, offering information on housing needs and proposed strategies that can help attract community support for affordable housing initiatives. Other education opportunities should be pursued as well including:

#### *Forums on specific new initiatives*

As the Town develops new housing initiatives, the sponsoring entity should hold community meetings to insure a broad and transparent presentation on these efforts to other local leaders and residents, providing important information on what is being proposed and opportunities for feedback before local approvals are requested.

#### *Fair Housing education*

The Town of Barnstable is committed to preventing discrimination in housing because of race, color, creed, religion, sex, national origin, primary language, age, political affiliation, disability, sexual orientation or any other consideration prohibited by law. To further this mission, the Town will conduct fair housing and local preference outreach and education using DHCD's local workshop and materials. DHCD has conducted a number of state-wide workshops to provide updated information to municipalities and other affordable housing stakeholders on Fair Housing laws in general and the new Affirmative Fair Housing Marketing Guidelines in particular. The Town of Barnstable should also do its part to distribute this information to interested parties in all villages of Barnstable, to be coordinated by the Growth Management Department. Moreover, it will be important for the Growth Management Department to examine Rental Registration and Occupancy Ordinances to insure their compliance with all laws and new regulations.

#### *Financial Literacy Education*

The Growth Management Department will promote and support opportunities to provide information on financial literacy for Town residents with the support of the Housing Assistance Corporation and Barnstable Housing Authority.

#### *Annual housing summits*

Most communities lack an effective mechanism for promoting regular communication among relevant Town boards and committees on issues related to affordable housing. This coordination is particularly important in Barnstable where housing-related responsibilities are shared among a number of local entities including the Housing Committee, Growth Management Department, Affordable Housing Fund, Housing Authority, Community Preservation Committee, Human Services Committee, ZBA and Planning Board. Having a

forum to share information on current housing issues would help foster greater communication and coordination among these entities. Additionally, inviting community residents can help build community interest, improve communication and garner support. Many communities are sponsoring such events, at least on an annual basis.

*Public information on existing programs and services*

The Town should get the word out about existing programs and services that support homeownership, property improvements or help reduce the risk of foreclosure including first-time homebuyer and foreclosure prevention counseling from HAC. Besides important referrals to these programs, the Town should seek Technical Assistance Program funds from the Cape Cod Commission to prepare a “How to Develop Affordable Housing in Barnstable” brochure that can be widely distributed. The Town, through the Housing Committee, might also consider reaching out to residents and request funding or property donations to support existing and future affordable housing projects, explaining the tax advantages involved in such contributions.

*Educational opportunities for board and committee members*

Local boards and departments such as the Community Preservation Committee, Growth Management Department, Housing Committee, Zoning Board of Appeals, Planning Board and other interested local leaders, as well as members of the Barnstable Housing Authority, should be able to receive ongoing training on affordable housing issues. Well advised and prepared board and committee members are likely to conduct Town business in a more effective and efficient manner. New members without significant housing experience would benefit substantially from some training and orientation regarding their responsibilities. Moreover, requirements keep changing and local leaders must keep up-to-date. Funding for the professional development of staff would also help keep key professionals informed and up-to-date on important new developments, best practices and regulations.

The University of Massachusetts Extension’s Citizen Planner Training Collaborative (CPTC) offers classes periodically throughout the year and will even provide customized training sessions to individual communities. The Massachusetts Housing Partnership conducts at least annually the Massachusetts Housing Institute, which is “an educational program to support municipalities and local participants to better understand the affordable housing development process and have an effective role in initiating and implementing local solutions to increasing housing choices”. The Affordable Housing Specialist in the Growth Management Department recently attended this institute. Other organizations and agencies, such as DHCD, MHP, CHAPA, and the Community Preservation Coalition, also provide conferences and training sessions on a wide variety of housing issues that would be useful for local officials and staff persons to attend. In addition, there are numerous written resources for localities. For example, DHCD has prepared a procedural “how to” booklet for local communities on the development process, MHP has many technical guides for localities, and CHAPA has a wide variety of reports on many issues related to affordable housing as well.

## **6.1.2. Coordinate the Investment of Local and Regional Resources for Affordable Housing**

Entity Responsible: *Growth Management Department*  
Timeframe: *Year 1 and Ongoing*

The Town of Barnstable has important local and regional resources to serve the housing needs of its citizens, particularly those of low- and moderate-income. These resources are summarized in Section 2.4.2 of this Plan. The use of these programs, separately or in tandem, will be essential in filling the gap between the costs of development and what qualifying occupants of the housing can afford. The Growth Management Department will continue to direct and monitor the use of local funds, with Town



Council approval, and support applications for other housing resources to make affordable housing development financially feasible. The GMD will also report on the use of these funds on a biannual basis.

### 6.1.3. Monitor Needs of the Homeless

Entity Responsible: *Growth Management Department in coordination with the Barnstable Human Services Committee*  
Timeframe: *Year 1*

The Growth Management Department in coordination with the Barnstable Human Services Committee will be responsible for monitoring the needs of homeless families and individuals particularly in regard to the use and adequacy of services and programs for the homeless. The Human Services Committee will also advise the Town Manager’s Office on any additional need for additional resources and intervention should the need arise.

### 6.1.4. Monitor Progress in Implementing this Housing Plan

Entity Responsible: *Growth Management Department*  
Timeframe: *Bi-annually starting with Year 1*

The Growth Management Department will track the progress that is being made in the implementation of this Housing Production Plan and provide biannual updates to the Town Council and Housing Committee.

### 6.1.5. Update the Housing Needs Assessment and Housing Production Plan

Entity Responsible: *Growth Management Department*  
Timeframe: *Year 5 or as needed*

The Growth Management Department will update this Housing Plan as needed and required by DHCD, at least every five (5) years based on current state regulations and guidelines.

### 6.1.6. Monitor and Reconcile the Subsidized Housing Inventory

Entity Responsible: *Growth Management Department*  
Timeframe: *Year 1*

Based on how housing was financed, how long the affordability requirements were established, and other stipulations in affordability agreements, the affordable status of housing units may be in jeopardy in many communities in the future. Barnstable’s existing Subsidized Housing Inventory includes a number of additional projects where affordability restrictions are currently projected to expire. However, it is important to insure that affordable housing units remain a part of the Town’s Subsidized Housing Inventory for as long a period of time as possible. While expiration dates are a ways off, developers can typically prepay their mortgages after a certain amount of time and at that point can chose to convert affordable units to market ones. The Town should closely monitor the SHI and intervene if necessary and feasible to maintain the units as affordable through the courts or

through purchase and refinancing if necessary. Sometime over the next few years, the Town should contact DHCD and CEDAC to ascertain the status of the units and discuss any potential problems associated with their continued affordability. It may be necessary to also reach out to organizations and developers that are experienced in saving expiring use units to request their possible intervention if necessary.

The Town, also through its Growth Management Department, is reviewing the current Subsidized Housing Inventory to insure that all units that should be counted in fact are counted. Where there are discrepancies, GMD will work with DHCD to resolve, insuring the full eligible counting of affordable units on an ongoing basis.

## 6.2. Modify Zoning and Other Regulatory Tools

The Town of Barnstable should consider new regulatory tools and possible modifications of existing zoning to better guide new development and offer incentives for the inclusion of affordable housing. A collaborative process between the Growth Management Department, the Planning Board and the Housing Committee will be essential for establishing priorities and insuring approvals.

### 6.2.1. Fine-tune Existing Zoning Ordinances

Entity Responsible: *Growth Management Department in coordination with the Planning Board and Housing Committee*  
Timeframe: 2

The Barnstable Zoning Ordinance should be revisited and modified to remove impediments to the development of affordable housing. Such a review process will be overseen by the Growth Management Department, in coordination with the Planning Board and Housing Committee, and include the following key components:

- Analyze development and redevelopment opportunities in locations appropriate to increase density and convey results to the Housing Committee.
- Conduct a Town-wide analysis of zoning districts showing districts where multi-family housing is allowed as-of-right, as a conditional use or prohibited and convey results and recommendations for changes to the Housing Committee.
- Amend 240-21 A(9)(i) of the Zoning Ordinance to condition the grant of a Special Permit that allows an increase in the maximum lot coverage to 50% based on the developer agreeing to provide a 50% increase in the number of affordable units.
- Grant density bonuses in appropriate locations for developments that provide the highest feasible level of affordability and serve the most vulnerable segments of the community including the elderly, very low income households (at or below 50% of area median income), single heads of households, racial minorities, homeless or those at risk of homelessness, the disabled and those others with special needs. Research, identify and draft additional zoning ordinance amendments designed to increase desired types of housing production for populations identified in the Housing Needs Assessment.
- Allow two-unit infill housing as-of-right if one of the units is affordable. Such housing should be encouraged as it offers an owner's unit with a rental unit above that provides income to make the owner's unit more affordable. Therefore, such housing can serve the dual purposes of providing both more affordable rental and ownership opportunities. This type of housing is commonplace in many Victorian neighborhoods in New England, and has typically served as excellent starter housing for first-time purchasers. The property can resemble a large single-family home with even separate doorways to each unit placed in the interior.

### 6.2.2. Provide Zoning Incentives for Workforce Housing

Entity Responsible: *Growth Management Department in coordination with the Planning Board and Housing Committee*  
Timeframe: Year 4

The Town of Barnstable has incorporated requirements to create workforce housing through its rezoning of downtown Hyannis, in its Medical Services District specifically, but should explore extending such requirements to other areas at some point in the future. As housing prices continued to soar throughout most of the last few years, communities, including Barnstable, sought to extend

assistance to those earning between 80% and 120% of area median income but still typically priced out of the private housing market, referred to as workforce assistance. It should be noted, however, that unlike only months ago, the affordability gap has narrowed considerably and those earning between 80% to 120% of area median income are now better able to access units on the private housing market, however, securing financing has been a particular obstacle, particularly for condos. There still remains little affordable rental housing in Barnstable, however.

### 6.2.3. Provide Regulatory Incentives to Stimulate Affordable Housing

Entity Responsible: *Growth Management Department in coordination with the Planning Board and Housing Committee*  
Timeframe: *Year 5*

There are a number of measures that the Town of Barnstable can consider that might not only stimulate the creation of affordable housing but also help subsidize its costs and establish a friendlier regulatory environment for the sponsors of such housing. These measures might include:

- Consider a reduction in permitting fees to contribute to the financial feasibility of the conversion of existing housing to affordable rental units when the economy rebounds.
- Explore methods to allow inclusionary units to be placed offsite and/or payment in-lieu of units.
- Draft, for Town Council adoption, a local comprehensive permit policy that expedites the Chapter 40B process provided certain agreed upon criteria are met, as modeled on the Town of Acton Comprehensive Permit Policy.

### 6.2.4. Insure Compliance with Title V

Entity Responsible: *Growth Management Department*  
Timeframe: *Year 4*

Based on the environmental fragility of Barnstable and Cape Cod in general, it is important that any affordable housing development comply with Title V. To promote this compliance and reasonable densities that make affordable housing feasible, this Plan suggests the following strategies be considered:

- Permit increased density for affordable housing development in appropriate locations in the aquifer protection zones where regulatory authorities find a substantial public benefit.
- Encourage the use of cumulative loading analyses to allow increased density for affordable housing. Town staff will work with regulatory authorities to confirm appropriate set-aside areas for site-specific cumulative loading analyses.
- Encourage the use of alternative septic technologies to offset impacts of increased density for affordable housing developments in areas unlikely to be served by public sewers.
- Allow increased density for affordable housing developments in appropriate locations and served by Public Sewer Treatment Facility (PSTF) systems as established by the Town according to the Wastewater Facilities Plan.

### 6.2.5. Change Accessory Apartment Ordinance to Allow Owners to Reside in Accessory Units

Entity Responsible: *Growth Management Department in coordination with the Planning Board*  
Timeframe: *Year 2*

Unlike most accessory unit provisions in local zoning, the Barnstable Zoning Ordinance does not allow the owner to live in the accessory unit or vice versa. There should be greater flexibility in this ordinance to promote its use. Some seniors, who require less space if they are living alone, might opt to attract a family as tenants and choose to relocate to the accessory apartment. In that way, they could receive a somewhat higher rent, still keep their home and continue to live independently, potentially even receiving some assistance (e.g., shopping, property maintenance, good company, etc.) from their tenant. Such an amendment would also create opportunities for additional rental units for families.

### 6.2.6. Explore Feasibility of Adopting Parts of Dennis' Affordable Housing Bylaw<sup>29</sup>

Entity Responsible: *Growth Management Department in coordination with the Planning Board and Housing Committee*  
Timeframe: *Year 3*

The Town of Dennis amended its zoning bylaw to include a number of provisions to encourage the development of affordable housing by creating incentives that would help people who, because of rising land prices, have been unable to obtain suitable housing at an affordable price and to maintain a stable economy by preventing the out-migration of residents who provide essential services. More than 100 affordable units have been approved to date through these zoning provisions. The Planning Board was designated the special permit granting authority for all Affordable Housing Development and Affordable Housing Apartment applications under the bylaw. The bylaw defines Affordable Housing Developments, Affordable Housing Apartments and Affordable Lots under separate sections and defines criteria for the granting of special permits. The Planning Board has the discretion to reduce or suspend some of the requirements.

The Bylaw also includes a section, referred to as Municipally Sponsored Housing Projects, that is intended to allow the Dennis Board of Selectmen to act as a sponsor for public or public/private joint venture affordable housing developments which:

- Encourage practical residential development in the reuse of existing structures;
- Promote in-fill housing (development of vacant lots in an otherwise built-up area);
- Are compatible with the adjacent neighborhood;
- Encourage development of economically-priced housing and a variety of types of housing; and
- Foster flexibility and creativity in the creation of affordable housing.

If the Board of Selectmen determines that a project is responsive to these criteria, it refers the development to the Planning Board as the Special Permit Granting Authority, which may be able to allow certain regulatory relief including reductions in the minimum area per unit, minimum land area, maximum density, buffer areas and minimum parking requirements. All units that are created must

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<sup>29</sup> Dennis Zoning By-law, Section 4.9.

be deed restricted as permanently affordable and at least 50% of the units must be affordable to households earning between 65% and 80% of area median income and the remainder of the units must be affordable to households earning no more than 120% of area median income. All units must be created for year-round use.

The Growth Management Department should review the provisions of this bylaw and consider adapting parts of it for use in Barnstable. It might also explore other zoning models including the recently approved zoning in Yarmouth that allows the development of nonconforming lots for affordable housing. It would then work with the Planning Board on an amendment to Barnstable's Zoning Ordinance and proceed to securing the necessary approval from Town Council.

## 6.3. Continue to Pursue Partnerships to Produce and Preserve Affordable Housing

To accomplish the actions included in this Housing Plan and meet production goals, it will be essential for the Town of Harwich to continue to reach out to the development community and sources of public and private financing to secure the necessary technical and financial resources. While some of the units produced may rely on the participation of existing property owners, most of the production will continue to rely on joint ventures with developers – for profit and non-profit – to create affordable units, which the Town has been actively pursuing over the past few years.

### 6.3.1. Continue to Make Suitable Public Land Available for Affordable Housing

Entity Responsible: *Growth Management Department*  
Timeframe: *Year 2*

As noted earlier in Section 3.3, one of the biggest barriers to developing affordable housing in Barnstable is the lack of land available for development. To address this problem, a primary focus of the Town Council and Town Manager has been to utilize Town-owned land for the development of affordable housing. The Growth Management Department has been undertaking a comprehensive review of surplus Town-owned property and assessing its suitability for development. Approximately \$115,000 in Priority Development Fund assistance has been allocated for consultants to undertake predevelopment work. A list of potential sites is included in Table 4-1.

The Town, through its Growth Management Department, should continue to pursue the development of public land and work with landowners to obtain land to secure additional property to continue to diversify the Town's housing stock and simultaneously meet production goals.

### 6.3.2. Continue to Fund Key Programs

Entity Responsible: *Town Council with support from the Housing Committee and Growth Management Department*  
Timeframe: *Year 1*

The Town of Barnstable has made great strides in promoting affordable housing and has developed and funded important initiatives directed to not only new unit creation but also the conversion of existing housing into affordable units and housing rehabilitation. These programs are described below. The Town should continue to provide funding to build on the impressive work that has been done to date.

#### *Accessory Affordable Housing/Amnesty Program*

Approved by the Barnstable Town Council on November 16, 2000 as a means of creating affordable housing within existing structures, the Accessory Affordable Housing Program also known as the "Amnesty Program", is now viewed as both a preservation and production initiative. The program utilizes the MGL, Chapter 40B, "Comprehensive Permit" for existing, non-conforming dwelling units and for new units accessory to single-family dwellings. The main objective of the program is to use existing housing, which may currently violate the Town's zoning laws, to provide desirable, legal and affordable housing for eligible citizens within the community while maintaining a positive working relationship between the Town and property owners. In bringing these properties up to code, the Town can increase the number of year round housing units affordable to low- and moderate-income households which count toward meeting the Commonwealth's 10% affordable housing goal.

In August of 2002 the Barnstable Town Council adopted two amendments to the program. Under the Comprehensive Permit process, dwelling owners may create accessory apartments within existing detached structures, and may create newly constructed accessory apartments attached to existing single-family houses. These new provisions have made it easier for single-family dwelling owners to create new affordable units, which will help the Town increase its overall affordable housing stock.

The Growth Management Department makes CDBG funding available for grants of up to \$5,000 per unit to correct code, health and sanitary violations. The one time comprehensive permit application fee for the program is \$100 per unit. The processing fee for the program, also a one-time cost, is \$175. The processing fee pays for the required legal notices and recording fee at the Barnstable Registry of Deeds. Staff of the Growth Management Department will provide, at no cost to the homeowner, a site inspection conducted by a licensed housing inspector, research into Town records on the applicant's property, assistance preparing the comprehensive permit application and recording the deed restriction at the Registry of Deeds. This Program has resulted in about 145 affordable accessory units, 128 of which were included in the SHI in mid-May 2009. Because property owners can choose to rescind the deed restrictions, the number of accessory units does vary from time to time.

#### *Rental Acquisition Program (RAP)*

Each year Barnstable loses a substantial number of rental units to homebuyers who move to the Cape to retire or find vacation homes. Due to the Town's popular geographic location, and because its housing stock is primarily made up of single-family detached units, houses are being purchased at an alarming rate as second-homes by off-Cape residents. This trend has worked to greatly increase demand for rental housing in the town and, in turn, has driven up rental costs beyond all affordable limits. A declining availability of buildable land is also exacerbating the problem by slowing new housing development. To combat the trend, the Town developed the Rental Acquisition Program to seek out existing single and multi-family units, purchase them, and maintain them as affordable rentals. For the 2009-2010 program year, the Town will again dedicate CDBG funds to acquire private properties to be utilized as affordable rentals and will continue to contract with the Barnstable Housing Authority to administer the program. Program allocations have been limited to \$25,000 per purchase, which will help leverage private dollars in order to pay-off the balance of the mortgages.

#### *Homeownership Purchase Program*

The Town has funded the Housing Assistance Corporation (HAC) to create affordable homeownership opportunities for first-time homebuyers by purchasing market rate homes in established neighborhoods in the Town of Barnstable. The public funds that have been committed include \$250,000 in CPA funding, \$100,000 in County HOME funding plus additional state Housing Stabilization Funds, to "buy-down" the resale price to qualifying purchasers earning at or below 80% of area median income. Repairs to each home will be performed as needed prior to resale. HAC has coordinated a similar program in Sandwich where it converted seven (7) existing market rate homes to affordable ones with deed riders in perpetuity. The program anticipates purchasing five (5) homes and reselling them at the affordable price of \$160,000 for three-bedroom units and \$150,000 for two-bedrooms. Qualifying purchasers can also access \$10,000 from HAC towards the down payment and closing costs.

#### *Antipoverty Strategy*

The Town of Barnstable through its partnerships with the Barnstable County HOME Consortium, the Leadership Council to End Homelessness on Cape Cod and the Islands, and strong relationships with local housing authorities and regional organizations such as the Housing Assistance Corporation (HAC), have created an alliance to work together to reduce the numbers of persons in poverty and to reduce and prevent homelessness. Funding through federal McKinney/Vento funds in addition to HOME and CDBG funding, has helped



bolster such efforts. For example, the Town is working with Community Action Committee of Cape Cod and the Islands to provide rental subsidies, using CPA funds.

#### *705 Homeownership Program*

CDBG funds have been granted to the Barnstable Housing Authority (BHA) to assist high performing 705 family housing participants to buy down the price of purchasing their own home. This program was piloted in program year 2007 and was successful in moving two low income families out of public housing and into their first homes. CDBG is funding the program again in 2009 with the goal of moving 2 more families into their own home.

### **6.3.3. Ensure the Distribution of Affordable Housing Throughout the Seven Villages**

Entity Responsible: *Growth Management Department*  
Timeframe: *Year 1 and ongoing*

Based on housing goals, the Town is committed to making progress in distributing affordable housing, including all types of housing (i.e., rental, ownership, elderly, special needs and family housing), to all villages as follows:

- Aim to provide at least 10% of the villages' year-round housing stock as affordable in accordance with MGL Chapter 40B. This Plan and its succeeding versions, will document the affordable housing units and percentages by village.
- Encourage mixed-use affordable housing that is close to transportation in the village centers.
- Research, identify and promote innovative wastewater management technologies that would allow higher densities in village areas with inadequate infrastructure.
- Identify and fund essential infrastructure improvements necessary to affordable housing development in village centers.
- Encourage small-scale affordable housing development in village centers including the conversion of existing housing to long-term affordability.

Key program components of this Housing Plan that will be helpful in this task include:

- Continue to Make Suitable Public Land Available for Affordable Housing (strategy 6.3.1)
- Accessory Affordable Apartment/Amnesty Program (strategy 6.3.2)
- Rental Acquisition Program (strategy 6.3.2)
- HAC Buy-down Program/Homeownership Purchase Program (strategy 6.3.2)
- Promoting mixed-use development, including affordable housing, in village centers (strategy 6.3.5)

### **6.3.4. Promote Adaptive Reuse**

Entity Responsible: *Growth Management Department*  
Timeframe: *Year 2*

The Growth Management Department should identify nonresidential properties that are potentially suitable for conversion to residential use, including some amount of affordable housing. The Housing Committee will be included in the final evaluation of these properties. The GMD will also need to identify appropriate funding sources and develop a program to acquire, improve and convert to long-term affordability, whether through rental or homeownership.

### 6.3.5. Continue to Promote Mixed-Use Development

Entity Responsible *Growth Management Department in coordination with the Planning Board and Housing Committee*  
Timeframe: *Year 3*

Barnstable's Zoning Ordinance allows mixed-use development through its rezoning of downtown Hyannis and in most village centers. There may be opportunities to modify the Ordinance to better promote mixed residential and commercial uses in the seven village centers that will add to the vitality of these areas without creating any significant negative impacts. The inclusion of some amount of affordable housing would also be mandated in tandem with density bonuses. In addition to creating this new zoning, the Town, through its Growth Management Department, should insure that adequate funding is made available as an incentive for this type of housing production and as a means of insuring its feasibility. The possibility of adopting a 40R Smart Growth Overlay District within the GIZ should also be explored as this special zoning brings with it several sources of subsidy to further support the redevelopment of downtown Hyannis, including the integration of mixed uses and affordable housing.

### 6.3.6. Address Foreclosure Crisis

Entity Responsible: *Growth Management Department*  
Timeframe: *Year 1*

The range of foreclosures has negatively impacted the Town of Barnstable as neighborhoods are showing signs of decline with reduced selling prices. Barnstable ranks 12<sup>th</sup> in the state for the highest number of foreclosures. Particularly alarming is that 67% of the foreclosures are concentrated in downtown Hyannis. The census blocks with the highest risk for foreclosures are located in the downtown Hyannis Growth Management Zone (GIZ) where substantial resources have been invested by the Town to concentrate development and spur area revitalization. The foreclosures threaten the progress that has been made as well as future progress and have also uprooted families.

The Town of Barnstable has been researching and pursuing possible resources for addressing foreclosed and abandoned property in these two census blocks. The Town of Barnstable applied for almost \$2 million in special Neighborhood Stabilization funding to address foreclosed and abandoned properties in Hyannis and received \$400,000. This funding will allow the Housing Assistance Corporation (HAC) to acquire, rehab and resell such properties to qualifying first-time homebuyers. Some of the funds will also go to the Barnstable Housing Authority's Rental Acquisition Program (RAP) to also enable it to purchase and rehabilitate abandoned and foreclosed properties but directed to occupancy by lower income renters. The funding will allow for the purchase of four properties.

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## APPENDIX 1: Glossary of Housing Terms<sup>30</sup>

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*The following housing terms are offered as an introduction to the Barnstable Housing Production Plan as a reference to language that is used in the document.*

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<sup>30</sup> Heudorfer, Bonnie, "Taking the Initiative: A Guidebook on Creating Local Affordable Housing Strategies", Citizens Housing and Planning Association with funding from the Massachusetts Housing Partnership Fund, November 2002.

**Affordable Housing**

A subjective term, but as used in this Plan, refers to housing available to a household earning no more than 80% of area median income at a cost that is no more than 30% of total household income.

**Area Median Income (AMI)**

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

**Chapter 40B**

The state's comprehensive permit law, enacted in 1969, which established an affordable housing goal of 10% for every community. In communities below the 10% goal, developers of low- and moderate-income housing can seek an expedited local review under the comprehensive permit process and can request a limited waiver of local zoning and other restrictions, which hamper construction of affordable housing. Developers can appeal to the state if their application is denied or approved with conditions that render it uneconomic, and the state can overturn the local decision if it finds it unreasonable in light of the need for affordable housing.

**Chapter 44B**

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

**Comprehensive Permit**

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

**Department of Housing and Community Development (DHCD)**

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

**Fair Housing Act**

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

**Inclusionary Zoning**

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

**Infill Development**

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

**Local Initiative Program (LIP)**

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

**MassHousing (formerly the Massachusetts Housing Finance Agency, MHFA)**

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

**Metropolitan Statistical Area (MSA)**

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

**Mixed-Income Housing Development**

Development that includes housing for various income levels.

**Mixed-Use Development**

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

**Overlay Zoning**

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

**Public Housing Agency (PHA)**

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

**Regional Non-profit Housing Organizations**

Regional non-profit housing organizations include nine private, non-profit housing agencies, which administer the Section 8 Program on a statewide basis, under contract with DHCD. Each agency serves a wide geographic region. Collectively, they cover the entire state and administer over 15,000 Section 8 vouchers. In addition to administering Section 8 subsidies, they administer state-funded rental assistance (MRVP) in communities without participating local housing authorities. They also develop affordable housing and run housing rehabilitation and weatherization programs, operate homeless shelters, run homeless prevention and first-time homebuyer programs, and offer technical assistance and training programs for communities. The Housing Assistance Corporation (HAC) serves as Barnstable's regional non-profit housing organization.

**Regional Planning Agencies (RPAs)**

These are public agencies that coordinate planning in each of thirteen regions of the state. They are empowered to undertake studies of resources, problems, and needs of their districts. They provide professional expertise to communities in areas such as master planning, affordable housing and open space planning, and traffic impact studies. With the exception of the Cape Cod and Nantucket Commissions, however, which are land use regulatory agencies as well as planning agencies, the RPAs serve in an advisory capacity only. The Cape Cod Commission serves as Barnstable's regional planning agency.

**Request for Proposals (RFP)**

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

**Section 8**

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

**Smart Growth**

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

**Subsidy**

Typically refers to financial assistance that fills the gap between the costs of any affordable housing development and what the occupants can afford based on program eligibility requirements. Many times multiple subsidies from various funding sources are required, often referred to as the “layering” of subsidies, in order to make a project feasible. In the state’s Local Initiative Program (LIP), DHCD’s technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. Also, “internal subsidies” refers to those developments that do not have an external source(s) of funding for affordable housing, but use the value of the market units to “cross subsidize” the affordable ones.

**Subsidized Housing Inventory (SHI)**

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

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

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



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## **APPENDIX 2: Summary of Housing Strategies**

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<i>Strategies</i>	<b>Projected Year for Implementation</b>	<b>Responsible Party</b>
<b><i>Promote greater coordination and monitoring of affordable housing activities</i></b>		
<i>Conduct ongoing community education Forums on new initiatives Fair Housing education Financial Literacy workshops Annual Housing Summits Public Information on existing programs Educational opportunities for boards and Committees</i>	1	GMD/HC
<i>Coordinate the investment of local and regional resources</i>	1	GMD
<i>Monitor needs of the homeless</i>	1	GMD/HSC
<i>Monitor progress in implementing this Plan</i>	1	GMD
<i>Update Needs Assessment and Plan as needed</i>	5 or as needed	GMD
<i>Monitor and reconcile SHI</i>	1	GMD
<b><i>Modify zoning and other regulatory tools</i></b>		
<i>Fine-tune existing zoning ordinances Analyze location for increased density Town wide analysis for multi family housing Density bonuses for highest level of affordability Two unit infill housing as of right</i>	2	GMD/PB/HC
<i>Provide zoning incentives for workforce housing</i>	4	GMD/PB/HC
<i>Provide regulatory incentives to stimulate affordable housing Reduction in permitting fees Inclusionary units allowed offsite/payment In lieu Expedited local 40B process</i>	5	GMD/PB/HC
<i>Insure compliance with Title V Use of cumulative loading analysis for increased density Use of alternative septic technologies Increased density in areas of public sewer</i>	4	GMD
<i>Change accessory apartment ordinance to allow owners to reside in accessory units</i>	2	GMD/PB
<i>Explore adoption of parts of Dennis' Affordable Housing Bylaw</i>	3	GMD/PB/HC
<b><i>Continue to pursue partnerships to produce and preserve affordable housing</i></b>		

<p><i>Continue to make suitable public land available for affordable housing</i>  <i>Prioritize parcels from municipal inventory project</i>  <i>Identify possible private, State, and other municipal sites for acquisition</i>  <i>Encourage land donation/tax incentives for donation</i></p>	2	GMD/HC/ TC
<p><i>Continue to fund key programs</i>  <i>Accessory Affordable Apartment Program</i>  <i>Rental Acquisition Program</i>  <i>Community Preservation Funds</i>  <i>BHA Homeownership Program</i></p>	1	TC/GMD/HC
<p><i>Ensure distribution of affordable housing throughout 7 villages</i>  <i>Identify and fund infrastructure improvements necessary for affordable housing in village centers</i></p>	1	GMD
<p><i>Promote adaptive reuse</i>  <i>Identify nonresidential properties potentially suitable for residential use</i></p>	2	GMD
<p><i>Continue to promote mixed-use development</i>  <i>Modify zoning ordinance to better promote mixed use in 7 village centers</i></p>	3	GMD/PB/HC
<p><i>Address the foreclosure crisis</i>  <i>Implement NSP Program</i></p>	1	GMD

*Indicates actions for which units are counted under other specific housing production strategies, have an indirect impact on production, do not add to the Subsidized Housing Inventory, or cannot be counted towards production goals.*

Growth Management Department = GMD  
Town Council = TC  
Housing Committee = HC  
Human Services Committee = HSC  
Planning Board = PB



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## APPENDIX 3: Summary of Housing Regulations and Resources

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### I. SUMMARY OF HOUSING REGULATIONS

#### A. Chapter 40B Comprehensive Permit Law

The Massachusetts Comprehensive Permit Law, Chapter 40B Sections 20–23 of the General Laws, was enacted as Chapter 774 of the Acts of 1969 to encourage the construction of affordable housing throughout the state, particularly outside of cities. Often referred to as the Anti-Snob Zoning Act, it requires all communities to use a streamlined review process through the local Zoning Board of Appeals for “comprehensive permits” submitted by developers for projects proposing zoning and other regulatory waivers and incorporating affordable housing for at least 25% of the units. Only one application is submitted to the ZBA instead of separate permit applications that are typically required by a number of local departments as part of the normal development process. Here the ZBA takes the lead and consults with the other relevant departments (e.g., building department, planning department, highway department, fire department, sanitation department, etc.) on a single application. The Conservation Commission retains jurisdiction under the Wetlands Protection Act and Department of Environmental Protection, the Building Inspector applies the state building code, and the Board of Health enforces Title V.

For a development to qualify under Chapter 40B, it must meet all of the following requirements:

- Must be part of a “subsidized” development built by a public agency, non-profit organization, or limited dividend corporation.
- At least 25% of the units in the development must be income restricted to households with incomes at or below 80% of area median income and have rents or sales prices restricted to affordable levels income levels defined each year by the U.S. Department of Housing and Urban Development.
- Restrictions must run for minimum of 30 years or longer for new construction or for a minimum of 15 years or longer for rehabilitation. Alternatively, the project can provide 20% of the units to households below 50% of area median income. Now new homeownership must have deed restrictions that extend in perpetuity.
- Development must be subject to a regulatory agreement and monitored by a public agency or non-profit organization.
- Project sponsors must meet affirmative marketing requirements.

According to Chapter 40B regulations, the ZBA decision to deny or place conditions on a comprehensive permit project cannot be appealed by the developer if any of the following conditions are met<sup>31</sup>:

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<sup>31</sup> Section 56.03 of the new Chapter 40B regulations.

- The community has met the “statutory minima” by having at least 10% of its year-round housing stock affordable as defined by Chapter 40B, at least 1.5% of the community’s land area includes affordable housing as defined again by 40B, or annual affordable housing construction is on at least 0.3% of the community’s land area.
- The community has made “recent progress” adding SHI eligible housing units during the prior 12 months equal at least to 2% of its year-round housing.
- The community has a one- or two-year exemption under Housing Production.
- The application is for a “large project” that equals at least 6% of all housing units in a community with less than 2,500 housing units.
- A “related application” for the site was filed, pending or withdrawn within 12 months of the application.

If a municipality does not meet any of the above thresholds, it is susceptible to appeals by comprehensive permit applicants of the ZBA’s decision to the state’s Housing Appeals Committee (HAC). This makes the Town susceptible to a state override of local zoning if a developer chooses to create affordable housing through the Chapter 40B comprehensive permit process.<sup>32</sup> Recently approved regulations add a new requirement that ZBA’s provide early written notice (within 15 days of the opening of the local hearing) to the application and to DHCD if they intend to deny or condition the permit based on the grounds listed above that make the application appeal proof, providing documentation for its position. Under these circumstances, municipalities can count projects with approved comprehensive permits that are under legal approval, but not by the ZBA, at the time.

Applicants wishing to appeal the ZBA decision based on appeal-proof grounds must notify the ZBA and DHCD in writing within 15 days of receipt of the ZBA notice. If the applicant appeals, DHCD will review materials from the ZBA and applicant and issue a decision within 30 days of receipt of the appeal (failure to issue a decision is a construction approval of the ZBA’s position). Either the ZBA or application can appeal DHCD’s decision by filing an interlocutory appeal with the Housing Appeals Committee (HAC) within 20 days of receiving DHCD’s decision. If a ZBA fails to follow this procedure, it waives its right to deny a permit on these “appeal-proof” grounds.

Recent changes to Chapter 40B also address when a community can count a unit as eligible for inclusion in the SHI including:

- **40R**  
Units receiving Plan Approval under 40R now count when the permit or approval is filed with the municipal clerk provided that no appeals are filed by the board or when the last appeal is fully resolved, similar to a Comprehensive Permit project.
- **Certificate of Occupancy**  
Units added to the SHI on the basis of receiving building permits become temporarily ineligible if the C of O is not issued with 18 months.
- **Large Phased Projects**  
If the comprehensive permit approval or zoning approval allows a project to be built in phases and each phase includes at least 150 units and average time between the start of each phase is 15 months or less, then the entire project remains eligible for the SHI as long as the phasing schedule set forth in the permit approval continues to be met.
- **Projects with Expired Use Restrictions**  
Units become ineligible for inclusion in the SHI upon expiration or termination of the initial use restriction unless a subsequent use restriction is imposed.
- **Biennial Municipal Reporting**

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<sup>32</sup> Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

Municipalities are responsible for providing the information on units that should be included in the SHI through a statement certified by the chief executive officer.

Towns are allowed to set-aside up to 70% of the affordable units available in a 40B development for those who have a connection to the community as defined per requirements under the state's Local Initiative Program.

While there are ongoing discussions regarding how the state should count the affordable units for the purpose of determining whether a community has met the 10% goal, in a rental project if the subsidy applies to the entire project, all units are counted towards the state standard. For homeownership projects, only the units made affordable to those households earning within 80% of median income can be attributed to the affordable housing inventory.

There are up to three stages in the 40B process – the project eligibility stage, the application stage, and at times the appeals stage. First, the applicant must apply for eligibility of a proposed 40B project/site from a subsidizing agency. Under Chapter 40B, subsidized housing is not limited exclusively to housing receiving direct public subsidies but also applies to privately-financed projects receiving technical assistance from the State through its Local Initiative Program (LIP) or through MassHousing (Housing Starts Program), Federal Home Loan Bank Board (New England Fund), MassDevelopment, and Massachusetts Housing Partnership Fund. The subsidizing agency then forwards the application to the local Board of Selectmen for a 30-day comment period. The Board of Selectmen solicits comments from Town officials and other boards and based on their review the subsidizing agency typically issues a project eligibility letter. Alternatively, a developer may approach the Board of Selectmen for their endorsement of the project, and they can make a joint application to DHCD for certification under the Local Initiative Program (for more information see description in Section I.E below).

Recent changes to 40B regulations expands the items a subsidizing agency must consider when determining site eligibility including:

- *Information provided by the municipality or other parties regarding municipal actions previously taken to meet affordable housing needs, including inclusionary zoning, multi-family districts and 40R overlay zones.*
- Whether the conceptual design is appropriate for the site including building massing, topography, environmental resources, and integration into existing development patterns.
- That the land valuation, as included in the pro forma, is consistent with DHCD guidelines regarding cost examination and limitations on profits and distribution.
- Requires that LIP site approval applications be submitted by the municipality's chief executive officer.
- Specifies that members of local boards can attend the site visit conducted during DHCD's 30-day review period.
- Requires that the subsidizing agency provide a copy of its determination of eligibility to DHCD, the chief executive officer of the municipality, the ZBA and the applicant.

If there are substantial changes to a project before the ZBA issues its decision, the subsidizing agency can defer the re-determination of site/project eligibility until the ZBA issues its decision unless the chief executive officer of the municipality or applicant request otherwise. New 40B regulations provide greater detail on this re-determination process. Additionally, challenges to project eligibility determinations can only be made on the grounds that there has been a substantial change to the project that affects project eligibility requirements and leaves resolution of the challenge to the subsidizing agency.

The next stage in the comprehensive permit process is the application phase including pre-hearing activities such as adopting rules before the application is submitted, setting a reasonable filing fee, providing for technical "peer review" fees, establishing a process for selecting technical consultants, and setting forth minimum application submission requirements. Failure to open a public hearing within 30 days of filing an application can result in constructive approval. The public hearing is the

most critical part of the whole application process. Here is the chance for the Zoning Board of Appeals' consultants to analyze existing site conditions, advise the ZBA on the capacity of the site to handle the proposed type of development, and to recommend alternative development designs. Here is where the ZBA gets the advice of experts on unfamiliar matters – called peer review. Consistency of the project with local needs is the central principal in the review process.

Another important component of the public hearing process is the project economic analysis that determines whether conditions imposed and waivers denied would render the project “uneconomic”. The burden of proof is on the applicant, who must prove that it is impossible to proceed and still realize a reasonable return, which cannot be more than 20%. Another part of the public hearing process is the engineering review. The ZBA directs its consultants to analyze the consistency of the project with local bylaws and regulations and to examine the feasibility of alternative designs.

New Chapter 40B regulations now add a number of requirements related to the hearing process that include:

- The hearing be terminated within 180 days of the filing of a complete application unless the applicant consents to extend.
- Allows communities already considering three (3) or more comprehensive permit applications to stay a hearing on additional applications if the total units under consideration meet the definition of a large project (larger of 300 units or 2% of housing in communities with 7,500 housing units as of the latest Census, 250 units in communities with 5,001 to 7,499 total units, 200 units in communities with 2,500 to 5,000 units, and 150 units or 10% of housing in communities with less than 2,500 units).
- Local boards can adopt local rules for the conduct of their hearings, but they must obtain an opinion from DHCD that these rules are consistent with Chapter 40B.
- Local boards cannot impose “unreasonable or unnecessary” time or cost burdens on an applicant and bans requiring an applicant to pay legal fees for general representation of the ZBA or other boards. The new requirements go into the basis of the fees in more detail, but as a general rule the ZBA may not assess any fee greater than the amount that might be appropriated from town or city funds to review a project of a similar type and scale.
- An applicant can appeal the selection of a consultant within 20 days of the selection on the grounds that the consultant has a conflict of interest or lack minimum required qualifications.
- Specify and limit the circumstances under which ZBA's can review pro formas.
- Zoning waivers are only required under “as of right” requirements, not from special permit requirements.
- Forbids ZBA's from imposing conditions that deviate from the project eligibility requirements or that would require the project to provide more affordable units than the minimum threshold required by DHCD guidelines.
- States that ZBA's cannot delay or deny an application because a state or federal approval has not been obtained.
- Adds new language regarding what constitutes an uneconomic condition including requiring applicants to pay for off-site public infrastructure or improvements if they involve pre-existing conditions, are not usually imposed on unsubsidized housing or are disproportionate to the impacts of the proposed development or requiring a reduction in the number of units other than on a basis of legitimate local concerns (health, safety, environment, design, etc.). Also states that a condition shall not be considered uneconomic if it would remove or modify a proposed nonresidential element of a project that is not allowed by right.

After the public hearing is closed, the ZBA must set-aside at least two sessions for deliberations within 40 days of the close of the hearing. These deliberations can result in either approval, approval with conditions, or denial.

Subsidizing agencies are required to issue final project eligibility approvals following approval of the comprehensive permit reconfirming project eligibility, including financial feasibility, and approving the proposed use restriction and finding that the applicant has committed to complying with cost

examination requirements. New Chapter 40B regulations set forth the basic parameters for insuring that profit limitations are enforced, while leaving the definition of “reasonable return” to the subsidizing agency in accordance with DHCD guidelines. The applicant or subsequent developer must submit a detailed financial statement, prepared by a certified public accountant, to the subsidizing agency in a form and upon a schedule determined by the DHCD guidelines.

If the process heads into the third stage – the appeals process – the burden is on the ZBA to demonstrate that the denial is consistent with local needs, meaning the public health and safety and environmental concerns outweigh the regional need for housing. If a local ZBA denies the permit, a state Housing Appeals Committee (HAC) can overrule the local decision if less than 10% of the locality’s year round housing stock has been subsidized for households earning less than 80% of median income, if the locality cannot demonstrate health and safety reasons for the denial that cannot be mitigated, or if the community has not met housing production goals based on an approved plan or other statutory minima listed above. The HAC has upheld the developer in the vast majority of the cases, but in most instances promotes negotiation and compromise between the developer and locality. In its 30-year history, only a handful of denials have been upheld on appeal. The HAC cannot issue a permit, but may only order the ZBA to issue one. Also, any aggrieved person, except the applicant, may appeal to the Superior Court or Land Court, but even for abutters, establishing “standing” in court is an uphill battle. Appeals from approvals are often filed to force a delay in commencing a project, but the appeal must demonstrate “legal error” in the decision of the ZBA or HAC.

#### **B. Housing Production Regulations**

As part of the Chapter 40B comprehensive permit regulations, the Massachusetts Department of Housing and Community Development (DHCD) is administering the Housing Production Program in accordance with regulations that enable cities and towns to do the following:

- Prepare and adopt an Housing Production Plan that demonstrates production of an increase of .05% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory (101 units and 202 units, respectively, for Barnstable until the new census figures are available in 2011) for *approval* by DHCD.<sup>33</sup>
- Request *certification* of compliance with the plan by demonstrating production of at least the number of units indicated above.
- Through local ZBA action, deny a comprehensive permit application during the period of certified compliance, which is 12 months following submission of the production documentation to DHCD, or 24 months if the 1.0% threshold is met.

For the plan to be acceptable to DHCD it must meet the following requirements:

- Include a comprehensive housing needs assessment to establish the context for municipal action based on the most recent census data. The assessment must include a discussion of municipal infrastructure include future planned improvements.
- Address a mix of housing consistent with identified needs and market conditions.
- Address the following strategies including -
  - Identification of geographic areas in which land use regulations will be modified to accomplish affordable housing production goals.
  - Identification of specific sites on which comprehensive permit applications will be encouraged.
  - Preferable characteristics of residential development such as infill housing, clustered areas, and compact development.
  - Municipally owned parcels for which development proposals will be sought.
  - Participation in regional collaborations addressing housing development.

Plans must be adopted by the Board of Selectmen and Planning Board, and the term of an approved plan is five (5) years.

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<sup>33</sup> Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).



**C. Chapter 40R/40S**

In 2004, the State Legislature approved a new zoning tool for communities in recognition that escalating housing prices, now beyond the reach of increasing numbers of state residents, are causing graduates from area institutions of higher learning to relocate to other areas of the country in search of greater affordability. The Commonwealth Housing Task Force, in concert with other organizations and institutions, developed a series of recommendations, most of which were enacted by the State Legislature as Chapter 40R of the Massachusetts General Laws. The key components of these regulations are that “the state provide financial and other incentives to local communities that pass Smart Growth Overlay Zoning Districts that allow the building of single-family homes on smaller lots and the construction of apartments for families at all income levels, and the state increase its commitment to fund affordable housing for families of low and moderate income”.<sup>34</sup>

The statute defines 40R as “a principle of land development that emphasizes mixing land uses, increases the availability of affordable housing by creating a range of housing opportunities in neighborhoods, takes advantage of compact design, fosters distinctive and attractive communities, preserves opens space, farmland, natural beauty and critical environmental areas, strengthens existing communities, provides a variety of transportation choices, makes development decisions predictable, fair and cost effective and encourages community and stakeholder collaboration in development decisions.”<sup>35</sup> The key components of 40R include:

- Allows local option to adopt Overlay Districts near transit, areas of concentrated development, commercial districts, rural village districts, and other suitable locations;
- Allows “as-of-right” residential development of minimum allowable densities;
- Provides that 20% of the units be affordable;
- Promotes mixed-use and infill development;
- Provides two types of payments to municipalities; and
- Encourages open space and protects historic districts.

The incentives prescribed by the Task Force and passed by the Legislature include an incentive payment upon the passage of the Overlay District based on the number of projected housing units as follows:

<b>Incentive Payments</b>	
<i>Incentive Units</i>	<b>Payments</b>
<i>Up to 20</i>	\$10,000
<i>21-100</i>	\$75,000
<i>101-200</i>	\$200,000
<i>210-500</i>	\$350,000
<i>501 or more</i>	\$600,000

There are also density bonus payments of \$3,000 for each residential unit issued a building permit. To be eligible for these incentives the Overlay Districts need to allow mixed-use development and densities of 20 units per acre for apartment buildings, 12 units per acre for two and three-family homes, and at least eight units per acre for single-family homes. Communities with populations of less than 10,000 residents are eligible for a waiver of these density requirements, however significant hardship must be demonstrated. The Zoning Districts would also encourage housing development on vacant infill lots and in underutilized nonresidential buildings. The Task Force emphasizes that Planning Boards, which would enact the Zoning Districts, would be “able to ensure that what is built in the District is compatible with and reflects the character of the immediate neighborhood.”<sup>36</sup>

<sup>34</sup> Edward Carman, Barry Bluestone, and Eleanor White for The Commonwealth Housing Task Force, “A Housing Strategy for Smart Growth and Economic Development: Executive Summary”, October 30, 2003, p. 3.

<sup>35</sup> Massachusetts General Law, Chapter 40R, Section 11.

<sup>36</sup> “A Housing Strategy for Smart Growth and Economic Development: Executive Summary,” p. 4.

The principal benefits of 40R include:

- Expands a community's planning efforts;
- Allows communities to address housing needs;
- Allows communities to direct growth;
- Can help communities meet production goals and 10% threshold under Chapter 40B;
- Can help identify preferred locations for 40B developments; and
- State incentive payments.

The formal steps involved in creating Overlay Districts are as follows:

- The Town holds a public hearing as to whether to adopt an Overlay District per the requirements of 40R;
- The Town applies to DHCD prior to adopting the new zoning;
- DHCD reviews the application and issues a Letter of Eligibility if the new zoning satisfies the requirements of 40R;
- The Town adopts the new zoning through a two-thirds vote of Town Meeting subject to any modifications required by DHCD;
- The Town submits evidence of approval to DHCD upon the adoption of the new zoning; and
- DHCD issues a letter of approval, which indicates the number of incentive units and the amount of payment.

The state recently enacted Chapter 40S under the Massachusetts General Law that provides additional benefits through insurance to towns that build affordable housing under 40R that they would not be saddled with the extra school costs caused by school-aged children who might move into this new housing. This funding was initially included as part of 40R but was eliminated during the final stages of approval. In effect, 40S is a complimentary insurance plan for communities concerned about the impacts of a possible net increase in school costs due to new housing development.

#### **D. Local Initiative Program (LIP) Guidelines**

The Local Initiative Program (LIP) is a technical assistance subsidy program to facilitate Chapter 40B developments and locally produced affordable units. The general requirements of LIP include insuring that projects are consistent with sustainable or smart growth development principles as well as local housing needs. LIP recognizes that there is a critical need for all types of housing but encourages family and special needs housing in particular. Age-restricted housing (over 55) is allowed but the locality must demonstrate actual need and marketability. DHCD has the discretion to withhold approval of age-restricted housing if other such housing units within the community remain unbuilt or unsold or if the age-restricted units are unresponsive to the need for family housing within the context of other recent local housing efforts.

There are two types of LIP projects, those using the comprehensive permit process, the so-called "friendly" 40B's, and Local Action Units, units where affordability is a result of some local action such as inclusionary zoning, Community Preservation funding, other regulatory requirements, etc.

Specific LIP requirements include the following by category:

#### **Income and Assets**

- Must be affordable to those earning at or below 80% of area median income adjusted by family size and annually by HUD. Applicants for affordable units must meet the program income limits in effect at the time they apply for the unit and must continue to meet income limits in effect when they actually purchase a unit.
- For homeownership units, the household may not have owned a home within the past three years except for age-restricted "over 55" housing.

- For homeownership projects, assets may not be greater than \$75,000 except for age-restricted housing where the net equity from the ownership of a previous house cannot be more than \$200,000.
- Income and asset limits determine eligibility for lottery participation.

#### **Allowable Sales Prices and Rents<sup>37</sup>**

- Rents are calculated at what is affordable to a household earning 80% of area median income adjusted for family size, assuming they pay no more than 30% of their income on housing. Housing costs include rent and payments for heat, hot water, cooking fuel, and electric. If there is no municipal trash collection a trash removal allowance should be included. If utilities are separately metered and paid by the tenant, the LIP rent is reduced based on the area's utility allowance. Indicate on the DHCD application whether the proposed rent has been determined with the use of utility allowances for some or all utilities.
- Sales prices of LIP units are set so a household earning 70% of area median income would have to pay no more than 30% of their income for housing. Housing costs include mortgage principal and interest on a 30-year fixed term mortgage at 95% of purchase price, property taxes, condo fees<sup>38</sup>, private mortgage insurance (if putting less than 20% of purchase price down), and hazard insurance.
- The initial maximum sales price or rent is calculated as affordable to a household with a number of household members equal to the number of bedrooms plus one (for example a two-bedroom unit would be priced based on what a three-person household could afford).

#### **Allowable Financing and Costs**

- Allowable development costs include the "as is" value of the property based on existing zoning at the time of application for a project eligibility letter (initial application to DHCD). Carrying costs (i.e., property taxes, property insurance, interest payments on acquisitions financing, etc.) can be no more than 20% of the "as is" market value unless the carrying period exceeds 24 months. Reasonable carrying costs must be verified by the submission of documentation not within the exclusive control of the applicant.
- Appraisals are required except for small projects of 20 units or less at the request of the Board of Selectmen where the applicant for the LIP comprehensive permit submits satisfactory evidence of value.
- Profits are limited to no more than 20% of total allowable development costs in homeownership projects.
- In regard to rental developments, payment of fees and profits are limited to no more than 10% of total development costs net of profits and fees and any working capital or reserves intended for property operations. Beginning upon initial occupancy and then proceeding on an annual basis, annual dividend distributions will be limited to no more than 10% of the owner's equity in the project. Owner's equity is the difference between the appraised as-built value and the sum of any public equity and secured debt on the property.
- For LIP comprehensive permit projects, DHCD requires all developers to post a bond (or a letter of credit) with the municipality to guarantee the developer's obligations to provide a satisfactory cost certification upon completion of construction and to have any excess profits, beyond what is allowed, revert back to the municipality. The bond is discharged after DHCD has determined that the developer has appropriately complied with the profit limitations.
- No third party mortgages are allowed for homeownership units.

#### **Marketing and Outreach (refer to state Affirmative Fair Housing Marketing Plan guidelines dated June 25, 2008.)**

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<sup>37</sup> DHCD has an electronic mechanism for calculating maximum sales prices on its website at [www.mass.gov/dhcd](http://www.mass.gov/dhcd).

<sup>38</sup> DHCD will review condo fee estimates and approve a maximum condo fee as part of the calculation of maximum sales price. The percentage interests assigned to the condo must conform to the approved condo fees and require a lower percentage interest assigned to the affordable units as opposed to the market rate ones. DHCD must review the Schedule of Beneficial Interests in the Master Deed to confirm that LIP units have been assigned percentage interests that correspond to the condo fees.

- Marketing and outreach, including lottery administration in adherence with all Fair Housing laws.
- LIP requires that the lottery draw and rank households by size.
- If there are proportionately less minority applicants in the community preference pool than the proportion in the region, a preliminary lottery must be held to boost, if possible, the proportion of minority applicants to this regional level.
- A maximum of 70% of the units may be local preference units for those who have a connection to the community as defined under state guidelines (Section C: Local Preference section of the Affirmative Fair Housing Marketing Plan Guidelines (dated June 25, 2008).
- The Marketing Plan must affirmatively provide outreach to area minority communities to notify them about availability of the unit(s).
- Marketing materials must be available/application process open for a period of at least 60 days.
- Marketing should begin about six (6) months before occupancy.
- Lottery must be held unless there are no more qualified applicants than units available.

### Regulatory Requirements

- The affordable units design, type, size, etc. must be the same as the market units and dispersed throughout the development.
- Units developed through LIP as affordable must be undistinguishable from market units as viewed from the exterior (unless the project has a DHCD-approved alternative development plan that is only granted under exceptional circumstances) and contain complete living facilities.
- For over 55 projects, only one household member must be 55 or older.
- Household size relationship to unit size is based on “households” = number of bedrooms plus one – i.e., a four-person household in a three-bedroom unit (important also for calculating purchase prices of the affordable units for which LIP has a formula as noted above).
- Must have deed restrictions in effect in perpetuity unless the applicant or municipality can justify a shorter term to DHCD.
- All affordable units for families must have at least two or more bedrooms and meet state sanitary codes and these minimum requirements –
  - 1 bedroom – 700 square feet/1 bath
  - 2 bedrooms – 900 square feet/1 bath
  - 3 bedrooms – 1,200 square feet/ 1 ½ baths
  - 4 bedrooms – 1,400 square feet/2 baths
- Appraisals may take into account the probability of obtaining a variance, special permit or other zoning relief but must exclude any value relating to the possible issuance of a comprehensive permit.

The process that is required for using LIP for 40B developments – “friendly” comprehensive permit projects – is largely developer driven. It is based on the understanding that the developer and Town are working together on a project that meets community needs. Minimum requirements include:

1. Written support of the municipality’s chief elected official, the Board of Selectmen in the case of towns, and the local housing partnership, trust or other designated local housing entity. The chief executive officer is in fact required to submit the application to DHCD.
2. At least 25% of the units must be affordable and occupied by households earning at or below 80% of area median income or at least 20% of units restricted to households at or below 50% of area median income.
3. Affordability restrictions must be in effect in perpetuity, to be monitored by DHCD through a recorded regulatory agreement.
4. Project sponsors must prepare and execute an Affirmative Fair Housing Marketing Plan that must be approved by DHCD.
5. Developer’s profits are restricted per Chapter 40B requirements.

The process that is required for using LIP for 40B developments – “friendly” comprehensive permit projects – is as follows:

1. Application process
  - Developer meets with Town
  - Developer and Town agree to proposal
  - Town chief elected officer submits application to DHCD with developer’s input
2. DHCD review involves the consideration of:
  - Sustainable development criteria (redevelop first, concentrate development, be fair, restore and enhance the environment, conserve natural resources, expand housing opportunities, provide transportation choice, increase job opportunities, foster sustainable businesses, and plan regionally),
  - Number and type of units,
  - Pricing of units to be affordable to households earning no more than 70% of area median income,
  - Affirmative marketing plan,
  - Financing, and
  - Site visit.
3. DHCD issues site eligibility letter that enables the developer to bring the proposal to the ZBA for processing the comprehensive permit.
4. Zoning Board of Appeals holds hearing
  - Developer and Town sign regulatory agreement to guarantee production of affordable units that includes the price of units and deed restriction in the case of homeownership and limits on rent increases if a rental project. The deed restriction limits the profit upon resale and requires that the units be sold to another buyer meeting affordability criteria.
  - Developer forms a limited dividend corporation that limits profits.
  - The developer and Town sign a regulatory agreement.
5. Marketing
  - An Affirmative Fair Housing Marketing Plan must provide outreach to area minority communities to notify them about availability of the unit(s).
  - Local preference is limited to a maximum of 70% of the affordable units.
  - Marketing materials must be available/application process open for a period of at least 60 days.
  - Lottery must be held.
6. DHCD approval must include
  - Marketing plan, lottery application, and lottery explanatory materials
  - Regulatory agreement (DHCD is a signatory)
  - Deed rider (Use standard LIP document)
  - Purchase arrangements for each buyer including signed mortgage commitment, signed purchase and sale agreement and contact information of purchaser’s closing attorney.

As mentioned above, in addition to being used for “friendly” 40B projects, LIP can be used for counting those affordable units as part of a Town’s Subsidized Housing Inventory that are created as a result of some local action. Following occupancy of the units, a Local Action Units application must be submitted to DHCD for the units to be counted as affordable. This application is on DHCD’s web site.

The contact person at DHCD is Janice Lesniak of the LIP staff (phone: 617-573-1309; fax: 617-573-1330; email: [Janice.lesniak@state.ma.us](mailto:Janice.lesniak@state.ma.us)). For resale questions contact Elsa Campbell, Housing Specialist (phone: 617-573-1321; fax: 617-573-1330; email: [elsa.campbell@state.ma.us](mailto:elsa.campbell@state.ma.us)).

#### **E. Commonwealth Capital<sup>39</sup>**

The state established Commonwealth Capital as a policy that encourages communities to implement smart growth by utilizing the smart growth consistency of municipal land use regulations as part of the evaluation of proposals for state funding under a number of state capital spending programs. Those municipalities with higher scores, will be in a more competitive position for receiving state discretionary funding, not just for housing, but for other purposes including infrastructure, transportation, environment, economic development, etc. The state's goal is to invest in projects that are consistent with Sustainable Development Principles that include:

1. Redevelop first;
2. Concentrate development;
3. Be fair;
4. Restore and enhance the environment;
5. Conserve natural resources;
6. Expand housing opportunities;
7. Provide transportation choice;
8. Increase job opportunities;
9. Foster sustainable businesses; and
10. Plan regionally.

Applications can be submitted at any time and will be valid for the programs listed above throughout the current fiscal year. Communities should submit applications prior to the deadline for any Commonwealth Capital program to which they are applying to ensure that their score will count. Applications should be submitted electronically, and each community is assigned its own login and password.

Programs which are affected by Commonwealth Capital include the following that are operated by the Executive Office of Administration and Finance (EOAF), Executive Office of Energy and Environmental Affairs (EOEEA), Executive Office of Housing and Economic Development (EOHED), Executive Office of Transportation and Public Works (EOTPW), Coastal Zone Management (CZM), Massachusetts Office of Business Development (MOBD), Massachusetts Office of Relocation and Expansion (MORE), and the Department of Housing and Community Development (DHCD):

- Public Works Economic Development Program (EOTPW)
- Bike and Pedestrian Program (EOTPW)\*
- Transit Oriented Development Bond Program (EOTPW)
- Community Development Action Grant Program (EOHED and DHCD)
- State Revolving Fund (EOEEA and DEP)
- Urban Brownfields Assessment Program (EOEEA)\*
- Urban Self-Help Program (EOEEA and DCS)
- Drinking Water Supply Protection Grant Program (EOEEA)
- Urban River Visions Program (EOEEA)\*
- Coastal Pollutant Remediation Grant Program (EOEEA and CZM)
- Coastal Nonpoint Source Pollution Grant Program (EOEEA and CZM)
- Off-Street Parking Program (EOAF)
- Smart Growth Technical Assistance Program (for this program EOEEA will use inverse Commonwealth Capital scores. Unlike the other 13 programs, a primary goal of this program is to help communities with low scores improve.)
- Indicates programs that are eliminated in proposed program changes.

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<sup>39</sup> This program was created by the Romney administration and coordinated by the Office of Commonwealth Development. While OCD has been disbanded, applications are still being accepted

Changes to Commonwealth Capital add the following programs:

- Small Town Road Assistance Program (EOTPW)
- MA Opportunity Relocation and Expansion (MORE)
- Jobs Capital Program (MOBD)
- Water Transportation Capital Funding Program (EOTPW)
- Alternative Energy Property Program (EOEEA-DOER)

The application involves a maximum score of 140 points, including bonus points. The Commonwealth Capital score will account for 30% of the possible application points for any of the Commonwealth Capital programs, the other 70% points related to the purpose of the particular program and the merits of the proposed project. Communities receive points for zoning, planning, housing, environmental, energy, transportation, and other measures that already exist as well as measures they commit to implement by the end of 2009 (for this year's application). Additionally, communities can receive bonus points for successfully implementing commitments made in their 2008 applications.

The major components of the proposed Commonwealth Capital application and corresponding total point allocations are provided below:

- Plan for and promote livable communities and plan regionally (19)
- Zone for and permit concentrated development and mixed use (26)
- Expand housing opportunities (21)
- Make efficient decisions and increase job and business opportunities (12)
- Protect land and ecosystems (21)
- Use natural resources wisely (7)
- Promote clean energy (9)
- Provide transportation choice (9)
- Advance equity (6)
- Promote sustainable development via other actions (10)
- Bonus points for every prior fiscal year commitment implemented

A greater number of points are granted for actions that are already in place but points are also issued for commitments that have not yet been implemented.

## II. SUMMARY OF HOUSING RESOURCES

Those programs that may be most appropriate to development activity in Barnstable are described below.<sup>40</sup>

### A. Technical Assistance

#### 1. Priority Development Fund<sup>41</sup>

A relatively new state-funded initiative, the Priority Development Fund, provides planning assistance to municipalities for housing production. In June 2004, DHCD began making \$3 million available through this Fund on a first-come, first-served basis to encourage the new production of housing, especially mixed-income rental housing. PDF assistance supports a broad range of activities to help communities produce housing. Applications must demonstrate the community's serious long-term commitment and willingness to increase its housing supply in ways that are consistent with the Commonwealth's principles of sustainable development. Barnstable has received three (3) such grants totaling \$115,000.

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<sup>40</sup> Program information was gathered through agency brochures, agency program guidelines and application materials as well as the following resources: Verrilli, Ann. [Housing Guidebook for Massachusetts](#). Produced by the Citizen's Housing and Planning Association, June 1999.

<sup>41</sup> Description taken from the state's program description.

Eligible activities include community initiated activities and implementation activities associated with the production of housing on specific sites. Community initiated activities include but are not limited to:

Zoning activities that support the program objectives include:

- Incentive zoning provisions to increase underlying housing density;
- Smart Growth Zoning Overlay Districts;
- Inter- and intra-municipal Transferable Development Rights proposals;
- Zoning that promotes compact housing and development such as by right multi-family housing, accessory apartment units, clustered development, and inclusionary zoning;
- Zoning provisions authorizing live-and-work units, housing units for seasonal employees, mixed assisted living facilities and the conversion of large single-family structures, vacant mills, industrial buildings, commercial space, a school or other similar facilities, into multi-family developments; and
- Other innovative zoning approaches developed by and for an individual community.

Education and outreach efforts that support the program objectives include:

- Establishment of a local or regional affordable housing trust;
- Development of a plan of action for housing activities that will be undertaken with Community Preservation Act funds; and
- Efforts to build local support (grass-root education) necessary to achieve consensus or approval of local zoning initiatives.

Implementation activities associated with the production of housing in site-specific areas include but are not limited to:

- Identification of properties, site evaluation, land assembly and financial feasibility analysis; and
- Development of a Request for Proposal (RFP) for the disposition of land.

The PDF assistance is not available to serve as a substitute for pre-development assessment of alternative development scenarios for parcels already controlled by an identified private developer or to supplant municipal funds to pay staff salaries.

Eligible applicants consist of cities and towns within the Commonwealth. Municipalities may enter into third party agreements with consultants approved by DHCD, however only a municipality will be allowed to enter into a contract with MassHousing regarding the distribution of funds. Municipalities will be responsible for attesting that all funds have been expended for their intended purposes.

Joint applications involving two or more communities within a region or with similar housing challenges are strongly encouraged as a way to leverage limited resources, however, one municipality will be required to serve as the lead.

MassHousing and DHCD reserve the right to screen applications and to coordinate requests from communities seeking similar services. For example, rural communities may be more effectively served by an application for a shared consultant who can work with numerous towns to address zoning challenges that enhance housing production. Likewise, it may be more effective to support an application for a consultant to review model zoning bylaws or overlay districts with a number of interested communities with follow-up at the community level to support grassroots education, than it is to support the separate development of numerous zoning bylaws. Communities submitting multiple applications must prioritize their applications.

In exchange for the assistance, municipalities must agree to share the end product of the funded activities with DHCD and MassHousing and with other communities in the Commonwealth through reports, meetings, workshops, and to highlight these activities in print, on the web or other media outlets.



The agencies will focus the evaluation of applications to determine overall consistency with program goals and the principles of sustainable development. Applications will be evaluated based on:

- Eligibility of activity;
- Public support;
- Demonstrated need for funds;
- Likelihood activity will result in production of housing;
- Reasonableness of the timeline;
- Readiness to proceed with proposed project;
- Capacity to undertake activity;
- Cost estimates and understanding of the proposed project cost;
- Proposed activity having clearly defined benefits that will result in the production of housing; and
- Benefits being realized within a 2-3 year-timeframe.

Applications for funding will be accepted and evaluated on a rolling review basis. In order to deploy this assistance as effectively and efficiently as possible, or in the event the planning funds are oversubscribed, communities that have relatively greater planning capacity and/or resources may be requested to provide some matching funds. Additional consideration and flexibility for the assistance will be made for communities with little or no planning staff capacity or resources.

Communities may apply to DHCD for assistance of up to \$50,000. The amount of funds awarded will be a reflection of the anticipated impact on housing production. DHCD and MassHousing reserve the right to designate proposals as "Initiatives of Exceptional Merit," in order to increase the amount of assistance and scope of services for certain projects.

## **2. Peer to Peer Technical Assistance**

This state program utilizes the expertise and experience of local officials from one community to provide assistance to officials in another comparable community to share skills and knowledge on short-term problem solving or technical assistance projects related to community development and capacity building. Funding is provided through the Community Development Block Grant Program and is limited to grants of no more than \$1,000, providing up to 30 hours of technical assistance.

Applications are accepted on a continuous basis, but funding is limited. To apply, a municipality must provide DHCD with a brief written description of the problem or issue, the technical assistance needed and documentation of a vote of the Board of Selectmen or letter from the Town Administrator supporting the request for a peer. Communities may propose a local official from another community to serve as the peer or ask DHCD for a referral. If DHCD approves the request and once the peer is recruited, DHCD will enter into a contract for services with the municipality. When the work is completed to the municipality's satisfaction, the Town must prepare a final report, submit it to DHCD, and request reimbursement for the peer.

## **3. MHP Intensive Community Support Team**

The Massachusetts Housing Partnership Fund is a quasi-public agency that offers a wide range of technical and financial resources to support affordable housing. The Intensive Community Support Team provides sustained, in-depth assistance to support the development of affordable housing. Focusing on housing production, the Team helps local advocates move a project from the conceptual phase through construction, bringing expertise and shared lessons from other parts of the state. The team can also provide guidance on project finance. Those communities, which are interested in this initiative, should contact the MHP Fund directly for more information.

## **4. MHP Chapter 40B Technical Assistance Program**

Working with DHCD, MHP launched this program in 1999 to provide technical assistance to those communities needing assistance in reviewing comprehensive permit applications. The Program offers

up to \$10,000 in third-party technical assistance to enable communities to hire consultants to help them review Chapter 40B applications. Those communities that are interested in this initiative should contact the MHP Fund directly for more information.

MHP recently announced new guidelines to help cities and towns review housing development proposals under Chapter 40B including:

- State housing agencies will now appraise and establish the land value of 40B sites before issuing project eligibility letters.
- State will put standards in place for determining when permit conditions make a 40B development “uneconomic”.
- There will be set guidelines on determining related-party transactions, i.e., when a developer may also have a role as contractor or realtor.
- Advice on how to identify the most important issues early and communicate them to the developer, how informal work sessions can be effective, and how to make decisions that are unlikely to be overturned in court.

#### **5. Smart Growth Technical Assistance Grants**

The state recently announced the availability of *Smart Growth Technical Assistance Grants* from the Executive Office of Environmental Affairs that provides up to \$30,000 per community to implement smart growth zoning changes and other activities that will improve sustainable development practices and increase scores on the Commonwealth Capital application. Eligible activities include:

- Zoning changes that implement planning recommendations;
- Development of mixed-use zoning districts;
- Completion of Brownfields inventory or site planning;
- Implementation of stormwater BMPs;
- Completion of Open Space Residential Design bylaws/ordinances;
- Implementation of Low Impact Development (LID) bylaws/ordinances; and
- Development of a Right-to-Farm bylaw/ordinance or zoning protections for agricultural preservation.

The state requires that localities provide a match of 15% of this special technical assistance fund and encourages communities that are interested in the same issues to apply jointly. Preference will be given to applications that improve sustainable development practices, realize a commitment from a community’s Commonwealth Capital application, and implement a specific Community Development or Master Plan action. Additional preference will be offered those communities with lower Commonwealth Capital scores to support towns that have the greatest need for improved land use practices. For FY 2006, applications were due in mid-August for projects that must be completed by June 30, 2006, but no applications were required in FY 2006 if one had been submitted previously. Nevertheless, communities are able to submit supplemental information that will likely help boost their scores and competitiveness for state discretionary resources.

#### **B. Housing Development**

While comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units in fact subsidize the affordable ones, communities are finding that they also require public subsidies to cover the costs of affordable or mixed-income residential development and need to access a range of programs through the state and federal government and other financial institutions to accomplish their objectives and meet affordable housing goals. Because the costs of development are typically significantly higher than the rents or purchase prices that low- and moderate-income tenants can afford, multiple layers of subsidies are often required to fill the gaps. Sometimes even Chapter 40B developments are finding it useful to apply for external subsidies to increase the numbers of affordable units, to target units to lower income or special needs populations, or to fill gaps that market rates cannot fully cover.

The state requires applicants to submit a One Stop Application for most of its housing subsidy programs in an effort to standardize the application process across agencies and programs. A Notice

of Funding Availability (NOFA) is issued by the state usually twice annually for its rental programs and homeownership initiatives. Using the One Stop Application, applicants can apply to several programs simultaneously to support the funding needs of a particular project.

### **1. HOME Program**

HUD created the HOME Program in 1990 to provide grants to states, larger cities and consortia of smaller cities and towns to do the following:

- Produce rental housing;
- Provide rehabilitation loans and grants, including lead paint removal and accessibility modifications, for rental and owner-occupied properties;
- Offer tenant-based rental assistance (two-year subsidies); and/or
- Assist first-time homeowners.

The HOME Program funding is targeted to homebuyers or homeowners earning no more than 80% of median income and to rental units where at least 90% of the units must be affordable and occupied by households earning no more than 60% of median income, the balance to those earning within 80% of median. Moreover, for those rental projects with five or more units, at least 20% of the units must be reserved for households earning less than 50% of median income. In addition to income guidelines, the HOME Program specifies the need for deed restrictions, resale requirements, and maximum sales prices or rentals.

The HOME Rental Program is targeted to the acquisition and rehabilitation of multi-family distressed properties or new construction of multi-family rental housing from five to fifty units. Once again, the maximum subsidy per project is \$750,000 and the maximum subsidy per unit in localities that receive HOME or CDBG funds directly from HUD is \$50,000 (these communities should also include a commitment of local funds in the project). Subsidies are in the form of deferred loans at 0% interest for 30 years. State HOME funding cannot be combined with another state subsidy program with several exceptions including the Low Income Housing Tax Credits, HIF and the Soft Second Program.

Like all other communities on Cape Cod, Barnstable is part of the Barnstable County HOME Consortium and has access to HOME funding.

### **2. Community Development Block Grant Program (CDBG)**

In addition to funding for the Peer-to-Peer Program mentioned in the above section, there are other housing resources supported by federal CDBG funds that are distributed by formula to Massachusetts. However, Barnstable receives an annual allocation of CDBG funds that are used for a variety of community development efforts, including support for affordable housing.

### **3. Housing Stabilization Fund (HSF)**

The state's Housing Stabilization Fund (HSF) was established in 1993 through a Housing Bond bill to support housing rehabilitation through a variety of housing activities including homeownership (most of this funding has been allocated for the MHP Soft Second Program) and rental project development. The state subsequently issued additional bond bills to provide more funding. The HSF Rehabilitation Initiative is targeted to households with incomes within 80% of median income, with resale or subsequent tenancy for households within 100% of median income. The funds can be used for grants or loans through state and local agencies, housing authorities and community development corporations with the ability to subcontract to other entities. The funds have been used to match local HOME program funding, to fund demolition, and to support the acquisition and rehabilitation of affordable housing. In addition to a program directed to the rehabilitation of abandoned, distressed or foreclosed properties, the HSF provides funds to municipalities for local revitalization programs directed to the creation or preservation of rental projects. As with HOME, the maximum amount available per project is \$750,000 and the maximum per unit is \$65,000 for communities that do not receive HOME or CDBG funds directly from HUD, and \$50,000 for those that do. Communities can apply for HSF funding biannually through the One Stop Application.

### **4. Low Income Housing Tax Credit Program**

The Low Income Housing Tax Credit Program was created in 1986 by the Federal Government to offer tax credits to investors in housing development projects that include some low-income units. The tax credit program is often the centerpiece program in any affordable rental project because it brings in valuable equity funds. Tax credits are either for 4% or 9% of the development or rehab costs for each affordable unit for a ten-year period. The 4% credits have a present value of 30% of the development costs, except for the costs of land, and the 9% credit have a present value equal to 70% of the costs of developing the affordable units, with the exception of land. Both the 4% and 9% credits can be sold to investors for close to their present values.

The Federal Government limits the 9% credits and consequently there is some competition for them, nevertheless, most tax credit projects in Massachusetts are financed through the 9% credit. Private investors, such as banks or corporations, purchase the tax credits for about 80 cents on the dollar, and their money serves as equity in a project, reducing the amount of the debt service and consequently the rents. The program mandates that at least 20% of the units must be made affordable to households earning within 50% of median income or 40% of the units must be affordable to households earning up to 60% of median income. Those projects that receive the 9% tax credits must produce much higher percentages of affordable units.

The Massachusetts Legislature has enacted a comparable state tax credit program, modeled after the federal tax credit program. The One Stop Application is also used to apply for this source of funding.

#### **5. Affordable Housing Trust Fund**

The Affordable Housing Trust Fund (AHTF) was established by an act of the State Legislature and is codified under Chapter 121-D of the Massachusetts General Laws. The AHTF operates out of DHCD and is administered by MassHousing with guidance provided by an Advisory Committee of housing advocates. The purpose of the fund is to support the creation/preservation of housing that is affordable to people with incomes that do not exceed 110% of the area median income. The AHTF can be used to support the acquisition, development and/or preservation of affordable housing units. AHTF assistance can include:

- Deferred payment loans, low/no-interest amortizing loans.
- Down payment and closing cost assistance for first-time homebuyers.
- Credit enhancements and mortgage insurance guarantees.
- Matching funds for municipalities that sponsor affordable housing projects.
- Matching funds for employer-based housing and capital grants for public housing.

Funds can be used to build or renovate new affordable housing, preserve the affordability of subsidized expiring use housing, and renovate public housing. While the fund has the flexibility of serving households with incomes up to 110%, preferences for funding will be directed to projects involving the production of new affordable units for families earning below 80% of median income. The program also includes a set-aside for projects that serve homeless households or those earning below 30% of median income. Once again, the One Stop Application is used to apply for funding, typically through the availability of two funding rounds per year.

#### **6. Housing Innovations Fund (HIF)**

The state also administers the Housing Innovations Fund (HIF) that was created by a 1987 bond bill and expanded under two subsequent bond bills to provide a 5% deferred loan to non-profit organizations for no more than \$500,000 per project or up to 30% of the costs associated with developing alternative forms of housing including limited equity coops, mutual housing, single-room occupancy housing, special needs housing, transitional housing, domestic violence shelters and congregate housing. At least 25% of the units must be reserved for households earning less than 80% of median income and another 25% for those earning within 50% of area median income. HIF can also be used with other state subsidy programs including HOME, HSF and Low Income Housing Tax Credits. The Community Economic Development Assistance Corporation (CEDAC) administers this program. Applicants are required to complete the One-Stop Application.

## **7. Federal Home Loan Bank Board's Affordable Housing Program (AHP)**

Another potential source of funding for both homeownership and rental projects is the Federal Home Loan Bank Board's Affordable Housing Program (AHP) that provides subsidies to projects targeted to households earning between 50% and 80% of median income, with up to \$300,000 available per project. This funding is directed to filling existing financial gaps in low- and moderate-income affordable housing projects. There are typically two competitive funding rounds per year for this program.

## **8. MHP Permanent Rental Financing Program**

The state also provides several financing programs for rental projects through the Massachusetts Housing Partnership Fund. The Permanent Rental Financing Program provides long-term, fixed-rate permanent financing for rental projects of five or more units from \$100,000 loans to amounts of \$2 million. At least 20% of the units must be affordable to households earning less than 50% of median income or at least 40% of the units must be affordable to households earning less than 60% of median income or at least 50% of the units must be affordable to households earning less than 80% of median income. MHP also administers the Permanent Plus Program targeted to multi-family housing or SRO properties with five or more units where at least 20% of the units are affordable to households earning less than 50% of median income. The program combines MHP's permanent financing with a 0% deferred loan of up to \$40,000 per affordable unit up to a maximum of \$500,000 per project. No other subsidy funds are allowed in this program. The Bridge Financing Program offers bridge loans of up to eight years ranging from \$250,000 to \$5 million to projects involving Low Income Housing Tax Credits. Applicants should contact MHP directly to obtain additional information on the program and how to apply.

## **9. OneSource Program**

The Massachusetts Housing Investment Corporation (MHIC) is a private, non-profit corporation that since 1991 has provided financing for affordable housing developments and equity for projects that involve the federal Low Income Housing Tax Credit Program. MHIC raises money from area banks to fund its loan pool and invest in the tax credits. In order to qualify for MHIC's OneSource financing, the project must include a significant number of affordable units, such that 20% to 25% of the units are affordable to households earning within 80% of median income. Interest rates are typically one point over prime and there is a 1% commitment fee. MHIC loans range from \$250,000 to several million, with a minimum project size of six units. Financing can be used for both rental and homeownership projects, for rehab and new construction, also covering acquisition costs with quick turn-around times for applications of less than a month (an appraisal is required). The MHIC and MHP work closely together to coordinate MHIC's construction financing with MHP's permanent take-out through the OneSource Program, making their forms compatible and utilizing the same attorneys to expedite and reduce costs associated with producing affordable housing.

## **10. Section 8 Rental Assistance**

An important low-income housing resource is the Section 8 Program that provides rental assistance to help low- and moderate-income households pay their rent. In addition to the federal Section 8 Program, the state also provides rental subsidies through the Massachusetts Rental Voucher Program as well as three smaller programs directed to those with special needs. These rental subsidy programs are administered by the state or through local housing authorities and regional non-profit housing organizations. Rent subsidies take two basic forms – either granted directly to tenants or committed to specific projects through special Project-based rental assistance. Most programs require households to pay a minimum percentage of their adjusted income (typically 30%) for housing (rent and utilities) with the government paying the difference between the household's contribution and the actual rent.

## **11. Massachusetts Preservation Projects Fund**

The Massachusetts Preservation Projects Fund (MPPF) is a state-funded 50% reimbursable matching grant program that supports the preservation of properties, landscapes, and sites (cultural resources) listed in the State Register of Historic Places. Applicants must be municipality or non-profit

organization. Funds can be available for pre-development including feasibility studies, historic structure reports and certain archaeological investigations of up to \$30,000. Funding can also be used for construction activities including stabilization, protection, rehabilitation, and restoration or the acquisition of a state-registered property that are imminently threatened with inappropriate alteration or destruction. Funding for development and acquisition projects range from \$7,500 to \$100,000. Work completed prior to the grant award, routine maintenance items, mechanical system upgrades, renovation of non-historic spaces, moving an historic building, construction of additions or architectural/engineering fees are not eligible for funding or use as the matching share. A unique feature of the program allows applicants to request up to 75% of construction costs if there is a commitment to establish a historic property maintenance fund by setting aside an additional 25% over their matching share in a restricted endowment fund. A round of funding was recently held, but future rounds are not authorized at this time.

#### **12. District Improvement Financing Program (DIF)**

The District Improvement Financing Program (DIF) is administered by the state's Office of Business Development to enable municipalities to finance public works and infrastructure by pledging future incremental taxes resulting from growth within a designated area to service financing obligations. This Program, in combination with others, can be helpful in developing or redeveloping target areas of a community, including the promotion of mixed-uses and smart growth. Municipalities submit a standard application and follow a prescribed application process directed by the Office of Business Development in coordination with the Economic Assistance Coordinating Council.

#### **13. Urban Center Housing Tax Increment Financing Zone (UCH-TIF)**

The Urban Center Housing Tax Increment Financing Zone Program (UCH-TIF) is a relatively new state initiative designed to give cities and towns the ability to promote residential and commercial development in commercial centers through tax increment financing that provides a real estate tax exemption on all or part of the increased value (the "increment") of the improved real estate. The development must be primarily residential and this program can be combined with grants and loans from other local, state and federal development programs. An important purpose of the program is to increase the amount of affordable housing for households earning at or below 80% of area median income and requires that 25% of new housing to be built in the zone be affordable, although the Department of Housing and Community Development may approve a lesser percentage where necessary to insure financial feasibility. In order to take advantage of the program, a municipality needs to adopt a detailed UCH-TIF Plan and submit it to DHCD for approval.

#### **14. Community Based Housing Program**

The Community Based Housing Program provides loans to nonprofit agencies for the development or redevelopment of integrated housing for people with disabilities in institutions or nursing facilities or at risk of institutionalization. The Program provides permanent, deferred payment loans for a term of 30 years, and CBH funds may cover up to 50% of a CHA unit's Total Development Costs up to a maximum of \$750,000 per project.

### **C. Homebuyer Financing and Counseling**

#### **1. Soft Second Loan Program**

The Massachusetts Housing Partnership Fund, in coordination with the state's Department of Housing and Community Development, administers the Soft Second Loan Program to help first-time homebuyers purchase a home. The Program began in 1991 to help families earning up to 80% of median income qualify for a mortgage through a graduated-payment second mortgage and down payment assistance. Just recently the state announced that it had lent \$1 billion in these affordable mortgages. Participating lenders originate the mortgages which are actually split in two with a conventional first mortgage based on 77% of the purchase price, the soft second mortgage for typically about 20% of the purchase price (or \$20,000 if greater) and a requirement from the buyer of at least a 3% down payment. Borrowers do not need to purchase private mortgage insurance that would typically be required with such a low down payment, thus saving the buyer significant sums on a monthly basis. Program participants pay interest only on the soft second mortgage for the first ten years and some eligible buyers may qualify for an interest subsidy on the second mortgage as well.

Additionally, some participating lenders and communities offer grants to support closing costs and down payments and slightly reduced interest rates on the first mortgage. Barnstable is already a participating community in the Program.

## **2. American Dream Downpayment Assistance Program**

The American Dream Downpayment Assistance Program is also awarded to municipalities or non-profit organizations on a competitive basis to help first-time homebuyers with down payments and closing costs. While the income requirements are the same as for the Soft Second Program, the purchase price levels are higher based on the FHA mortgage limits. Deferred loans for the down payment and closing costs of up to 5% of the purchase price to a maximum of \$10,000 can be made at no interest and with a five-year term, to be forgiven after five years. Another loan can be made through the program to cover deleading in addition to the down payment and closing costs, but with a ten-year term instead, with at least 2.5% of the purchase price covering the down payment.

## **3. Homebuyer Counseling**

There are a number of programs, including the Soft Second Loan Program and MassHousing's Home Improvement Loan Program, as well as Chapter 40B homeownership projects, that require purchasers to attend homebuyer workshops sponsored by organizations that are approved by the state, Citizens Housing and Planning Association (CHAPA) and/or HUD as a condition of occupancy. These sessions provide first-time homebuyers with a wide range of important information on homeownership finance and requirements. The organization that offers these workshops in closest proximity to Barnstable is the Housing Assistance Corporation.

## **4. Self-Help Housing.**

Self-Help programs involve sweat-equity by the homebuyer and volunteer labor of others to reduce construction costs. Some communities have donated building lots to Habitat for Humanity to construct affordable single housing units. Under the Habitat for Humanity program, homebuyers contribute between 300 and 500 hours of sweat equity while working with volunteers from the community to construct the home. The homeowner finances the home with a 20-year loan at 0% interest. As funds are paid back to Habitat for Humanity, they are used to fund future projects.

## **D. Home Improvement Financing**

### **1. MassHousing Home Improvement Loan Program (HLP)**

The MHFA Home Improvement Loan Program (HILP) is targeted to one- to four-unit, owner-occupied properties, including condominiums, with a minimum loan amount of \$10,000 up to a maximum of \$50,000. Loan terms range from five to 20 years based on the amount of the loan and the borrower's income and debt. MassHousing services the loans. Income limits are \$92,000 for households of one or two persons and \$104,000 for families of three or more persons. To apply for a loan, applicants must contact a participating lender.

### **2. Get the Lead Out Program**

MassHousing's Get the Lead Out Program offers 100% financing for lead paint removal on excellent terms that are based on ownership status and type of property. An owner-occupied, single-family home may be eligible to receive a 0% deferred payment loan up to \$20,000 that is due when the house is sold, transferred or refinanced. An owner-occupant of a two-family house could receive up to \$25,000 to conduct the de-leading work. Maximum income limits for owner-occupants are \$74,400 for one and two-person households and \$85,500 for three or more persons. Investor-owners can also participate in the program but receive a 5% fully amortizing loan to cover costs. Non-profit organizations that rent properties to income-eligible residents are also eligible for 0% fully amortizing loans that run from five to 20 years. Applicants must contact a local rehabilitation agency to apply for the loan.

### **3. Septic Repair Program**

Through a partnership with the Massachusetts Department of Environmental Protection and Revenue, MassHousing offers loans to repair or replace failed or inadequate septic systems for qualifying

applicants. The interest rates vary according to the borrower's income with 0% loans available to one and two-person households earning up to \$23,000 and three or more person households earning up to \$26,000 annually. There are 3% loans available for those one or two person households earning up to \$46,000 and three or more persons earning up to \$52,000. Additionally, one to four-family dwellings and condominiums are eligible for loan amounts of up to \$25,000 and can be repaid in as little as three years or over a longer period of up to 20 years. To apply for a loan, applicants must contact a participating lender.



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## **APPENDIX 4: MAPS**

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MAP 1: HOUSING TYPE

MAP 2: RESIDENTIAL STRATEGIC PLANNING AREAS

MAP 3: STORMWATER AND WASTEWATER INFRASTRUCTURE