

TOWN OF SANDWICH HOUSING PRODUCTION PLAN



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Table of Contents

	Page
I. Executive Summary	1
A. Introduction	1
B. Goals and Objectives	1
C. Summary of Housing Needs Assessment	2
E. Summary of Production Goals	6
F. Summary of Housing Strategies	6
II. Introduction	11
A. Purpose of Project	11
B. Goals and Objectives	12
C. Definition of Affordable Housing	13
III. Housing Needs Assessment	16
A. Demographic Characteristics and Trends	16
1. Population Growth	16
2. Type of Households	17
3. Race	17
4. Age Distribution	17
5. Income Distribution	18
6. Poverty	20
7. Education	21
8. Employment	21
9. Disability Status	21
10. Residency in 1995	22
B. Housing Characteristics and Trends	22
1. Housing Growth and Occupancy	22
2. Types of Dwellings	24
3. Housing Market Conditions	25
C. Affordability Analysis of Market Conditions	33

D. Subsidized Housing Inventory	35
E. Gaps Between Existing Needs and Current Supply	43
1. Rental Housing Needs	43
2. Homeownership Needs	44
3. More Choices for Seniors	44
4. Special Population Needs	44
IV. Challenges to Producing Affordable Housing	45
V. Property Inventory	48
VI. Housing Production Goals	50
VII. Housing Strategies	54
A. Planning and Regulatory Strategies	55
B. Capacity Building Strategies	60
C. Housing Production Strategies	68
D. Direct Housing Assistance Strategies	76
Attachment 1 – Summary of Housing Strategies	79
Attachment 2 – Local and Regional Organizations	80
Attachment 3 – Glossary of Housing Terms	82
Attachment 4 – Summary of Housing Regulations/ Resources	86

TOWN OF SANDWICH

HOUSING PRODUCTION PLAN

I. EXECUTIVE SUMMARY

A. Introduction

Incorporated in 1639, Sandwich is the oldest town on Cape Cod, located on the northwest portion of the peninsula on both sides of the Cape Cod Canal. Sandwich is 57 miles southeast of Boston, a distance that many residents are now choosing to commute. The community is mostly residential with a winter population that is somewhat smaller than the population during the summer season.

Sandwich has experienced greater growth in population and housing than any other community on Cape Cod, an area of intense development during the past several decades. In this context of growth as well as outside pressures to create new housing through the comprehensive permit process, many residents believe that more local control over affordable housing development will more appropriately and effectively meet housing needs and maintain Sandwich's historic character. It is essential that the Town plan for this development as strategically as possible to best leverage the investment of its limited resources and guide new housing creation for the benefit of existing residents and future generations. This Housing Production Plan articulates a five-year course of action for affordable housing development.

In 2002, the Town of Sandwich hired a consultant to research, document and develop updates to the Town's Housing Needs Assessment, completed in 1997, and the Housing Action Plan, completed in 1998. This work was sponsored by a special committee, the Community Affordable Housing Plan Committee, and completed in December 2003, approved by the state in early 2004. Because this Plan was due to expire based on state guidelines, the Town of Sandwich brought on the same consultant to update the Plan and insure compliance with new state regulations under the Housing Production Program.

B. Goals and Objectives

There are two underlying goals for all of the recommendations in this Housing Plan including:

- *To provide adequate and affordable housing for all residents in Sandwich along the full range of incomes, and*
- *To maximize local interest and investment in affordable housing.*

These two goals were based on the understanding that the Town should promote-affordable housing to satisfy the full range of local needs - not just the 10% Chapter 40B standard - and that it is important for local residents to understand this commitment and, to the greatest extent possible, get involved in the process.

In addition to these goals, the former Housing Plan included the following housing objectives to serve as the basis for the recommended housing strategies, which this Plan is also embracing:

- To provide a wide range of housing alternatives to meet diverse housing needs,
- To preserve the existing affordable housing stock,
- To leverage other public and private resources in the preservation and production of affordable housing to the greatest extent possible,
- To insure that new housing creation is harmonious with the existing community,
- To promote diversity and the stability of individuals and families living in Sandwich,
- To encourage the integration of smart growth principles in the development of housing, and
- To insure that the Town of Sandwich is an active partner in the development of affordable housing.

C. Summary of Housing Needs Assessment

The predominant housing type in the town of Sandwich is a fairly new and moderately sized, single-family detached structure, which has become very expensive with median values of \$305,000 as of October 2009, actually down from prices as high as \$370,000 in 2007. Homes are typically occupied by prosperous working professionals and their children. Nevertheless, a household with the median income of \$77,882, based on 2009 estimates, is still finding that it is difficult to find adequate housing that is affordable at market prices, particularly when lenders are requiring down payments of 20% the purchase price. Rental housing is relatively scarce and any multi-family housing is very limited, available primarily through the Sandwich Housing Authority or through other subsidized developments.

A summary of some of the demographic and housing characteristics of Sandwich versus Barnstable County and the state is included in Table I-1. This information highlights definite similarities and differences from other communities in the county and the state, some of which can be explained based on the following factors:

- *Population Growth*
Sandwich has experienced substantial population growth. For example, the 2000 census data indicates that the town of Sandwich had a total population of 20,136, a 30% increase over the 1990 population of 15,489 and a 131% increase since 1980 when the population was 8,727. Since 2000, the population has increased to 23,137 residents as of the end of November 2009, based on Town records, a gain of 3,001 residents or 15%.
- *Housing Growth*
The 2000 census counted 8,748 total housing units in the town of Sandwich, up 21% from 7,236 units in 1990 and an increase of 101% since 1980 when there were only 4,358 units. Based on an additional 711 new units built since 2000 through the end of November 2009, 18.4% of which involved affordable housing, Sandwich's total unit count of 9,459 units as of the end of November 2009, suggests a higher rate of housing growth than the county or state although the rate of growth has decreased substantially over the last couple of years with new permits at an all time low in 2009.

Table I-1
Summary of Demographic and Housing Characteristics for
Sandwich, Barnstable County and the State

Characteristics	Sandwich		Barnstable County		Massachusetts	
Household Characteristics						
	2000 Census	2009 Estimate*	2000 Census	2008 Estimate*	2000 Census	2008 Estimate*
Total population	20,136	23,137	222,230	221,049	6,349,097	6,497,967
% less than 18 years	28.3%	25.4%	20.4%	17.7%	23.6%	22.0%
% 20 to 34 years	12.3%	14.9%	13.2%	15.5%	21.0%	19.8%
% 35 to 44 years	9.3%	12.3%	15.3%	12.5%	16.7%	14.7%
% 45 to 54 years	15.8%	17.3%	14.8%	15.0%	13.8%	15.4%
% 55 to 64 years	9.6%	12.3%	11.5%	13.4%	8.6%	11.6%
% 65 years or more	13.7%	14.3%	23.1%	24.0%	13.5%	13.4%
Median age	39.5 years	40.9	44.6 years	46.3	36.5 years	38.7
% non-family households	24.8%	24.8%	36%	37.4%	36%	36.4%
Average household size	2.72 persons	2.70 persons	2.28 persons	2.33 persons	2.51 persons	2.33 persons
Median income	\$61,250	\$77,882	\$45,933	\$57,314	\$50,502	\$65,401
Individuals in poverty	3.1%	--	7%	7.4%	9%	9.7%
% earning less than \$25,000	14.4%	10.2%	24.6%	19.4%	24.6%	19.8%
% earning more than \$100,000	19.8%	33.4%	12.4%	23.7%	17.7%	30.2%
Housing Characteristics						
Total housing units	8,748	9,459 11/30/09	147,083	156,141	2,621,989	2,735,645
% occupied housing	83.8%	--	64.5%	59.6%	93.2%	90.2%
% owner-occupied	88.0%	88.0%	77.8%	81.2%	61.7%	64.5%
% renter-occupied	12.0%	12.0%	22.2%	18.8%	38.3%	35.5%
% seasonal or occasional use	13.4%	--	32.0%	--	3.6%	--
% single-family, detached structures	92.2%	92.3%	82.9%	83.6%	52.4%	52.9%
Median sales price	\$178,000	\$305,000 10/09	\$178,800	310,000 (10/09)	\$185,000	\$285,000 10/09
Housing growth 2000 to 2009	8.1%		6.2%		4.3%	
Housing density 2000 to 2009	203.2 to 219.8 per square mile		371.6 to 394.5 units per square mile		334.5 to 349 units per square mile	

Source: Data for the above table is derived from the 2000 census, and updated estimates have been incorporated. * The numbers for the County and state are updated census projections based on the 2008 American Community Survey unless otherwise noted. The estimates for Sandwich are from the Nielsen Claritas data source 2009, but the total population count is from Town records at the Town Clerk's Office.

- Housing Density*

Sandwich's housing density was significantly lower than the county and the state's at about 219.8 units per square mile as opposed to 394.5 and 349 for the county and state, respectively, based on recent estimates.
- Seasonal Housing Pressures*

While seasonal units and second homes comprise a much greater portion of the housing stock in communities of the Lower Cape, nevertheless, such units in Sandwich comprised 13.4% of all housing units, not an insignificant amount but less than the 32% level for Barnstable County and much more than the 3.6% level for the state. In the summer months Sandwich's resident population increases substantially, putting enormous pressure on Town services and the long-term, permanent population. This temporary population, however, has bolstered the local economy.
- Age of Population*

Sandwich's population is older than the state's but younger than the county's with a median age of 39.5 years as compared to 44.6 and 36.5 years for the county and state, respectively, in 2000. Since then the median age in Sandwich is estimated to have increased to 40.9 years. Correspondingly, the town had a lower proportion of residents 65 years of age or older than the county but fairly comparable to the state, 14.3% versus 24% for the county and only 13.4% for the state based on recent estimates.

While those over 65 are increasing, children under 18 are decreasing in proportion to the total population, estimated to have declined from 28.3% to 25.4% from 2000 to 2009. This level of children is higher than the county or state at 17.7% and 22% in 2008, however, indicating that while the proportion of children is decreasing, Sandwich's level of children is higher than that of the state and the region.

- Higher Incomes*

The 2000 median household income in Sandwich was higher than that for the county and state, \$61,250 versus \$45,933 and \$50,500, respectively. Updated estimates for Sandwich and the Cape are \$77,882 and \$72,115. Likewise, the percentage of those earning less than \$25,000 annually was lower in Sandwich, 14.4%, while it was 24.6% for the county and state in 2000, and down to about 10.2% for Sandwich in 2009, while in the 19% range for the county and the state. At the other end of the income range, there were more year-round residents in Sandwich earning more than \$100,000, 19.8% in 2000 and expected to have increased to one-third of all households in 2009.
- High Housing Costs*

The median house price provides a comparison of Sandwich's housing market to that of Barnstable County and the state, with comparable median market values as the county's as of October 2009 of \$305,000 versus \$310,000, and higher than that for the state at \$285,000. While prices have come down from the height of the market in 2007 of \$370,000, they remain high, and more stringent lending requirements, including down payments of 20% the purchase price, are challenging first-time homebuyers. High housing costs are also reflected in rising energy bills and insurance costs, posing additional financial strains on long-term residents,

particularly those with fixed incomes. At the end of November 2009, only four (4) homes were on the market for less than \$200,000, in the lowest range of the housing market, and most likely small with substantial repair needs.

Additionally, while the rental housing stock is relatively small, only about 880 units or 12% of all units, rents are high, typically about \$1,200 for a two-bedroom year-round unit without the added costs of utilities. Leasing requirements of a first and last month's rent plus a security deposit create further financial challenges for renters.

Escalating market prices for both the purchase and rental of housing have generated concerns that many long-term residents might be experiencing difficulties paying their taxes, maintaining their homes or affording market rentals. Children who grew up in town are challenged to find suitable housing in which to raise their families. Town employees are confronted with longer commutes as the affluence of the Upper Cape squeezes them out of the housing market.

- *Scarce Supply of Affordable Housing*

Based on the Massachusetts Department of Housing and Community Development's information as of November 2009, there were 272 affordable housing units in the current state-approved Subsidized Housing Inventory, representing 3.6% of the town's year-round housing stock. Another 118 new affordable units have been approved but not completed or yet counted in the SHI and 61 additional affordable units have been proposed, bringing the projected total to 451 units or 5.95% of the year-round housing stock, based on the current DHCD number of 7,574 year-round units.¹ Taking housing growth into consideration, including new building permits and recently approved affordable housing developments, a total of approximately 8,250 year-round housing units have been created, leaving a gap to reach the state 10% threshold of about 374 units, assuming all pipeline projects reach completion.

It is unlikely that if it is even possible to reach the 10% affordability threshold, the affordable housing that is produced will be sufficient to meet existing need and demand, much less potential future needs, based on the following indicators:

- This data suggest that of the 7,306 total households, one-quarter or 1,819 households were spending too much on housing including 9%, or 666, were spending more than half of their income on housing.
- Almost 3,000 or 14.4% of Sandwich's population claimed a disability in 2000, including about 900 who were 65 years of age or older.
- In 2000, there were 611 individuals, including 109 seniors, who were living below the poverty level.²

¹ Based on 2000 census figures.

² The federal Department of Health and Human Services sets poverty thresholds nationally. They are the same for all states and set at \$10,830 for a single person and \$18,310 for a family of three for 2009.

- The Sandwich Housing Authority has an extensive wait list with very little turnover, particularly for family rental units, and almost nonexistent turnover for units directed to the nonelderly disabled.

There is therefore a sizable population of those who are seniors, have special needs and/or have very low incomes who have significantly reduced capacity to secure decent, safe and affordable housing. A broader range of housing options is required to meet these varied needs. These needs include more subsidized rental housing, more first-time homeownership opportunities, and greater housing choices for seniors and special needs populations.

Almost two-thirds of the units included in the current Subsidized Housing Inventory (SHI) are rental units, a reasonable threshold, especially for communities on the Cape where such units are in short supply. It should be noted that in a Chapter 40B comprehensive permit project, all units can be counted on the SHI,³ not just the affordable ones. *A continued goal of about 70% or two-thirds of all new affordable units produced as rentals is a reasonable target, with at least 20% of these rental units being targeted to seniors and another 10% to special needs populations.*

D. Summary of Housing Production Program Goals

Changes to Chapter 40B allow communities to reject comprehensive permit applications if the town has a state-approved affordable housing plan in place and is making progress towards its production goals of at least 0.50% new units produced per year, referred to as a Housing Production Program. These guidelines suggest that Town-sponsored development of approximately 38 units per year, including “friendly Chapter 40B developments and other supported development projects, would enable the Town to potentially deny inappropriate comprehensive permit applications. As part of its Housing Production Program, Sandwich has projected affordable housing development over the next five (5) years that include 256 new affordable units and 428 total housing units, based on the above goals and objectives, proposed projects and the strategies that are described in Section VII.

E. Summary of Housing Strategies

The strategies outlined below are based on the context established by the Housing Needs Assessment, other plans and studies, community outreach and the experience of other comparable localities on Cape Cod and throughout the Commonwealth. The strategies are grouped according to the type of action proposed – Planning and Regulatory Reform, Building Local Capacity, Housing Production and Direct Housing Assistance – and priority for implementation. Priority 1 actions refer to those that can be introduced within the next two (2) years, some to begin immediately, while those that are identified as Priority 2 actions can be considered for implementation in Years 3 to 5. These actions are tools that the town will have available to promote the creation of new housing opportunities, each to be applied to particular

³ For projects that are processed with comprehensive permits, all units are counted in the Subsidized Housing Inventory (SHI) for rental developments, including market rate units, but only the affordable units are counted in the SHI for homeownership projects.

circumstances and providing a powerful group of resources when available in combination. A summary of these actions is included as Attachment 1.

1. *Planning and Regulatory Reform*

Assess and Amend Existing Zoning Bylaw

Sandwich has a Bylaw Committee that is currently reviewing the Zoning Bylaw and considering opportunities to make affordable housing feasible within reasonable development constraints. Zoning changes that might be considered include the following:

- Allowing nonconforming lots that do not meet minimum lot requirements to be merged with adjacent lots and built upon by special permit from the Planning Board if they meet a number of conditions including the inclusion of some affordability (such as Dennis or Yarmouth's');
- Enabling the Transfer of Development Rights (TDR);
- Modifying the Conditional Density Affordable Housing Bylaw;
- Establishing neighborhood preservation districts; and
- Adopting inclusionary zoning, among others.

Develop a Foreclosure Tracking System

It would be useful for the Town to identify tax title properties, monitor progress through the tax title process, acquire such properties, and convert them to long-term affordability through issuing Requests for Proposals for developers based on local development plans. The Town can also track bank foreclosures for possible acquisition and conversion to affordability.

Explore Property Tax Exemption for Affordable Year-Round Rental Housing

The Housing Needs Assessment indicates a critical need for additional rental housing. Provincetown, recognizing a similar shortage, approved a property tax exemption for affordable year-round rental units. The Town of Sandwich should explore such an option to determine if it might be appropriate to implement in Sandwich.

2. *Strategies for Building Local Capacity to Promote Affordable Housing*

Establish a Municipal Affordable Housing Trust Fund

Given the dissolution of the Local Housing Committee several years ago, the Town of Sandwich does not have a municipal entity that is responsible for the local oversight of issues related to affordable housing. On June 7, 2005, the state enacted new legislation, called the Municipal Affordable Housing Trust Fund Act, which simplified the process of establishing Housing Trust Funds. The Board of Selectmen should obtain approval of such an entity that would provide a permanent body for coordinating the implementation of this Housing Plan, including the management of a fund directed solely to supporting affordable housing.

Secure Professional Support

If the town of Sandwich wants to assume a more proactive role in promoting affordable housing and effectively implement the range of actions included in this Housing Plan, it will have to augment its capacity to coordinate these activities. The Town should bring on

some professional support for the implementation of this Housing Plan by entering into a professional services agreement with a consultant or even potentially the Sandwich Housing Authority.

Conduct Educational Campaign on Affordable Housing

This Plan suggests that the Town undertake outreach efforts to better educate and obtain input from local leaders and residents on affordable housing initiatives and issues, ultimately increasing support, both political and financial, for housing production.

3. Housing Production Strategies

Make Publicly-Owned Property Available for Affordable Housing

This Housing Plan includes a list of publicly-owned properties that might have some potential for development that would include affordable housing. As these parcels are made available for affordable housing, the Director of Planning and Development should work with the Town's Chief Procurement Officer to coordinate the drafting of a Request for Proposals (RFP's) that include the criteria established by the Town for the development of this parcel, such as rental vs. homeownership, density, design guidelines, level of affordability, etc., and select a builder/developer to undertake the project under Town supervision. If the Town acquires additional property, such as through tax foreclosure or through CPA, consideration should be made for conveyance towards affordable housing or some combination of appropriate uses.

Work Cooperatively with Developers

The proposed Housing Trust and additional professional support (strategies VII.B.1 and 2) should bolster efforts to work with private developers, for profit and non-profit, to increase affordable units through the "friendly" 40B process or other local regulations to realize new development that will benefit the town with more appropriate scale, better design, improved amenities, and with sensitivity to the natural landscape and environment. Some of the types of development preferred by the Town include the following:

- Mixed-use development in appropriate locations (see strategy VII.C. 4),
- Redevelopment of nonresidential properties into housing (see strategy VII.C.5),
- Smaller infill housing in existing neighborhoods, and
- Cluster development.

Convert Existing Housing Stock for Affordable Rental and For Sale

While housing acquisition prices are high, some of the smaller houses or condominiums in town could be purchased, subsidized as affordable and leased or sold to low- and moderate-income households. Larger properties could also be candidates for acquisition and rehab, to be managed as rental property or developed as mixed-income or affordable condominiums. The Town should continue to fund the Sandwich Housing Authority's Rental Acquisition Program that acquires existing properties for rental to low- and moderate-income tenants, under SHA ownership and management. The Town could also provide funding to acquire properties for eventual sale to qualifying first-time homebuyers, similar to the seven-unit Sandwich Home Ownership Program (SHOP) that

was implemented with HAC several years ago, created as part of the Cape Cod Commission's District of Regional Impact (DRI) process for the development of Norse Pines.

Encourage Mixed-use Development

Mixed-use zoning, or land use regulations that call for a concentrated mix of various uses in strategic locations (such as villages, town centers, transportation corridors and nodes), are a basic principle of "smart growth" development and sustainable design. Such development is a major component of the updated Local Comprehensive Plan as it directs growth to appropriate locations and limits suburban sprawl. In fact, the Local Comprehensive Plan established 15 strategic planning areas in which the town is divided, including five (5) where mixed-uses and economic development are targeted including Route 6A/Tupper Road/Marina Area, Sandwich Industrial Park and District, South Sandwich Village Center, Historic Village/Route 6A Areas, and Forest Hill Village. This work is also being coordinated with the development of a Comprehensive Wastewater Management Plan.

The Town of Sandwich, through its Office of Planning and Development, is in the process of rezoning the South Sandwich Village Center (SSVC), also referred to as the Golden Triangle, along Route 130 to allow the development of mixed uses, including affordable housing. In addition to completing work on the rezoning and a Comprehensive Wastewater Management Plan to ultimately provide some advanced wastewater treatment for the area, the Town should begin work on development plans. There is a Town-owned parcel in the Golden Triangle that has the potential for significant housing development, including affordable housing (see Table V-1). This property may also have the ability to be combined with some adjacent privately-owned parcels to create a model small village development.

Promote Adaptive Re-use of Existing Structures

The Town should identify underutilized nonresidential properties, including any historic buildings, for conversion to affordable housing through various options such as Single Room Occupancy Units (SRO's), congregate and/or special needs housing, rental housing and first-time homeownership. Depending upon the structure, adaptive re-use can be amenable to mixed-use and mixed-income development. The Office of Planning and Development and/or the proposed Housing Trust should identify an inventory of such properties that might be purchased, rehabilitated and converted to residential use and then attract interested for profit or non-profit developers to undertake development, using CPA funding as an incentive.

4. Direct Housing Assistance Strategies

Provide Qualifying Existing Residents with Assistance

The HUD Consolidated Plan for Barnstable County indicated that there are significant numbers of existing homeowners who lack the resources to make critical home improvements and invest in energy-saving repairs to reduce costs. Representatives from the Council on Aging also mentioned that they encounter elders who need assistance in addressing deferred home maintenance needs, including modifications to their homes to

increase accessibility. It is not unusual for elderly homeowners on fixed incomes to have such needs, stretching their limited funds to pay taxes, utilities and remain in their homes. The Plan states “the area’s low wages, increases in taxes and sizable elderly population all contribute to this serious housing problem for existing owners”. Moreover, there are programs and services through the Housing Assistance Corporation (HAC) that can provide residents with technical and financial support on how to purchase their first home, prevent foreclosures, deal with credit problems, obtain fuel assistance, etc. Through the training and community educational campaign recommended in Section III.A.4 and 5, important information on housing resources could be disseminated to real estate professionals and community residents.

Reduce the Cost Burden and Diminish the Threat of Homelessness for Low-income Tenants

The HUD Consolidated Plan for Barnstable County also highlighted the risk of homelessness on the Cape attributed to several factors including the high demand and relative lack of affordable housing, the significant number of low-income residents with excessive to severe cost burdens, seasonal rentals and economy, and other special needs issues. The Plan suggests a range of resources available on the Cape to increase affordable rental housing, provide rental subsidies, offer emergency assistance, provide help with housing searches, offer transitional housing, and meet other special needs. Through the training and educational campaign recommended in Section III.A.4 and 5, important information on resources to prevent and respond to homelessness could be disseminated to real estate professionals, local leaders, community service workers and community residents.

II. INTRODUCTION

Sandwich is the oldest town on Cape Cod and retains a great deal of its historic charm and quaint New England character including a pedestrian-friendly village center, a large historic district, local museums, winding country roads, a few remaining farms, as well as a varied collection of coastal and inland natural areas. Sandwich's physical growth has reflected its history from its beginnings as a farming and fishing community, its years as a small industrial village, its role as a summer resort town, and its more recent emergence as a suburban town from which residents commute to work in urban areas. The recently updated 2009 Local Comprehensive Plan as well as this Housing Production Plan offer Town leaders a blueprint for guiding the future evolution of the community, protecting Sandwich's small town historic character and guiding new development to best meet local needs and priorities.

A. Purpose of Project

Sandwich has experienced enormous growth in population and housing over the past several decades. For example, between 1960 and 2000 the year-round population increased by 867%. This represents the second highest rate of growth among the other communities on the Cape. It should be noted that the Cape on a whole experienced intense development during this period.

According to 2000 census estimates, Sandwich's population grew 30% since 1990 as compared to the county growth rate of 17% for the same period. Sandwich also had the highest percentage growth in housing from 1990 to 1997 according to the Cape Cod Commission where approval of 1,345 new homes increased the housing stock by 19%, more than double the Cape-wide housing growth rate. Since 2000, housing growth has been 8.1%, higher than the 6.2% growth rate for the county and almost double that of the state at 4.3%. This rapid growth, compounded by the high cost and limited availability of land, has made Sandwich a costly community in which to live. While the higher values have resulted in increased property assessments and tax revenues, high housing costs, including rising energy and insurance costs, have had a negative impact on low- and moderate-income residents including our teachers, Town employees, and service workers.

In this context of significant growth and escalating prices, housing developers have been attracted to development opportunities in Sandwich over the past decade, and some have used the state's Chapter 40B comprehensive permit process that allows them to override local zoning in exchange for producing affordable housing. Recent changes to Chapter 40B allow communities to potentially deny comprehensive permit applications if the town has a state-approved affordable housing plan in place and is making progress towards its production goals of at least 0.50% new units produced per year, referred to as a Housing Production Program. These guidelines suggest that Town-sponsored development of approximately 38 units per year,⁴ including "friendly" Chapter 40B developments and other supported development projects, would enable the Town to better control comprehensive permit applications.

In order to meet the range of local housing needs and maintain better control over affordable housing development, the Town of Sandwich should support the production of at least 40 new

⁴ When 2010 census figures become available this annual production goal is likely to increase to 41 or 42 units.

units annually, an extremely ambitious task that will take considerable resources. It is essential that the Town plan for this development as strategically as possible to best leverage the investment of its limited resources and guide new development for the benefit of existing residents and future generations. As the 2003 Affordable Housing Plan is due to expire, this updated Plan will enable the Town to continue to chart its future housing agenda and obtain better control over new development for the next five (5) years.

B. Goals and Objectives

There are two underlying goals for all of the recommendations in this Affordable Housing Plan including:

- *To provide the regulatory framework to encourage the creation of adequate and affordable housing for all residents in Sandwich along the full range of incomes, and*
- *To maximize local interest and investment in affordable housing.*

These two goals were based on the understanding that the Town should be promoting affordable housing to satisfy the full range of local needs – not just to satisfy the 10% Chapter 40B target – and that it was important for local residents to understand this commitment and, to the greatest extent possible, be involved. This investment in affordable housing is in the short and long-term interest of the community based on the following local and regional challenges:

- Due to the high costs of housing, including escalating costs associated with taxes, insurance⁵ and utilities, some residents are finding it increasingly difficult to afford to remain in Sandwich.
- 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.
- 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 in Sandwich and are confronted with longer commutes as the increasing affluence of the area squeezes them out of the housing market.

Clearly more housing options are required to meet local needs and produce Sandwich’s fair share of regional needs.

In addition to these goals, the Sandwich Community Affordable Housing Plan Committee, which was created to oversee the development of the 2003 Housing Plan and subsequently disbanded, agreed to a range of objectives that would be the basis for the recommended strategies included in the Community Affordable Housing Plan including the following:

⁵ Following Hurricane Katrina, more insurance companies are deciding to no longer offer insurance in “high risk” areas, including Sandwich, and as a result insurance costs are doubling. Many residents are now being referred to the state’s Fair Plan, which is not designed to serve areas like Sandwich.

- Provide a wide range of housing alternatives to meet diverse housing needs,
- Preserve the existing affordable housing stock,
- Leverage other public and private resources in the preservation and production of affordable housing to the greatest extent possible,
- Insure that new housing creation is harmonious with the existing community,
- Promote diversity and the stability of individuals and families living in Sandwich,
- Encourage the integration of smart growth principles in the development of housing, and
- Insure that Town Government is an active partner in the development of affordable housing.

As part of its Housing Production Program, Sandwich has projected affordable housing development over the next five (5) years that will create at least the equivalent of 0.50% of the year-round housing stock in one year or 1.0% over two years that translate into 38 and 76 units, respectively. These production targets are based on the above goals and objectives and the actions that are described in Section VII.

C. Definition of Affordable Housing

There are a number of definitions of affordable housing as federal and state programs offer various criteria. For example, the U.S. Department of Housing and Urban Development 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 gross 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 typically 30% of gross 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. These income levels are summarized in Table II-2.

**Table II-2
2009 INCOME LEVELS FOR
AFFORDABLE HOUSING IN THE BARNSTABLE AREA**

# in Household	30% Median Income	50% Median Income	80% Median Income
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

Extremely low-income housing is directed to households with incomes at or below 30% of area median income as defined by HUD (\$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 50% and 80% of area median income (\$55,900 for a family of three at the 80% level).

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).⁶ 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 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:**

1. Subsidized by an eligible state or federal program.
2. 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).
3. Subject to an Affirmative Fair Housing Marketing Plan.

Based on the Massachusetts Department of Housing and Community Development's most recent data on Sandwich's supply of affordable housing included in the state's Subsidized Housing Inventory (SHI), Sandwich had 7,574 year-round housing units, of which 272 were counted as affordable as of November 2009, representing 3.6% of the year-round housing stock. Planned development should push Sandwich to about 5.6%, but the town will still have a significant challenge to meet the 10% 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. Moreover, some affordable units that are included in Sandwich's Subsidized Housing Inventory have affordability restrictions that are due to expire at some point in the future that will decrease the level of existing affordable units without intervention.

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

⁶ 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.

Income Housing Tax Credit Program that subsidizes rental units are targeted to households earning up to 60% of median income. First-time homebuyer programs typically apply income limits of up to 80% of area median income.

The Community Preservation Act allows CPA 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 40B rental development where 100% of the units would qualify for inclusion in the SHI if at least 25% meet 40B guidelines.

III. HOUSING NEEDS ASSESSMENT

This Housing Needs Assessment presents an overview of housing in Sandwich, providing details on demographic and housing characteristics and trends, analyses of market conditions, and challenges to creating affordable housing that will meet priority housing needs.

A. Demographic Characteristics and Trends

Detailed information on Sandwich’s population and housing stock is summarized below showing continued and substantial population growth, particularly in the older age categories and especially the baby boomer generation.

1. *Population Growth*

The 2000 census data indicates that the town of Sandwich had a total population of 20,136, a 30% increase over the 1990 population of 15,489 and a 131% increase since 1980 when the population was 8,727. Since then the population has increased to 23,137 residents as of the end of November 2009, based on Town records, a gain of 3,001 residents or 15%. Projections prepared by the Massachusetts Institute for Social and Economic Research of the University of Massachusetts estimate that the total population will continue to grow to 25,987 by 2010 and 32,646 by 2020, although Town projections suggest a total population of 28,759 at build-out.

**Table III-1
Demographic Characteristics, 1990–2000**

	1990		2000	
	#	%	#	%
Population	15,489	100	20,136	100
Minority Population*	345	2.20	453	2.2
Total Number of Households	5,558	100.0	7,335	100
Family Households	4,322	77.8	5,515	75.2
Married couples/ with children **	3,832/ 1,856	68.9/ 33.4	4,768/ 2,368	65.0/ 32.3
Female Heads of Households/ with children**	397/216	7.1/3.8	595/337	8.1/4.6
Non-family Households**	1,236	22.2	1,820	24.8
Average household size	2.74 persons		2.72 persons	

Source: 1990 and 2000 U.S. Census Bureau *Percent of total population

** Percent of all households

2. Type of Households

In 2000, there were 7,335 households living in Sandwich, up 32% from 5,558 households in 1990. Almost two-thirds of the households were married couples, however as a percentage of all households married couples decreased from about 69% to 65%. Those married couples with children also decreased somewhat, from 33.4% to 32.3% between 1990 and 2000. On the other hand, female-headed households increased from 7.1% to 8.1% from 1990 to 2000, those with children increasing from 3.8% to 4.6%. Non-family households⁷ also increased over the decade from 22.2% to 24.8%, and are expected to remain about 25% for the next few years based on population projections.⁸

3. Race

The population has remained predominantly White. In 2000 the census describes 97.8% of the population, or 19,683 persons, as White with all other races represented at 2.2%. In 1990 the town also had a minority population of 2.2%, but as the total town population has grown by 30% the total numbers of minorities increased as well from 345 to 453 persons, or by 31%.

4. Age Distribution

During a time of considerable growth, the middle age groups made the most gains in the population growth that occurred between 1980 and 2000. For example, the post World War II generation of the baby boomers in the 35 to 54 age ranges increased from 22.3% to 34.2%. This increase is also reflected in the median age that was 39.5 years in 2000 as opposed to 35.4 years in 1990. Population projections predict that this age group will decrease to 23.3% by 2020, however.

Table III-2
Age Distribution, 1980 to 2020

Age Range	1980 Census		1990 Census		2000 Census		2010 Projections		2020 Projections	
	#	%	#	%	#	%	#	%	#	%
Less than 5	558	6.4	1,243	8.0	1,329	6.6	1,549	6.0	2,034	6.2
5 to 19	2,173	24.9	3,315	21.4	4,768	23.7	5,394	20.8	6,009	18.4
20 to 34	1,840	21.1	3,062	19.8	2,476	12.3	3,943	15.2	5,624	17.2
35 to 44	1,146	13.1	2,899	18.7	3,703	18.4	3,288	20.6	3,863	11.8
45 to 54	798	9.1	1,565	10.1	3,174	15.8	4,226	16.3	3,748	11.5
55 to 64	963	11.0	1,221	7.9	1,929	9.6	3,738	14.4	4,886	15.0
65 to 74	850	9.7	1,337	8.6	1,448	7.2	2,234	8.6	4,103	12.6
75 to 84	329	3.8	648	4.2	998	5.0	1,109	4.3	1,756	5.4
85 and over	70	0.8	199	1.3	311	1.5	506	2.0	623	1.9
Total	8,727	100.0	15,489	100.0	20,136	100	25,987	100	32,646	100
Less than 20	2,731	31.3	4,558	29.4	6,097	30.3	6,943	26.7	8,043	24.6
65 and over	1,249	14.3	2,184	14.1	2,757	13.7	3,849	14.8	6,482	19.9

Source: U.S. Census Bureau 2000, Massachusetts Institute for Social and Economic Research, MISER, University of Massachusetts, 2003.

⁷ Nonfamily households include single individuals and unrelated household members.

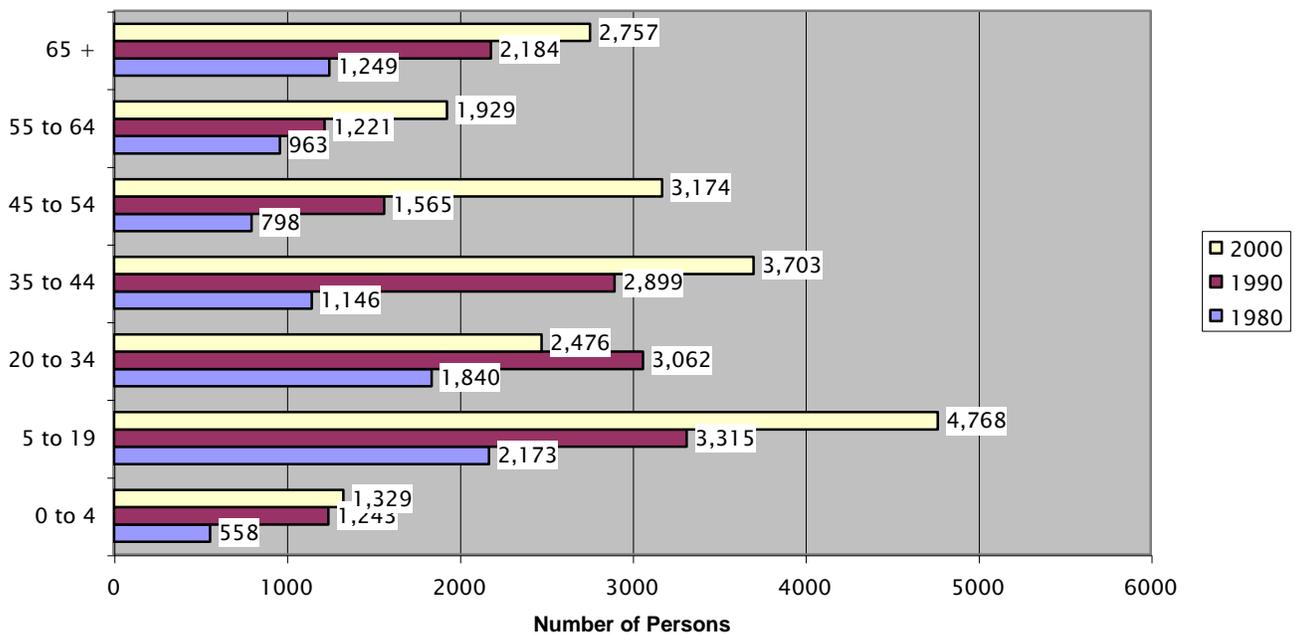
⁸ Nielsen Claritas, Inc. 2009 data base.

On the other hand, those age 55 and older decreased between 1980 and 2000, from 42.3% to 23.2%, but are projected to increase to 34.9% by 2020. Those on the other end of the age range, below the age of 20, were 31.3% in 1980 and down a bit to 30.3% by 2000. However, population projections indicate that children will decrease to only about one-quarter of all residents by 2020.

This information on the age distribution is detailed in Table III-2 and visually presented in Figure III.1.

Figure III-1

Change in Age Distribution 1980 to 2000



5. Income Distribution

The median household income in 2000 was \$61,250, up 41% from the 1990 median income of \$43,500. Of the 7,346 total households in 1999, 302 or 4.1% had incomes below \$10,000 while at the other end of the range 6.1% had incomes of more than \$150,000. Almost 26% of the households were earning between \$50,000 and \$74,999. Those earning \$75,000 or more included 36.5% of the households, up significantly from 15.4% in 1990. A comparison of 1990 and 2000 income figures is presented in Table III-3.

While the percentage of those earning between \$50,000 and \$74,999 was fairly comparable in both 1990 and 2000, the numbers of those earning more than \$75,000 increased significantly over the decade, more than what would be expected under normal inflationary trends, indicating the increasing affluence of the town. This is also indicated in the 41% increase in median income over the decade. The income distribution for those

households that include children is somewhat higher with a median family income of \$66,553 and 2,264 families, almost 41%, earn more than \$75,000, including 7.5% who earn more than \$150,000.

**Table III-3
Income Distribution by Household
1990-2000**

	1990		2000	
	#	%	#	%
Under \$10,000	440	7.9	302	4.1
10,000-14,999	0	0	216	2.9
15,000-24,999	939	16.9	539	7.3
25,000-34,999	645	11.6	611	8.3
35,000-49,999	1,236	22.2	1,114	15.2
50,000-74,999	1,443	26.0	1,885	25.7
Over 75,000	855	15.4	2,679	36.5
Median	\$43,500		\$61,250	

Source: 1990 and 2000 U.S. Census Bureau

Table III-4 compares the income distribution and median income for Sandwich to that of Barnstable County, indicating higher incomes on average in Sandwich including a 33% higher median income level, \$61,250 in Sandwich versus \$45,933 for the county. Also, Sandwich had a lower proportion of households in all of the income ranges below \$50,000 and a higher level in all income ranges above that in comparison to the county.

**Table III-4
Income Distribution by Household: Barnstable County and Sandwich
1999**

	Barnstable County		Sandwich	
	#	%	#	%
Under \$10,000	6,478	6.8	302	4.1
10,000-24,999	16,843	17.8	755	10.2
25,000-34,999	12,148	12.8	611	8.3
35,000-49,999	15,935	16.8	1,114	15.2
50,000-74,999	20,425	21.5	1,885	25.7
75,000-99,999	11,243	11.9	1,224	16.7
100,000-149,999	7,605	8.0	1,003	13.7
150,000 or more	4,168	4.4	452	6.2
Total	94,845	100.0	7,346	100.0
Median income	\$45,933		\$61,250	

Source: U.S. Census Bureau, 2000

Projected income data suggest that the median income is about \$77,822 in 2009 and will be a projected \$86,823 by 2014. This data also shows that those earning less than \$25,000 will decline from 14.3% in 2000 to 10.2% in 2009 and then down to 8.8% by

2014. Conversely, those earning \$100,000 or more will increase substantially, from 18.9% in 2000 to one-third of all households by 2009 and 40.6% by 2014, testifying to the continued relative affluence of the community.

**Table III-5
Income Distribution for Sandwich
2009 Estimates and 2014 Projections**

	2009 Estimates		2014 Projections	
	#	%	#	%
Under \$15,000	371	5.0	329	4.5
15,000-24,999	380	5.2	318	4.3
25,000-34,999	437	5.9	418	5.7
35,000-49,999	776	10.5	625	8.5
50,000-74,999	1,564	21.2	1,364	18.6
75,000-99,999	1,388	18.8	1,311	17.8
100,000-149,999	1,582	21.4	1,746	23.8
150,000 or more	878	11.9	1,237	16.8
Total	7,376	100.0	7,348	100.0
Median income	\$77,882		\$86,823	

Source: Nielsen Claritas, Inc. 2009

6. Poverty

Table III-6 shows that poverty levels⁹ decreased in Sandwich between 1990 and 2000, declining from 729 individuals or 4.8% in 1990 to 611 or 3.1% in 2000. The number of families living in poverty fell as well from 151 to 120 families between 1990 and 2000.

**Table III-6
Poverty Status
1990-2000**

	1990		2000	
	#	%	#	%
Individuals below poverty	729	4.8	611	3.1*
Families	151	3.5	120	2.2**
Female-headed households	50	12.5	57	9.8***
Individuals 65 years +	133	6.4	109	4.1****

Source: 1990 and 2000 U.S. Census Bureau

*Percentage of total population **Percentage of all households

*** Percentage of all female-headed households ****Percentage of all individuals age 65+

⁹ The federal Department of Health and Human Services sets poverty thresholds nationally. They are the same for all states and set at \$10,830 for a single person and \$18,310 for a family of three for 2009.

While absolute numbers and percentages of those in poverty have decreased, there remains a population within the town of Sandwich with substantial income limitations. Rising costs of living since 2000 have not likely made the economic situation of these most vulnerable residents much better, perhaps forcing some to leave Sandwich altogether in search of more affordable living conditions.¹⁰

7. Education

In 2000, 94.7% of those 25 years and older had a high school diploma or higher and 38.3% had a college degree or higher. Those enrolled in school (nursery through graduate school) totaled 5,780 or 29% of the population, and those enrolled in nursery school through high school totaled 4,966, 86% of the school-age population and 25% of the total population.

8. Employment

Sandwich is located on the Upper Cape, at the beginning of Cape Cod, closer to the major population and job centers of Boston and Providence than most other communities on Cape Cod, approximately 57 miles from Boston, 61 from Providence and 15 miles away from Hyannis. The 2000 census indicated that 41.9% of Sandwich's workers were involved in management or professional occupations, and about half were employed in the lesser paying retail and service-oriented jobs that support the local economy including construction (9.6%), sales and office occupations (27.6%), and service occupations (13.4%). While 73.6% were salaried workers, another 15.7% were government workers and 10.6% were self-employed.

Additional information on employment patterns indicated that of those Sandwich residents who were employed over the age of 16 in 2000, 2,780, or about 29%, worked in the community, suggesting that there was a significant number of employment opportunities in town. It should also be noted that most workers drove alone to work, 85%, another 5.2% carpooled and 234 workers, or 2.4% of all workers in 2000, claimed that they used public transportation. The average commuting time was about a half hour, suggesting that most employment was closer than the much longer commutes to Boston or Providence.

9. Disability Status

Almost 3,000 or 14.4% of Sandwich's population claimed a disability.¹¹ Of the 2000 population from 5 to 20 years old, 355 or 7.2% had a disability, and of the population age 21 to 64, 1,642 or 14.8% claimed a disability but 71.8% of this age group was employed. Of the population 65 years of age or older, 897 or 34% claimed some type of disability. Because disabilities can compromise a person's ability to work, some with disabilities need to rely solely on federal SSI assistance and have limited incomes, which compromises housing choice. Moreover, the need for home modifications can further reduce a disabled person's ability to find housing in Sandwich.

¹⁰ Lack of current census data does not allow us to know exactly the status of these residents.

¹¹ There is no data that breaks down the types of disabilities residents experience and the numbers within each type.

10. Residency in 1995

In regard to persons who had moved to a different house during the five (5) years between 1995 and 2000 – involving 7,024 persons or about one-third of the total population -- 17.9% came from the same county, 19.4% came from a different county, 11.5% came from the same state and 7.9% came from a different state. This represents significant mobility of the town’s population.

B. Housing Characteristics and Trends

Housing growth followed the population surge following 1970, slowing considerably during the last few years to only 28 new units in 2008 and 2009. Of the 711 units built since 2000 through the end of November 2009, 131 or 18.4% of the new units involved affordable housing. The housing market appears to be bottoming out, although a substantial increase in the housing stock is unlikely during the next several years, until the economy has had an opportunity to rebound from a national recession.

1. Housing Growth and Occupancy

The 2000 census counted 8,748 total housing units in the town of Sandwich, up 21% from 7,236 units in 1990 and an increase of 101% since 1980 when there were only 4,358 units. As Table III-7 indicates, the town had 7,574 year-round housing units and of the 7,335 occupied units, 88% were owner-occupied units and the remaining 12% were rental units. The census counted 13.4% or 1,174 units that involved seasonable, recreational or occasional use.

**Table III-7
Housing Characteristics , 1990-2000**

	1990		2000	
	#	%	#	%
Total # housing units	7,236	100.0	8,748	100.0
Occupied units	5,557	77.0*	7,335	83.8*
Occupied owner units	4,653	84.0**	6,455	88.0**
Occupied rental units	904	16.0*	880	12.0*
Seasonal and occasional	1,214	16.8*	1,174	13.4*
Owner vacancy	157	2.2*	70	.8
Rental and other vacancy	308	4.3*	1,041	11.9

Source: 1990 and 2000 U.S. Census Bureau * Percentage of total housing units

** Percentage of occupied housing units

The homeowner vacancy rate was less than 1%, down from the 2.2% owner vacancy rate in 1990. However, the rental vacancy rate increased from 4.3% in 1990 to 11.9% in 2000. This higher vacancy rate might be related to some seasonal turnover of units.

Table III-8 charts housing growth, identifying that more than half of Sandwich's housing supply, 57.1%, was built between 1970 and 1990. Only 23% of the housing stock was built prior to 1970 with 545 units or 6.2% of housing units constructed prior to 1939. Almost 20%, or 1,730 units, were built in the 1990's, 130 units between January of 1999 and March 2000.

**Table III-8
Year Structure Built, 2000**

Time Period	#	%
1999 to March 2000	130	1.5
1995 to 1998	771	8.8
1990 to 1994	829	9.5
<i>Subtotal 1990 - March 2000</i>	<i>1,730</i>	<i>19.8%</i>
1980 to 1989	2,659	30.4
1970 to 1979	2,332	26.7
1960 to 1969	796	9.1
1940 to 1959	686	7.8
1939 or earlier	545	6.2
Total	8,748	100.0

Source: U.S. Census Bureau, 2000

Since 1970, building permits for single-family homes have averaged 200 permits annually, ranging from a high of 479 permits in 1985 to a low of five (5) permits as of the end of November 2009. Table III-9 shows how development has slowed considerably. It is likely that few if any additional permits will be issued before the end of 2009, putting the total number of housing units in Sandwich at about 9,459, including 711 new housing units built since 2000 through the end of November 2009.

**Table III-9
Sandwich Building Permit Activity**

Year	Single-family Permits	Affordable Units	Total Units
2009	5	0	5
2008	18	5	23
2007	30	6	36
2006	27	12	39
2005	51	3	54
2004	110	19	129
2003	50	0	50
2002	81	36	117
2001	103	0	103
2000	105	50	155
Total	580	131	711

Sources: Sandwich Annual Town Reports 1970 to 1998 and Building Department records 1999 - 2009

Assuming no more than about another handful of new units by the end of the decade, this level of housing growth would be less than half of what occurred during the 1990s. This significant decrease in construction since 2000 is likely related not only to dramatic increases in the costs of property, but also to the relative reduction in the amount of land most amenable to development, and souring economic conditions over the last several years.

2. Types of Dwellings

Table III-10 shows the distribution of units per structure for both 1990 and 2000, and Figure III-2 visually presents the 2000 breakdown

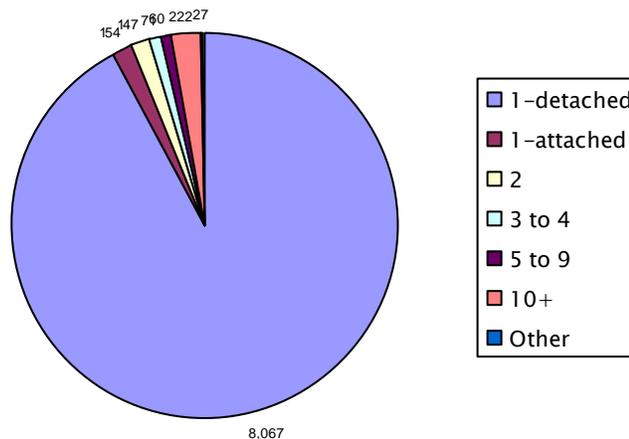
**Table III-10
Units in Structure, 1990 - 2000**

	1990		2000	
	#	%	#	%
1 Unit Detached	6,580	90.9	8,067	92.2
1 Unit Attached	82	1.2	154	1.8
2 Units	242	3.3	147	1.7
3 to 4 Units			71	0.8
5 to 9 Units	85	1.2	60	0.7
10 to 19 Units	172	2.4	18	0.2
20 or more			204	2.3
Mobile homes	75	1.0	27	0.3
Total	7,236	100.0	8,748	100.0

Source: U.S. Census Bureau, 1990 and 2000 *Numbers in parentheses are rental units.

Figure III-2

Distribution of Units Per Structure



Most of the housing units were in single-family, detached structures, 92.2% in 2000, with 3.5% in single-family, attached dwellings or two-unit structures. The remaining 353 units, or 4% of the housing stock, were in residences with three (3) or more units, and the census also counted 27 mobile homes. Almost all of the housing growth was in single-family units, with some actual loss of units in two to four-unit structures, five to nine unit structures and mobile homes.

III-11 presents this information by type of tenure. Almost all of the owner-occupied units were in single-family detached structures, 95.6%, while about two-thirds of rental units were in such structures, about 12% in small multi-family structures of two (2) to four (4) units, and 13% in very large multi-family buildings.

Table III-11
Units in Structure by Tenure
2000

	Renter-Occupied Units		Owner-Occupied Units	
	#	%	#	%
1 Unit Detached	598	68.0	6,169	95.6
1 Unit Attached	25	2.8	98	1.5
2 Units	72	8.2	51	0.8
3 to 4 Units	41	4.7	14	0.2
5 to 9 Units	13	1.5	19	0.3
10 to 19 Units	14	1.6	0	0.0
20 or more	117	13.3	77	1.2
Mobile homes	0	0.0	27	0.4
Total	880	100.0	6,455	100.0

Source: U.S. Census Bureau, 1990 and 2000 *Numbers in parentheses are rental units

The median number of rooms per housing unit was 6.2, indicating that the average home had three (3) bedrooms. The great majority, 63.5%, had between five (5) to seven (7) rooms, with only 5.5% with three (3) rooms or less and 9.5% with nine (9) rooms or more.

Of the 7,335 occupied housing units, 60.7% of the occupants moved into their units since 1990 indicating significant mobility in the housing market. More than 80% of the households had two (2) vehicles representing significant reliance on the automobile as well as parking needs. The 2000 census also counted 34.8% of the housing units using gas and 52.6% using oil. Less than 1% of housing units lacked complete plumbing facilities, kitchen facilities or telephone service.

3. Housing Market Conditions

Escalating market prices for land and housing since 2000 have not only reduced the supply of affordable housing in Sandwich but have provided an additional challenge to creating affordable housing. Despite a sluggish housing market since 2006, due to the economic recession, housing prices remain high.

Homeownership

Census data provides information on housing values for homeownership units as summarized in Table III-12.

**Table III-12
Housing Values
2000**

Value	Number of Units	% of Units
Less than \$50,000	20	0.3
\$50,000 to \$99,999	80	1.3
\$100,000 to \$149,999	1,568	26.4
\$150,000 to \$199,999	2,091	35.2
\$200,000 to \$299,999	1,379	23.2
\$300,000 to \$499,999	670	11.3
\$500,000 to \$999,999	113	1.9
\$1,000,000 or more	11	0.2
Median (dollars)	\$178,000	-

Source: 2000 U.S. Census Bureau

The census indicates that the 2000 median house value was \$178,000, up 11.5% from the median in 1990 of \$159,700. In 2000, only 1.6% of the housing stock was valued at less than \$100,000 while 13.4% or 794 units were assessed for more than \$300,000. There were 2,091 units or 35.2% of the housing stock valued between \$150,000 and \$199,999 that included the bulk of the more affordable housing stock.¹²

Updated market data from Banker & Tradesman for 1987 through October 2009 is presented in Table III-13. This information shows that housing prices were lowest during the economic recession of the early 1990s, and the housing market did not fully recover to the late 1980 levels until 2000 and 1999 for single-family homes and condos, respectively. After 2000 housing values rose precipitously to their highest levels of \$370,000 for single-families in 2006 and \$259,900 for condos in 2005. Under the most recent recession, housing values have declined considerably, down to \$305,000 as of October 2009 for single-family homes and \$197,500 for condos but still higher than the 2002 market levels.

The volume of sales has also plummeted, from a high of 521 single-family home sales in 1999 to 230 sales in 2008, less than half of the number of sales. Similarly, the 24 condominium sales in 2008 was less than half of the volume at the height of 59 and 64 in 1997 and 1987, respectively. The 2009 combined sales of single-family homes and condos will only slightly surpass the 254-level in 2008 at 280 units as of December 6, 2009, still signaling a sluggish housing market.

¹² Census housing values are derived from Assessor's data.

Table III-13
Median Sales Prices
January 1988 - October 2009

Year	Months	Single-family		Condo (#)	
		Median Value	# Sales	Median Value	# Sales
2009	Jan-Oct	\$305,000	229	\$197,500	17
2008	Jan-Dec	326,700	230	200,000	24
2007	Jan-Dec	350,000	272	219,000	34
2006	Jan-Dec	370,000	285	245,000	27
2005	Jan-Dec	367,500	446	259,900	51
2004	Jan-Dec	350,000	450	245,000	27
2003	Jan-Dec	325,000	403	220,000	34
2002	Jan-Dec	283,500	410	192,900	49
2001	Jan-Dec	246,000	395	167,500	37
2000	Jan-Dec	210,000	459	132,000	53
1999	Jan-Dec	170,000	521	118,250	54
1998	Jan-Dec	153,000	492	99,500	44
1997	Jan-Dec	136,500	417	106,000	59
1996	Jan-Dec	133,500	347	92,500	45
1995	Jan-Dec	130,000	336	94,000	34
1994	Jan-Dec	129,995	367	65,900	19
1993	Jan-Dec	125,000	389	70,400	32
1992	Jan-Dec	120,000	301	94,000	31
1991	Jan-Dec	125,500	298	85,950	24
1990	Jan-Dec	136,000	281	100,000	24
1989	Jan-Dec	148,000	324	105,900	34
1988	Jan-Dec	148,500	433	112,500	39
1987	Jan-Dec	143,500	388	115,000	64

Source: The Warren Group, November 29, 2009

Another analysis of housing market data is presented in Table III-14, which breaks down active listings and sales data from the Multiple Listing Service for single-family homes and condos. This data indicates that there were only four (4) properties that were listed for less than \$200,000 and these were likely small, “fixer uppers”. Of those properties that sold between the beginning of 2009 and December 6th, there were 33 that were purchased for under \$200,000 and another 103 or 36.8% that sold for between \$200,000 and \$300,000, still relatively affordable. About one-quarter of the active listings and sold properties were priced between \$300,000 and \$400,000. The luxury market in Sandwich is relatively small with only 67 properties, or about 14% of all listings or sold properties, priced above \$700,000.

Table III-14
Single-family and Condominium Sales
January 1, 2009 Through December 6, 2009

Price Range	Current Listings		Sold Properties		Total	
	#	%	#	%	#	%
Less than 200,000	4	2.0	33	11.8	37	7.6
\$200,000-299,999	42	20.6	103	36.8	145	30.0
\$300,000-399,999	49	24.0	73	26.1	122	25.2
\$400,000-499,999	26	12.8	23	8.2	49	10.1
\$500,000-599,999	24	11.8	16	5.7	40	8.3
\$600,000-699,999	13	6.4	11	3.9	24	5.0
\$700,000-799,999	15	7.4	11	3.9	26	5.4
\$800,000-899,999	13	6.4	2	0.7	15	3.1
\$900,000-999,999	6	2.9	1	0.4	7	1.4
Over \$1 million	12	5.9	7	2.5	19	3.9
Total	204	100.0	280	100.0	484	100.0

Source: Jane Maio, Century 21 Cape Sails Real Estate.

A local realtor claimed that the market has been down about 20% to 30% since its height in 2005 and 2006, and many properties are selling at or below their assessed values with properties north of 6A and near the water selling more in line with their assessments. Homes priced below \$350,000 have been selling well, bolstered by the \$8,000 federal tax incentive for first-time homebuyers. While there are many buyers looking for properties, the realtor reported that they are more likely to want to look at 20 to 25 properties as opposed to only a handful in the past.

A local realtor stated, "You can't live in Sandwich unless you commute off-Cape or have a professional job". In fact Boston commuters searching for affordable communities to raise their families have been forced further south along the coastline towards the Upper Cape, finding Sandwich more affordable than Duxbury or other coastal towns and putting pressure on the town's housing market. This attraction of young families had been a major contributing factor to increased school enrollments, which are now in fact declining. Another pressure point on existing housing prices has been the second home market that was further buoyed, starting several years ago, by the sagging stock market as investors turned to real estate.

Other market dynamics involve increases in foreclosures, which is not just a local concern but a regional and national issue. Sandwich experienced 61 foreclosures from the beginning of June to the end of November 2009, and relative to other towns and cities in the state in the last 60 days (October and November of 2009), Sandwich had more foreclosed properties than 287 towns, the same amount as six (6) towns, and fewer foreclosed properties than 74 towns.¹³

¹³ ForeclosuresMass, December 5, 2009.

Information from the Town Assessor on the assessed values of residential property in Sandwich is presented in Table III-15. This data indicates that 4.1% of Sandwich's housing stock (371 properties) is valued at less than \$200,000, in the affordable range, but most of the units in this price range are cottage condominiums or likely to be very small properties that require significant repairs.

**Table III-15
Assessed Values of Residential Properties**

Assessment	Single-family Dwellings		Condominiums		Multi-unit Dwellings*		Total	
	#	%	#	%	#	%	#	%
Less than \$100,000	5	0.06	17	3.2	0	0.0	22	0.2
\$100,000-199,999	144	1.7	204	38.9	1	0.6	349	3.9
\$200,000-299,999	3,261	39.1	205	39.0	15	9.4	3,481	38.6
\$300,000-399,999	2,521	30.2	55	10.5	42	26.4	2,618	29.0
\$400,000-499,999	1,154	13.8	21	4.0	26	16.4	1,201	13.3
\$500,000-599,999	482	5.8	11	2.1	28	17.6	521	5.8
\$600,000-699,999	318	3.8	6	1.1	14	8.8	338	3.8
\$700,000-799,999	230	2.8	2	0.4	15	9.4	247	2.7
\$800,000-899,999	87	1.0	2	0.4	7	4.4	96	1.1
\$900,000-999,999	44	0.5	2	0.4	6	3.8	52	0.6
Over \$1 million	95	1.1	0	0.0	5	3.1	100	1.1
Total	8,341	100.0	525	100.0	159	100.0	9,025	100.0

Source: Sandwich Town Assessor, fiscal year 2010.

* Includes multiple dwellings on one lot, two-family, three-family, and 4-8 unit structures.

Another 38.6% of the housing stock is valued between \$200,000 and \$300,000, still relatively affordable given the price surges several years ago. In fact about 94% of the properties in this range are single-family homes, mostly small Capes and ranches, totaling 3,261 properties. Another 29% of the housing stock is assessed between \$300,000 and \$400,000, 96% of which are single-family homes. In fact the majority of residential properties, about 57.6% of all residential property in Sandwich, are assessed between \$200,000 and \$300,000. On the other hand, 495 properties are assessed above \$700,000, including 100 properties valued at more than \$1 million, demonstrating a small luxury market in Sandwich.

The data does not include one (1) property with more than eight (8) units assessed for \$931,900, Five (5) Sandwich Housing Authority properties, 94 mixed-use properties, and housing for charitable purposes such as group homes (9 properties).

Rentals

Table III-16 includes census data on rental units for 1990 and 2000, showing a loss of 17 such units during this timeframe, most likely due to conversion to homeownership.

**Table III-16
Rental Costs
1990-2000**

Monthly Rent	1990		2000	
	Number	Percent	Number	Percent
Under \$200	29	3.3	39	4.5
200-299	57	6.5	43	5.0
300-499	90	10.2	76	8.8
500-749	212	24.1	200	23.1
750-999	268	30.4	222	25.7
1,000-1,499	151	17.1	170	19.7
1,500 or more			51	5.9
No cash rent	74	8.4	63	7.3
Total	881	100.0	864	100.0
Median rent	\$764		\$783	

Source: U.S. Census Bureau, 1990 and 2000 (Summary Table 3 - sample data)

The median gross rental in 2000 was \$783, up only 2.5% or \$19 per month from \$764 in 1990. These rentals figures are likely to be skewed to the lower end of the market range somewhat as the census included subsidized rents in addition to market rentals. Of the 864 rental units analyzed in 2000, 158 units or 18% had gross rents of less than \$500, and at the other end of the range 26% or 221 units were rented at more than \$1,000 per month. Sixty-three (63) units were reported as having no cash rent. The 2000 median rent of \$783 was higher than the 2000 median gross rent of \$723 for Barnstable County.

Like housing values for homeownership units, rental values tend to be underestimated in the census data, and actual market rents are typically much higher as verified by local realtors and listings. Also overall property values have increased considerably since 2000, down somewhat over the past several years but still well pass 2000 levels. Realtors indicate that a typical year-round rental of a two-bedroom unit is about \$1,200, not including the utilities that can add an additional \$150 to \$250 per month.

Because about 80% of the rentals involve single-family or two-family homes, information on rental opportunities is often passed by word of mouth and many units are not formally listed. Summer rentals, like most such units in this part of the Cape, are very pricey, especially near the water.

Craig's List included the following year-round rental listings in November 2009, providing a good perspective on the rental market:

Studio Apartments

- \$600 studio
- \$650 unit

- \$775 studio in a multi-family building with heat included
- \$800 studio in the “heart of Sandwich” with 375 square feet
- \$950 furnished studio

One-bedroom Units

- \$650 “cozy” beachfront condo
- \$850 “cute” unit on the second floor of “a very old house”
- \$850 for a unit above a garage with 1 bath
- \$850 cottage in South Sandwich
- \$900 unit
- Another \$900 unit with heat and utilities included
- \$900 small cottage unit

Two-bedroom Units

- \$880 for a townhouse in East Sandwich
- \$1,050 on the waterfront of Peters Pond with 1 bath
- \$1,100 for a unit in the “heart of Sandwich” with 1 bath
- \$1,200 for a small Colonial with 2 baths on the Sandwich and West Barnstable line
- \$1,200 for a small ranch with 1 bath
- \$1,200 for a condo with 2 baths in the Highview complex
- \$1,200 small Cape with 1 bath at Town Neck (see photo below)



- \$1,250 for an East Sandwich duplex unit with 1 bath

Three-bedroom Units

- \$1,375 for a unit at Town Neck with 2 baths
- \$1,500 for a Cape with 2 baths in the Lakewood Hills area
- \$1,600 home with 2 baths and 1,778 square feet and view of Cape Cod Bay
- \$1,650 for a newly renovated unit that also includes a small office
- \$1,650 for a farmhouse-style Cape in East Sandwich with 2 baths
- \$1,700 ranch with 2 baths
- \$1,800 house with 2 baths, including an “in ground” pool
- \$1,800 home in East Sandwich with 2 baths
- \$1,800 for a Cape with 2 baths

- \$1,800 for a home in Forestdale with 2 baths
- \$2,200 for a former mill property with 2½ baths in East Sandwich
- \$2,400 for an “antique” home built in the late 1700s on a private pond
- \$2,400 for a renovated historic home on Spring Hill Pond

Four-bedroom Units

- \$1,700 for a home with 2 baths and walk-out basement
- \$1,800 for a lakefront unit with 2 baths
- \$1,950 for a home in East Sandwich with 2½ baths
- \$2,500 for a 3,500 square foot home
- \$2,900 for a Colonial with 2½ baths in the Great Hills neighborhood of East Sandwich
- \$4,800 house with possible in-law apartment and 3 baths

There was only one (1) specific listing during the month of November 2009 for a winter rental, which was for a three-bedroom ranch of 1,676 square feet with two (2) baths in Sandwich Village. It is likely, however that most of these winter rentals were advertised in the summer, prior to the end of the summer season, for lease-up in the early fall. There was also an advertisement for weekly rentals of \$225 to \$275 for studios and one-bedroom units at a recently refurbished cottage colony near the Cape Cod Canal.

These market rentals tend to by large be higher than the HUD 2010 Fair Market Rents (FMRs) at \$779 for an efficiency unit, \$913 for a one-bedroom unit, \$1,201 for a two-bedroom unit, \$1,433 for three bedrooms, and \$1,478 for four bedrooms.¹⁴ Fair Market Rents (FMRs) are the maximum rents allowed by HUD in the Section 8 Rental Assistance Program (also known as the Housing Choice Voucher Program). These maximum rents are updated and published annually and represent HUD’s estimate of the actual market rent for an apartment in the conventional marketplace. HUD sets the FMRs by unit size (number of bedrooms) by region in each state, for Barnstable County in the case of Sandwich.

Sandwich has very little multi-family housing, most of which is managed by the Sandwich Housing Authority or has in some form been subsidized. Also, most of the rental stock is in homes or private condominiums renting at \$1,200 to \$2,500 per month not including utilities or maintenance expenses. Waterfront rentals are getting up to \$3,500 per week in the summer season, and modest two-bedroom rentals located a couple blocks from the beach are priced at about \$950 per week. It is impossible to find very small rentals such as a studio or efficiency, with the exception of illegal apartments. The 36-unit subsidized project at Osprey Lane (on land owned by the Housing Authority and developed by The Community Builders) attracted almost 200 applicants when it opened due to the scarcity of rentals much less affordable rentals. The project’s manager indicated that there was a substantial need for more subsidized rentals in Sandwich.

¹⁴ For a discussion on the methodology for calculating the FMRs, go to www.huduser.org/datasets.

C. Affordability Analysis of Existing Market Conditions¹⁵

1. *Homeownership*

To afford the median sales price of \$305,000 for a single-family house, a household would have to earn approximately \$67,200¹⁶, more than the 2000 median income of \$61,250 but substantially less than the estimated 2009 income of \$77,882.¹⁷ Only a couple of years ago, purchasers could obtain 95% financing with a five percent (5%) down payment or less if they purchased private mortgage insurance. However, lenders are using much more stringent lending criteria and 20% down payments are now the norm, creating substantial barriers to those who do not have significant savings, particularly first-time homebuyers without equity from a previous purchase. Consequently, while housing prices and mortgage interest rates have decreased somewhat over the last couple of years, making housing more affordable, other challenges have maintained a significant housing affordability gap.

2. *Rentals*

In regard to rentals, the gross median rent of \$783 in 2000 required an income of \$31,320, not affordable to at least 20% of Sandwich residents based on 2000 income data. Local realtors and listings indicate, however, that rents are now actually much higher and to afford the \$1,200 rent of a typical small two-bedroom unit, a household should earn more than \$50,000, assuming average utility costs of \$150 per month and that no more than 30% of income is spent on housing-related costs.

Most rentals are therefore out of reach for lower wage earners. For example, a person earning the minimum wage of \$8.00 per hour would earn only \$16,640 annually, assuming 40 hours of work per week without time off. Such workers could afford a unit renting no more than \$350 per month given this income level and without the additional costs of utilities, not even close to what is available in the Sandwich rental market without subsidies. It is not surprising, therefore, that many lower wage workers hold second jobs or live in households with at least two (2) wage earners, which still may be insufficient without subsidized housing.

Moreover, most rentals require first and last months rent plus a security deposit before the lease can be signed. These substantial up-front cash requirements create additional barriers to accessing housing in Sandwich even if one can afford the monthly rent.

3. *Households with Cost Burdens*

It is also useful to identify numbers of residents who are currently living beyond their means due to their current housing costs. The 2000 census provides data on how much households spend on housing whether for ownership or rental. Such information is helpful in assessing how many households have affordability problems, which are defined

¹⁵ The affordability gaps that are described below are addressed in the strategies included in Section VII.

¹⁶ Based on 80% financing. The income would be about \$80,600 if 95% financing was available, the purchaser mortgaging 95% of the purchase price.

¹⁷ Nielsen Claritas, Inc. 2009 data base.

as spending more than 30% of their income on housing. Based on 1999 data, the census indicated that more than a quarter of the homeowners in Sandwich were spending 30% or more of their income on housing, 18.9% spending more than 35%. In regard to the renters, 28.1% of renters paid 30% or more on housing and 22.7% paid more than 35% of their income on rent. *This data suggests that at least a quarter of Sandwich 's households were living in housing that was by common definition beyond their means and unaffordable.*

The Department of Housing and Urban Development (HUD) provides additional data on cost burdens through its State of the Cities Data System's Comprehensive Housing Affordability Strategy (CHAS) report, which is summarized in Table III-17 for Sandwich. The table includes how many households were included in the particular category (by income and household type), how many were spending more than 30% of their income on housing, and how many were spending more than half of their income on housing. For example, the first cell indicates that there were 80 elderly renter households in 2000 with 25 spending more than 30% of their income on housing and 10 spending more than half. This data suggest that of the 7,306 total households, one-quarter or 1,819 households were spending too much on housing including 9%, or 666 households, which were spending more than half of their income on housing.

**Table III-17
Type of Households by Income Category and Cost Burdens, 2000**

Type of Household	Households Earning < 30% MFI/# with cost burdens**	Households Earning > 30% to < 50% MFI/ # with cost burdens	Households Earning > 50% to < 80% MFI/# with cost burdens	Households Earning > 80% MFI/# with cost burdens	Total/# with cost burdens
Elderly Renters	80/25-10	60/26-8	24/10-0	45/0-0	209/61-18
Small Family Renters	19/15-15	44/44-30	54/29-4	220/0-0	337/88-49
Large Family Renters	4/4-4	4/0-0	44/20-0	60/0-0	112/24-4
Other Renters	33/18-14	4/0-0	45/20-0	109/0-0	191/38-14
Total Renters	136/62-43	112/70-38	167/79-4	434/0-0	849/211-85
Elderly Owners	149/149-84	191/102-49	398/108-80	970/140-10	1,708/499-224
Small Family Owners	80/50-50	59/55-45	269/199-45	2,815/335-34	3,223/638-174
Large Family Owners	0/0-0	25/25-25	134/114-45	609/115-0	768/217-115
Other Owners	49/34-34	65/55-55	34/30-15	610/95-10	758/214-114
Total Owners	278/233-168	340/234-174	835/442-185	5,004/685-54	6,457/1,608-581
Total	414/295-211	452/307-212	1,002/530-189	5,438/685-54	7,306/1,819-666

Source: U. S. Department of Housing and Urban Development (HUD), SOCDs CHAS Data, 2000.

Other findings from this data include:

- More than half of those earning at or below 30% of area median income, including 136 renter households and 278 owner households, were spending more than 50% of their income on housing.
- Almost half (47%) of all those earning between 30% and 50% of area median income were spending more than 50% of their income on housing including about half of the homeowners and one-third of the renters in this income range.
- One-fifth of elderly homeowners earning between 50% and 80% of area median income were spending more than half of their incomes on housing.
- Of those earning between 50% and 80% of area median income, about half of the renters and owners were experiencing housing cost burdens including 185 owners who were spending half their income on housing in total.
- There were 85 renter households and 581 owner households spending more than half of their income on housing.

While this data is old, going back to 2000, it is likely that given the increasing costs of housing over most of the past decade that many households are finding it even more difficult to afford housing in Sandwich and some may have been forced to leave the community in search of more affordable living options.

D. Subsidized Housing Inventory

Of the 7,574 year-round housing units in the town of Sandwich, counted by the state based on 2000 census data, only 272 units or 3.6% have been determined to be affordable by the Commonwealth of Massachusetts. The state has ruled that if a municipality has less than 10% of its year-round housing stock set aside for low- and moderate-income residents, it is not meeting the regional and local need for affordable housing. Not meeting this affordability standard makes the locality vulnerable to a state override of local zoning if a developer wants to build affordable housing through the comprehensive permit process.¹⁸ If Sandwich were to reach the state standard, based on current DHCD numbers, it would have to convert another 485 units of existing housing into subsidized housing.

Most of the towns on Cape Cod also have affordable housing levels below the state target, and, most, like Sandwich, face significant challenges in meeting the 10% state goal. The level of housing affordability for each of the nearby towns is presented in Table III-18. Next to Orleans with 8.9%, Bourne and Barnstable had the highest percentage of affordable housing at 7.2 % and 6.9%, respectively, with most of the towns falling between 3% and 5%. The availability of Community Preservation funding for all communities on

¹⁸ 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.

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.

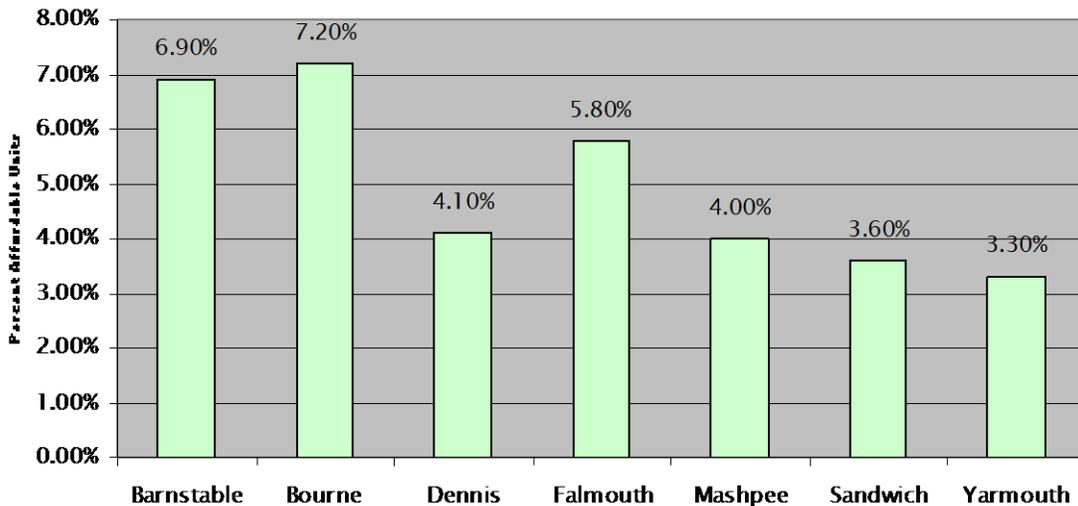
Table III-18
Affordable Housing in Sandwich and Other Cape Towns

Community	Number of SHI Units	Percentage of Year-round Units
Barnstable	1,362	6.9%
Bourne	560	7.2%
Brewster	252	5.8%
Chatham	174	4.8%
Dennis	329	4.1%
Eastham	49	1.9%
Falmouth	835	5.8%
Harwich	278	4.7%
Mashpee	222	4.0%
Orleans	294	8.9%
Sandwich	272	3.6%
Yarmouth	400	3.3%

Source: Massachusetts Department of Housing and Community Development, October 1, 2009

Figure III-3

SHI Units for Sandwich and Nearby Communities



The affordability levels included in Table III-18 do not take into account population and housing growth and the fact that the 10% figure is a moving target. DHCD's 10% goal will be revised with the 2010 census as the updated year-round housing figures are released. Given housing growth since 2000 and recently approved developments that include affordable housing as well as projected growth, the total year-round housing figure is likely to increase to about 8,250 units.

Therefore, the 272 units that are eligible to be counted as part of Sandwich's Subsidized Housing Inventory will probably reflect about 3.3% of the year-round housing stock when the next census is issued, creating a gap of about 550 additional affordable units that will be required to meet the 10% state affordability goal.

The list of units included in Sandwich's Subsidized Housing Inventory (SHI) is summarized in Table III-19. There are currently an additional 150 units in the affordable housing development pipeline that if completed will bring the count to 422 units or 5.6% of the year-round housing stock leaving an existing gap of about 406 units to meet the 10% state target.

**Table III-19
Sandwich's Subsidized Housing Inventory**

Project Name	# SHI Units	Project Type/ Subsidizing Agency	Use of a Comp Permit	Affordability Expiration Date
Hansen Village*	48	Rental/DHCD	Yes	Perpetuity
George Fernandez Way*	12	Rental/DHCD	Yes	Perpetuity
Bramblebush Drive*	1	Rental/DHCD	No	Perpetuity
Cranberry Village	5	Ownership/DHCD	Yes	Perpetuity
Shawme Heights	44	Rental/HUD and Rural Housing Service	Yes	Perpetuity
Osprey Lane Apts.*	36	Rental/DHCD, MHP, FHLBB	Yes	Perpetuity
Sherwood Forest	9	Ownership/DHCD	Yes	Perpetuity
Shawme Heights II	50	Rental/HUD	Yes	2043
Granite Ridge	8	Ownership/MassHousing	Yes	Perpetuity
Woodside Village	12	Ownership/HUD	Yes	Perpetuity
Beech Wood Grove	1	Ownership/MassHousing	Yes	Perpetuity
Ryder Woods	22	Ownership/DHCD	Yes	7/2031 – 8/2038
DMR Group Homes	21	Special Needs/DMR	No	Not Applicable
CCC HOR Program	3	Rehab-ownership/DHCD	No	11/19/11 1/2/15 2010
Total	272	191 (70%) rentals 59 (22%) ownership 21 (7.7%) special needs 3 (1.1%) rehab		

Source: Massachusetts Department of Housing and Community Development, November 3, 2009

* Sandwich Housing Authority units

1. Current Inventory

Of the 272 units that are currently considered affordable by the State, 98 units are owned and managed by the Sandwich Housing Authority including the following:

- *Hansen Village*
This 48-unit project incorporates four (4) different state programs and agencies at one site including Chapter 667 for elderly and disabled residents and Chapter

689 Special Needs funding through the Department of Mental Health. The project is designed in a village community setting and incorporates an eight-bedroom, single-story house that provides congregate living for its elderly or disabled residents.



- *George Fernandes Way*
This family development provides housing for 12 low-income families in a small neighborhood community with rent based on 27% of monthly income. The project was developed in 1989 through state Chapter 705 funding and includes a combination of two- and three-bedroom units in four buildings.



- *Bramblebush Drive*
In 1974 the Housing Authority purchased a single-family home on Bramblebush Drive in the Forestdale section of Sandwich, which provides rental housing for a low-income family.
- *Osprey Lane*
The Community Builders (TCB) developed this property on SHA property. The project includes 36 units of one- to three-bedroom apartments for those earning at or below 60% of area median income or \$32,600 for a family of three. Five (5) of the units include Project-based Section 8 subsidies, which are managed by the Housing Authority, and the SHA plans to introduce some support services for tenants. The property manager indicated that units rarely turnover, particularly

for the one and three-bedroom apartments. Going subsidized rents are \$753, \$880 and \$1,000 for the one, two, and three-bedroom apartments, respectively, and tenants pay their own utilities.

It is important to note that the Sandwich Housing Authority has an extensive wait list for its units as summarized in Table III-20.

**Table III-20
Wait List Information**

Development	# Units	Numbers on Wait List/From Sandwich	Approximate Wait
Hansen Village	8 DMH 8 Congregate Living 32 Elderly	48 elderly/10 167 nonelderly disabled/13	About 12 months for elderly
George Fernandez Way/Bramblebush	4 2-bedroom units 8 3-bedroom units	208/27 for 2-bedrooms 109/7 for 3-bedrooms	
Osprey Lane	9 1-bedrooms 18 2-bedrooms 9 3-bedrooms	Don't keep exact numbers on waitlist	Units rarely turnover
ARVP	20	120	No more vouchers
MRVP	13	318	No more vouchers
Section 8	28	Have used other wait lists; considering opening its own list	Very little turnover
Total	158		

The Sandwich Housing Authority also manages rental assistance programs through the Section 8 Program with 28 vouchers, Massachusetts Rental Voucher Program (MRVP) with 13 vouchers, and Affordable Housing Voucher Program (AHVP) with 20 vouchers. These programs subsidize the rents of qualifying households who locate units in privately owned apartments. Because the rental housing supply is limited in Sandwich and becoming increasingly unaffordable, some rental voucher recipients are forced to look beyond Sandwich for a qualifying apartment. The Housing Assistance Corporation (HAC) has a Cape-wide waiting list of almost 4,000 applicants for Section 8 rental assistance, of which 114 are currently residents of Sandwich.

Moreover, it should also be noted that SHA is administering a Rental Acquisition Program (RAP) that uses CPA funds to acquire properties that the Housing Authority will continue to own and manage as rental units. The Community Preservation Committee has committed \$235,000 to this program to be used as down payments for the acquisition of one (1) to three (3) homes. The balance of the acquisition cost would be mortgaged and repaid through the rental revenue generated by each property. Thus far the SHA has purchased two (2) houses. Both of these units are not included in the SHI at this time because they do not meet all of DHCD's requirements under LIP (see strategy VII.C.3).

Another 194 units, 57 of which are affordable, have been created or approved through the state's Homeownership Opportunity Program (HOP), Local Initiatives Program (LIP) or Housing Starts including the following specific developments:

- *Cranberry Village*
This project includes 16 total units developed through the state's Homeownership Opportunity Program (HOP) in 1989, of which five (5) units were restricted as affordable.
- *Ryder Woods*
This development was also produced through the state's Homeownership Opportunity Program (HOP) in 1990, with 79 total units of which 22 are affordable.
- *Sherwood Forest*
In 1996 this 36-unit project was completed through the Local Initiative Program (LIP) with nine (9) of these units created as affordable.
- *Granite Ridge*
This project was developed by Champion Builders using MassHousing's Housing Starts/comprehensive permit process. The project is located in East Sandwich and involved the creation of 32 new homes including eight (8) affordable homes for first-time homebuyers.
- *Woodside Village (also known as Clipper Circle)*
This project was developed by McShane Construction and included 31 homeownership units, 12 affordable to those at 80% of median, 11 available to those at 120% of median income, and eight (8) market rate units. It was developed as a cluster subdivision under a comprehensive permit.
- *Beech Wood Grove*
This project consists of one (1) existing single-family dwelling on several merged lots. The proposal is to add two (2) more dwellings to these properties and through MassHousing's Housing Starts Program make one of the units affordable to households at or below 80% of area median income. This project brings forward a small-scale approach to scattered-site, affordable housing that has been considered desirable by the community.

Sandwich has another 94 affordable units created as affordable through the HUD Section 202 Program, funding directed to the production of rental housing for seniors. Projects include the following:

- *Shawme Heights I*
This project was built in 1981 and includes 44 total units all of which are affordable to income-eligible seniors.
- *Shawme Heights II*
This second phase broke ground in 2001 and was occupied in 2003 with 50 affordable units for seniors.

The following projects, while approved, have not been constructed and are not yet included in the Subsidized Housing Inventory. They would add another 118 units to the SHI, pushing Sandwich's affordability percentage to 5.15%.

- *Brightside Lane*
Designed as starter homes or dwelling units for single householders, this project involves modular townhouses including a total of 40 units, 10 of which will be affordable. Site work has begun but the project has been stalled due to the economy.
- *The Community Green*
This project is being developed by the Housing Assistance Corporation (HAC) to include a mix of 47 apartments and ten (10) Single Room Occupancy (SRO) units as well as five (5) single-family homes, where at least all of the rental/SRO units will count as affordable. The project also includes a transitional work program for formerly homeless individuals. Another significant aspect of the project is the incorporation of "green design" components. Given the higher costs associated with green building and the reduced amount of equity that can be expected from the Low Income Housing Tax Credit, HAC is rethinking financing for the project. A comprehensive permit for the project has been approved, and the units should be eligible for counting in the SHI.
- *Homesteads Project*
This project involved a parcel that was donated by a former Selectman for the purpose of creating 16 single-family homes, all of them to be affordable to first-time homebuyers earning within 80% of area median income. A significant modification to the Osprey Lane comprehensive permit was required for road access. The project was developed through the Town's Conditional Density bylaw, and the units are eligible for inclusion in the SHI.
- *Seashell Village*
A local developer sponsored this development that includes ten (10) single-family homes, five (5) affordable and five (5) at market. The project is located off of Asa Meigs Way and construction has recently been completed. The developed was processed through the Town's Conditional Density bylaw, and once again the units are now eligible for counting in the SHI.
- *Annie's Pasture*
This project includes 20 new homeownership units in the Forestdale section of Sandwich, five (5) of which will be affordable. The project is being developed through a comprehensive permit, which was approved. Construction began but the project is being sold to a new developer. HAC is the marketing agent for the affordable units.
- *Farmview Estates*
This project, located in the Forestdale area, includes 72 total units of for sale housing, 18 of which will be affordable. The comprehensive permit was approved several years ago. Construction began but has been stalled due to economic conditions. The units should be eligible for inclusion on the SHI.
- *The Sandwich Home Ownership Program (SHOP)*

The Town of Sandwich secured about \$1 million as payments in lieu of producing four (4) actual affordable units via negotiations with a private developer on a residential development project in East Sandwich that was under Cape Cod Commission DRI review. The Town then selected Housing Assistance Corporation (HAC) to coordinate an effort to invest this funding in a buy-down project involving the purchase of seven (7) existing housing units, completion of necessary improvements, and the use of subsidies to enable first-time homebuyers earning at or below 80% of area median income to purchase the units. These units should also be added to the SHI.

2. *Proposed Projects*

There are a number of projects in the development pipeline that will potentially create 61 affordable units, boosting the SHI to 451 units or 5.95%¹⁹ including the following:

- *Forestdale Village*
This project involves mixed-use development, including 80,000 square feet of commercial space and 148 housing homeownership units through the “friendly” Chapter 40B process under the state’s Local Initiative Program (LIP), requiring that at least 37 units be affordable to those earning at or below 80% of area median income. Eighty percent of the units will be age-restricted, targeted to those over age 55, and the remaining 20% will be for families. There is likely to be a number of rental units above commercial space as well. The project is part of the rezoning of the South Sandwich Village Center (SSVC) including portions of Route 130 to allow mixed residential and commercial uses. The commercial District of Regional Impact (DRI) application for the rezoning is at Cape Cod Commission for approval. The project will be developed in four (4) phases with the Sandwich Housing Authority as the likely marketing agent. The project received its site eligibility letter from DHCD but it is not expected that the comprehensive permit will be approved until the spring.
- *Expansion of George Fernandez Way*
The Sandwich Housing Authority (SHA) is working with a consultant to expand its existing development at George Fernandez Way, adding another 24 units on the property owned by SHA. The Town allocated \$40,000 in Community Preservation funding to support predevelopment work, and another \$1,850,000 in CPA funds for the development of this project. The SHA is fine-tuning project plans and the budget to submit a LIP application to the state to obtain eligibility to file a “friendly” 40B application to the Town’s Zoning Board of Appeals. Following the comprehensive permit approval, the SHA will seek the remaining estimated \$5.2 million from private and public funding sources, applying for Low Income Housing Tax Credits as well as other public subsidy funds.

¹⁹ This figure will most likely decrease to approximately 5.1% when the 2010 census figures become available.

E. Gaps Between Existing Housing Needs and Current Supply

As the above affordability analysis indicates in Section III.B, gaps remain between what most current residents can afford and the housing that is available. In fact the current housing market is for the most part off-limits to low- and moderate-income households.

The build-out analysis that was performed as part of the recent Local Comprehensive Plan projected that Sandwich will see a total build-out of about 12,000 units. Because the unit count is now about 9,459 units, Sandwich is getting closer to build-out. Assuming that 13.4% of the new units are for second homes and seasonal use, a conservative estimate based on the level of such units in the 2000 census, then the year-round housing stock is about 8,190 units as of the end of November 2009, and with 422 affordable units either counted as affordable, eligible for counting or in the pipeline, about another 400 of the remaining 2,500 units needed to get to build-out would have to be affordable. This analysis indicates how challenging it will be for the Town to reach the 10% affordability goal under Chapter 40B.

It is unlikely that if it is even possible to reach the 10% affordability threshold, the affordable housing that is produced will be sufficient to meet existing need and demand, much less potential future needs, based on the following indicators:

- This data suggest that of the 7,306 total households, one-quarter or 1,819 households were spending too much on housing including 9%, or 666 households, which were spending more than half of their income on housing;
- Almost 3,000 or 14.4% of Sandwich's population claimed a disability in 2000, including about 900 who were 65 years of age or older;
- In 2000, there were 611 individuals, including 109 seniors, who were living below the poverty level; and
- The Sandwich Housing Authority has an extensive wait list with very little turnover, particularly for family rental units, and almost nonexistent turnover for units directed to the nonelderly disabled.

There is therefore a sizable population of those who are seniors, have special needs and/or have very low incomes who have significantly reduced capacity to secure decent, safe and affordable housing. A broader range of housing options is required to meet these varied needs. These needs include more subsidized rental housing, more first-time homeownership opportunities, and greater housing choices for seniors as summarized below.

1. Rental Housing

The town of Sandwich has a substantial need for rental housing based on the data summarized in the above Housing Needs Assessment, and it is making some progress through the Sandwich Housing Authority and Chapter 40B comprehensive permit projects. For example, to afford the \$1,200 rent of a typical small two-bedroom unit, a household should earn more than \$50,000, assuming average utility costs of \$150 per month and that no more than 30% of income is spent on housing-related costs. Such housing is therefore out-of-reach of most lower-wage earners who are needed to bolster Sandwich's significant service and tourist economy. More subsidized rental housing is required. The Local Comprehensive Plan echoed this need when it stated that the Town should "promote

equal opportunity in housing and give special consideration to meeting the housing needs of the most vulnerable segments of the Town’s population”.

2. *First-time Homeownership*

In addition to rental housing, there remains a need and demand for new homeownership opportunities for income-eligible, first-time homebuyers. While housing prices and mortgage interest rates have decreased somewhat over the last couple of years, making housing more affordable, other challenges have maintained a wide housing gap including much more stringent lending requirements and large up-front cash requirements for financing, making homeownership extremely challenging for those without equity in a former home or substantial savings. Many towns are implementing first-time homebuyer initiatives, most donating Town-owned property for development, with an interest in maximizing the number of purchasers with a connection to the locality through current or past residency and employment.²⁰

3. *More Housing Choices for Seniors*

Barnstable County, including Sandwich, has a significant elderly population including those with disabilities. These residents often confront difficulties aging in place and require alternative living options, some of which might offer supportive services. The only assisted living development in town, Decatur House, is not affordable to most of the town’s aging population, costing in the \$4,000 to \$5,000 range per month for a small suite of rooms. By providing increased options for seniors – through over 55 communities, assisted living, mixed-income or affordable condominiums, etc. – the town would help meet the need of those who are looking to down-size but do not meet the income requirements of projects directed to lower incomes, such as Shawme Heights or Hansen Village. This could be accomplished through rezoning or “friendly” comprehensive permit projects, potentially with some CPA subsidies as well.

4. *Special Needs Housing*

As mentioned above, almost 3,000 or 14.4% of Sandwich’s population claimed a disability.²¹ Moreover, the Sandwich Housing Authority’s wait list for its Hansen Village development had 167 nonelderly disabled applicants, of which none have been offered a unit for the last few years because the project has already met the 13% threshold for housing such individuals. While Sandwich has 21 units in group homes for Department of Mental Retardation clients and eight (8) units for Department of Mental Health clients at Hansen Village, more housing that is directed to serving the special needs of the disabled are required.

The current Subsidized Housing Inventory includes 272 units, 70% of which are rental units, a reasonable threshold, especially for communities on the Cape where such units are in short

²⁰ Up to 70% of the affordable units can typically be reserved for those who live or work in the community.

²¹ Of the 2000 population of 5 to 20 years old, 355 or 7.2% had a disability, and the population age 21 to 64, 1,642 or 14.8% claimed a disability but 71.8% of this age group was employed. Of the population 65 years of age or older, 897 or 34% claimed some type of disability.

supply. It should be noted that in a Chapter 40B comprehensive permit project, all units could be counted on the SHI not just the affordable ones as is the case with homeownership. *A continued goal of about two-thirds of all new affordable units produced as rentals is a reasonable target, with at least 20% of these rental units being targeted to seniors and another 10% to special needs populations.*

IV. CHALLENGES TO PRODUCING AFFORDABLE HOUSING

It will be a great challenge for the town of Sandwich to create enough affordable housing units to both meet the state's 10% affordable housing standard as well as the needs of its existing residents, particularly in light of current constraints to new development including the following:

- *Zoning*

As is the case in most American communities, a zoning by-law is enacted to control the use of land including the patterns of housing development. Typically, zoning has increasingly embraced large-lot subdivisions to maintain low housing densities, thus severely constraining the construction of affordable housing. Sandwich is no exception with the minimum lot size of between 40,000 square feet to two full acres, a result of major zoning changes enacted in the 1970's and 1980's to discourage development, which instead helped encourage the explosive growth and sprawl that has occurred throughout the last couple of decades.

The Town has added several provisions in its Protective Zoning By-law to allow higher densities through accessory apartments or density bonuses based on specific regulations and requirements. While these bylaws have not resulted in significant numbers of affordable units to date, the Town approved a revision to the Affordable Housing Conditional Density Bylaw to make it less complicated and provide greater incentives to encourage its use. The Town also approved revisions to the accessory apartment bylaw to allow them by-right. The Board of Selectmen have appointed a Bylaw Committee that has been reviewing a number of possible zoning amendments to promote smart growth and affordable housing. This Housing Plan also includes a number of strategies for reforming zoning (see Section VII.A).

- *School Enrollment*

Given the high rate of population growth, especially the increase in number of families, the Town of Sandwich had been challenged by expanding school enrollments, however enrollments have decreased in more recent years. Between October 1, 2002 and the end of January 2009, enrollments in Sandwich Public Schools declined by 638 students, or 15.2%, despite increases in the town's population. Consequently, the prospects of building more housing that will require new schools, likely leading to increases in property taxes and concerns about where these new facilities can be located, are not major concerns in the short-term.

- *Environmental Concerns*

Sandwich has an abundant amount of open space and recreational resources, and the Town understands the importance of preserving wildlife habitats and indigenous vegetation. As a result, the Town has made a significant commitment to land conservation with approximately 3,700 acres, or 13% of the community's land area, owned by the Town. The Sandwich Water District owns an additional 406 acres of protected open space, and there are another estimated 9,568 acres of state land that includes the Shawme-Crowell State Park and the Massachusetts Military Reservation. In total, these open space holdings amount to an estimated 50% of all land in Sandwich.

This amount of preserved open space puts more intense development pressures on still undeveloped but not protected areas of town. As Sandwich gets closer to build-out these pressures will only increase. Additionally, regulations to protect the environment (e.g., wetlands, aquifers, septic systems), while essential, significantly constrain new building activity as currently allowed under zoning, further reducing the amount of buildable land and increasing the time and costs of new development. Any new development, including affordable housing initiatives offered in this Plan, will have to be sensitive to environmental constraints and regulations.

- *Infrastructure*

A major constraint to new development is the lack of infrastructure, Town water and sewer services in particular. Sandwich has no Town sewer service, however there are three (3) wastewater treatment plants to service schools, which are under capacity and might be tapped for nearby new development. While two-thirds of the community does have access to water service, there are zones of nitrogen sensitivity scattered throughout Sandwich that restrict density and the northeast corner of Sandwich has no water service at all. The reliance on wells, in some areas, and septic systems throughout town will continue to significantly restrict development, currently limiting some higher densities in commercial centers that could provide a wider range of residential and commercial opportunities in Sandwich. The higher costs of dealing with these infrastructure constraints will be a continued challenge to affordable housing development.

The Town has received a tentative agreement on a \$400,000 grant from the state to hire a consultant to prepare a Comprehensive Wastewater Management Plan that will provide the necessary feasibility analysis to take the next steps towards providing municipal sewer services, targeted at least initially to the strategic planning areas. This work is occurring in tandem to the rezoning of particular growth areas to better promote smart growth.

- *Availability of Subsidy Funds*

Financial resources to subsidize affordable housing preservation and production as well as rental assistance, have suffered budget cuts over the years making funding more limited and extremely competitive. Communities are finding it increasingly difficult to secure necessary funding and must be creative in determining how to finance projects and tenacious in securing these resources. Sandwich, like other communities on Cape Cod, does have Community Preservation funding as well as some housing subsidies from

the Barnstable County HOME Consortium to help fill funding gaps and leverage additional state and federal resources.

- *Community Perceptions*

Affordable housing, subsidized housing, low-income housing, projects, Section 8, etc. – these terms often carry a stigma and produce negative reactions from residents about what changes might occur to upset the status quo and undermine neighborhoods and property values. On the other hand, with high real estate prices and a troubled economy, community perceptions are beginning to tilt towards the realization that affordable housing is indeed needed in the community. More people are recognizing that the new kindergarten teacher, the waitress at the favorite restaurant, grown children, or the elderly neighbor may not be able to afford to live or remain in the community. It is this growing awareness and impending 40B developments, which are spurring communities to take a more proactive stance and sponsor or support affordable housing projects. The community education strategy described in Section VII.B.3 will be important in providing important information to local leaders and residents concerning new housing initiatives and affordable housing issues in general to foster greater community support.

V. PROPERTY INVENTORY

The following information represents a work in progress that will be fine-tuned on an ongoing basis in coordination with other Town Boards and Committees.

A. Publicly-owned Properties

The Town of Sandwich owns a limited amount of property that is not preserved and protected as open space, however, there may be some opportunities for possible housing development, including affordable housing, on the sites listed in Table V-1.

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

Parcels*	Nitrogen Sensitive	Other Constraint	Housing Type	Map #/ Parcel #	Total Parcel Acres	Housing Acres	Projected Total # Units/ # Affordable Units
Town Parcel 1	Yes	Topography	Ownership	4/42, 43	.67 and .46	1	4/2-4
Town Parcel 2	Yes	Wetland	Ownership	3/48, 49	8.0 and .23	8	32/16-32
Town Parcel 3	No	Topography	Ownership	25/78	14.0	8	32/16-32
State Parcel Parcel 5	Yes	State approvals	Rental	13/166	21	21	84/42-84
Town Parcel 8	Yes	Other uses	Rental	17/138	57	10	40/20-40
Town Parcel 9	Yes	Other uses	Rental	17/196	83	5	20/10-20
Old School Admin. Building	No		Rental	Dewey Avenue			10/5
Fire house on Route 130	No			Route 130			10/5
Total					184.36	53	212/106-212

The above unit projections were based on the following assumptions:

- Parcels located in water resource districts that are nitrogen sensitive are estimated to include four (4) units per acre.
- Parcels located outside of nitrogen sensitive areas are projected to include an average of eight (8) units per acre unless topography suggest fewer units.
- To the greatest extent possible, the Town of Sandwich has determined to develop affordable housing that will be harmonious with the surrounding community. Therefore,

the Town proposes to put somewhat higher density rental housing closer to commercial or in-town areas and homeownership units in residential neighborhoods.

- The Town of Sandwich has determined that it wants to maximize the number of affordable units per project, and depending upon the project location, objectives, and feasibility estimates, 50% to 100% of the new units will be available as affordable. However, another housing goal is to provide housing for those along the full range of incomes, and on average approximately 10% of the units will be targeted to more moderate income households that will enable the town to provide housing for those households earning above 80% of area median income but priced out of the current housing market. Additionally, market rate units will provide internal subsidies to help support project feasibility.
- The number of acres set-aside for housing involves an estimate of the buildable area and in recognition of local concerns for maintaining some amount of open space in most developments, as well as the need for infrastructure, including water and sewer treatment facilities, other uses on site and other topographical constraints.

B. Private Properties

Because Town-owned properties are limited, most of the affordable housing will come from privately-owned parcels. In fact, there are approximately 2,317 acres of vacant or sparsely developed land on privately held lots that are not protected from development in any way. The Town should seek opportunities to work cooperatively with existing owners or for profit and non-profit developers to develop some of these properties and insure the inclusion of some amount of affordable housing.

It is likely that developers will continue to pursue comprehensive permit applications to produce housing that includes at least one-quarter of the units as affordable. In fact 91% of the affordable housing that has been built in Sandwich has used the comprehensive permit process. Town officials also hope that the Conditional Density Affordable Housing Bylaw will serve as an incentive towards the creation of new affordable units. It will be incumbent on the Town, primarily through the Director of Planning and Development, to negotiate with these developers using the proposed Municipal Affordable Housing Trust (see strategy VII.B.1) as an additional resource for preliminary reviews of project proposals and to insure, to the greatest extent possible, that projects satisfy local needs and requirements. Additional professional support to provide technical input into local housing initiatives would also be useful (see strategy VII.B.2).

VI. AFFORDABLE HOUSING PRODUCTION GOALS

The Massachusetts Department of Housing and Community Development (DHCD) is administering the Housing Production Program²² in accordance with regulations that enable cities and towns to prepare and adopt an affordable housing plan that demonstrates production of an increase of 0.50% over one year, 38 units for Sandwich, or 1.0% over two-years, 76 units, of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory. If DHCD certifies that the locality has complied with its annual production goals, the town or city may, through its Zoning Board of Appeals, deny comprehensive permit applications. Sandwich's previous Affordable Housing Plan prepared under an earlier version of these requirements, referred to as Planned Production then, required annual production of at least .75% of the year-round housing stock or 57 units.²³

Using the strategies summarized under Section VII, the Town of Sandwich has developed a Housing Production Program to chart affordable housing activity over the next five (5) years, the required term under state regulations. The production goals are based on these assumptions:

- At least fifty percent (50%) of the units that are developed on publicly-owned parcels will be affordable to households earning at or below 80% of area median income and at least 10% affordable to those earning up to 120% of area median income, depending on project feasibility.
- Unit projections are responsive to nitrogen sensitive areas that restrict density to no more than four (4) units per acre unless water treatment facilities are built on site, an expensive proposition that has limited applicability on smaller sites. In other areas the projected number of units is based on eight (8) units per acre.
- Because many of the sites identified for development are privately owned, production will involve projects sponsored by private developers through the "friendly" comprehensive permit process, the Affordable Housing Conditional Density bylaw, possibly inclusionary zoning (see strategy VII.A.1) or other available regulatory approach. The Town will continue to work with these private developers to fine-tune proposals to maximize their responsiveness to community interests.
- The numbers of affordable units are projected based largely on the criteria included in the town's Affordable Housing Conditional Density bylaw and between 50% to 100% of the new units will be available as affordable depending also upon the project location, objectives, and feasibility. However, another housing goal is to provide housing for those along the full range of incomes, and whenever a project is not 100% affordable, on average approximately 10% of the units will be targeted to more moderate income households that will enable the town to provide housing for those households earning above 80% of area median income but priced out of the current housing market. Additionally, market rate units will provide internal subsidies to help support project feasibility.
- The projections involve a mix of rental and ownership opportunities, with rental units comprising about two-thirds of the new unit production and targeting rental development

²² Massachusetts General Law, Chapter 40B, 760 CMR 56.03(4).

²³ Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

closer to Town commercial centers and homeownership towards the more outlying areas. The Town will work with private developers to promote a diversity of housing types directed to different populations with housing needs including families, seniors and other individuals to offer a wider range of housing options for residents.

**Table VI-1
Sandwich Housing Production Program**

Strategies by Year	Units < 80% AMI	Units 80%-120% AMI	Total # units
Year 1 - 2010			
Make publicly-owned property available -- Expansion of George Fernandez Way*	24 family rental	0	24
Work cooperatively with private developers - Forestdale Village*	37 ownership (30 for seniors)	0	148
<i>Subtotal</i>	<i>61</i>	<i>0</i>	<i>172</i>
Year 2 - 2011			
Work cooperatively with developers/ mixed-use development/Golden Triangle - Phase I	80 rental/all units count	0	80
Convert existing housing to affordability - Rental Acquisition Program	2 rentals	0	2
Work cooperatively with private developers/Special needs housing - group home	4 special needs rental	0	4
<i>Subtotal</i>	<i>86</i>	<i>0</i>	<i>86</i>
Year 3 - 2012			
Covered in Year 3			
Year 4 - 2014			
Development of publicly-owned property - Old School Administration Building	5 ownership	0	10
Convert existing housing to affordability - Rental Acquisition Program	2 rentals	0	2
Convert existing housing to affordability- SHOP II	6 ownership	0	6
Work cooperatively with developers/ mixed-use development/Golden Triangle - Phase II	30 ownership	6	60
Work cooperatively with private developers/Inclusionary zoning	4 ownership	0	20
<i>Subtotal</i>	<i>47</i>	<i>6</i>	<i>98</i>

Year 5 – 2015			
Development of publicly-owned property – Town Parcel 8 *	40 rentals/all units count	4	40
Work with private developers – Conditional Density Bylaw/ownership	10 ownership	0	20
Convert existing housing to affordability – Rental Acquisition Program	2 rentals	0	2
Convert existing housing to affordability- SHOP II	6 ownership	0	6
Work cooperatively with private developers/Special needs housing – group home	4 special needs rental	0	4
<i>Subtotal</i>	<i>42</i>	<i>4</i>	<i>72</i>
Total	256	10	428

***Includes or is likely to involve the comprehensive permit process.**

VII. HOUSING STRATEGIES

The information summarized in the preceding sections provides the foundation upon which the actual housing strategies are based. The strategies are also informed by earlier efforts of community planning directed to increasing the supply of affordable housing in Sandwich including:

- The recently updated Local Comprehensive Plan, approved by Sandwich Town Meeting in May 2009. With this update, Sandwich seeks to become one of the first towns in Massachusetts with a comprehensive plan, or Master Plan, that incorporates the principles and design techniques of smart growth and sustainable development.
- The 2003 Community Affordable Housing Plan approved under Planned Production requirements by the state in early 2004.
- The 1998 document prepared by Ted Malone, the Executive Director of Community Housing Resources, Inc., who was hired as a Technical Assistance Program consultant by the Cape Cod Commission
- The HUD CPD Consolidated Plan prepared by Ed Allard of the Cape Cod Commission for the Barnstable County HOME Consortium in May of 1999.
- The Sandwich Local Comprehensive Plan prepared by the Sandwich Local Planning Committee in April of 1996.

The proposed strategies are also based on important development goals and objectives that should serve as guiding principles in selecting project sites, determining the type of development, and identifying priorities, as listed in Section II.B. These goals were based on the understanding that the Town should be promoting affordable housing to satisfy the full range of local needs – not just to meet the 10% Chapter 40B standard – and that it was important for local residents to understand this commitment and, to the greatest extent possible, be involved.

The strategies outlined below are grouped according to the type of action proposed – Planning and Regulatory Reform, Building Local Capacity, Housing Production, and Direct Housing Assistance – and priority. Priority 1 strategies involve actions to be implemented within the next two (2) years, many involving immediate attention. The Priority 2 actions are those that are not top priorities and/or will take a longer time to implement. All of these actions can be considered as tools that the Town will have available to promote the creation of new housing opportunities, each to be applied to particular circumstances and providing a powerful group of resources when available in combination. A summary of these actions is included as Attachment 1.

The strategies also reflect state requirements that ask communities to address all of the following major categories of strategies to the greatest extent applicable:²⁴

- *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;*

²⁴ Massachusetts General Law Chapter 40B, 760 CMR 56.03.4.

- Assess and amend existing – (strategy VII.A.1)
- Promote mixed-use development (see strategy VII.C.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 VII.C.1)
 - Promote mixed-use development (see strategy VII.C.4)
 - Work cooperatively with private developers (see strategy VII.C.2)
 - See “friendly” 40B projects listed in production goals (Section VI)
- *Characteristics of proposed residential or mixed-use developments that would be preferred by the municipality;*
 - Adopt inclusionary zoning (see strategy VII.A.1)
 - Convert existing housing to affordability (see strategy VII.C.3)
 - Encourage adaptive re-use (see strategy VII.C.5)
 - As indicated in strategy VII.C.2, the Town should continue to work with developers to create affordable housing in line with smart growth principles including:
 - Mixed-use development in appropriate locations,
 - Redevelopment of nonresidential properties into housing,
 - Smaller infill housing in existing neighborhoods, and
 - Cluster development.
- *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 VII.C.1)
- *Participation in regional collaborations addressing housing development*
 - Participate in Barnstable County HOME Consortium (referred to throughout the Plan)
 - Promote homebuyer counseling and other homebuyer services (see strategies VII.D.1)

Within the context of these compliance issues, local needs, existing resources, affordability requirements and the goals listed in Section II 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 CPA funds 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 capacity.

A. Planning and Regulatory Strategies

As housing values remain high, it is still difficult for individuals and families to find affordable housing in the private market. And the private market, without subsidies, is neither able nor interested in producing housing that is affordable to low- and moderate-income households

given existing regulations and costs. As a result, it becomes necessary to increasingly rely on regulatory relief and housing subsidies in some form to preserve affordable housing and to produce enough housing to meet the pressing affordable housing needs and demands.

Sandwich's Planning and Development Office has been involved in several planning and zoning-related efforts over the past couple of years that will help bolster the implementation of this Housing Production Plan. These include:

- *Local Comprehensive Plan*
Town Meeting approved the Sandwich Local Comprehensive Plan at its May 2009 Town Meeting, an effort that the community had been engaged in for a couple of years. This Plan was also approved by the Cape Cod Commission.
- *Rezoning of Route 130*
The Town hired consultant to write a mixed-use, higher density zoning bylaw for the town's two major commercial zones. Density is somewhat constrained by the lack of infrastructure, sewer service in particular, and the Town has also hired a consultant to prepare a Comprehensive Wastewater Management Plan to analyze the feasibility of providing municipal sewer services, focusing particularly on identified growth areas.
- *Amended the Accessory Apartment Bylaw*
The Town amended the accessory apartment bylaw to allow these units by-right and thus make it easier to create accessory units that diversify the housing stock without necessitating new construction.

In moving forward, this Housing Plan suggests that the Town focus on the following opportunities to modify local regulation to better promote smart growth principles of development and affordable housing:

1. *Assess and Amend the Zoning Bylaw*

Current Status: Throughout the United States, zoning is the greatest constraint to affordable housing development. Given minimum lot sizes ranging from 40,000 to 60,000 square feet in residential districts and no area where multi-family housing can be built as-of-right, with the exception of accessory apartments, it is very difficult to build affordable housing without substantial subsidies and zoning relief in Sandwich.

The Town has established a Bylaw Committee, that, with the Office of Planning and Development, has been reviewing the bylaw and determining appropriate changes to meet a number of public policy objectives, including the promotion of smart growth development and affordable housing. Those bylaws that are being considered include:

- *Strategic Planning Areas - Designated Growth Areas:* The Local Comprehensive Plan established 15 strategic planning areas in which the town is divided, including four (4) where mixed-uses and economic development are targeted including Route 6A/Tupper Road/Marina Area, Sandwich Industrial Park and District, South Sandwich Village Center, and Historic Village/Route 6A Areas. This

work is also being coordinated with the development of a Comprehensive Wastewater Management Plan.

- *Inclusionary zoning:* This mechanism has been adopted by more than one-third of all communities in the state to insure that any new development project over a certain size would include a set-aside in numbers of affordable units or funding to support the creation of affordable housing. Many municipalities that have inclusionary zoning in place are reaping the rewards of these actions through the creation of actual affordable units or cash contributions to the locality for investment in affordable housing production.
- *Nonconforming lots:* Towns such as Dennis and Yarmouth are allowing nonconforming lots that do not meet minimum lot requirements to be built upon by special permit from the Planning Board if they meet a number of conditions including the inclusion of deed restricted, affordable housing.
- *Affordable Housing Conditional Density Bylaw:* In 2003, the Town approved changes to this bylaw to make it less complicated and to increase density bonuses to promote its use. While this was a step in the right direction, it has produced only 21 units through 2009. Local developers suggest that the revised density bonus provisions are still inadequate to make the required level of affordability feasible and should be increased, while affordability requirements should be decreased.
- *Transfer of Development Rights:* A TDR bylaw will be on the warrant for Town Meeting approval in 2011. TDR involves the conveyance of development rights by deed, easement or other legal instrument from one parcel of land to another as a means of encouraging development in certain areas while preserving open space in others. Zoning provisions allow this transfer to take place and in some cases can identify “receiving zones”, that are growth incentive areas such as village centers or transportation nodes where more concentrated development is promoted as opposed to “sending zones” where development is discouraged. This strategy is particularly effective when the town has valuable resources that need protection, such as scenic views, historic buildings and critical wildlife habitats and water resources, while other parts of town are suitable for development at densities greater than those currently allowed under zoning. Sandwich has identified strategic growth areas in its recently-updated Local Comprehensive Plan that will help provide the groundwork for implementing TDR.

TDR bylaws have been adopted in Falmouth and Mashpee. For example, the Town of Falmouth preserved 12 acres of open space in a Water Protection District by buying the development rights and enabling a developer to more than double the number of subdivision lots, from seven (7) to 15. Mashpee has yet to use its TDR bylaw referred to as Open Space Incentive Development.

- *Create a special neighborhood preservation or conservation zoning district:* A special neighborhood preservation or conservation zoning district would address the problem of incompatible development by limiting the size and massiveness of new structures, or additions, within neighborhood made up of fairly uniform and modest-size homes. Houses of this size are likely targets for realtors and speculative homebuilders responding to demands for larger houses that have driven new home construction in the recent past.

Next Steps: The Bylaw Committee of the Planning Board should review these provisions and make recommendations to the full Planning Board and other Town officials to develop useful amendments that will help support the growth of commercial areas and promote affordable housing. The appropriate amendments will require approval by Town Meeting.

Timeframe: Priority 1

This process has begun and initial recommendations for rezoning should be available for action within a year's time.

Resources Required: Staff time from the Director of Planning and Development as well as donated time of members of the Bylaw Committee and Planning Board. A consultant has also been brought on to provide technical support.

2. *Develop a Foreclosure Tracking System*

Current Status: There are a number of municipalities in the Commonwealth that acquire properties, including land and buildings, for development of affordable housing by using the tax foreclosure process. Through a series of required notices to owners who are delinquent on their taxes and additional processing through the state's Land Court, municipalities can obtain title to these properties and choose to convey them via auction or special redevelopment initiatives.

Some localities have prepared Requests for Proposals to select developers who obtain ownership at some nominal or discounted value, improve the properties and lease or sell them to low- or moderate-income households. These projects incorporate the necessary requirements so that units can be integrated into the town's state-defined Subsidized Housing Inventory. For example, the Town of Bourne acquired a number of properties through tax title and conveyed one to Habitat for Humanity and the others to the Bourne Housing Authority for development of new homes for first-time homebuyers, coordinated by the Bourne Housing Partnership. It has recently prepared another RFP to select a developer for two (2) more lots, one of which it acquired through tax foreclosure, the other with CPA funding. Yarmouth also issued an RFP for the development of six (6) separate tax-foreclosed lots that the Town owned and conveyed to their Housing Authority as well for affordable first-time homeownership. Many more communities have used this same process to not only produce affordable housing, using the nominal cost of the land as a substantial project subsidy, but to control what is being developed, establishing the terms and conditions of development through the RFP and ultimately a Land Disposition Agreement (LDA).

There is also the potential of working with banks and other mortgage providers to identify properties on which they have had to resort to foreclosure procedures and acquire these at some discounted cost for which the lender can receive credit through the Community Reinvestment Act. Or given relatively low prices, the Town might acquire the properties directly. Foreclosures have actually increased substantially over the past year or so, with 61 foreclosures from the beginning of June to end of November 2009. Potential municipal intervention might also enable some bank-foreclosed occupants to remain in place.

Next Steps: It would be useful for the Office of Planning and Development, or even more appropriately the proposed Housing Trust or proposed housing professional (see strategies VII.B. 1 and 2, respectively), to work cooperatively with the Town of Sandwich's Tax Collector and Town Attorney as well as area banks to identify possible properties that involve foreclosures and where possible work to convert them to long-term affordability, subsidizing them with CPA funds.

Once the Town acquires such properties, the Office of Planning and Development and the proposed Housing Trust should work with the Town's Chief Procurement Officer on the appropriate mechanism for conveying them to include affordable housing. A Request for Proposals that specifies project requirements – such as ownership vs. rental, type of structure, funding requirements – and selection criteria – including technical capacity, financial capacity, preliminary design, costs – would be issued by the Town. The Town would select a developer, who would then secure any necessary subsidies, undertake the rehab or construction activity, lease or sell the units to income-qualified households and manage the property in the case of rentals. To insure that the unit counts as part of the Subsidized Housing Inventory, all LIP Local Action Unit requirements must be met.

Timeframe: Priority 1

Resources Required: It is likely that some staff support will be required to coordinate efforts with Town officials and bank representatives, to prepare the RFP, and monitor progress on project development. It will also be likely that subsidies will be required to write-down the costs of development and construction to make the units affordable to income-qualified households, which can be made available through HOME Program funds through the Barnstable County HOME Consortium or CPA funds. If the property is conveyed for a nominal amount, at least \$50,000 in additional subsidies will likely be needed to insure project feasibility.

3. Explore Property Tax Exemption for Affordable Year-Round Rental Housing

Current Status: The Housing Needs Assessment included in this Housing Plan indicates a critical need for additional rental housing. Provincetown, recognizing a similar shortage, approved a property tax exemption for affordable year-round rental units. This home rule petition required state approval and was signed by Acting Governor Jane Swift in December 2002. The tax exemption has been made available to owners of housing units that are rented on a year-round basis to low-income households at rents (including

utilities) not exceeding HUD limits and that also place appropriate affordability restrictions on the property through the Local Initiative Program.

Next Steps: The Office of Planning and Development should explore with other local officials the prospects of adapting the Provincetown tax exemption in Sandwich and try to gauge the level of local support. If substantial support for such an action is demonstrated, the Town should take the necessary steps to obtain the required Town Meeting and state approvals and then make the exemption available.

Timeframe: Priority 2

Resources Required: Staff time of the Director of Planning and Development or proposed housing professional (see strategy VII.B.2) to work with local officials in determining the feasibility of implementing this strategy in Sandwich and in coordinating the necessary approvals towards implementation. There will also be some administrative costs associated with ongoing management to include units in the Town's Subsidized Housing Inventory. Additional resources will involve the foregone taxes associated with the exemption.

B. Strategies for Building Local Capacity to Promote Affordable Housing

Sandwich has accomplished several strategies that were included in the 2003 Planned Production Plan including obtaining support for affordable housing through HOME Program funding and the approval of the Community Preservation Act (CPA). CPA in particular provides a big boost for local initiatives directed to providing greater housing diversity and choice in Sandwich, serving identified local needs and priorities.

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 (referred to as Local Action Units) 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.

Some of the important tasks for insuring that the Local Action Units (LAU's) meet the requirements of Chapter 40B/LIP include:

- Meet with the developer or project sponsor to discuss requirements for insuring that the unit(s) meets the requirements for inclusion in the Subsidized Housing Inventory through the state's Local Initiatives Program (LIP).
- Contact DHCD to discuss the project and determine the purchase price or rents based on LIP Guidelines.
- Prepare a LIP Local Action Units application submitted by the municipality (chief elected official), including an Affirmative Fair Housing Marketing Plan, working with the developer.
- Execute a regulatory agreement to further insure long-term affordability between the developer, municipality and DHCD.
- Implement the Marketing Plan.
- Hold at least one information session about the lottery.
- Approve applicants for eligibility in the lottery.
- Prepare a letter to those eligible for inclusion in the lottery and another to those who do not qualify.
- Conduct the lottery.²⁵
- Work with winning applicants and lenders to secure mortgage commitments for ownership projects.
- Obtain the deed rider, a disclosure statement and resale price certificate from DHCD that requires the loan commitment letters, purchase and sale agreements, and contact info for the closing attorneys for ownership projects.²⁶
- Work with lenders and the developer to close on the units for ownership projects.
- Submit necessary documentation to DHCD to have the unit counted as part of the Subsidized Housing Inventory.
- Annually recertify the continued eligibility of affordable units.

The Town needs to designate a municipal employee or bring on some professional housing support to coordinate this work (see strategy VII.B.2). Associated administrative costs should come from the project budget and could also be covered by Community Preservation funding or the proposed Housing Trust

²⁵ Up to 70% of the affordable units in most developments can be reserved for those who have a connection to the community as defined by Section C of the state's Affirmative Fair Housing Marketing Plan guidelines, dated June 25, 2008.

²⁶ The deed rider must be the standard one issued by DHCD. The deed rider is recorded at the Registry of Deeds and enforceable, typically in perpetuity. Those who enter into these deed riders are unable to "opt out" of the restrictions but must continue to meet all requirements, including notification and resale requirements.

Fund. The affordability restrictions for all units produced through the Local Initiative Program will be monitored by DHCD, but it is the premise of LIP that the municipality and DHCD work together to create affordable housing and fulfill the obligations of the affordability restrictions. The Town should have available a Ready Renters List²⁷ and Ready Buyers List when occupancy turns over, updating these lists as required by DHCD. The preparation of these Lists also require adherence to LIP requirements including an Affirmative Fair Housing Marketing Plan, lottery, etc.

The following strategies involve opportunities for Sandwich to increase its capacity to create affordable housing including new resources, enhanced local organizational support and more focused community outreach to better educate the public, local leaders and real estate professionals on the issue.

1. Create a Municipal Affordable Housing Trust Fund

Current Status: Discussions with other communities regarding the success of their affordable housing initiatives indicate that it is often critical to have accessible funds available to respond effectively to housing opportunities as they arise. Also, many of the state subsidy sources require local contributions either through local funds, donation of Town-owned property, or private donations to be competitive. In order to receive donations and avoid paying taxes, it is useful for each locality to have a dedicated housing fund that offers communities greater ability to support the development of affordable housing.

On June 7, 2005, the Governor signed new legislation, called the Municipal Affordable Housing Trust Fund Act, which simplified the process of establishing such funds. More than 50 communities have adopted these funds to date and many more have plans to do so during the coming year. Previously, cities could create trusts through their own resolution, but Towns had to get approval from the state legislature through a home rule petition. The law provides guidelines on what trusts can do and allows communities to collect funds for housing, segregate them out of the general budget into an affordable housing trust fund, and use these funds without going back to Town Meeting for approval. It also enables trusts to own and manage real estate, not just receive and disburse funds. The law further requires that local housing trusts be governed by at least a five-member board of trustees, appointed and confirmed by the Board of Selectmen, in the case of towns, and including a member of the Board of Selectmen or the Town Administrator.

While the new trusts must be in compliance with Chapter 30B, the law which governs public procurement as well as public bidding and construction laws, it is likely that most trusts will opt to dispose of property through a sale or long-term lease to a developer so as to clearly differentiate any affordable housing development project from a public construction project.

²⁷ The Cape Cod Commission is currently trying to obtain approval to create a Ready Renters List that could be used by all Cape communities.

Also, the Sandwich Local Housing Committee has not been active for the last several years, and at this point the Town does not have a municipal entity to provide oversight on affordable housing issues. A Municipal Affordable Housing Trust would fill this void, serving as the “go to” body for local affordable housing programs, projects and policy.

Next Steps: Sandwich’s Board of Selectmen should seek approval at its next Town Meeting for the establishment of a Municipal Affordable Housing Trust Fund and appoint members of the Board of Trustees. This Housing Trust would serve as the Town’s permanent committee for overseeing housing issues and the implementation of this Housing Production Plan, managing the Affordable Housing Trust Fund, defining policy issues that are in the public interest, and working with the Planning Board on establishing new zoning to support housing efforts.

It will also be important to explore a wide range of possible fundraising options to capitalize the Trust Fund. In addition to CPA funding and other public sector resources, the Town should also consider private sector donations. This process of securing private support not only provides financial benefits to support local housing efforts, but it is also a vehicle for raising awareness of affordable housing and generating interest and political support for new housing initiatives. Other communities, such as Chatham and Orleans, for example, have separate local organizations that have effectively raised private funds for affordable housing (Friends of Chatham Affordable Homes and Friends of Orleans Affordable Homes), and the Town might approach them to learn more about their efforts to date.

It should also be noted that some communities have decided to commit CPA funding to these Housing Trust Funds without targeting the funding to any one specific initiative. For example, the Towns of Grafton and Sudbury are directing 10% of their annual CPA allocation to their Trust Funds. The Trusts are encouraged to apply for additional CPA funds for specific projects. Scituate’s Town Meeting in 2008 approved a Municipal Housing Trust and funded it with \$700,000 of Community Preservation funding. Other towns have been creative in identifying ways to capitalize their Housing Funds. For example, the Town of Harwich has earmarked the proceeds from the lease of their cell tower as well as the sale of some Town-owned property to their fund,

Inclusionary zoning (see strategy VII.A.1), if passed, may also provide cash resources for a wider range of possible developments that can help capitalize the Housing Trust Fund if the developer decides to pay cash in lieu of constructing actual affordable units. Developers may also contribute to the Housing Fund through negotiations on comprehensive permit projects or other local developments. Developers make additional contributions to these funds if the purchase prices for the market units are higher than the prices that were projected in their comprehensive permit applications and profits are more than the 20% allowed under Chapter 40B.

Another source is the District of Regional Impact (DRI) Program. DRI projects involve Cape Cod Commission review because of their size, location, or character affect more than one (1) community. To be approved, a project must be consistent with the Cape Cod Regional

Policy Plan, the local comprehensive plan, local development bylaws, and any designated Districts of Critical Planning Concern (areas that have been designated for special protection of important resources). To be approved, a project may be required to meet certain conditions, such as contributing a fair share of funds towards traffic improvements or providing affordable housing in new residential developments, or funds in-lieu of actual units that can be contributed to the Housing Trust Fund.

Timeframe: Priority 1

This process could be accomplished within the next year, ready for vote by the next Town Meeting.

Responsible Party: Board of Selectmen with support from the Planning and Development Office.

Resources Required: The process of creating the Municipal Affordable Housing Trust Fund is relatively straightforward and can be coordinated by the Planning and Development Office in concert with the Board of Selectmen. Once established, it will be incumbent upon the Town to support efforts to capitalize the Fund including the commitment of CPA funding for affordable housing initiatives. Other resources include the donated time of volunteers to coordinate fundraising activities with staff support at some point in the future.

2. Secure Professional Support

Current Status: If the Town of Sandwich wants to assume a more proactive role in promoting affordable housing and effectively implement actions included in this Housing Plan, it will have to augment its capacity to coordinate these activities. While most of the strategies that are included in this Plan do not by themselves involve substantial amounts of staff time from Town officials or donated time from board and committee members, when several are implemented simultaneously they require a greater time commitment and involve some specialized expertise in housing programs, policy and development. Just the responsibilities of insuring that all affordable units get counted as part of the SHI and remain eligible for inclusion, as described above in the introduction to Section VII.B, require significant time and oversight.

Various municipalities have handled this need differently. For example, the Town of Marshfield issued a Request for Proposals for a Housing Coordinator position and hired a full-time person for several years. Currently it splits this position between two consultants. The Town of Grafton has an Assistant Planner on board to assume many of these housing-related functions. Bedford has a consultant working part-time on overseeing its housing activities and at one time shared this consultant with the Town of Lincoln. Belmont is working with a non-profit development organization located in a nearby community to support its housing activities. Yarmouth hired a part-time consultant to provide needed support. Chatham and Harwich rely heavily on their effective Housing Authorities, managed by the same staff, for program support related to affordable housing and hire consultants for specific initiatives.

Next Steps: The Board of Selectmen should work with the Town Administrator, Office of Planning and Development and the Community Preservation Committee to determine how best to bring on the necessary skills and experience to effectively oversee the implementation of various components of this Housing Plan. Community Preservation funding is an excellent resource for supporting such a position related to implementing community housing initiatives. There may even be opportunities to share a housing professional with another nearby community. Like Chatham and Harwich, the Town could use the Sandwich Housing Authority for this work based on an agreed upon scope of services and professional services fee. There is some precedent for this as the Town is already providing the Housing Authority with administrative fees for managing the Rental Acquisition Program. There are numerous job descriptions and RFP's that have been prepared by other communities that could be reviewed and adapted for Sandwich's needs.

Timeframe: Priority 1

Responsible Party: Board of Selectmen in consultation with the Community Preservation Committee and Office of Planning and Development.

Resources Required: A part-time position would require approximately \$25,000 to \$35,000 annually depending upon the scope of services.

3. *Conduct Educational Campaign on Affordable Housing*

Current Status: A Draft Plan for Community Education was completed in June of 2002 by members of the then active Local Housing Committee. This Plan suggested that it was vital to the well being of the town and its residents to conduct a long-term, well-conceived community education campaign to determine local housing priorities and to convey the importance of affordable housing to the entire community. The Plan suggested that the Local Housing Committee provide outreach on the issue to local officials and committees and then begin formal publicity efforts directed to the entire community, initially through the media. Additional community outreach to various local groups (e.g., churches, PTA's, women's clubs, fraternal organizations, American Legion, realtors, Chamber of Commerce, hospitality organizations, Town nurse, Council on Aging, etc.) should occur through speakers or information meetings, and a newsletter or some progress report should be prepared for general distribution.

During the community meeting on the Community Affordable Housing Plan completed in 2003, there appeared to be renewed interest and consensus on the need for significant community outreach on the issue of affordable housing. This outreach would focus on activities to better inform local residents on the benefits associated with the development of affordable housing and to increase local participation and support, both political and financial, for housing production. In fact, one of the two major housing goals is to maximize local interest and investment in affordable housing.

Given the dissolution of the Local Housing Committee and no available staff support, little attention has been able to be paid to this community outreach issue, however this

Housing Production Plan will help focus community efforts on the issue of affordable housing.

Next Steps: The Draft Plan for Community Education represents a good starting place on which to build a community outreach and education campaign. At a minimum, however, it will be necessary for local leaders, including members of the Board of Selectmen, Sandwich Housing Authority, Planning Board, Zoning Board of Appeals, Community Preservation Committee, Sandwich Council on Aging, and other appropriate Town boards, committees, and departments to become directly involved in various activities related to reaching out to community residents on the issue of affordable housing such as:

- *Forums on the Housing Production Plan:* It may be useful for the Town, through the Board of Selectmen, Housing Authority or Planning Board, to sponsor forums to present the updated Housing Plan, opening these meetings to the public to better sensitize community residents and local leaders on the issue.
- *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. Information to help those at risk of homelessness can also be disseminated including emergency assistance, help with housing searches, transitional housing, and other special needs interventions.
- *Solicitation of donations:* The Town, through the proposed Housing Trust, 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.
- *Special Housing Forums:* Other public education opportunities could be coordinated by the proposed Housing Trust (see strategy VII.B.1) such as having representatives from other towns speak in public forums on particular housing-related topics to spark greater interest and understanding on the issue.
- *Community Meetings on New Housing Initiatives:* When new housing initiatives are proposed and local approval is sought for implementation, the sponsoring entity should hold public meetings to present the proposal and obtain feedback. Approvals for affordable housing efforts should proceed through a transparent and inclusive process, to address local concerns and garner support.
- *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 Sandwich where housing-related responsibilities are shared among a number of local entities including the Board of Selectmen, Housing Authority, Community Preservation Committee, Building Department, ZBA, Planning Board, etc. 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 increase support. Many communities are sponsoring such events, at least on an annual basis. For example, Truro organized a panel discussion on housing issues, inviting representatives of other towns on the Cape and organizations involved in affordable housing. Yarmouth held a spaghetti dinner and offered an update on their affordable housing initiatives with opportunities for feedback from local leaders and the public.

- *Educational opportunities for board and committee members*
Local boards such as the Board of Selectmen, Community Preservation Committee, Zoning Board of Appeals, Planning Board, proposed Housing Trust, and other interested local leaders, as well as members of the Sandwich 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, including the Director of Planning and Development and any designated housing professional (see strategy VII.B.2), Town Administrator, etc. 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". 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.

Timeframe: Priority 1

Resources Required: Reliance on voluntary support from the proposed Housing Trust and other local leaders with the potential of hiring a housing professional, the Housing Authority or a consultant to coordinate events, the costs of which would relate to the scope of services and could be covered by CPA funding.

C. Housing Production Strategies

New housing production, especially affordable housing development, is important to the town of Sandwich not only in order to strive towards the 10% state standard in the Chapter 40B regulations, projected Housing Production goals, and higher Commonwealth Capital scoring (see Attachment 4 for details); but to meet pressing local housing needs as well. With modifications to the existing Zoning Bylaw, greater flexibility can be created that would enable more focused new development in business centers, along transportation and commercial corridors and through mixed uses to avoid environmentally sensitive areas while maintaining the small village and historic character of Sandwich – by promoting “smart growth” objectives. More scattered approaches to new development can be achieved as well through accessory apartments, purchase/rehab development of existing structures, and adaptive re-use. Additionally, it will be important to create mixed-income developments, extending housing opportunities to those households earning up to 120% of area median income who are also largely priced out of the current housing market.

Recent changes to Chapter 40B allow communities to reject comprehensive permit applications if the town has a state-approved affordable housing plan in place and is making progress towards its production goals of at least 0.50% new units produced per year, referred to as a Housing Production Program. These guidelines suggest that Town-sponsored development of on average about 40 units per year (at least 38 units until the 2010 census is available and then up to 41 or 42 after that), including “friendly Chapter 40B developments and other supported development projects, would enable the Town to potentially deny new comprehensive permit applications that were determined to be inappropriate and not meet local needs.

In order to meet the range of local housing needs and maintain better control over affordable housing development, the Town of Sandwich should support these production goals, an extremely ambitious task that will take considerable resources. It is essential that the Town plan for this development as strategically as possible to best leverage the investment of its limited resources and guide new development for the benefit of existing residents and future generations.

The following actions rely on the strategies outlined above on planning and regulatory reforms and capacity-building to forward actual new production of affordable housing.

1. *Make Publicly-Owned Property Available for Affordable Housing*

Current Status: This Plan includes a list of municipal properties that might be suitable to some residential development, including affordable housing (see Section V). Most localities that are interested in sponsoring affordable housing focus initially on Town-owned property, conveying the property at some discounted or nominal value to a builder/developer that has been selected by a local committee to undertake the development. Because of the high costs of real estate, this commitment of property represents a significant project subsidy that contributes to project affordability. There is also a state-owned parcel on Harlow Road that has been identified as a desirable location for affordable housing that deserves further exploration. It should be noted that the Sandwich Housing Authority is expanding its existing family development at George Fernandez Way, creating 24 additional family rental units on SHA-owned property.

Next Steps: The Office of Planning and Development and/or the proposed Housing Trust (see strategy VII.B.1) should make a recommendation to the Board of Selectmen on the conveyance of Town-owned parcels for the development of affordable housing. In addition to sites that have been discussed as appropriate for affordable housing as listed in Section V.A. above, coordinated efforts should be made with the Board of Selectmen and Open Space Committee to secure appropriate portions of open space parcels for affordable housing as well. Additionally, Town officials should pursue discussions with state officials on the prospects of developing some amount of affordable housing on the Harlow Road parcel.

As Town-owned parcels are made available for affordable housing, the Director of Planning and Development should work with the Town's Chief Procurement Officer on drafting a Request for Proposals (RFP's) that includes the criteria established by the Town for the development of the parcel(s) such as rental vs. homeownership, density, design guidelines, level of affordability, and select a builder/developer to undertake the project under Town supervision. Additional properties can be conveyed through a similar process over at least the next decade. If the Town acquires additional property, such as through tax foreclosure or CPA funds, consideration should be made for conveyance towards affordable housing or some combination of appropriate uses.

In regard to the development of Town-owned properties, the major steps involved include the following:

- Identify property for development,
- Secure approval from Town Meeting to convey property for development to incorporate at least some affordable housing,
- Explore technical assistance funding from CPA, the Cape Cod Commission, Massachusetts Housing Partnership or other entity to hire a consultant to conduct preliminary feasibility analysis and prepare a Request for Proposals (RFP) for builders/developers,
- Establish project criteria (e.g., design guidelines, community preference criteria, income mix, type of financing, ownership and management),
- Issue Request for Proposals,
- Select builder/developer,
- Finalize plans and budget,
- Secure financing,
- Start construction,
- Market and select tenants/homebuyers,
- Complete construction,
- Occupy property,
- Manage property including annual income recertification of tenants in the case of rental units, and
- Monitor affordability to keep units included in the SHI.

Timeframe: Priority 1

Resources Required: The value of the donated property represents a major Town commitment to the project, which is typically required in some form by funding agencies. It might also be helpful for the Town to hire a consultant or other professional service contractor (see strategy VII.B.2) to prepare the RFP, coordinate the contractor selection process, and oversee other project-related activities. The costs of this consultant can be included in the project budget, supported by special predevelopment funding from CPA, the Cape Cod Commission (Technical Assistance Program), the Massachusetts Housing Partnership, CEDAC, MHIC or other agency.

Affordable Units Produced: 69 units (5 units are also counted under strategy VII.C.5 below)

2. Work Cooperatively with Private Non-profit and For Profit Developers

Current Status: The Director of Planning and Development has been an effective conduit for the processing of comprehensive permit applications or other private development proposals that involve affordable housing, meeting with developers in the early stages of project development to review their proposals, identify potential problems, and in many cases to obtain important revisions that better adapt the proposals to the best interests of the community.

This Housing Plan includes an ambitious Housing Production Program that will require stepped-up efforts to produce affordable housing. There is not sufficient publicly-owned property on which production goals can be achieved, and Sandwich will have to rely on private property development for mixed-income or affordable housing. It is hoped that the Affordable Housing Conditional Density Development Bylaw, if modified, will spur new development of affordable housing based on local criteria, but it is also likely that the comprehensive permit process will continue to be used as a regulatory vehicle for new affordable housing production. The Director of Planning and Development's continued role in guiding these projects towards more acceptable and effective outcomes will be pivotal. Certainly properties that are in "smarter locations" and will not disrupt undeveloped "greenfields" or environmentally sensitive areas will receive particular attention and greater support.

Many developers are likely to approach the town with a request to process the comprehensive permit through a "friendly" 40B process. To do this the Massachusetts Department of Housing and Community Development (DHCD) initiated the Local Initiative Program (LIP) in 1990 to provide technical assistance to communities that are working with developers to produce affordable housing without state and federal subsidy programs. To the greatest extent possible, these "friendly" solutions should be encouraged, coordinated by the Office of Planning and Development. Developers looking to produce affordable housing through existing or proposed zoning regulations (inclusionary zoning, rezoning of commercial areas, etc.) should also be promoted.

Next Steps: Continue to make this a key responsibility of the Director of Planning and Development, providing necessary staff support to make sure this and other planning and development job requirements receive adequate attention. The proposed Housing Trust

and additional professional support (strategies VII.B.1 and 2) should bolster efforts to increase affordable units through the “friendly” 40B process or under alternative regulations to realize new development that will benefit the town with more appropriate scale, better design, improved amenities, and with sensitivity to the natural landscape and environment. Some of the types of development preferred by the Town include the following:

- Mixed-use development in appropriate locations (see strategy VII.C. 4),
- Redevelopment of nonresidential properties into housing (see strategy VII.C.5),
- Smaller infill housing in existing neighborhoods, and
- Cluster development.

Timeframe: Priority 1

Resources Required: Considerable staff time of Director of Planning and Development and additional professional support (see strategy VII.B.2).

Affordable Units Produced: 169 units (110 units involving mixed-use development are also counted under strategy VII.C.4)

3. Convert Existing Housing Stock for Affordable Rental and For Sale Housing

Current Status: While housing acquisition prices remain high, some of the smaller houses in town could be purchased, subsidized as affordable and leased or sold to low- and moderate-income households. Larger properties could also be candidates for acquisition and rehab, to be managed as rental property or developed as mixed-income or affordable condominiums.

Next Steps: The Town has established precedents for converting existing housing to long-term affordability through two (2) approaches:

- *The Rental Acquisition Program (RAP)*
The Sandwich Housing Authority (SHA) has begun a program to acquire properties and subsidize them so they are affordable to low- and moderate-income households, the SHA owning and managing the properties as rentals. They have acquired two (2) properties to date with \$235,000 in CPA funding. Because the units do not meet all current requirements of the state’s Local Initiative Program (LIP), they are not now counted as part of the SHI. It will be important for the Housing Authority to work with the Town of Sandwich to prepare a Ready Renters List, through the implementation of an Affirmative Fair Housing Marketing Plan and lottery, approved by DHCD, and also execute state-approved deed restrictions to insure long-term affordability.

The Town of Sandwich should provide SHA with additional CPA funding so it can acquire more property as rentals through this program. In addition to small properties, the Authority might want to also look at larger properties that could

be divided into multiple apartments like the Barnstable Housing Authority did for their Aunt Sarah's Harbor View House and 71 Pleasant Street.²⁸

- *The Sandwich Home Ownership Program (SHOP)*
The Town of Sandwich secured about \$1 million as payments in lieu of producing four (4) actual affordable units via negotiations with a private developer on a residential development project in East Sandwich that was under Cape Cod Commission DRI review. The Town then selected Housing Assistance Corporation (HAC) to coordinate an effort to invest this funding in a buy-down project involving the purchase of seven (7) existing housing units, completion of necessary improvements, and the use of subsidies to enable first-time homebuyers earning at or below 80% of area median income to purchase the units. The properties were scattered throughout the town, indistinguishable from neighboring homes as subsidized. Five (5) of the homes were sold to first-time buyers who lived, worked or had immediate family living in Sandwich prior to purchasing. HAC was also able to secure some additional funding from the Federal Home Loan Bank and Barnstable HOME Consortium of \$7,500 and \$20,000 per unit, respectively.

HAC had the capacity to coordinate the purchase of the units as well as the management of the purchaser selection process through its Cape Community Real Estate Program and insure that the units would fulfill all state requirements under the Local Initiative Program (LIP) to allow them to count as affordable and part of the Subsidized Housing Inventory. It also had the internal capacity to make all necessary repairs to ensure that new owners would be free from any major expenses for at least the first five (5) years, managed by HAC's Development Department.

HAC completed the project within twelve (12) months, from designation as the project administrator to final occupancy of the units. The houses were sold for approximately \$150,000 and the subsidy per unit was a bit higher at about \$170,000.

Using this buy-down method of converting existing housing to long-term affordability

²⁸ The acquisition of a former rooming house, Aunt Sarah's Harbor View House, was converted into 12 affordable rental units through a "friendly" comprehensive permit. Compass Bank provided the construction financing to renovate the property, and the Massachusetts Housing Partnership financed the permanent loan through its Perm Plus Program, which unfortunately is no longer available. The BHA was also able to use Section 8 project-based financing for this development.

Another RAP property included nine (9) units at 71 Pleasant Street in Hyannis, which had been an alcohol treatment facility. The property, now known as Career House, is targeted to mentally ill individuals with services provided by the Baybridge Club Housing in cooperation with the May Institute. The BHA manages the property. Sovereign Bank provided project financing, and the BHA was once again able to use Section 8 project-based subsidy funds.

results in a number of positive local outcomes including:

- There is no additional land development or infrastructure involved.
- There are no necessary public hearings, with the exception of possible approvals of funding such as CPA funds (this project did not involve CPA but negotiated fees from a developer).
- There is no requirement of building ratios of three (3) market units to get one (1) affordable one and no comprehensive permitting.
- The Town realizes an increase in its inventory of affordable workforce housing in months not years.
- All housing units through this program are deed restricted in perpetuity and use a resale price multiplier dependent upon the area median income to determine the resale price, not fluctuations in market value.

This is a prototype that could be used by Sandwich once again, with subsidies from the Community Preservation Fund and/or HOME funding. The following is a proposed breakdown of the budgetary requirements per unit, premised on being able to find a suitable home or condo on the market for \$300,000²⁹:

PROPOSED USES	
Acquisition costs	\$300,000
Legal fees	\$2,000
Home inspection	\$500
21E inspection ³⁰	\$850
2 mos. mortgage/interest payments	\$2,000
Insurance	\$120
Repairs	\$5,000
Utilities/heat	\$1,000
Overhead/administration	\$15,000
Total Uses	\$326,470
PROPOSED SOURCES³¹	
Selling price	\$150,000
CPA funds	\$176,470
Total Sources	\$326,470

The town should provide CPA funding to implement both the rental and ownership models and work with for profit or non-profit developers to identify existing opportunities for conversion to affordable housing. Rental properties could be managed by the Housing Authority and under the ownership model, homes would be sold by the project sponsor to income-eligible first-time homebuyers with the necessary resale

²⁹ More subsidy would be required for those communities with higher market values.

³⁰ Environmental inspection required if HOME funding is used.

³¹ For some of the SHOP homes HOME and Federal Home Loan Bank funds were used which equaled \$20,000 and \$7,500 per home, respectively.

restrictions. Funding could come from a variety of sources such as the HOME Program through the Barnstable HOME Consortium, Section 8 program (for rental projects) and other resources available from the state. The town could chose to work on the homeownership component with a non-profit organization such as the Housing Assistance Corporation (HAC), Habitat for Humanity, etc., using an RFP process.

Timeframe: Priority 2

Resources Required: CPA and other potential sources of subsidy, such as HOME Program funding, as well as staff time from the Sandwich Housing Authority and selected sponsor of the homeownership component would be needed. Staff time from the Director of Planning and Development and/or the proposed housing professional (see strategy VII.B.2) would also be required.

Affordable Units Produced: 18 units

4. Encourage Mixed-Use Development

Current Status: Mixed-use zoning, or land use regulations that all for a concentrated mix of various uses in strategic locations (such as villages, town centers, transportation corridors and nodes), are a basic principle of “smart growth” development and sustainable design. Such development is a major goal in the updated Local Comprehensive Plan in that it directs growth to appropriate locations and limits suburban sprawl. In fact, the Local Comprehensive Plan established 15 strategic planning areas in which the town is divided, including four (4) where mixed-uses and economic development are targeted including Route 6A/Tupper Road/Marina Area, Sandwich Industrial Park and District, South Sandwich Village Center, and Historic Village/Route 6A Areas. This work is also being coordinated with the development of a Comprehensive Wastewater Management Plan.

At present, a property owner can apply for a special permit to develop a mixed-use property. However, to better promote “smart” mixed-use development, the Town of Sandwich, through its Office of Planning and Development, is in the process of rezoning areas in the South Sandwich Village Center (SSVC), also referred to as the Golden Triangle, along Route 130 to allow the development of mixed residential and commercial uses, including affordable housing. The SSVC conceptual plan involves the following land use goals:

- High quality office space;
- High technology businesses;
- Entertainment opportunities;
- Retail stores serving surrounding neighborhoods;
- Civic uses including Town facilities, services, and passive and active open spaces; and
- *Condominium and congregate housing opportunities including an estimated 458 dwelling units.*

The planning for this work is proceeding simultaneously to the preparation of a Comprehensive Wastewater Management Plan that will establish the framework for pursuing sewer services in this and other designated growth areas.

Next Steps: In addition to completing work on the rezoning and Wastewater Management Plan, the Town should begin work on development plans. There is a Town-owned parcel in the Golden Triangle that has the potential for significant housing development, including affordable housing (see Table V-1). This property may also have the ability to be combined with some adjacent privately-owned parcels to create a sizable development. In addition to likely future sewer services, the Town should explore the prospects of tying into the existing on-site treatment plant at the Forestdale School for this Town-owned parcel. There may be some potential for tying into the treatment facility at the Oakdale School as well for another development.

Funding would be required from numerous sources, and support from 40R and 40S (see Attachment 4 for details), the state's Smart Growth Overlay District legislation and funding, should be explored as part of development plans for this area. The developer for the Town-owned parcel would be selected through a Request for Proposals after Town Meeting has voted to convey the property for housing.

Timeframe: Priority 1

Resources Required: Significant staff time of the Director of Planning and Development and/proposed housing professional (see strategy VII.B.2). CPA funding could be used for predevelopment work to move project planning forward. Numerous sources of financing will be ultimately be required for such a large project.

Affordable Units Produced: 110 units (also counted under strategy VII.C.2 above)

5. Promote Adaptive Re-use of Existing Structures

Current Status: The Town should identify underutilized nonresidential properties, including any historic buildings, for conversion to affordable housing through various options including but not limited to Single Room Occupancy Units (SRO's), congregate and/or special needs housing, rental housing and first-time homeownership. Depending upon the structure, adaptive re-use can be amenable to mixed-use and mixed-income development.

Next Steps: Identify an inventory of such properties that might be purchased, rehabilitated and converted to residential use and then attract interested for profit or non-profit developers to undertake development. In the case of Town-owned properties, such as the Old School Administration building and the satellite fire station on Route 130,³² the Town would need to obtain Town Meeting approval for their conveyance for the

³² The Town is discussing the possibility of building a main fire station and conceivably this satellite station may become surplus in the future.

purpose of community housing and then prepare a Request for Proposals (including the terms and conditions of the development) to select the most qualified developer.

Timeframe: Priority 2

Resources Required: The Office of Planning and Development and/or the proposed Housing Trust (see strategy VII.B.1) should identify possible properties and find partners to develop them. Predevelopment funding from CPA or other sources such as the Massachusetts Housing Partnership, CEDAC, MHIC, etc. should be explored to support project planning.

Affordable Units Produced: 5 units (also counted under strategy C.1 above)

D. Direct Housing Assistance Strategies

Housing production is critical, but the Town also needs to be concerned that it provides information on resources that can help meet the housing needs of community residents.

1. *Help Qualifying Residents Access Housing Assistance*

Current Status: Despite a sluggish housing market, high housing costs are still creating problems for low-income residents. For example, renters continue to confront difficulties finding safe and decent rental units, especially given the large up-front costs such as first and last months rent, a security deposit, moving expenses, etc. Owners, including seniors living on fixed incomes, are finding it difficult to afford the costs associated with rising taxes, energy costs, insurance and home improvements. Others are being faced with foreclosure. Additionally, some seniors and those with special needs require handicapped adaptations and repairs to help them remain in their homes. Sandwich residents might also benefit from technical and financial support in the case of septic failures and Title V compliance issues.

The HUD Consolidated Plan indicated that there are significant numbers of existing homeowners who lack the resources to make critical home improvements and invest in energy-saving repairs to reduce costs. The Council on Aging also indicated that they encounter elders who need assistance in addressing deferred home maintenance needs and handicapped accessibility. It is not unusual for elderly homeowners on fixed incomes to have such needs, stretching their limited funds to pay taxes, utilities and remain in their homes. The Plan states “the area’s low wages, increases in taxes and sizable elderly population all contribute to this serious housing problem for existing owners”.

The Housing Assistance Corporation (HAC), the region’s non-profit housing organization, manages a number of programs and services for qualifying households including the following:

- *Education and Counseling Services*
There are counseling programs available to help renters prepare for homeownership and to assist existing owners in preventing foreclosure. HAC has received state and federal funding to provide this counseling, however, pending cut-backs may reduce their capacity to provide such assistance.
- *Existing Homeowner Rehabilitation Assistance Program*

This Program provides a no-interest, deferred payment loan to qualifying homeowners, the amount not to exceed \$25,000 and to be repaid upon the sale or refinancing of the property. The maximum house value for participating properties is \$362,000 and consequently many properties in Sandwich may not qualify. The needs of seniors, handicapped and single parents are given priority consideration for funding, as are houses with substantial repair needs.

- *Get the Lead Out*
With funding from MassHousing, this Program provides low-cost financing to owners of 1-4 family properties to remove lead and reduce the possibility of lead poisoning in children.
- *Home Modification Loan Program*
Offers financial assistance to persons seeking to make modifications to their home to improve accessibility for the physically disabled.
- *Weatherization*
A federally-funded program to help qualifying property owners make energy-efficient home improvements. Most households that receive fuel assistance also qualify for this program.
- *Heartwrap*
An emergency repair program for households receiving fuel assistance that require the repair or replacement of their heating system.
- *Keyspan Gas Program*
Provides installation, caulking and weather stripping to income-eligible tenants and homeowners who heat with Keyspan Gas and receive the lowered gas rate.
- *Cape Light Compact Efficiency Program*
Offers energy-saving devices (i.e., light bulbs, water conservation and other devices) and technical assistance to qualifying tenants and homeowners on how to save on their electrical bills. Some participants can also qualify for a free refrigerator, freezer.

The Sandwich Council on Aging also manages a Handy Man Repair Program that coordinates volunteers to conduct minor repair work. The Council indicates that on occasion they receive requests from elders with more significant repair needs (e.g., furnace, windows, roofs) that require the intervention of professionals. Under such circumstances, seniors are referred to other programs including those sponsored by the Housing Assistance Corporation (HAC).

Next Steps: Through the community educational campaign recommended in Section VII.B.3, important information on rental assistance, education and counseling services and housing improvement resources could be disseminated to real estate professionals, local organizations and community residents.

Timeframe: Priority 1

Resources Required: Donated time of volunteers or some limited staff time from the Council on Aging and Sandwich Housing Authority to make appropriate referrals.

2. *Reduce the Cost Burden and Diminish the Threat of Homelessness for Low-income Tenants*

Current Status: Barnstable County's HUD Consolidated Plan highlighted the risk of homelessness on the Cape and attributed it to several factors including the high demand and relative lack of affordable housing, the significant number of low-income residents with excessive to severe cost burdens, seasonal rentals and economy, and other special needs issues. The Plan suggests a range of resources available on the Cape to increase affordable rental housing, provide rental subsidies, offer emergency assistance, provide help with housing searches, offer transitional housing, and meet other special needs.

Next Steps: Through the training and educational campaign recommended in Section VII.B.3, important information on resources to prevent and respond to homelessness could be disseminated to real estate professionals, local leaders, community service workers and community residents.

Timeframe: Priority 1

Resources Required: Reliance on voluntary support from the proposed Housing Trust and other local leaders with the potential of hiring the proposed Housing Specialist, the Housing Authority or a consultant to coordinate events, the costs of which would relate to the scope of services and could be covered by CPA funding.

**ATTACHMENT 1
Summary of Housing Strategies**

Strategies	Priority for Implementation		# Affordable Units	Responsible Party**
	Priority 1 In Years 1–2	Priority 2 In Years 3–5		
Planning and Regulatory Reforms				
Assess/amend existing zoning	X		*	PB
Develop a foreclosure tracking system	X		*	OPD/Tax Collector Town Attorney
Explore property tax exemption for year-round rental properties		X	*	BOS
Local Capacity Building Strategies				
Create a Housing Trust Fund	X		*	BOS
Secure professional support	X		*	BOS
Conduct an educational campaign for affordable housing	X		*	All appropriate boards/committees
Housing Production Strategies				
Make publicly owned land available for affordable housing	X		69 (including 5 re: adaptive re-use)	BOS
Work cooperatively with developers	X		169 (including 110 for mixed-use projects)	OPD
Convert existing housing to affordability		X	18	OPD and SHA
Encourage mixed-use development	X		110 (see above)	OPD
Promote adaptive re-use		X	5 (see above)	OPD
Direct Housing Assistance Strategies				
Help qualifying residents access housing assistance	X		*	SHA and COA
Reduce cost burdens and threats to homelessness	X		*	SHA and COA

** 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.*

****Abbreviations**

Board of Selectmen = BOS

Planning Board = PB

Sandwich Housing Authority = SHA

Council on Aging = COA

Office of Planning and Development = OPD

ATTACHMENT 2 Local Housing Organizations

The town of Sandwich has several housing agencies and organizations available to help support the production of affordable housing including the following:

1. **Sandwich Housing Authority (SHA)**

The Sandwich Housing Authority was incorporated in 1960 to produce housing for low-income residents. Today it owns and manages affordable housing units at three (3) project sites representing approximately 100 units and has the capacity to undertake additional housing production to meet local needs. (See Section III.C for more details.)

2. **Sandwich Community Preservation Committee**

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.

Sandwich adopted the CPA in May 2005, with support of 81% of all voters. The Town approved a 3% surcharge without any exemptions. Like the other communities on Cape Cod, Sandwich 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 four (4) members at-large, appointed by the Board of Selectmen and representatives of the Housing Authority, Conservation Commission, Historical Commission, Planning Board, and Recreation Committee. Estimates indicate that the surcharge will raise approximately \$1,243,000 from local funds in fiscal year 2009. The state match is expected to be about \$472,500. Housing-related expenditures to date have included \$232,000 to support the Housing Authority's Rental Acquisition Program, \$250,000 for Seashell Village, as well as \$40,000 in predevelopment funding and \$1,850,000 in project funding for the expansion of George Fernandez Way,

3. **Barnstable County HOME Consortium**

This 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 Sandwich.

4. 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 development, including the proposed Community Green project in Sandwich. In addition to serving as a non-profit developer, the organization has a wide range of financial and educational resources available for renters and first-time homebuyers.

5. 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.

6. Cape Cod Commission (CCC)

The Cape Cod Commission was created as the regional planning agency for the Cape. In addition to coordinating a wide range of planning and policy activities, the Commission administers the Technical Assistance Program (TAP) that provides consultants to assist communities in identifying housing assistance resources. The Commission also manages the allocation of some 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 Consortium of communities.

ATTACHMENT 3 Glossary of Housing Terms³³

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, 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)

DHCD is 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

³³ 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.

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

Inclusionary zoning is 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

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

Local Initiative Program (LIP)

LIP is 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)

MassHousing is 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, MSA, 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

Mixed-income development includes housing for various income levels.

Mixed-Use Development

Mixed-use projects 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 Sandwich'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 Sandwich'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.

ATTACHMENT 4
Summary of Housing Regulations and Resources

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 met³⁴:

- 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.

³⁴ Section 56.03 of the new Chapter 40B regulations.

- 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.³⁵ 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 30days 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 within 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

³⁵ 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.

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*
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 within the parameters of fair housing laws and Section III.C of the Comprehensive Permit Guidelines including Sandwich residents, employees of the Town of Sandwich (including the school district) or employees of businesses located in town.

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 (38 units and 76 units, respectively, for Sandwich until the new census figures are available in 2011) for *approval* by DHCD.³⁶
- 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.

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

³⁶ Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

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”.³⁷

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.”³⁸ 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:

Incentive Payments	
Incentive Units	Payments
Up to 20	\$10,000
21-100	\$75,000
101-200	\$200,000
210-500	\$350,000
501 or more	\$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

³⁷ 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.

³⁸ Massachusetts General Law, Chapter 40R, Section 11.

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.”³⁹

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

³⁹ “A Housing Strategy for Smart Growth and Economic Development: Executive Summary,” p. 4.

“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 Rents⁴⁰

- 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 payed 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 fees⁴¹, 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

⁴⁰ DHCD has an electronic mechanism for calculating maximum sales prices on its website at www.mass.gov/dhcd.

⁴¹ 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.

- 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.)

- 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 unit’s 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). For resale questions contact Elsa Campbell, Housing Specialist (phone: 617-573-1321; fax: 617-573-1330; email: elsa.campbell@state.ma.us).

E. Commonwealth Capital⁴²

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)

⁴² 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

- 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.

Draft 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 Sandwich are described below.⁴³

A. Technical Assistance

1. *Priority Development Fund*⁴⁴

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.

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.

⁴³ 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.

⁴⁴ Description taken from the state's program description.

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). Those communities that do not receive HOME or CDBG funds directly from HUD can apply for up to \$65,000 per unit. 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, Sandwich 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.

The **Massachusetts Small Cities Program** that has a set-aside of Community Development Block Grant (CDBG) funds to support a range of eligible activities including housing development. However, at least 70% of the money must provide benefits to households earning within 80% of median income. This money is for those nonentitlement localities that do not receive CDBG funds directly from HUD. Funds are awarded on a competitive basis through Notices of Funding Availability with specific due dates or through applications reviewed on a rolling basis throughout the year, depending on the specific program. This funding supports a variety of specific programs.

The **Housing Development Support Program (HDSP)** provides gap financing for small affordable housing projects with fewer than eight units, including both new construction and rehabilitation. Eligible activities include development, rehabilitation, homeownership, acquisition, site preparation and infrastructure work. There is a maximum of \$500,000 plus administrative costs but the program can go up to \$750,000 per project for somewhat larger developments of up to ten units that involve mixed-use or adaptive reuse projects. A majority of the units must be affordable. All state and federal grants cannot exceed 75% of total project costs with the exception of special needs projects where such grants can amount to 100% of total costs. Funding involves a two-step process: 1) a notice of intent that provides basic information on the project, and 2) the municipality may be invited to submit a full application. HDSP Program funding is extremely competitive, and projects that receive funding through the state HOME or Housing Stabilization Fund Programs are excluded from applying to HDSP.

There are other programs funded through the Community Development Block Grant Small Cities Program for both homeownership and rental projects. A number of the special initiatives are directed to communities with high “statistical community-wide needs”, however, the **Community Development Fund II** is targeted to communities with lower needs scores that have not received CDBG funds in recent years. Funding is also awarded competitively through an annual Notice of Funding Availability. DHCD also has a **Reserve Fund** for CDBG-eligible projects that did not receive funding from other CDBG funded programs or for innovative projects.

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. Sandwich 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 Sandwich is the Housing Assistance Corporation (HAC).

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-leadings 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.