

## **TOWN OF BOURNE**

24 Perry Ave

Buzzards Bay, MA 02532

# **HOUSING PRODUCTION PLAN**

April 2014

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## **TOWN OF BOURNE HOUSING PRODUCTION PLAN**

### **Acknowledgements**

The members of the Bourne Housing Partnership and the Consultant would like to thank the following people for their contributions to this Housing Plan:

Donna Barakauskas, Assessor

Ann Gratis, Bourne Planning and Building Department

Margaux LeClair, Massachusetts Department of Housing and Community  
Development

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## **TOWN OF BOURNE HOUSING PRODUCTION PLAN**

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## **TOWN OF BOURNE HOUSING PRODUCTION PLAN**

### **I. EXECUTIVE SUMMARY**

#### **A. Introduction**

Housing in Bourne, as in other coastal resort communities, poses unusually complex problems. For example, while the community is fortunate to have some diversity in its housing stock, including a significant inventory of rental and multi-family housing that tends to promote greater affordability, these units have been declining. Additionally, growth in housing supply, while slowing down some, has been substantial over the past several decades as the number of housing units in Bourne increased by 25.5% during the eighties, another 7.2% in the nineties, and up 12.0% from 2000 to 2010. This most recent rate of housing growth was significantly higher than the county and state at 9.0% and 7.1%, respectively. Some recent building activity has in fact been the result of demolishing previous homes and rebuilding newer more expensive ones in their place. Simultaneously, homeowner vacancy rates have been declining over the past several decades to an all-time low of 2.3% by 2010, representing very tight market conditions.

While housing prices soared to unprecedented levels in 2005, the bursting of the housing bubble depressed the housing market, bringing housing prices down. However, over the past year the market has been reviving to a median single-family home price of \$320,000, not much lower than the median for the county at \$335,000. As the market continues to rebound, affordability gaps between what residents can afford and what they must pay will widen. These affordability problems are evident by the Bourne Housing Authority's persistent total of several hundred names on its waiting lists, indicating unusually high need. Households headed by elders, others on fixed income or by a single person are a rapidly growing share of the Town's makeup and affect housing needs. At the same time, resources for supporting increasing housing needs have been shrinking on both state and federal levels. The level of housing need is also apparent in that *804 households or more than 42% of all Bourne households were living in housing that is by common definition beyond their means and unaffordable.*

To be counted as affordable, housing must be dedicated to long-term occupancy of income-eligible households through affordability restrictions. The 2013 HUD income limits for Barnstable County are included in Table II-1. Using these income guidelines a family of three (3) could afford to purchase a house for no more than about \$230,000<sup>1</sup> and rent for a maximum of about \$1,600 a month.<sup>2</sup> Based on the housing market information detailed in Section III.C.3 of

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<sup>1</sup> Figures based on 95% financing, assuming the ability of the purchaser to obtain subsidized mortgage financing from the ONE Mortgage Program or MassHousing mortgage offerings. Therefore, no private mortgage insurance (PMI) was included in the calculations. Other assumptions an interest rate of 5.0%, 30-year term, annual property tax rate of \$9.45 per thousand, and insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed). Also assumes the purchaser will be spending no more than 30% of gross income on mortgage, taxes and insurance.

<sup>2</sup> Assumes that a tenant should pay no more than 30% of gross income on rent and annual utility costs of \$1,800.

this Plan, such purchase prices and rents are still available, but because of a reviving housing market, will likely become increasingly less accessible in the future. Recent home sales indicate that there were only 68 sales of single-family homes and condos within the last year below \$200,000, suggesting that those earning at or below 80% of area median income have very limited affordable homeownership options in the community. Most of these lower priced home sales were also likely to be small and require property improvements. A recent rental market analysis also suggested that rental units were somewhat higher than HUD Fair Market Rent levels and a two-bedroom apartment is now renting for about \$1,375 and requiring an income of \$61,000, still affordable to those earning within 80% AMI.

The Town has been making progress towards meeting its housing needs. In fact the Town, through the Bourne Housing Partnership and Bourne Affordable Housing Trust, has been a pioneer in creating and implementing proactive strategies to promote affordable housing. Currently there are 563 housing units that the state has recognized as affordable and eligible for “counting” towards the 10% affordability goal under Chapter 40B, representing 6.6% of the community’s year-round housing stock, up from 521 affordable housing units in 2005. The addition of the 58 senior rental units at the Coady School will bring the total to 621 affordable units or 7.2% of Bourne’s year-round housing stock and other completed and pipeline projects will boost the percentage to 8.1%. About another 76 units are occupied by households that receive direct rental housing subsidies that enable them to afford to live in privately-owned properties in the community. As indicated in Section III.D of this Housing Plan, this progress has been insufficient to meet unmet local housing needs.

## **B. Summary of Housing Needs Assessment<sup>3</sup>**

The Housing Needs Assessment, a major component of this Housing Production Plan, includes an overview of the current housing situation in the town of Bourne, providing the context within which a responsive set of strategies can be developed to address housing needs. Key findings in regard to demographic, economic and housing characteristics and trends are summarized below.

- ***Continued but slower population growth***

The 2010 census data indicates that the town of Bourne had a total population of 19,754, a 5.5% increase over the 2000 population of 18,721, after a 15.8% and 16.5% rate of growth during the 1980s and 1990s, respectively. Altogether there was a 42.4% population increase between 1980 and 2010, comparable to the 45.9% rate of growth for Barnstable County. Since the 2010 census figures were released, Town records indicate that the population continues to grow with a total population of 20,582 as of January 1, 2013.

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<sup>3</sup> It should be noted that the Housing Needs Assessment includes the most up-to-date data available. When 2010 census data is not available, the most recent issue of the Census Bureau’s American Community Survey (ACS) is used for various types of census data. Because the ACS is based on a sample, it is subject to sampling error and variation.

- ***Declining numbers of younger residents and increases in older ones***  
Census data indicates that the median age of residents has increased significantly from 39.2 years in 2000 to 44.1 by 2010. Of particular note are those in the 45 to 64-age range, many of the baby boomer generation, a group that has almost doubled in number, going from 17.9% of the population in 1990 to 30.1% by 2010.
- ***Increases in smaller households***  
The number of households increased by 33.4% between 1990 and 2010, higher than the total population growth during the same period of 23.0% and reflective of the increasing number of smaller households. While families were still the predominant type of household, they decreased from 72.1% of all households in 1990 to 63.8% by 2010, while non-family households,<sup>4</sup> including single individuals who are living alone, increased significantly during this period.
- ***Growing income disparities***  
The median household income in 2011 was \$62,531, which was up 38.6% from the 2000 median of \$45,113 and almost double the 1990 median income of \$34,159. Despite increasing income levels, about half of all Bourne households were earning within the 80% AMI HUD income levels for the area and potentially eligible for housing assistance based on income alone. Growing income disparities are also reflected by tenure such that about half of renters earned within \$35,000 compared to only 18.2% of homeowners with 2011 median income levels of \$75,455 and \$35,140 for owners and renters, respectively.
- ***Recent increases in poverty***  
The numbers of individuals and families in poverty increased from 1990 to 2011, rising over the past couple of decades for not only for individuals and families but also for children and the elderly. The numbers of those living within the poverty level are quite substantial – almost 1,800 individuals and 400 families. This population represents an extremely vulnerable group whose limited means suggest a need to access public assistance and subsidized housing.
- ***Diversity in employment opportunities but significant service sector with lower-paying jobs***  
Bourne has a relatively diverse employment base, however, a large segment of the labor force is tied to the service and retail industries that fuel not only year-round residents but seasonal tourism as well. State workforce data indicates that the average weekly wage was \$825, less than half of Boston's at \$1,585.
- ***Slower recent housing growth and increasing level of demolition/rebuild activity***  
The 2010 census counted 10,805 total housing units in Bourne, up by 1,157 units or 12.0% from 9,648 units in 2000. In fact more recent housing growth has been higher than what occurred between 1990 and 2000 when only 649 new units were produced, representing a 7.2% rate of growth. However, the recent 12.0% growth rate was lower

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<sup>4</sup> Non-family households include those whose members are not related or single individuals.

than what occurred between 1980 and 1990 when 1,830 new units were built, reflecting a 25.5% rate of growth. Since 2010, a total of 91 new housing units have been produced simultaneously to an increase in teardown activity as 27 homes were demolished and replaced by new and more expensive ones.

- ***Predominance of single-family structures***  
Most of the community's housing units are in single-family detached structures, 80.3%, with another 4.4% in single-family attached dwellings, about the same level as the county at 85.1%.<sup>5</sup>
- ***Decreases in the rental housing stock***  
Occupied rental units fell by 129 units between 1990 and 2010 despite overall growth in the housing stock during this period of 20.1%, going from 34.6% of all occupied units to 24.3%. It is likely that new development was not only targeted to homeownership but also that some portion of the rental housing stock was converted to ownership during this period. This level of renter-occupancy is still somewhat higher than county levels at 22.6%.
- ***Proportional declines in seasonal units***  
After a decline in the number of units for seasonal or occasional use between 1990 and 2000, the 2010 census indicated an increase back to 1990 levels. However, despite housing growth, the number of such units proportionately decreased from 24.3% in 1990 to 20.6% by 2010.
- ***Some loss of small multi-family units***  
Census estimates indicate that Bourne had 7.2% of its units in small multi-family dwellings of two to four unit as well as 7.2% in larger multi-family housing of five or more units. Between 2000 and 2011 there was in fact a decline in the number of multi-family units in two to nine-unit structures with some increase of units in larger multi-family structures. This decline in small, multi-family homes represents the loss of a valuable segment of the town's existing housing diversity and more affordable private housing stock.
- ***Increase in mobile homes***  
The census also counted 211 mobile homes, up from 123 in 2000. Mobile homes represent an affordable segment of the community's housing stock and the Town should focus on ways to improve and protect these units.
- ***Housing costs are increasing***  
Census estimates indicate that the 2011 median house value was more than twice the 2000 value at \$353,700 and \$166,100, respectively, while there was only a small increase in median values the previous decade with the 1990 median of \$153,900. The significant increase in housing values between 2000 and 2011 is also reflected in the number and percentage of relatively affordable units. In 2000, 3,282 units or more than two-thirds of Bourne's housing stock (68%) was valued below \$200,000. By 2011 the number of units priced in this range had decreased to 461 units or 7.4%. It is likely that

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<sup>5</sup> U.S. Census Bureau, 2012 American Community Survey for county data.

all of the town's 211 mobile homes fall within this range and the remaining units are small and in likely poor condition.

By 2011, the bulk of housing units shifted to the \$200,000 to \$500,000 price range despite the relatively recent bursting of the housing bubble. Of particular note is the number of high-end units priced above \$500,000, which included only 202 units in 2000 but increased to 1,333 units, or by 560%, by 2011.<sup>6</sup>

The rental market has changed substantially as the median rent increased by 56% between 2000 and 2011, from \$665 to \$1,037. Of the 2,094 rental units analyzed in 2000, 425 units or 20.3% had gross rents of less than \$500 compared to 268 units or 14.8% by 2011. It is also important to note that the census counts include subsidized units, which represent about 30% of all rental units in Bourne.

As the affordability analysis indicates in Section III.C.4, significant gaps remain between what most current residents can afford and what housing is available. In addition to sizable income requirements, both purchasers and renters are confronted with substantial up-front cash requirements and credit checks when seeking housing. Also, long-term residents encounter difficulties keeping up with housing expenses including taxes, utilities and insurance. It is no wonder that in 2011, an estimated 3,337 households or more than 42% of all Bourne households were living in housing that was by common definition beyond their means and unaffordable (spending more than 30% of their income on housing), including 817 renters (45% of all renters) and 2,520 owners (42% of all owners).

Even if Bourne was able to reach the 10% affordability goal, it would still be unlikely that the affordable housing that is produced will be sufficient to meet the range of unmet local needs based on the following indicators:

- Significant numbers with limited incomes and growing income disparities – *Need subsidized rental units for those with very limited incomes*
- Increasing poverty – *Need subsidized rentals for the community's most vulnerable households*
- Widening affordability gaps – *Need a mix of affordable rental and ownership units*
- High cost burdens – *Need more affordable living options for both existing renters and owners who are spending too much on their housing*
- Long waits for subsidized rental housing – *Need more subsidized rentals*
- Decreases in the rental housing stock – *Need to replace some of this valuable housing*
- Significant numbers of people with disabilities – *Need to incorporate handicapped accessibility and supportive services into new development*
- Increases in smaller households – *Need to focus on producing smaller units for increasing numbers of persons living alone and smaller families*
- Older housing stock – *Need resources to make necessary home improvements for units occupied by low- and moderate-income individuals and families*

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<sup>6</sup> Census housing values are derived from Assessor's data.

The convergence of demographic, economic and housing trends – an aging population, fewer young adults, rebounding housing values, lower housing production, declining housing diversity, difficulty in obtaining financing, significant cost burdens, and large up-front cash requirements for homeownership and rentals – all point to a challenging housing dynamic! If these demographic and housing trends are left to evolve unchecked, Bourne will lose ground on its ability to be a place where individuals and families across a range of economic and social strata can call home.

### **C. Summary of Housing Production Goals**

The state administers the Housing Production Program that enables cities and towns to adopt an affordable housing plan that demonstrates production of 0.50% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory (SHI). Bourne would have to produce at least 43 affordable units annually based on these goals, a formidable challenge, and housing growth will continue to drive-up the 10% affordability goal under Chapter 40B.

If the state certifies that the locality has complied with its annual production goals, the Town may be able, through its Zoning Board of Appeals, to deny comprehensive permit applications without the developer's ability to appeal the decision.<sup>7</sup> **Production goals over the next five (5) years include the creation of an estimated 178 affordable units.**

### **D. Summary of Housing Strategies**

The Town of Bourne has implemented most of the housing strategies that were included in its 2005 Affordable Housing Plan that was approved by the state under former Planned Production requirements. The Town in fact has most of the building blocks of this Housing Production Program already in place, including local entities for undertaking the work and housing programs and projects underway. Consequently, a major focus of this Housing Production Plan is the continuation of the mix of current activities to promote affordable housing. A number of new actions are also proposed, most of which involve zoning changes to better promote affordable housing and smart growth development.

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

| Table I-1<br>Summary of Housing Strategies                         | Priority for Implementation |              | # Affordable Units          | Responsible Parties*** |
|--------------------------------------------------------------------|-----------------------------|--------------|-----------------------------|------------------------|
|                                                                    | In Years 1-2                | In Years 3-5 |                             |                        |
| <b>VI.A Continuation of Existing Housing Strategies</b>            |                             |              |                             |                        |
| 1. Conduct ongoing community education                             | X                           |              | *                           | HP/BHA/COA             |
| 2. Capitalize the Affordable Housing Trust Fund                    | X                           |              | *                           | BOS/CPC/AHT            |
| 3. Continue funding existing housing initiatives                   | X                           |              | 15                          | BOS/CPC/HP/AHT         |
| 4. Make suitable public property available for affordable housing  | X                           |              | 18                          | BOS/AHT                |
| 5. Create affordable living options for seniors                    | X                           |              | 16 (also counted in VI.A.4) | BHA                    |
| 6. Work with developers on fine-tuning affordable housing projects | X                           |              | 128                         | HP/ZBA                 |
| 7. Encourage special needs housing                                 | X                           |              | 7                           | HP/AHT                 |
| 8. Monitor and insure SHI units remain affordable                  | X                           |              | *                           | HP                     |
| <b>VI.B Introduction of New Housing Strategies</b>                 |                             |              |                             |                        |
| 1. Pursue Chapter 40R/40S smart growth zoning                      | X                           |              | 10                          | PB/HP                  |
| 2. Explore solutions for preserving mobile homes                   | X                           |              | *                           | HP/AHT                 |
| 3. Pursue new buy-down strategies                                  | X                           |              | Included in VI.A.3          | HP/AHT                 |
| 3. Amend accessory dwelling bylaw                                  |                             | X            | *                           | PB/HP                  |
| 4. Revise open space community bylaw                               |                             | X            | *                           | PB/HP                  |
| 5. Explore adoption of inclusionary zoning                         |                             | X            | *                           | PB/HP                  |

\* Indicates those 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

Bourne Housing Partnership = HP

Bourne Affordable Housing Trust = AHT

Board of Selectmen = BOS

Planning Board = PB

Zoning Board of Appeals = ZBA

Bourne Housing Authority = BHA

Council on Aging = COA

Community Preservation Committee = CPC

## **II. INTRODUCTION**

### **A. Purpose of Project**

In 2005, the Town, through its Housing Partnership, prepared an Affordable Housing Plan that was approved by the state in early 2006 and expired a few years later. This Housing Plan represents an opportunity on the part of the Housing Partnership to return to the planning process and accomplish the following:

- Obtain a current understanding of the housing dynamic in Bourne based on updated U.S. Census figures, market information, and other important indicators of housing need.
- Provide an update on what has been accomplished towards meeting local housing needs since the 2005 Housing Plan was approved.
- Reflect on what housing strategies have worked to promote affordable housing and what actions should be taken to expand and/or modify these approaches.
- Review what other communities have done with respect to affordable policies, regulation, programs and projects that Bourne might consider adapting.
- Obtain approval from the state under updated Housing Production regulations and guidelines that offer communities greater local control over housing development, including the potential to deny inappropriate comprehensive permit projects.<sup>8</sup>
- In light of limited resources and other local constraints to development, determine the most effective avenues for addressing local housing needs, charting the town's affordable housing agenda for the next few years.
- Help establish better communication and coordination with the Planning Board and other Town boards and committees with updated information and guidance from this document.

### **B. Housing Goals and Objectives**

The Town adopted five (5) basic housing goals as part of a Housing Report that was prepared by Herr and James in 2002 and was further adopted and somewhat revised in the 2005 Affordable Housing Plan. Because these goals continue to represent a meaningful context for addressing local housing needs, this Housing Production Plan also adopts the following six (6) goals with some additional revisions:

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<sup>8</sup> Massachusetts General Law, Chapter 40B, 760 CMR 56.03 (4).

**1. *Strive to reach the state's 10% affordability goal.***

The Town intends to seek ways to provide housing support to more area residents, raising the share of affordable housing from almost 7% of year-round resident households now to at least 10% within the next decade. That is a formidable challenge given the constraints to developing affordable housing in Bourne (see Section IV).

**2. *Increase housing opportunities for those in targeted categories of housing need.***

The Town intends to expand the supply of housing available and suitable for persons who are physically or mentally challenged and those who have acute needs because of their special vulnerability: elders, persons with AIDS, homeless, and single female heads of households as well as more generally serving low-income and very-low income households regardless of particular circumstances.

**3. *Promote equal opportunity and fair access to housing.***

The Town intends to ensure that equal opportunity in access to housing in Bourne is maintained, guarding against discrimination in housing through education, active investigation of fair housing complaints, and active enforcement of fair housing laws.

**4. *Seek out, provide support and encourage the development of innovative strategies designed to address the housing needs of Bourne residents, with particular attention to the needs of low- and moderate income renters.***

The Town intends to accomplish housing goals through making good use of Bourne's existing housing stock and through conversion of existing structures to housing. This means emphasizing efforts to rehabilitate existing units, to create additional units within existing dwellings, and to convert existing buildings, even nonresidential properties, for use as affordable or special needs housing rather than relying wholly on new housing construction to meet housing targets.

**5. *Integrate environmental protection and housing production strategies.***

The Town intends to integrate the development of affordable housing with the protection of Bourne's environment, including use of innovative septic technology and nitrogen loading analyses, as appropriate.

**6. *Preserve existing affordable housing.***

In addition to working to maintain the affordability of those units in the Subsidized Housing Inventory (SHI) to the greatest extent possible, the Town will continue to preserve the affordability of existing housing through housing rehabilitation programs and the conversion of such housing into long-term affordability.

In addition to these six (6) housing goals, development strategies are also based on important development objectives that serve as guiding principles in selecting project sites, determining types of development, and identifying priorities. Whenever possible, the Town of Bourne should pursue development opportunities based on the following development objectives:

- Target development projects to Town-owned properties to take advantage of parcels that will have discounted or nominal acquisition costs to make affordable housing more financially feasible.
- Avoid targeting development projects to areas that are ecologically sensitive and will degrade nearby conservation land, but look for opportunities to combine open space preservation and housing creation through cluster development.
- Look for affordable housing opportunities that will minimize impacts on the built or natural environment such as accessory apartments, small infill nonconforming lots in existing neighborhoods, or buy-down initiatives that convert existing housing into affordable units.
- Develop a number of project alternatives in recognition of a range of housing needs in town including rental and homeownership options as well as housing for seniors, special needs populations and families.
- Look to areas of town that could accommodate higher housing densities such as sites that are closer to nonresidential uses or with better transportation access.
- Encourage mixed-income development to minimize stigmas associated with concentrations of low-income units.
- Promote smaller unit development to accommodate an increasing number of smaller households, including units with supportive services and handicapped or visitability adaptations.
- Encourage the development of owner-occupied two-family homes that incorporate affordable year-round rentals and more affordable homeownership given associated rental income.
- Incorporate green design principals into new development and redevelopment projects.

### **C. Definition of Affordable Housing**

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

Affordable housing is also defined according to percentages of median income for the metropolitan area (SMSA), and most housing subsidy programs are targeted to particular income ranges depending upon programmatic goals. Extremely low-income housing is directed to those earning at or below 30% of area median income (AMI) as defined by the U.S. Department of Housing and Urban Development (\$22,100 for a family of three in 2013) and very low-income is defined as households earning less than 50% of area median income (\$36,900 for a family of three) and sometimes 60% of area median income is used for particular low-income programs (\$44,280 for a three-person household). Low-income generally refers to the range between 51% and 80% of area median income (\$58,000 for a family of three at the 80% limit). These income levels are summarized in Table I-1.

**Table II-1: HUD Affordable Housing Income Limits – 2013**

| # Persons in Household | 30% of Median Income | 50% of Median Income | 60% of Median Income | 80% of Median Income |
|------------------------|----------------------|----------------------|----------------------|----------------------|
| <b>1</b>               | \$17,200             | \$28,700             | \$34,440             | \$45,100             |
| <b>2</b>               | 19,650               | 32,800               | 39,360               | 51,550               |
| <b>3</b>               | 22,100               | 36,900               | 44,280               | 58,000               |
| <b>4</b>               | 24,550               | 40,950               | 49,140               | 64,400               |
| <b>5</b>               | 26,550               | 44,250               | 53,100               | 69,600               |
| <b>6</b>               | 28,500               | 47,550               | 57,060               | 74,750               |
| <b>7</b>               | 30,450               | 50,800               | 60,960               | 79,900               |
| <b>8+</b>              | 32,450               | 54,100               | 64,920               | 85,050               |

In general, programs that subsidize rental units are targeted to households earning within 60% of median income or lower. However, first-time homebuyer programs typically apply income limits of up to 80% of area median income. *It is worth noting that an estimated half of Bourne's households would likely fall at or below the 80% of area median income limit for the average size family of four based on the latest available census data.<sup>9</sup> Consequently, they might be eligible for housing assistance based on income data alone.*

The state typically counts a housing unit as affordable if it is subsidized by a state or federal program that supports low- and moderate-income households at or below 80% of area median income. 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.

It should be noted that those earning up to 100% AMI are eligible for assistance from the Community Preservation Fund, however, only those units occupied by households earning at or below 80% AMI can be counted as part of the Town's Subsidized Housing Inventory (towards the state's 10% affordability goal under Chapter 40B) as long as the state's other requirements are met.

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<sup>9</sup> U.S. Census Bureau's American Community Survey data for 2007-2011.

### III. HOUSING NEEDS ASSESSMENT<sup>10</sup>

This Housing Needs Assessment provides an overview of the current housing situation in the town of Bourne providing the context within which a responsive set of strategies can be developed to address housing needs.

#### A. Demographic Profile

Detailed information on population characteristics and trends is summarized below.

##### 1. *Population Growth – Continued but slower population growth*

The 2010 census data indicates that the town of Bourne had a total population of 19,754, a 5.5% increase over the 2000 population of 18,721. As shown in Table III-1, the greatest population growth occurred in the 1950s when the population almost tripled in size, from 4,720 residents in 1950 to 14,111 by 1960. During the following decade, Bourne experienced a loss of 1,475 residents largely due to reductions in the workforce at the Otis Air National Guard Base. After that the population steadily grew, increasing by 15.8% and 16.5% during the 1980s and 1990s, respectively, and representing a 42.4% population increase between 1980 and 2010. Barnstable County had a relatively similar rate of growth during this same period, 45.9%, however the county as a whole lost 2.9% of its population between 2000 and 2010, while Bourne experienced some population growth. Since the 2010 census figures were released, Town records indicate that the population continues to grow with a total population of 20,582 as of January 1, 2013.

**Table III-1: Population Change, 1930 Through 2012**

| Year | Total Population | Change in Number | Percentage Change |
|------|------------------|------------------|-------------------|
|------|------------------|------------------|-------------------|

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<sup>10</sup> It should be noted that this Housing Needs Assessment includes the most up-to-date data available. When 2010 census data is not available, the most recent figures from the Census Bureau's American Community Survey (ACS) are used for various types of data. Because the ACS is based on a sample, it is subject to sampling error and variation.

|      |        |         |         |
|------|--------|---------|---------|
| 1930 | 2,895  | --      | --      |
| 1940 | 3,315  | 420     | 14.5%   |
| 1950 | 4,720  | 1,405   | 42.4%   |
| 1960 | 14,111 | 9,391   | 199.0%  |
| 1970 | 12,636 | - 1,475 | - 10.5% |
| 1980 | 13,874 | 1,238   | 9.8%    |
| 1990 | 16,064 | 2,190   | 15.8%   |
| 2000 | 18,721 | 2,657   | 16.5%   |
| 2010 | 19,754 | 1,033   | 5.5%    |
| 2012 | 20,582 | 828     | 4.2%    |

Source: U.S. Census Bureau, 2010, the University of Massachusetts Donahue Institute State Data Center and the Bourne Town Clerk's Office.

Projections from the Massachusetts State Data Center<sup>11</sup> estimate that Bourne will continue to grow with a projected total population of 25,130 residents by 2020. However, their estimate for 2010 was 21,712, higher than the actual census figure and more recent rates of growth, and thus the 2020 estimate is likely to overestimate growth over the next decade somewhat.

## **2. Racial Composition – Some small gains in minority residents**

As shown in Table III-2, the racial composition of Bourne's population is predominately White at 93.5% of all residents, representing a small proportionate decrease from 94.7% in 2000. While the total population increased by 5.5% between 2000 and 2010, the minority population increased from 989 to 1,287, or by 30.1%. Barnstable County's minority population also decreased between 2000 and 2010, by 2.9%, but its minority population increased from 5.3% in 2000 to 6.5% by 2010 or from 989 non-White residents to 1,287, representing a total increase of 30.1%.

**Table III-2: Population by Race, 2000 and 2010**

| Race                                         | 2000   |       | 2010   |       |
|----------------------------------------------|--------|-------|--------|-------|
|                                              | Number | %     | Number | %     |
| Total                                        | 18,721 | 100.0 | 19,754 | 100.0 |
| White alone                                  | 17,732 | 94.7  | 18,467 | 93.5  |
| Black or African American alone              | 261    | 1.4   | 300    | 1.5   |
| American Indian/Alaska Native alone          | 100    | 0.5   | 106    | 0.5   |
| Asian alone                                  | 132    | 0.7   | 234    | 1.2   |
| Native Hawaiian/Other Pacific Islander alone | 2      | 0.0   | 8      | 0.0   |

<sup>11</sup> The Massachusetts Institute for Social and Economic Research (*MISER*) was founded in 1981 by the University of Massachusetts. The Donahue Institute has assumed the responsibilities of *MISER* as an interdisciplinary research institute and the Lead Agency in the State Data Center (SDC) program. It serves as the liaison between the Commonwealth and the US Bureau of the Census and houses all the latter's data on Massachusetts. Data also includes population projections. These projections are available for Massachusetts, its counties, cities and towns for the years 2010 and 2020. Details of the methodology can be found at <http://www.umass.edu/miser/population/Documents/MAProjMethodology.doc>

|                                  |     |     |     |     |
|----------------------------------|-----|-----|-----|-----|
| Some other race alone            | 185 | 1.0 | 208 | 1.1 |
| Two or more races                | 309 | 1.7 | 431 | 2.2 |
| Hispanic or Latino (of any race) | 273 | 1.5 | 356 | 1.8 |

Source: U.S. Census Bureau, 2000 and 2010

### 3. *Age Distribution – Declines in younger residents and gains in older adults*

Census data indicates that the median age of residents has increased significantly from 39.2 years in 2000 to 44.1 by 2010. This median falls close to the middle between the figures for Barnstable County and the state at 49.9 years and 39.1 years, respectively, and considerably lower than Lower Cape communities such as Chatham at 58.9 years. When looking at the median age breakdown by sex, the differentials suggest a greater disparity between the medians for men and women in Bourne, as shown in Table III-3, and confirming that women are on the whole living longer.

**Table III-3: Median Age, 2000 and 2010**

|            | Bourne     |            | Barnstable County |            | Massachusetts |            |
|------------|------------|------------|-------------------|------------|---------------|------------|
|            | 2000       | 2010       | 2000              | 2010       | 2000          | 2010       |
| Both Sexes | 39.2 years | 44.1 years | 44.6 years        | 49.9 years | 36.5 years    | 39.1 years |
| Male       | 37.0 years | 40.3 years | 42.9 years        | 48.1 years | 35.4 years    | 37.7 years |
| Female     | 41.3 years | 47.3 years | 46.1 years        | 51.4 years | 37.7 years    | 40.3 years |

Source: U.S. Census Bureau, 2000 and 2010.

Census data regarding the changes in the age distribution from 1990 to 2010 is provided in Table III-4 and visually presented in Figure III-1. In general, there were significant declines in the younger age categories and major population gains in the older ones as summarized below.

- *Children – Declining population*

The number and proportion of children has declined markedly over the past several decades. Those school-age children under age 18 decreased by 8.4% between 1990 and 2010, going from almost one-quarter of the population to 18.4%. In comparison, the countywide percentage of those under 18 was somewhat less at 17.3% and higher at 21.7% for the state in 2010.

- *College age residents – Numbers have fluctuated somewhat but there have been net gains in the age category*

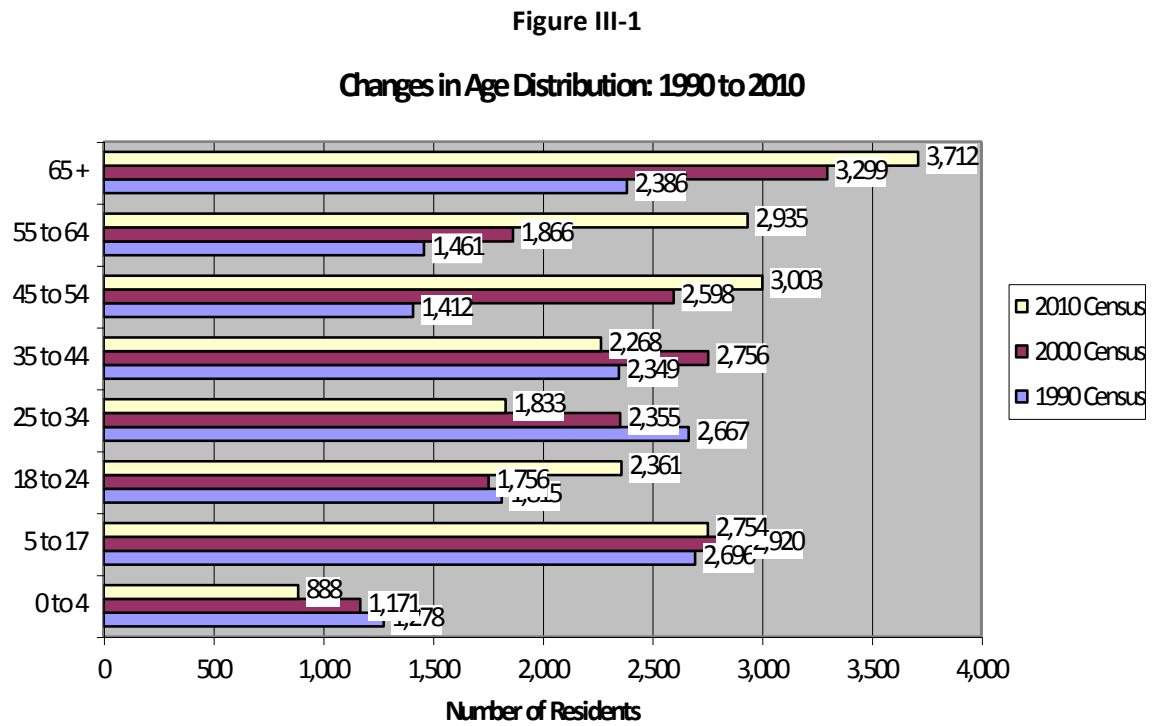
Young residents in the 18 to 24-age range decreased between 1990 and 2000, from 11.3% to 9.4% of the population, and then increased to 12.0% by 2010, representing a net growth rate of 30.1% and a gain of 546 residents in this age range. In comparison, the Cape as a whole experienced an increase of only 1.3% during this same period.

- Young adults – Decreased significantly**  
 Younger adults in the family formation stage of their lives, the 25 to 34-age range, also decreased significantly between 1990 and 2010, dropping to 9.3% of the population in 2010 from 16.6% in 1990, or by 31.3%. Even those who were somewhat older, age 35 to 44, decreased by about 3.4% despite the overall population growth of 23.0% during these decades. Clearly an increasing number of those who were raised in Bourne are choosing to live elsewhere. The high cost of housing is likely a factor although the relative scarcity of well-paying jobs is probably the greatest contributing factor.
- Baby boomers – Substantial increases**  
 Those in the 45 to 64-age range, many of the baby boomer generation during these decades, increased significantly, going from 17.9% of the population in 1990 to 30.1% by 2010, almost doubling in number.
- Older adults – Substantial gains in the population of those 65 years or older**  
 The number of those 65 years of age and older increased by 1,326 residents between 1990 and 2010, from 14.9% of the population in 1990 to 18.8% by 2010. Of particular note were the frail elderly of at least age 85 who increased by 143% during these two decades. The continued aging of the baby boom generation will result in continuing increases of older adults during the coming decades, which will require housing for empty nesters including increased handicapped accessibility and supportive services.

Table III-4: Age Distribution, 1990 to 2010

| Age Range     | 1990   |       | 2000   |       | 2010   |       |
|---------------|--------|-------|--------|-------|--------|-------|
|               | #      | %     | #      | %     | #      | %     |
| Under 5 Years | 1,278  | 8.0   | 1,171  | 6.3   | 888    | 4.5   |
| 5 – 17 Years  | 2,696  | 16.8  | 2,920  | 15.6  | 2,754  | 13.9  |
| 18 – 24 Years | 1,815  | 11.3  | 1,756  | 9.4   | 2,361  | 12.0  |
| 25 – 34 Years | 2,667  | 16.6  | 2,355  | 12.6  | 1,833  | 9.3   |
| 35 – 44 Years | 2,349  | 14.6  | 2,756  | 14.7  | 2,268  | 11.5  |
| 45 – 54 Years | 1,412  | 8.8   | 2,598  | 13.9  | 3,003  | 15.2  |
| 55 – 64 Years | 1,461  | 9.1   | 1,866  | 10.0  | 2,935  | 14.9  |
| 65 – 74 Years | 1,380  | 8.6   | 1,783  | 9.5   | 1,863  | 9.4   |
| 75 – 84 Years | 784    | 4.9   | 1,138  | 6.1   | 1,309  | 6.6   |
| 85+ Years     | 222    | 1.4   | 378    | 2.0   | 540    | 2.7   |
| Total         | 16,064 | 100.0 | 18,721 | 100.0 | 19,754 | 100.0 |
| Under 18      | 3,974  | 24.7  | 4,091  | 21.9  | 3,642  | 18.4  |
| Age 65+       | 2,386  | 14.9  | 3,299  | 17.6  | 3,712  | 18.8  |

Source: U.S. Census Bureau, 1990, 2000 and 2010



**4. Household Composition – Growing number of smaller households**

As shown in Table III-5, the number of households increased by 33.4% between 1990 and 2010, from 5,898 to 7,866. This increase is higher than the total population growth during the same period of 23.0% and reflective of increasing numbers of smaller households. While families remained the predominant type of household in Bourne, they decreased from 72.1% of all households in 1990 to 63.8% by 2010, while non-family households,<sup>12</sup> including single individuals who are living alone, increased significantly during this period.

**Table III-5: Household Characteristics, 1990 to 2010**

| Types of Households               | 1990         |       | 2000         |      | 2010         |       |
|-----------------------------------|--------------|-------|--------------|------|--------------|-------|
|                                   | #            | %     | #            | %    | #            | %     |
| Total Households                  | 5,898        | 100.0 | 7,439        | 100  | 7,866        | 100.0 |
| Family Households                 | 4,254        | 72.1  | 5,013        | 67.4 | 5,015        | 63.8  |
| Female Headed Families w/Children | 303          | 5.1   | 405          | 5.4  | 388          | 4.9   |
| Non-family Households             | 1,644        | 27.9  | 2,426        | 32.6 | 2,851        | 36.2  |
| Persons Living Alone 65 +         | 679          | 11.5  | 881          | 11.8 | 1,099        | 14.0  |
| Average Household Size            | 2.60 persons |       | 2.39 persons |      | 2.30 persons |       |

<sup>12</sup> Non-family households include those whose members are not related or single individuals.

Source: U.S. Census Bureau, Census 1990, 2000 and 2010

The growing number of smaller households is also confirmed by the declining average household size at 2.60 persons in 1990 down to 2.30 persons by 2010. This level is higher than the county average of 2.21 persons but lower than the state at 2.48 persons. *This data further suggests a need for a greater number of smaller units to accommodate a growing population of single-person households and smaller families.*

## B. Economic Profile

This section focuses primarily on income and employment trends over the past several decades with a particular focus on income disparities that have been growing in Bourne.

### 1. Income Distribution – Growing income disparities

The median household income in 2011 was \$62,531, which was up 38.6% from the 2000 median of \$45,113 and almost double the 1990 median income of \$34,159. The 2011 median income for Bourne is actually lower than the 2013 HUD area median income (AMI) limit of \$64,400 for a household of four (4) earning at or below 80% of area median income for Barnstable County. *In fact despite increasing income levels, about half of all Bourne households were earning within the 80% AMI and potentially eligible for housing assistance based on income alone.*

The income distribution for those households that include children – families – is somewhat higher with a median family income of \$79,613, with more than half (55.1%) earning more than \$75,000, including 11.3% who earned more than \$150,000. These higher income levels are highly correlated with the greater prevalence of two worker households in families. The median income of non-family households was less than half of the family level at \$36,838. The Town's per capita income was \$32,330, somewhat lower in comparison to \$34,907 for the state and \$35,066 for the county.<sup>13</sup>

Of the 8,051 total households counted in 2011, 756 or 9.4% had incomes below \$15,000 while a relatively comparable number of 788 households or 9.8% had incomes of more than \$150,000. An estimated 38.2% of households were earning between \$25,000 and \$74,999 in 2011 in comparison to 51.4% in 2000. Those earning \$75,000 or more included 3,394 households or 42.2%, up significantly from 1,731 households or 23.3% in 2000 and 528 households or 9.0% in 1990. A comparison of 1990, 2000 and 2011 income figures is presented in Table III-6 and Figure III-2.

**Table III-6: Income Distribution by Household, 1990-2011**

| Income Range   | 1990 |      | 2000 |      | 2011 |      |
|----------------|------|------|------|------|------|------|
|                | #    | %    | #    | %    | #    | %    |
| Under \$10,000 | 691  | 11.7 | 613  | 8.3  | 389  | 4.8  |
| 10,000-14,999  | 464  | 7.9  | 385  | 5.2  | 367  | 4.6  |
| 15,000-24,999  | 889  | 15.1 | 880  | 11.9 | 824  | 10.2 |

<sup>13</sup> Based on the latest data available from the Census Bureau's American Community Survey, 2007-2011 estimates for Bourne and 2012 estimates for Barnstable County and the state.

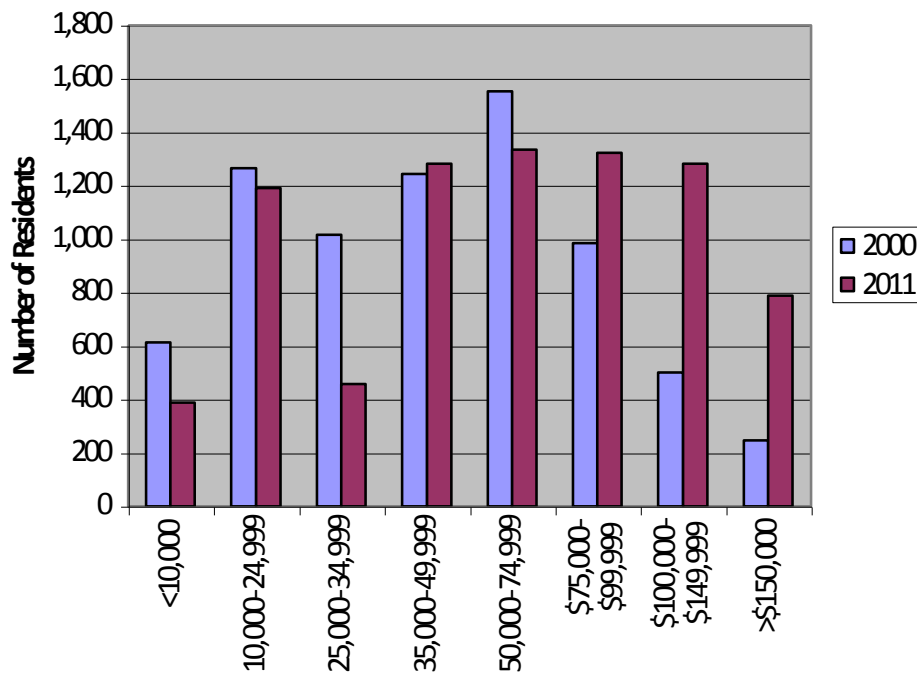
|               |          |      |          |      |          |      |
|---------------|----------|------|----------|------|----------|------|
| 25,000-34,999 | 998      | 16.9 | 1,017    | 13.7 | 458      | 5.7  |
| 35,000-49,999 | 1,221    | 20.7 | 1,244    | 16.8 | 1,283    | 15.9 |
| 50,000-74,999 | 1,104    | 18.7 | 1,552    | 20.9 | 1,336    | 16.6 |
| Over 75,000   | 528      | 9.0  | 1,731    | 23.3 | 3,394    | 42.2 |
| Median        | \$34,159 |      | \$45,113 |      | \$62,531 |      |

Source: U.S. Census Bureau Summary File 3 1990 and 2000 and American Community Survey, 2011

Despite growing prosperity, there are still residents with very limited incomes including 2,038 households earning less than \$35,000, 1,580 who earned less than \$25,000. All income ranges saw proportional decreases between 2000 and 2011, with the exception of those earning more than \$75,000, which increased significantly as noted above. The level of higher-income households earning more than \$75,000 was actually relatively comparable to the state, at 44.1%, and somewhat higher than the county level of 39.4%. Figure III-2 clearly shows the significant increases of those in the higher income levels over the past decade.

Another comparison of income levels is provided in Table III-7, which presents 2011 census estimates of median income levels for Bourne and neighboring communities, showing that while Bourne falls in the lower end of the range, median income levels are higher than the county's and largely higher than a number of neighboring communities including Wareham, Yarmouth, and Barnstable. Bourne's median incomes were below statewide levels and considerably lower than those for Sandwich, Falmouth (for median family income and per capita income) and Plymouth and relatively comparable to those of Barnstable and Mashpee.

**Figure III-2**

**Household Income Distribution, 2000 and 2011****Table III-7: Comparison of Median Income Levels, 2011**

| Place             | Median Household Income | Median Family Income | Median Non-family Income | Median Per Capita Income |
|-------------------|-------------------------|----------------------|--------------------------|--------------------------|
| Barnstable        | \$62,191                | \$75,620             | \$35,845                 | \$36,121                 |
| Bourne            | \$62,531                | \$79,613             | \$36,838                 | \$32,330                 |
| Falmouth          | \$61,244                | \$106,247            | \$35,258                 | \$38,334                 |
| Mashpee           | \$62,763                | \$73,560             | \$40,391                 | \$33,492                 |
| Plymouth          | \$76,631                | \$90,764             | \$43,246                 | \$33,891                 |
| Sandwich          | \$82,485                | \$95,273             | \$39,835                 | \$36,047                 |
| Wareham           | \$52,556                | \$64,891             | \$31,532                 | \$28,066                 |
| Yarmouth          | \$50,228                | \$63,973             | \$34,963                 | \$33,251                 |
| Barnstable County | \$49,453                | \$76,334             | \$33,933                 | \$35,066                 |
| Massachusetts     | \$65,339                | \$82,977             | \$37,769                 | \$34,907                 |

Source: U.S. Census Bureau, 2007-2011 American Community Survey for the towns and 2012 estimates for the county and state.

Growing income disparities are also reflected in a comparison of income levels for owners and renters as presented in Table III-8. About half (49.7%) of renters earned within \$35,000 compared to only 18.2% of homeowners. On the other hand, half of the homeowners (50.6%) earned more than \$75,000 compared to only 12.9% of the renter households. The income disparity between owners and renters is also reflected in median income levels of \$75,455 and \$35,140, respectively, for 2011. Additionally, the

median income for homeowners increased by 45.4% since 2000 while only by 18.5% for renters. Nevertheless, these figures represent higher median income levels in comparison to the county where they were \$67,158 and \$27,659 for owners and renters, respectively.

**Table III-8: Income Distribution by Tenure, 2011**

| Income Range       | Homeowners |       | Renters  |       |
|--------------------|------------|-------|----------|-------|
|                    | #          | %     | #        | %     |
| Under \$10,000     | 168        | 2.7   | 221      | 12.2  |
| 10,000-24,999      | 701        | 11.2  | 490      | 27.1  |
| 25,000-34,999      | 271        | 4.3   | 187      | 10.4  |
| 35,000-49,999      | 907        | 14.5  | 376      | 20.8  |
| 50,000-74,999      | 1,038      | 16.6  | 298      | 16.5  |
| 75,000-99,999      | 1,192      | 19.1  | 132      | 7.3   |
| 100,000-149,999    | 1,197      | 19.2  | 85       | 4.7   |
| 150,000 +          | 771        | 12.3  | 17       | 0.9   |
| Total              | 6,245      | 100.0 | 1,806    | 100.0 |
| 2011 Median income | \$75,455   |       | \$35,140 |       |
| 2000 Median income | \$51,908   |       | \$29,650 |       |

Source: U.S. Census Bureau, 2007-2011 American Community Survey

These income figures are also based on the Town's year-round population, not those who live in town for parts of the year. This group of occasional residents, who occupy about one-fifth of Bourne's housing units, are likely to have significantly higher average incomes in order to afford the high costs of seasonal units or second homes, thus further widening income disparities within the community.

## **2. Poverty – Increasing levels of poverty<sup>14</sup>**

**Table III-7: Poverty Status, 1990-2011**

|                                             | 1990  |      | 2000  |      | 2011  |      |
|---------------------------------------------|-------|------|-------|------|-------|------|
|                                             | #     | %    | #     | %    | #     | %    |
| Individuals                                 | 1,027 | 6.7  | 1,267 | 7.1  | 1,758 | 8.9  |
| Families                                    | 226   | 5.3  | 290   | 5.8  | 386   | 7.7  |
| Female-headed households with children < 18 | 210   | 43.5 | 209   | 38.6 | 182   | 47.0 |
| Children < 18                               | NA    | NA   | 412   | 10.4 | 608   | 16.7 |
| Individuals 65 years +                      | 133   | 5.8  | 145   | 4.7  | 531   | 14.3 |

Source: U.S. Census Bureau 1990 and 2000 Summary File 3 and 2007-2011 American Community Survey estimates

<sup>14</sup> The 2012 federal poverty level from the U.S. Department of Health and Human Services was \$11,170 for an individual and \$19,090 for a three-person household.

The numbers of those living within the poverty level are quite substantial – almost 1,800 individuals and 400 families – and have grown since 1990. This population represents an extremely vulnerable group whose limited means suggest a need to access public assistance and subsidized housing. Poverty levels have risen over the past couple of decades not only for individuals and families but also for children and the elderly.

**3. *Employment – Diversity in employment opportunities but significant service sector with lower-paying jobs***

Bourne has a relatively diverse employment base, however, a large segment of the labor force is tied to the service and retail industries that fuel not only year-round residents but seasonal tourism as well. Of those 16,479 Bourne residents over the age of 16 in 2011,<sup>15</sup> 10,187 or about 61.8% were in the labor market. Only an estimated 1,019 Bourne residents, or about 10%, worked in town. It should also be noted that 87.4% of workers drove alone to work, another 4.6% carpooled, and another 6.3% either worked at home or walked to work according to the 2011 American Community Survey estimates. The average commuting time was about 27 minutes, suggesting employment opportunities were typically located within a reasonable commute.

The 2011 Census Bureau's American Community Survey data also provided information on the concentration of Bourne workers by industry, indicating that 38.6% were involved in management, business, science, or arts occupations with the remainder employed in the lower paying retail and service-oriented jobs that support the local economy including sales and office occupations (25.6%), service occupations (14.1%), production and transportation (9.7%), and construction and maintenance (11.8%). About three-quarters of Bourne's labor force involved salaried workers, another 16.1% were government workers, and 7.3% were self-employed.

The state provides detailed labor and workforce data on employment patterns in Bourne.<sup>16</sup> This information indicates that from a labor force of 12,679 as of July 2013, 11,784 were employed, up from an average annual employment level of 10,302 for 2012. The employed workforce numbered 9,599 in January of 2013, which demonstrates some seasonality to Bourne's workforce driven by seasonal visitors during the summer. There has also been some increases in Bourne's workforce over the years as the average annual employment was 9,263 in 2000, or 11.2% lower than 2012.

Unemployment rates have fluctuated over the years, increasing from 3.1% in 2000 to a high of 9.1% in 2010, and then declining to 7.5% by 2012. As of July 2013, the unemployment rate was still lower, down to 7.1%, which was lower than 7.6% for Boston, 13.7% for New Bedford, and 9.3% in Attleboro but higher than 6.6% for Plymouth and 5.6% in Barnstable.

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<sup>15</sup> Based the US Census Bureau's 2007-2011 estimates from the American Community Survey.

<sup>16</sup> Massachusetts Executive Office of Labor and Workforce Development, Municipal Employment Data, September 22, 2013

The state workforce data, as presented in Table III-8, also confirms a mix of employment opportunities with a *concentration of lower paying retail and service sector jobs that brings the average weekly wage for those working in Bourne to a relatively low level of \$825, less than half of Boston's average weekly wage at \$1,585.* Despite the focus of service-oriented jobs, Bourne also has a significant number of better paying jobs in the professional and technical industries as well as in educational services and construction.

**Table III-8: Average Employment and Wages By Industry, 2012**

| <b>Industry</b>                      | <b># Establishments</b> | <b>Total Wages</b>   | <b>Average Employment</b> | <b>Ave. Weekly Wage</b> |
|--------------------------------------|-------------------------|----------------------|---------------------------|-------------------------|
| Agriculture, forestry, fishing, etc. | 9                       | \$2,491,716          | 54                        | \$887                   |
| Construction                         | 91                      | \$18,632,623         | 384                       | \$933                   |
| Manufacturing                        | 28                      | \$26,041,781         | 389                       | \$1,287                 |
| Utilities                            | 5                       | \$2,047,560          | 37                        | \$1,064                 |
| Wholesale trade                      | 39                      | \$16,308,520         | 286                       | \$1,097                 |
| Retail trade                         | 90                      | \$42,484,188         | 1,235                     | \$662                   |
| Transportation/warehousing           | 28                      | \$11,883,057         | 264                       | \$866                   |
| Information                          | 14                      | \$12,863,307         | 209                       | \$1,184                 |
| Finance/Insurance                    | 18                      | \$5,455,253          | 96                        | \$1,093                 |
| Real estate/rental/leasing           | 24                      | \$4,058,675          | 110                       | \$710                   |
| Professional/technical services      | 75                      | \$23,259,311         | 397                       | \$1,219                 |
| Administrative/waste services        | 42                      | \$10,002,489         | 224                       | \$859                   |
| Educational services                 | 12                      | \$50,876,570         | 870                       | \$1,125                 |
| Health care/social assistance        | 50                      | \$36,006,245         | 899                       | \$770                   |
| Arts/entertainment/recreation        | 17                      | \$6,422,862          | 199                       | \$621                   |
| Accommodation/food services          | 63                      | \$15,448,841         | 1,007                     | \$295                   |
| Other services                       | 84                      | \$9,382,274          | 304                       | \$594                   |
| Public administration                | 16                      | \$31,538,464         | 644                       | \$942                   |
| <b>Total</b>                         | <b>705</b>              | <b>\$325,203,736</b> | <b>7,578</b>              | <b>\$825</b>            |

Source: Massachusetts Executive Office of Labor and Workforce Development, June 2012

**4. Disability Status – About 15% of residents claimed a disability<sup>17</sup>**

Of the 2000 population who were 5 to 20 years old, 356 or 9.5% had some disability. Of those who were ages 21 to 64, 1,497 or 14.9% claimed a disability and almost 40% or 588 individuals were not working, most likely due to their disability. In regard to the population 65 years of age or older, 898 or 29.2% claimed some type of disability. This data suggests a total of 2,751 residents, or about 15% of all residents at the time claimed some type of disability. While updated figures are not available, given the aging of the population and population growth it is likely that a higher percentage of residents are in fact disabled.

**5. Education – Increasing educational attainment and decreasing school enrollments**

The educational attainment of Bourne residents has improved over the last couple of decades. Census figures indicated that in 2011, 95.9% of those 25 years and older had a

<sup>17</sup> The census has not released town-specific data for Bourne regarding disabilities since 2000.

high school diploma or higher, and 36.3% had a Bachelor's degree or higher (compared with 40.6% for the county and 39.3% for the state), up from the 2000 figures of 92.7% with at least a high school degree and 27.2% with a college degree or higher.

The census also provides information on student enrollments, showing that those enrolled in school (nursery through graduate school) in 2011 totaled 4,545 residents or about 23% of the population, and those enrolled in nursery through high school totaled 2,943 students, representing 14.9% of the total population. These figures are lower than 2000 enrollment levels of 4,712 total students and 3,291 students in nursery school through high school.

The Bourne Public Schools reported a student enrollment of 2,104 students for the 2012 to 2013 school year, down from an enrollment of 2,548 in 2000-2001. The highest level of enrollment over the past decade was in 2002-2003 when the number of students reached 2,612. This general decline is reflective of the overall decrease in the number of children living in Bourne and throughout much of Cape Cod.

### C. Housing Profile

This section of the Housing Needs Assessment summarizes housing characteristics and trends, analyzes the housing market from a number of different data sources and perspectives, compares what housing is available to what residents can afford, summarizes what units are defined as affordable by the state, and establishes the context for identifying priority housing needs.

#### 1. Housing Growth – Much slower recent housing growth

The 2010 census counted 10,805 total housing units in Bourne, up by 1,157 units or 12.0% from 9,648 units in 2000. In fact more recent housing growth has been higher than what occurred between 1990 and 2000 when only 649 new units were produced, representing a 7.2% rate of growth. However, the recent 12.0% growth was lower than between 1980 and 1990 when 1,830 new units were built, reflecting a 25.5% rate of growth.

**Table III-9: Housing Growth for Bourne and Neighboring Communities, 1980 to 2010**

| Place    | Total Number of Housing Units |           |           |           | Percentage Change |         |         |
|----------|-------------------------------|-----------|-----------|-----------|-------------------|---------|---------|
|          | 1980                          | 1990      | 2000      | 2010      | 1980-90           | 1990-00 | 2000-10 |
| Bourne   | 7,169                         | 8,999     | 9,648     | 10,805    | 25.5%             | 7.2%    | 12.0%   |
| Falmouth | 14,414                        | 18,168    | 20,055    | 21,970    | 26.0%             | 10.4%   | 9.5%    |
| Mashpee  | 3,582                         | 7,002     | 8,325     | 9,882     | 95.5%             | 18.9%   | 18.7%   |
| Plymouth | 16,072                        | 19,658    | 21,250    | 24,800    | 22.3%             | 8.1%    | 16.7%   |
| Sandwich | 4,358                         | 7,236     | 8,748     | 9,476     | 66.0%             | 20.9%   | 8.3%    |
| Wareham  | 10,927                        | 11,383    | 10,670    | 12,256    | 4.2%              | - 6.3%  | 14.9%   |
| County   | 99,946                        | 135,192   | 147,083   | 160,281   | 35.3%             | 8.8%    | 9.0%    |
| State    | 2,208,146                     | 2,472,711 | 2,621,989 | 2,808,254 | 12.0%             | 6.0%    | 7.1%    |

Source: U.S. Census Bureau 1980, 1990, 2000 and 2010

It has been observed that, "Net housing growth in Bourne was small between 1990 and 2000 relative to past history and relative to most neighboring communities, in part the

result of dwelling demolitions within the Massachusetts Military Reserve. Housing growth countywide plummeted in the nineties relative to the eighties, but year-round occupancy grew strongly in this part of the Upper Cape, in part reflecting seasonal unit conversion to year-round occupancy. Towns closer to the Boston region continued their functional conversion into suburbs: Plymouth with 87% year-round occupancy, Sandwich with 84%, and Bourne with 77%, compared with 64% year-round occupancy Cape-wide.”<sup>18</sup> Since 2000, Bourne’s relative growth has been lower than Mashpee, Plymouth and Wareham but higher than Falmouth, Sandwich and countywide levels as shown in Table III-9.

In regard to older historical development, Table III-10 indicates that about half of Bourne’s housing stock, 49.5%, was built prior to 1970 and almost one-fifth (18.4%) predate World War II. Housing development varied considerably after that from a low of 598 units built during the 1940s to more than triple that amount, 1,833 units, in the 1950s.

**Table III-10: Housing Units in 2010 by Year Structure Was Built**

| Time Period     | #      | %     |
|-----------------|--------|-------|
| 2000 to 2010    | 1,157  | 10.8  |
| 1990 to 2000    | 649    | 6.1   |
| 1980 to 1989    | 1,830  | 17.1  |
| 1970 to 1979    | 1,776  | 16.6  |
| 1960 to 1969    | 892    | 8.3   |
| 1950 to 1959    | 1,838  | 17.2  |
| 1940 to 1949    | 598    | 5.6   |
| 1939 or earlier | 1,967  | 18.4  |
| Total           | 10,707 | 100.0 |

Source: U.S. Census Bureau, Census 1980, 1990, 2000 and 2010. Figures before 1980 are from the 2007-2011 estimates from the American Community Survey that underestimate total housing units by 98 units.

Table III-11 summarizes the numbers of units that have been built since 2010, when the decennial census figures were released, and September 25, 2013. A total of 91 new housing units were produced during this period including 64 new single-family homes and 27 condominiums, bringing the total number of housing units to 10,896. Additionally, there has been an increase in teardown activity as 27 units were demolished with homes rebuilt on site.

**Table III-11: New Residential Building Permit Activity, 2010 Through September 25, 2013**

| Year          | Single-family Homes | Condominiums | Total | Demo/Rebuild |
|---------------|---------------------|--------------|-------|--------------|
| 2010          | 18                  | 0            | 18    | 7            |
| 2011          | 12                  | 13           | 25    | 5            |
| 2012          | 16                  | 12           | 28    | 9            |
| As of 9/25/13 | 18                  | 2            | 20    | 6            |
| Total         | 64                  | 27           | 91    | 27           |

<sup>18</sup> Herr & James Associates, “Housing & Growth in Bourne”, August 4, 1995; revised February 27, 2002.

Source: Bourne Building Department, September 25, 2013

This rate of housing growth is substantially lower than what occurred in the past. For example, the level of annual residential permits issued between 2000 and 2003 averaged 121, down somewhat from an average of 136 permits during the latter half of the 1990's. The slow-down in construction is likely related not only to the remaining affects of the national recession but also the relative reduction in the amount of land most amenable to development. Additionally, more residents are choosing to remain in their current homes due to higher costs associated with "buying up".

## 2. *Types of Units and Structures*

Table III-12 provides information on housing characteristics related to occupancy, tenure and vacancy rates, suggesting the following trends:

- *Decreases in the rental housing stock*  
Occupied rental units fell by 129 units between 1990 and 2010 despite overall growth in the housing stock during this period of 20.1%, going from 34.6% of all occupied units to 24.3%. It is likely that new development was not only focused on homeownership but also that some portion of the rental housing stock was converted to ownership during this period. This level of renter-occupancy is still somewhat higher than county level of 22.6%.

**Table III-12: Housing Characteristics, 1990-2010**

| Housing Characteristics   | 1990  |        | 2000  |        | 2010   |        |
|---------------------------|-------|--------|-------|--------|--------|--------|
|                           | #     | %      | #     | %      | #      | %      |
| Total units               | 8,999 | 100.0  | 9,648 | 100.0  | 10,805 | 100.0  |
| Occupied units            | 5,898 | 65.5*  | 7,439 | 77.1*  | 7,866  | 72.8*  |
| Occupied owner units      | 3,854 | 65.3** | 5,324 | 71.6** | 5,951  | 75.7** |
| Occupied rental units     | 2,044 | 34.6** | 2,115 | 28.4** | 1,915  | 24.3** |
| Seasonal and recreational | 2,187 | 24.3*  | 1,861 | 19.3*  | 2,221  | 20.6*  |
| Owner vacancy rate        | 4.2%  |        | 2.8%  |        | 2.3%   |        |
| Rental vacancy rate       | 4.5%  |        | 3.9%  |        | 14.6%  |        |

Source: U.S. Census Bureau 1990, 2000 and 2010

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

- *Some declines in seasonal units*  
After a decline in the number of units for seasonal or occasional use between 1990 and 2000, the 2010 census indicated an increase back to 1990 levels. However, despite housing growth, the number of such units proportionately decreased from 24.3% in 1990 to 20.6% by 2010. As shown in Table III-13, Bourne's neighbors, as well as the Cape and state as a whole, also experienced increases in year-round

units. Bourne's level of year-round units, at 79%, was significantly higher than the 64% level for the county.

**Table III-13: Change in Year-Round Housing Stock for Bourne and Neighboring Communities, 1980 to 2010**

| Place    | Number of Occupied Year-round Units |           |           |           | Percent of Total Units |      |      |      |
|----------|-------------------------------------|-----------|-----------|-----------|------------------------|------|------|------|
|          | 1980                                | 1990      | 2000      | 2010      | 1980                   | 1990 | 2000 | 2010 |
| Bourne   | 5,145                               | 6,812     | 7,439     | 8,584     | 72%                    | 76%  | 77%  | 79%  |
| Falmouth | 8,836                               | 11,274    | 13,859    | 14,870    | 61%                    | 62%  | 69%  | 68%  |
| Mashpee  | 1,429                               | 3,158     | 5,256     | 6,473     | 40%                    | 45%  | 63%  | 66%  |
| Plymouth | 12,450                              | 15,875    | 18,423    | 22,285    | 77%                    | 81%  | 87%  | 90%  |
| Sandwich | 3,116                               | 5,557     | 7,335     | 8,183     | 72%                    | 77%  | 84%  | 86%  |
| Wareham  | 6,768                               | 7,370     | 8,200     | 9,880     | 62%                    | 65%  | 77%  | 81%  |
| County   | 58,556                              | 77,586    | 94,822    | 103,418   | 59%                    | 57%  | 64%  | 64%  |
| State    | 2,032,717                           | 2,247,110 | 2,443,580 | 2,692,624 | 92%                    | 91%  | 93%  | 96%  |

Source: U.S. Census Bureau 1980, 1990, 2000 and 2010

- *Increased rental vacancy rate*

While the homeowner vacancy rate has remained low, at 2.3% in 2010 and down from 4.2% and 2.8% in 1990 and 2000, respectively, the renter vacancy rate increased significantly from 3.9% to 14.3% between 2000 and 2010. It should be noted that any vacancy rate below 5% represents very tight market conditions and the rental vacancy rate is surprisingly high. The rental vacancy rate was also relatively high for Barnstable County at 12.4% up from 7.4% in 2000. These increases may be reflective of some seasonal shifts in the rental market.

Table III-14 provides information on the number of units in various types of structures, indicating the following trends:

- *Predominance of single-family structures*

Figure III-3 clearly shows that most of the housing units are in single-family detached structures, 80.3%, with another 4.4% in single-family attached dwellings. The percentage of single-family units, detached and attached, for the county was about the same level at 85.1%.<sup>19</sup>

**Table III-14: Units in Structure, 1990-2000**

| Type of Structure | 1990  |      | 2000  |      | 2011  |      |
|-------------------|-------|------|-------|------|-------|------|
|                   | #     | %    | #     | %    | #     | %    |
| 1-unit, detached  | 6,950 | 77.2 | 7,622 | 79.0 | 8,820 | 80.3 |

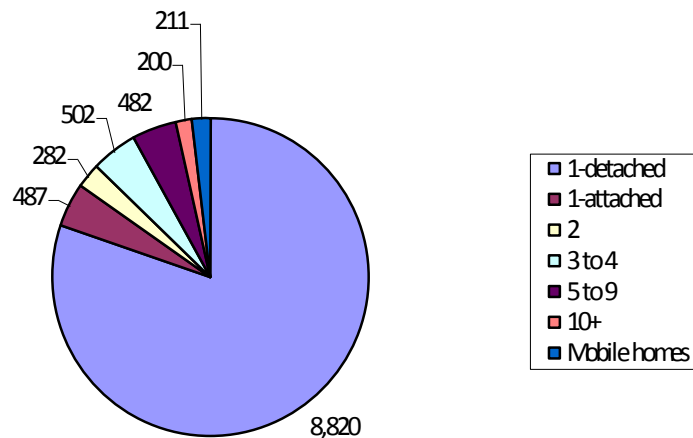
<sup>19</sup> U.S. Census Bureau, 2012 American Community Survey for county data.

|                         |     |     |     |     |     |     |
|-------------------------|-----|-----|-----|-----|-----|-----|
| 1-unit, attached        | 453 | 5.0 | 389 | 4.0 | 487 | 4.4 |
| 2 to 4 units            | 779 | 8.7 | 853 | 8.8 | 784 | 7.2 |
| 5 to 9 units            | 465 | 5.2 | 503 | 5.2 | 482 | 4.4 |
| 10 or more units        | 162 | 1.8 | 151 | 1.6 | 200 | 1.8 |
| Mobile homes            |     |     | 123 | 1.3 | 211 | 1.9 |
| Boats, RV's, vans, etc. | 190 | 2.1 | 7   | 0.1 | 0   | 0.0 |

Source: U.S. Census Bureau, 1990 and 2000 census and 2007-2011 American Community Survey

**Figure III-3**

### Distribution of Units Per Structure, 2011



- Loss of small multi-family units**

Census estimates indicate that Bourne had 7.2% of its units in small multi-family dwellings of two to four units. The larger multi-family housing stock of five or more units is also 7.2% of all units. Between 2000 and 2011 there was in fact a decline in the number of multi-family units in two to nine-unit structures with some unit increase in larger multi-family structures.

The decline in small, multi-family homes represents the loss of a valuable segment of the town's existing housing stock. Many of these units were probably more affordable, as private landlords, particularly owner-occupied ones, tend to value good tenants and frequently maintain rents below market to keep them. It also suggests the loss of some particularly affordable homeownership stock since owners with rentals benefit from rental income that helps them finance and afford the property. Lenders typically count about 75% of the rental income towards mortgage underwriting calculations thus allowing a lower income homeowner to purchase a home. As a result, small multi-family homes have offered important starter housing in many communities. The Town should consider strategies to replace some of this housing in future planning.

- Increase in mobile homes**

The census also counted 211 mobile homes, up from 123 in 2000. Mobile homes represent an affordable segment of the community's housing stock, and the Town should focus on how to improve and protect these vulnerable units.

- *Relatively modest unit sizes*

The median number of rooms per housing unit was 5.7 indicating that the average home had two to three bedrooms. This median is comparable to the county as a whole at 5.6 rooms. An estimated 60% of Bourne's housing units had between five and seven rooms, with only 8.5% with three rooms or less and 8.4% with nine rooms or more.

### 3. **Housing Values**

*Homeownership – Some rebounding of the housing market and rapidly increasing higher end housing market*

Census data also provides information on housing values as presented in Table III-15. The census indicates that the 2011 median house value was more than twice the 2000 value at \$353,700 and \$166,100, respectively, while there was only a small increase in median values the previous decade with the 1990 median of \$153,900.

The significant increase in housing values between 2000 and 2011 is also shown in the number and percentage of relatively affordable units. In 2000, 3,282 units, or more than two-thirds of Bourne's housing stock (68%), were valued below \$200,000. By 2011 the number of units priced in this range had decreased to 461 units or 7.4%. It is likely that all of the town's 211 mobile homes fall within this range and the remaining units are likely small and in poor condition.

*By 2011, the bulk of housing units had shifted to the \$200,000 to \$500,000 price range despite the relatively recent bursting of the housing bubble. Of particular note is the number of high-end units priced above \$500,000, which included only 202 units in 2000 but had increased to 1,333 units, or by 560%, by 2011.<sup>20</sup>*

**Table III-15: Housing Values  
2000 and 2011**

| Value                  | 2000      |      | 2011      |      |
|------------------------|-----------|------|-----------|------|
|                        | #         | %    | #         | %    |
| Less than \$50,000     | 29        | 0.6  | 92        | 1.5  |
| \$50,000 to \$99,999   | 336       | 7.0  | 19        | 0.3  |
| \$100,000 to \$149,999 | 1,478     | 30.6 | 68        | 1.1  |
| \$150,000 to \$199,999 | 1,439     | 29.8 | 282       | 4.5  |
| \$200,000 to \$299,999 | 889       | 18.4 | 1,545     | 24.7 |
| \$300,000 to \$499,999 | 456       | 9.4  | 2,906     | 46.5 |
| \$500,000 to \$999,999 | 170       | 3.5  | 1,217     | 19.5 |
| \$1,000,000 or more    | 32        | 0.7  | 116       | 1.9  |
| Median                 | \$166,100 |      | \$353,700 |      |

Source: U.S. Census Bureau 2000 and 2010

<sup>20</sup> Census housing values are derived from Assessor's data.

Information on historical median sales prices from The Warren Group is presented in Table III-16 and confirms that Bourne's housing market is rebounding, however median sales prices still have not reached 2005 levels, at the height of the housing market. Reports from *Banker & Tradesman* as well as other economic indicators, suggest that the housing market in the region and nationally will continue to improve.

As of August 2013, the median *single-family house* price was \$320,000 and then to \$311,000 by the end of 2013, down from the Census Bureau estimates but significantly higher than the median of \$255,000 in 2012. While prices were lower in 2012 than 2013, the number of actual sales was up markedly from prior years to 243 sales, getting close to the 2005 level of 282 sales. Nevertheless, this level of sales is still significantly lower than the 465 that occurred in 1999.

The *condominium* market is fluctuating somewhat with a median of \$208,500 as of August 2013 and then to \$190,000 by the end of 2013, up only slightly from \$184,750 in 2012, but still lower than prior years going back to 2004. The number of condo sales has also fallen off. While condo sales in 2013 may be close to 2012 levels, the volume of activity is substantially lower than 2004 and 2005 levels at 123 and 125 sales, respectively. While the condos have largely been considerably more affordable than single-family homes in recent years, this has not always been the case in Bourne. During 2004 the median condo price was \$350,000, higher than the median for single-family homes of \$344,500. This was likely related to the availability of new and pricier condos during this period.

**Table III-16: Median Sales Prices, 1990 Through 2013**

| Year | Months     | Single-family Homes | # Home Sales | Condo Sales | # Condo Sales |
|------|------------|---------------------|--------------|-------------|---------------|
| 2013 | Jan – Aug  | \$320,000           | 142          | \$208,500   | 28            |
|      | Jan. – Dec | \$311,000           | 231          | \$190,000   | 43            |
| 2012 | Jan – Dec  | 255,000             | 243          | 184,750     | 58            |
| 2011 | Jan – Dec  | 265,590             | 177          | 218,250     | 50            |
| 2010 | Jan – Dec  | 288,000             | 194          | 226,000     | 58            |
| 2009 | Jan – Dec  | 289,900             | 190          | 225,000     | 40            |
| 2008 | Jan – Dec  | 312,000             | 190          | 220,000     | 51            |
| 2007 | Jan – Dec  | 340,000             | 187          | 266,000     | 72            |
| 2006 | Jan – Dec  | 353,950             | 214          | 292,500     | 77            |
| 2005 | Jan – Dec  | 384,500             | 282          | 332,000     | 125           |
| 2004 | Jan – Dec  | 344,500             | 313          | 350,000     | 123           |
| 2003 | Jan – Dec  | 311,250             | 278          | 194,500     | 86            |
| 2002 | Jan – Dec  | 255,000             | 289          | 143,550     | 89            |
| 2001 | Jan – Dec  | 225,000             | 265          | 130,000     | 83            |
| 2000 | Jan – Dec  | 185,000             | 306          | 116,500     | 65            |
| 1999 | Jan – Dec  | 160,000             | 465          | 90,000      | 79            |
| 1998 | Jan – Dec  | 132,950             | 398          | 79,000      | 65            |
| 1997 | Jan – Dec  | 133,400             | 295          | 82,000      | 66            |
| 1996 | Jan – Dec  | 122,000             | 229          | 86,000      | 36            |

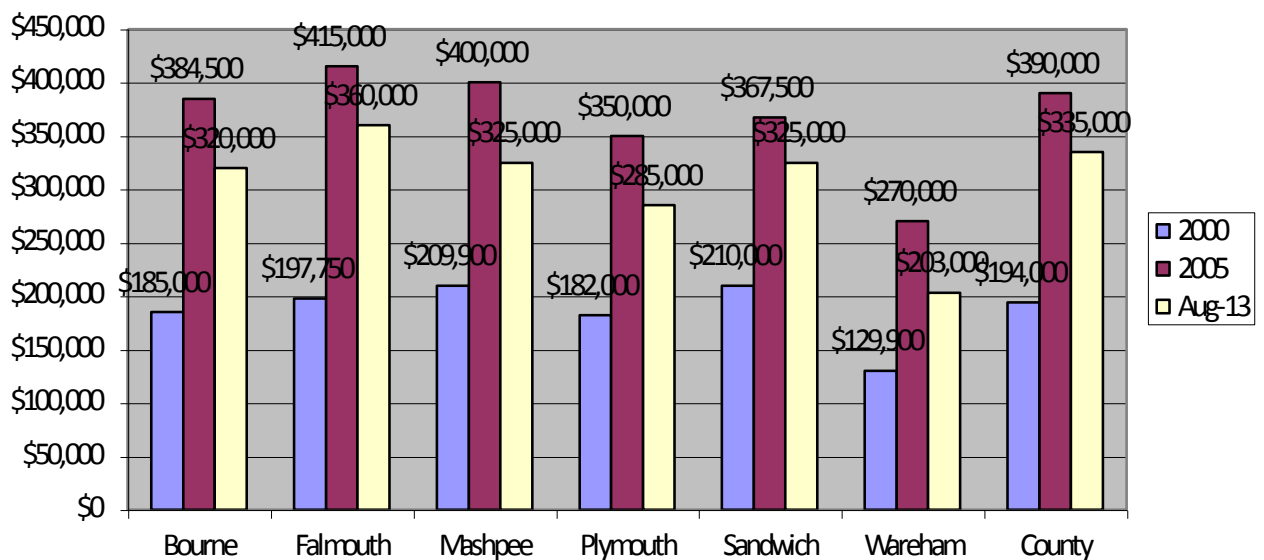
|      |           |         |     |        |    |
|------|-----------|---------|-----|--------|----|
| 1995 | Jan – Dec | 123,250 | 190 | 75,500 | 48 |
| 1994 | Jan – Dec | 112,198 | 204 | 94,750 | 48 |
| 1993 | Jan – Dec | 118,000 | 231 | 77,750 | 66 |
| 1992 | Jan – Dec | 112,875 | 239 | 80,000 | 42 |
| 1991 | Jan – Dec | 117,500 | 165 | 61,250 | 27 |
| 1990 | Jan – Dec | 132,250 | 176 | 75,000 | 45 |

Source: The Warren Group, *Banker & Tradesman*, September 24, 2013

Housing prices have been relatively comparable to the Cape as a whole and some of Bourne's neighbors including Mashpee and Sandwich as demonstrated in Figure III-4. All communities experienced significant gains in housing values from 2000 to 2005 and then significant losses after that with values as of August 2013 still above 2000 levels but lower than 2005. Median values for single-family homes have been highest in bordering Falmouth and lowest in Wareham.

Figure III-4

### Median Single-family Home Prices for 2000, 2005 and August 2013



Another analysis of housing market data is presented in Table III-17, which breaks down sales data from the Multiple Listing Service as compiled by *Banker & Tradesman* of The Warren Group for single-family homes and condominiums in Bourne from September 2012 through September 2013.

Table III-17: Single-family House and Condo Sales, September 2012 through September 2013

| Price Range       | Single-family Homes |     | Condominiums |      | Total |     |
|-------------------|---------------------|-----|--------------|------|-------|-----|
|                   | #                   | %   | #            | %    | #     | %   |
| Less than 100,000 | 4                   | 1.7 | 8            | 19.0 | 12    | 4.2 |
| \$100,000-149,999 | 17                  | 7.1 | 8            | 19.0 | 25    | 8.8 |

|                   |           |       |           |       |           |       |
|-------------------|-----------|-------|-----------|-------|-----------|-------|
| \$150,000-199,999 | 26        | 10.8  | 5         | 11.9  | 31        | 11.0  |
| \$200,000-249,999 | 30        | 12.4  | 8         | 19.0  | 38        | 13.4  |
| \$250,000-299,999 | 42        | 17.4  | 2         | 4.8   | 44        | 15.5  |
| \$300,000-399,999 | 56        | 23.2  | 6         | 14.3  | 62        | 21.9  |
| \$400,000-499,999 | 24        | 10.0  | 5         | 11.9  | 29        | 10.2  |
| \$500,000-599,999 | 17        | 7.1   | 0         | 0.0   | 17        | 6.0   |
| \$600,000-699,999 | 7         | 2.9   | 0         | 0.0   | 7         | 2.5   |
| Over \$700,000    | 18        | 7.5   | 0         | 0.0   | 18        | 6.4   |
| Total             | 241       | 100.0 | 42        | 100.0 | 283       | 100.0 |
| Median Price      | \$300,000 |       | \$190,000 |       | \$290,000 |       |

Source: The Warren Group, *Banker & Tradesman*, September 25, 2013

There were 283 total sales of single-family homes and condos during this period at 241 sales and 42, respectively. Units that sold below \$200,000, and were therefore roughly affordable to those earning at or below 80% of area median income, included 47 single-family homes and 21 condominiums for a total of 68 units. The median priced single-family home sale was \$300,000, and condos were considerably more affordable with a median sales price of \$190,000. About 30% of the single-family home sales fell within the \$200,000 to \$300,000 price range, still relatively affordable, while almost three-quarters of the condos (73.7%) sold for less than \$300,000. Bourne also has a luxury housing market with 18 homes selling for more than \$700,000, including seven (7) homes that were sold for more than \$1 million.

*Town Assessor data* on the assessed values of all residential properties in Bourne is presented in Tables III-18 and III-19, which provides insights into not only the diversity of the existing housing stock but also the range of values for each dwelling type. This information is visually displayed in Figure III-5.

Table III-18 summarizes information on the assessed values of single-family homes and condominiums. This data shows that Bourne had 7,671 single-family properties, 598 of which were valued below \$200,000 and potentially affordable to those earning at or below 80% AMI. About 42% of the homes were assessed between \$200,000 and \$300,000, still relatively affordable. Approximately one-quarter of the homes (23.3%) were assessed from \$300,000 to \$400,000. The median assessed value was \$298,000, relatively close to the median sales price of \$300,000 between September 2012 and 2013, but lower than the median sales prices as of the August 2013 of \$320,000 according to The Warren Group.

**Table III-18: Assessed Values of Single-family Homes and Condominiums**

| Range of Value    | Single-family Homes |      | Condominiums |      | Total |      |
|-------------------|---------------------|------|--------------|------|-------|------|
|                   | #                   | %    | #            | %    | #     | %    |
| 0-\$99,999        | 1                   | 0.01 | 189          | 16.7 | 190   | 2.2  |
| \$100,000-149,000 | 35                  | 0.5  | 314          | 27.8 | 349   | 4.0  |
| \$150,000-199,999 | 562                 | 7.3  | 205          | 18.1 | 767   | 8.7  |
| \$200,000-249,999 | 1,576               | 20.5 | 152          | 13.4 | 1,728 | 19.6 |
| \$250,000-299,999 | 1,687               | 22.0 | 32           | 2.8  | 1,719 | 19.5 |

|                   |       |       |       |       |       |       |
|-------------------|-------|-------|-------|-------|-------|-------|
| \$300,000-349,999 | 1,136 | 14.8  | 81    | 7.2   | 1,217 | 13.8  |
| \$350,000-399,999 | 654   | 8.5   | 96    | 8.5   | 750   | 8.5   |
| \$400,000-449,999 | 463   | 6.0   | 54    | 4.8   | 517   | 5.9   |
| \$450,000-499,999 | 336   | 4.4   | 8     | 0.7   | 344   | 3.9   |
| \$500,000-599,999 | 430   | 5.6   | 0     | 0.0   | 430   | 4.9   |
| \$600,000-699,999 | 206   | 2.7   | 0     | 0.0   | 206   | 2.3   |
| \$700,000-799,999 | 142   | 1.9   | 0     | 0.0   | 142   | 1.6   |
| \$800,000-899,999 | 75    | 1.0   | 0     | 0.0   | 75    | 0.9   |
| \$900,000-999,999 | 66    | 0.9   | 0     | 0.0   | 66    | 0.7   |
| Over \$1 million  | 302   | 3.9   | 0     | 0.0   | 302   | 3.4   |
| Total             | 7,671 | 100.0 | 1,131 | 100.0 | 8,802 | 100.0 |

Source: Bourne Assessor, fiscal year 2013.

There were 1,131 condominiums, or about 10% of all housing units, counted in Assessor's records. Not surprisingly, the condos were assessed more affordably than the single-family homes on a whole with 189 units assessed below \$100,000, and 45.6% assessed between \$100,000 and \$200,000. Another 16.2% of the condos were valued between \$200,000 and \$300,000 and 20.5% between \$300,000 and \$450,000. The median assessed value was \$166,300, significantly lower than the median sales price over the past year and as of August 2013 as quoted by The Warren Group in *Banker & Tradesman*.

Figure III-5

#### Distribution of Assessed Values for Single-family Homes and Condos, 2013

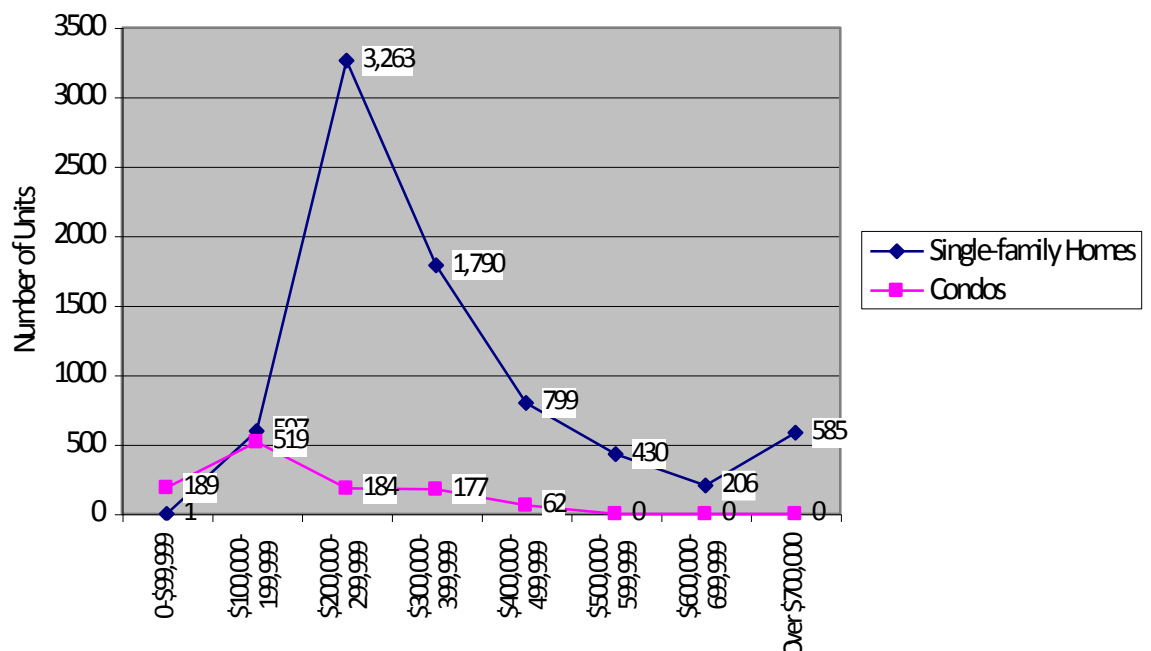


Table III-19 summarizes the range of values for multi-family properties, indicating the number of properties not units. There were 108 two-family homes and 12 three-family

structures with the majority (57.4%) of the properties assessed between \$150,000 and \$300,000 (70.4% of the two-families and 75% of the three-family structures).

Altogether there were also 197 properties that included multiple houses on a single lot with a fair degree of representation across the ranges of value, however almost one-third (32%) were assessed at \$700,000 or more, quite a few of these beyond \$1 million.

Additionally, Assessor's records indicate that there were eleven (11) properties that included four (4) to eight (8) housing units and another eight (8) with more than nine (9) units. Most of the larger properties were valued at more than \$700,000 while the four (4) to eight (8) unit properties were in the \$250,000 to \$500,000 range.

Assessor's data also indicates that there were eleven (11) mixed-use properties in Bourne that were valued between \$539,880 and \$3,566,760.

**Table III-19: Assessed Values of Multi-family Properties**

| Range of Value    | Two/Three-Unit Structures |           | Multiple Houses on 1 Lot |       | 4-8-Unit Apts./ 9+ Unit Apts. |             |
|-------------------|---------------------------|-----------|--------------------------|-------|-------------------------------|-------------|
|                   | #                         | %         | #                        | %     | #                             | %           |
| 0-\$99,999        | 0/0                       | 0.0/0.0   | 0                        | 0.0   | 0/0                           | 0.0/0.0     |
| \$100,000-149,000 | 1/0                       | 0.9/0.0   | 0                        | 0.0   | 0/0                           | 0.0/0.0     |
| \$150,000-199,999 | 14/6                      | 13.0/50.0 | 2                        | 1.0   | 0/0                           | 0.0/0.0     |
| \$200,000-249,999 | 35/1                      | 32.4/8.3  | 10                       | 5.1   | 0/0                           | 0.0/0.0     |
| \$250,000-299,999 | 27/2                      | 25.0/16.7 | 19                       | 9.6   | 2/0                           | 18.2/0.0    |
| \$300,000-349,999 | 8/2                       | 7.4/16.7  | 21                       | 10.7  | 6/0                           | 54.5/0.0    |
| \$350,000-399,999 | 10/0                      | 9.3/0.0   | 24                       | 12.2  | 1/0                           | 9.1/0.0     |
| \$400,000-449,999 | 4/0                       | 3.7/0.0   | 23                       | 11.7  | 1/0                           | 9.1/0.0     |
| \$450,000-499,999 | 3/0                       | 2.8/0.0   | 12                       | 6.1   | 1/1                           | 9.1/12.5    |
| \$500,000-599,999 | 2/0                       | 1.9/0.0   | 15                       | 7.6   | 0/1                           | 0.0/12.5    |
| \$600,000-699,999 | 1/1                       | 0.9/8.3   | 8                        | 4.1   | 0/0                           | 0.0/0.0     |
| \$700,000 or more | 3/0                       | 2.8/0.0   | 63                       | 32.0  | 0/6                           | 0.0/75.0    |
| Total             | 108/12                    | 100.0     | 197                      | 100.0 | 11/8                          | 100.0/100.0 |

Source: Bourne Assessor, fiscal year 2013.

### *Rentals*

Table III-20 presents information on rental costs for 2000 and 2011, based on the U.S. Census data. The rental market has changed substantially as the median rent increased by 56% between 2000 and 2011, from \$665 to \$1,037. Of the 2,094 rental units analyzed in 2000, 425 units or 20.3% had gross rents of less than \$500 compared to 268 units or 14.8% by 2011. It is also important to note that the census counts include subsidized units, which represent about 30% of all rental units in Bourne and are also likely included in these counts.

At the other end of the range, 8.8% or 185 units were rented at more than \$1,000 per month in 2000, while 699 units or 38.7% were estimated to have rents above this level by 2011. In 2000 Bourne did not have any units renting for more than \$1,500, however by 2011 there were 277 units or 15.3% of all rentals priced above this threshold.

**Table III-20: Rental Costs, 2000 and 2011**

| <b>Gross Rent</b> | <b>2000</b> |          | <b>2011</b> |          |
|-------------------|-------------|----------|-------------|----------|
|                   | <b>#</b>    | <b>%</b> | <b>#</b>    | <b>%</b> |
| Under \$200       | 135         | 6.4      | 0           | 0.0      |
| \$200-299         | 101         | 4.8      | 74          | 4.1      |
| \$300-499         | 189         | 9.0      | 194         | 10.7     |
| \$500-749         | 592         | 28.3     | 159         | 8.8      |
| \$750-999         | 452         | 21.6     | 195         | 10.8     |
| \$1,000-1,499     | 185         | 8.8      | 422         | 23.4     |
| \$1,500 +         | 0           | 0.0      | 277         | 15.3     |
| No Cash Rent      | 440         | 21.0     | 485         | 26.9     |
| Total*            | 2,094       | 100.0    | 1,806       | 100.0    |
| Median Rent       | \$665       |          | \$1,037     |          |

Source: U.S. Census Bureau, Census 2000 Summary File 3 and 2007-2011 American Community Survey

Updated information on recent rental listings from August and September on the *Craigslist and Zillow websites* suggest a fairly wide range of rents. The lowest rent was for a room in a house at \$600 per month. One-bedroom units ranged from \$750 for a unit directed to seniors, \$975 for a unit by the Bourne Bridge, a small cottage of 1,000 square feet in Buzzards Bay for \$1,000, a condo for rent for \$1,185 and a small house for \$1,500. The listings for two-bedroom units were more limited and included a winter rental of 850 square feet in Pocasset for \$850, a handicapped accessible unit at Canal Bluffs for \$897, to a small 747 square foot house for \$1,000. The three-bedroom listings included a unit at Sagamore Beach for \$1,200, a cottage in Pocasset and waterfront winter rental, both for \$1,500, and a condo for rent on Sandwich Road for \$2,000. Most of these rents are within the Fair Market Rents (FMRs) issued by HUD for its rental subsidy programs.<sup>21</sup>

A recent housing market study that was completed in 2012 to obtain financing for the Coady School project estimated that market rents were \$950 for a studio apartment, \$1,110 for one-bedroom units and \$1,375 for two-bedrooms.<sup>22</sup> These rents are somewhat higher than existing HUD Fair Market Rent levels.

Rents during the summer also range in price depending on size, location and amenities but \$3,000 per week and more are not unusual. There is in fact a wide range of seasonal rental prices, from \$800 to \$900 per week for a small cottage away from the water to \$8,000 a week for a fully appointed house on Scraggy Neck Island for example.

It is also important to note that most landlords require first and last month's rent plus a security deposit equivalent to as much as a month's rent. For a \$1,200 apartment, that totals \$3,600 in up-front cash, an amount that many prospective tenants just do not have available. Some listings include just a half-month's rent up-front, in addition to the first month's rent, as a "finder's fee" however.

<sup>21</sup> The 2013 Fair Market Rents are as follows: \$847 for efficiencies, \$945 for one-bedroom units, \$1,267 for two-bedrooms, \$1,657 for three-bedrooms, and \$1,740 for four-bedroom units.

<sup>22</sup> Bonz and Company, Inc., "Low Income Housing Tax Credit Residential Market Study for the Coady School", prepared for the Stratford Capital Group, August 3, 2012.

#### **4. Housing Affordability Analysis – Continued and widening affordability gaps**

##### *Single-family Homes*

As housing prices escalate the affordability gap widens, the gap being the difference between the cost of housing and the proportion of income that is reasonable to pay for housing, typically defined as 30% of gross income. To afford the median sales price of a single-family home of approximately \$320,000, a household would have to earn an estimated \$64,150 based on 80% financing.<sup>23</sup> This income is a bit higher than the median household income for the Town per 2011 census estimates of \$62,531 and comparable to the HUD area median income limits for a family of four (4) of \$64,400. It is substantially lower than the \$90,000 income that was required to afford the median priced home in 2005, at the height of the market.

The average household, based on the median income of \$62,531, could likely afford a home costing about \$289,000. *The affordability gap is then about \$31,000 - the difference between the price of the median priced single-family home (\$320,000) and what a median income household can afford (\$289,000). This gap will widen as the housing market continues to rebound.* These calculations are also based on the ability of the purchasers to secure sufficient cash to afford 80% mortgage financing of about \$60,000. While financing with less than 5% down payments were common before the financial crisis, they are now more the exception than the norm.

The affordability gap widens to \$90,000 if the analysis focuses on those low- and moderate-income households earning at or below 80% of area median income, or \$58,000 for a family of three (3), who can afford a house costing no more than about \$230,000.<sup>24</sup> There remains a sizable segment of Bourne's housing stock within this purchase price, however, it is likely that many of these units are small and require significant improvements. Moreover, the continuing improvement of the housing market will push more and more properties outside of this price range.

It is important to note that this cost analysis is based on the maximum HUD limits for a household earning at 80% AMI, not the affordable purchase price that would be calculated according to the formula used in the Local Initiative Program (LIP) that is based on a household earning at 70% AMI to allow for a marketing window. This price is closer to \$200,000 for a single-family home.

##### *Condominiums*

The median condo price was \$208,500 as of August 2013, which would require an income of approximately \$51,239 and thus likely affordable to a household earning

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<sup>23</sup> Figures based on 80% financing, interest of 5.0%, 30-year term, annual property tax rate of \$9.45 per thousand, and insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed). Also based on the purchaser spending no more than 30% of gross income on mortgage, taxes and insurance.

<sup>24</sup> This analysis assumes the ability of the purchaser to obtain subsidized mortgage financing from the ONE Mortgage Program or MassHousing mortgage offerings. Therefore, no private mortgage insurance (PMI) was included in the calculations and 95% mortgage financing was assumed.

within 80% AMI.<sup>25</sup> In fact a median income-earning household could likely afford a condo in Bourne for about a \$240,000 and a household of three (3) earning at 80% AMI could likely afford a condo of an estimated \$218,000. Consequently there is currently no affordability gap. Nevertheless, condo prices are increasing and if they reach market levels from the height of the market in 2004 of \$350,000, there will indeed be a substantial affordability gap.

#### *Owner-Occupied Two-Family House*

The owner-occupied, small multi-family house is considerably more affordable than the single-family home or condo due to the income that is generated from the rental unit. Because lenders calculate about 75% of rental income in mortgage underwriting criteria, these structures are more accessible to lower income households. For example, the median valued two-family house, based on Assessors data, was \$254,700 in 2013, requiring an income of approximately \$21,000, based on 80% mortgage financing and the ability to come up with at least \$55,000 in down payment and closing costs.<sup>26</sup> Assuming the purchasers could qualify for a subsidized mortgage with 95% financing, the income required would be \$29,000. Because the supply of these dwellings is declining in Bourne, efforts should be made to restore these dwelling types.

#### *Rentals*

In regard to rentals, the gross median rent of \$1,037, reported by the 2011 census estimates, requires an income of about \$47,480, not affordable to more than two-thirds of Bourne's renter households. Actual listings of rental units ranged considerably but a recent market study completed by Bonz and Company, Inc. for the development of the Coady School suggested that market rentals were somewhat higher than federal Fair Market Rent (FMR) levels. Using their estimates a two-bedroom unit would rent for \$1,375, requiring an income of about \$61,000 with a monthly average utility allowance of \$150 and the occupants paying no more than 30% of their income on housing. This indicates that market rentals remained largely affordable to those earning at or below 80% AMI.

#### *Cost Burdens*

It is also useful to identify numbers of residents living beyond their means based on their existing housing costs. The census provides data on how much households spent on housing whether for ownership or rental. Such information is helpful in assessing how many households

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<sup>25</sup> Figures based on 80% financing, interest of 5.0%, 30-year term, annual property tax rate of \$9.45 per thousand, and insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed). Also based on an estimated \$250 per month in condo fees and the purchaser spending no more than 30% of gross income on housing costs.

<sup>26</sup> Figures based on 80% financing, interest of 5.0%, 30-year term, annual property tax rate of \$9.45 per thousand, and insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed). Also based on an estimated rent of \$1,000 per month (\$750 used in calculations) and the purchaser spending no more than 30% of gross income on housing costs.

are encountering housing affordability problems, defined as spending more than 30% of their income on housing.

Based on 2011 estimates from the Census Bureau's American Community Survey, there were 354 homeowners in Bourne with a mortgage who were spending between 30% and 34% of their income on housing and another 1,552 owners spending more than 35% of their income on housing expenses. Even some without a mortgage were overspending on their housing including 66 spending between 30% and 34% and another 548 spending more than 35% of their income on housing expenses. *Thus 2,520, or more than 42% of all owners, were overspending on housing based on these census estimates.*

In regard to renters, 174 renters were spending between 30% and 34% of their income on housing and another 643 were allocating 35% or more of their income for housing, *for a total of 817 renters who were overspending or about 45% of all renters.*

This data suggests that altogether *3,337 households or more than 42% of all Bourne households were living in housing that is by common definition beyond their means and unaffordable.*

HUD also prepares a report that summarizes cost burdens by tenure, income level and type of household. The results, based on 2005-2009 American Community Survey data, are summarized in Table III-21.<sup>27</sup> *This data suggests that there were 2,734 households (624 renters and 2,110 owners) or 37% of all households who were spending too much on their housing.* Additional findings included the following:

- Of the 2,940 households earning at or below 80% of median family income (MFI), 1,930 or almost two-thirds were spending more than 30% of their income on housing and of these 1,045 or about 36% were spending more than half of their income on housing costs (having severe cost burdens). An additional 904 households earning more than 80% MFI were spending too much on their housing as well.
- Of the 1,170 renter households earning at or below 80% MFI, 350 or 30% were spending between 30% and 50% of their income on housing and an additional 350 were spending more than half of their income on housing expenses.
- Of the 1,770 owner households earning within 80% MFI, altogether 1,230 were spending too much and of these 695 or 56% were spending more than half of their earnings on the costs of housing.
- Of the 910 households earning at or below 30% MFI, 55% were spending more than half of their income on housing including 260 renters and 240 owners.
- There were 720 households who earned between 30% and 50% MFI, including 230 renters and 490 owners. A total of 590 households were spending too much on their housing that included 220 renter households and 370 owner households, 80 (36.4% of all these renter households) and 230 (46.9% of these owner households) who were spending more than half of their income on housing, respectively.

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<sup>27</sup> This data is somewhat older than the 2010 census data summarized above, however it provides additional breakdowns of cost burdens by tenure, income range and types of households and therefore is worth reviewing although aggregate figures are likely less reliable.

- Of the 1,310 *households who earned between 50% and 80% MFI*, 140 renters (35% of renters in this income category) and 485 owners (53.3% of all owners in this income category) were spending too much that included 10 renter households and 225 owner households spending more than half of their income on housing.
- A considerable number of *seniors* were experiencing cost burdens including 240 renters and 690 owners. A total of 155 or three-quarters of seniors who rented and earned less than 30% MFI were overspending on their housing, including about half who were spending at last 50% of their incomes on housing. Another 65 seniors who were renting and earning between 30% and 50% MFI were also overspending on their housing, with about one-third spending more than half of their income on housing. These seniors should be the targets for the new Cape View subsidized housing units that are being sponsored by the Bourne Housing Authority and the redevelopment of the Coady School into affordable senior units as well.
- The *690 seniors who owned their own homes* and were spending too much on their housing included 35% of all elderly homeowners. Cost burdens were particularly high for those earning at or below 50% MFI. The combination of fixed incomes and rising utility and insurance costs, is likely contributing to these high cost burdens.
- There were 175 of the total 840 *small families that rented* that had cost burdens, including 85 with severe costs burdens, all earning less than 80% MFI.
- A substantial portion of all *small families who were owners* and earned at or below 80% MFI, or 83%, were experiencing housing cost burdens including 160 or about 40% with severe cost burdens.
- There were no *larger families that were renting* that had any cost burdens, likely signaling relatively little need for large rental units. This information might indicate that many larger households have left the community in search of more affordable larger units elsewhere.
- The data indicated that there were no *owners with large families earning below 30% MFI* living in Bourne, which is not surprising given the relatively high cost of purchasing a home for those in this income category.
- There were 125 *owners with large families* (24.5%) that were overspending on their housing, 45 spending at least half of their income on housing expenses and all earning between 50% and 80% MFI.
- *“Other” households* (meaning non-family and non-elderly households such as single persons living alone) were encountering the greatest cost burdens for both renters and owners in proportion to their numbers. For example, more than half of all “other” households who rented had cost burdens including one-third with severe cost burdens. Likewise, 56% of these owners had cost burdens, 26% spending more than half of their income on housing. Particularly hard-hit are these “other” household renters with very limited incomes where 81% of these households earning at or below 50% MFI had severe cost burdens.

Table III-21: Cost Burdens by Tenure and Income Level, 2009

| Type and Tenure 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** | Housing Earning > 80% MFI/# with cost burdens** | Total/ Total with cost burdens** |
|------------------------------|----------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------|----------------------------------|
| <b>Elderly Renters</b>       | 205/55-100                                         | 105/30-35                                                   | 55/20-0                                                     | 20/0-0                                          | 385/105-135                      |
| <b>Small Family Renters</b>  | 190/25-40                                          | 85/10-35                                                    | 220/35-10                                                   | 345/20-0                                        | 840/90-85                        |
| <b>Large Family Renters</b>  | 0/0-0                                              | 25/0-0                                                      | 10/0-0                                                      | 35/0-0                                          | 70/0-0                           |
| <b>Other Renters</b>         | 145/0-120                                          | 15/0-10                                                     | 115/75-0                                                    | 120/4-0                                         | 395/79-130                       |
| <b>Total Renters</b>         | <b>540/80-260</b>                                  | <b>230/140-80</b>                                           | <b>400/130-10</b>                                           | <b>520/24-0</b>                                 | <b>1,690/274-350</b>             |
| <b>Elderly Owners</b>        | 215/115-135                                        | 330/120-105                                                 | 360/70-35                                                   | 1,050/70-40                                     | 1,955/375-315                    |
| <b>Small Family Owners</b>   | 70/10-60                                           | 75/20-40                                                    | 260/145-60                                                  | 1,865/375-50                                    | 2,270/550-210                    |
| <b>Large Family Owners</b>   | 0/0-0                                              | 10/0-10                                                     | 90/10-35                                                    | 410/70-0                                        | 510/80-45                        |
| <b>Other Owners</b>          | 85/10-45                                           | 75/0-75                                                     | 200/35-95                                                   | 600/240-35                                      | 960/285-250                      |
| <b>Total Owners</b>          | <b>370/135-240</b>                                 | <b>490/140-230</b>                                          | <b>910/260-225</b>                                          | <b>3,925/755-125</b>                            | <b>5,695/1,290-820</b>           |
| <b>Total</b>                 | <b>910/215-500</b>                                 | <b>720/280-310</b>                                          | <b>1,310/390-235</b>                                        | <b>4,445/779-125</b>                            | <b>7,385/1,564-1,170</b>         |

Source: U. S. Department of Housing and Urban Development (HUD), SOCDS CHAS Data, American Community Survey, 2005-2009. \*\* First number is total number of households in each category/second is the number of households paying between 30% and 50% of their income on housing (with cost burdens) – **and third number includes those who are paying more than half of their income on housing expenses (with severe cost burdens)**. Small families have four (4) or fewer family members while larger families include five (5) or more members. The “other” category, for both renters and owners, includes non-elderly and non-family households.

##### 5. Subsidized Housing Inventory (SHI)

Of the 8,584 year-round housing units in the town of Bourne, 563 units or 6.6% have been determined to be affordable by the Commonwealth of Massachusetts and eligible for inclusion in the Subsidized Housing Inventory (SHI). This represents an increase of 42 affordable units since 2005. However because of housing growth, the number of year-round housing units increased from 7,787, based on 2000 census figures, to 8,584 units when the 2010 decennial census figures were released, thus reducing the percentage of affordability to 6.6% despite the increase in affordable units. The addition of the Coady School’s 58 rental units will bring Bourne’s percentage to 7.2%.

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.<sup>28</sup> If Bourne were to

<sup>28</sup> Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households – defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income – by permitting the state to override local zoning and other restrictions in

reach the state 10% standard it would have to create about another 240 units of subsidized housing not counting for growth – an ambitious task in the short-run. Most nearby communities have yet to meet this 10% standard as well and remain subject to Chapter 40B zoning overrides as shown in Table III-22.

**Table III-22: Affordable Housing in Bourne and Other Cape Towns**

| <b>Community</b> | <b>Number of SHI Units</b> | <b>Percentage of Year-round Units</b> |
|------------------|----------------------------|---------------------------------------|
| Barnstable       | 1,363                      | 6.6%                                  |
| <b>Bourne</b>    | <b>563</b>                 | <b>6.6%</b>                           |
| Brewster         | 251                        | 5.2%                                  |
| Chatham          | 168                        | 4.9%                                  |
| Dennis           | 332                        | 4.3%                                  |
| Eastham          | 48                         | 1.8%                                  |
| Falmouth         | 794                        | 5.3%                                  |
| Harwich          | 326                        | 5.3%                                  |
| Mashpee          | 277                        | 4.3%                                  |
| Orleans          | 297                        | 9.0%                                  |
| Sandwich         | 314                        | 3.8%                                  |
| Yarmouth         | 494                        | 4.1%                                  |

Source: Massachusetts Department of Housing and Community Development, April 30, 2013

#### *Current Inventory*

Bourne’s current state-approved Subsidized Housing Inventory is summarized in Table III-23, indicating that more than 90% of the units were rentals as opposed to homeownership. Of the rental units, 27 units were directed to special needs populations.

The Bourne Housing Authority (BHA) owns and manages 122 units through two senior developments that include younger disabled residents (Roland Phinney Place and Continental Apartments), a family development (Windswept Acres) and a special needs facility (Waterhouse Road).

In addition to housing management, the BHA manages rental assistance programs through the Section 8 Program with 76 certificates/vouchers. These programs subsidize the rents of qualifying households who locate rental units in privately owned properties. Because the rental housing supply is becoming increasingly more expensive, some rental voucher recipients are forced to look beyond Bourne or even the Cape for a qualifying apartment. While current state regulations do not count tenant-based subsidies as part of a community’s Subsidized Housing Inventory, these units are important in reducing cost burdens for low- and moderate-income households in Bourne.

An emergency shelter is also located in Bourne, and while those who come to live in the shelter are considered Bourne residents, shelter units are not eligible for inclusion in the

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communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

community's Subsidized Housing Inventory that is restricted to permanent instead of emergency or transitional units. Residents of the shelter can nevertheless receive priority consideration for units that become available through the Bourne Housing Authority as they are considered homeless and have local residence preference status.

**Table III-23: Bourne's Subsidized Housing Inventory (SHI)**

| <b>Name of Project</b>                     | <b># Affordable Units</b> | <b>Owner</b>                   | <b>Housing Type (Expiring Use Date)</b> | <b>Type of Financing</b> | <b>Village Location</b>     |
|--------------------------------------------|---------------------------|--------------------------------|-----------------------------------------|--------------------------|-----------------------------|
| Roland Phinney Place                       | 56                        | BHA                            | Elderly/Disabled Rental                 | MHFA Section 8           | Pocasset                    |
| Continental Apartments                     | 36                        | BHA                            | Elderly/Disabled Rental                 | State Chap. 67           | Buzzards Bay                |
| Waterhouse Road                            | 16                        | BHA                            | Special Needs Rental                    | Chapter 689              | Confidential                |
| Windswept Acres                            | 14                        | BHA                            | Family Housing Rental                   | State Chap. 705          | Bourne Village              |
| Bourne Oaks                                | 105                       | Bradford Group                 | Elderly Rental (2028)                   | FmHA 515                 | Buzzards Bay                |
| Canalside Apartments                       | 112                       | Canalside Apts. Assoc.         | Rental (3/2018)                         | MHFA Sec. 236            | North Sagamore              |
| Cherry Hill*                               | 28                        | Cherry Hill Court Realty Trust | Rental                                  | State TELLER Program     | North Sagamore              |
| Nightingale Pond Estates*                  | 15                        | Individual owners              | Single-family Homeownership             | DHCD LIP                 | Buzzards Bay                |
| Waterhouse Road*                           | 2                         | Individual owners              | Homeownership                           | LIP                      | Bourne Village              |
| Pocasset Assisted Living                   | 84                        | Realty Resources Chartered     | Elderly/Disabled Rental                 | DHCD                     | Pocasset                    |
| Department of Developmental Services (DDS) | 11                        | DDS                            | Special Needs/ Rental                   | --                       | Confidential                |
| Pilgrim Pines*                             | 33                        | Hebb Builders                  | Ownership                               | FHLBB                    | Buzzards Bay/ Bournedale    |
| Bourne Housing Partnership                 | 3                         | Individual Owners              | Ownership (2102)                        | DHCD LIP                 | Cataumet and North Sagamore |
| Habitat for Humanity (Tattler Circle)      | 1                         | Individual Owner               | Ownership                               | DHCD                     | Cataumet                    |
| HOR Program (Cape Cod Commission)          | 3                         | Individual owners              | Ownership/ Rehabilitation               | DHCD                     | Scattered Sites             |
| Cape Cod Commission                        | 2                         | Individual owners              | Ownership/ Rehabilitation (2040)        | DHCD for 2 and HUD for 1 | North Sagamore              |

|                                         |            |                  |                        |      |                |
|-----------------------------------------|------------|------------------|------------------------|------|----------------|
| Cape Cod Commission/<br>HOME Consortium | 1          | Individual Owner | Ownership (2040)       | HUD  | Buzzards Bay   |
| Gibbs Road                              | 1          | Individual Owner | Ownership (2020) Rehab | DHCD | Sagamore       |
| Hunters Brook Rd.                       | 1          | Individual Owner | Ownership (2019) Rehab | DHCD | Sagamore       |
| Canal Crossing*                         | 4          | Individual Owner | Ownership              | DHCD | Buzzards Bay   |
| Choctaw Drive                           | 1          | Individual Owner | Ownership (2021) Rehab | DHCD | Buzzards Bay   |
| Canal Bluffs*                           | 28         | HAC              | Rentals                | DHCD | Monument Beach |
| Adams Street                            | 1          | Individual Owner | Ownership              | DHCD | N. Sagamore    |
| Waterhouse Road                         | 1          | Individual Owner | Ownership              | DHCD | Bourne Village |
| Bayhead Shores Rd.                      | 1          | Individual Owner | Ownership              | DHCD | Buzzards Bay   |
| Habitat for Humanity (Flintlock Lane)*  | 1          | Individual Owner | Ownership              | DHCD | Sagamore       |
| Adams Street                            | 1          | Individual Owner | Ownership              | DHCD | N. Sagamore    |
| Shearwater Drive                        | 1          | Individual Owner | Ownership              | DHCD | Cataumet       |
| <b>Total</b>                            | <b>563</b> |                  |                        |      |                |

Source: Massachusetts Department of Housing and Community Development, September ?, 2013. \* Indicates projects that were approved through the Chapter 40B comprehensive permit process.

It should be noted that an additional eleven (11) units of age-restricted rental units should be added to the SHI as part of the second phase of the Canal Bluffs development, sponsored by the Housing Assistance Corporation (HAC), as these units are fully occupied and affordable. Consequently the number of SHI units should total 574 or 6.7% of the year-round housing stock.

#### *Proposed Projects*

There are a number of projects in the development pipeline that are likely to create additional affordable units including the following:

- *Coady School*

The Town has made its vacant Coady School available for development, and through a Request for Proposals process selected the Stratford Capital Group as the developer. The project was permitted through a “friendly” 40B process, the ZBA granting the approval on February 6, 2013. The project involves the rehabilitation of the school, per National Park Service Guidelines for Historic Renovations as well as the construction of an addition to accommodate 58 affordable rental units for seniors. Financing includes Low Income Housing Tax Credits that will enable all of the units to be affordable to those earning within

60% AMI, including 20% of the units for those extremely low-income individuals or families earning within 30% AMI. All income and age limitations will continue in perpetuity. The unit mix includes a studio apartment, 31 one-bedroom units, and 26 two-bedroom units for a total of 84 bedrooms. Construction should begin soon. As the comprehensive permit has already been issued, the 58 units are now eligible for inclusion in the SHI. This will bring the total number of SHI units to 621 or 7.2% of Bourne's year-round housing stock.

- *Cape View – BHA Sagamore Development*

The Bourne Housing Authority (BHA) plans to build rental housing for seniors on a number of parcels that were formerly owned by the Town of Bourne, taken through tax foreclosure. There are six (6) separate parcels that will be configured as part of this project and are planned to accommodate approximately 16 units.

- *Additional Phase at Canal Bluffs*

The Housing Assistance Corporation (HAC) has completed two (2) phases of its Canal Bluffs project, a first phase of 28 rental units as well as a second phase of eleven (11) age-restricted units (the second phase is now occupied and eligible for inclusion in the SHI). HAC has proposed an additional phase with an estimated 30 rentals and 18 ownership units. The Housing Partnership provided letters in support of HAC's previous applications for financing and will continue its strong endorsement of a third phase.

- *Ongoing BHP and BAHT Initiatives*

The Town of Bourne, through its Bourne Housing Partnership and Bourne Affordable Housing Trust, are currently securing ownership of two nonconforming lots, one of which the Town obtained through tax title, on which the BAHT will select a builder to construct new affordable homes (see strategy VI.A.3 for more details).

If these projects are approved and successfully completed another 124 units would be contributed to Bourne's Subsidized Housing Inventory, bringing the number of affordable units up to 698 and the percentage of the year round housing stock that is affordable up to 8.1%.

#### **D. Priority Housing Needs**

Relatively recent buildout calculations as part of a Cape Cod Commission report project a total of 12,111 housing units at buildout, representing an increase of 1,215 units from the estimated total housing units of 10,896 as of September 25, 2013.<sup>29</sup> This analysis suggests that to reach the 10% state affordability goal under Chapter 40B, 406 or one-third of all new units produced must be affordable, based on the assumption that about 80% of all new units will be for year-round use. Even if this was possible, it would still be unlikely that the affordable housing that is

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<sup>29</sup> Cape Cod Commission, "Cape Wide Buildout Analysis to Support Regional Wastewater Planning, Final Report", Submitted to the MA Department of Environmental Protection, July 31, 2012.

produced will be sufficient to meet the range of unmet local needs based on the following indicators:

***Significant numbers with limited incomes and growing income disparities – Need subsidized rental units for those with very limited incomes***

- *About half of all Bourne households were earning within the 80% AMI and potentially eligible for housing assistance based on income alone.*
- Based on 2011 census estimates, there were 2,038 households earning less than \$35,000 including 1,580 who earned less than \$25,000.
- About half (49.7%) of renters earned within \$35,000 compared to only 18.2% of homeowners. The income disparity between owners and renters is also reflected in median income levels of \$75,455 and \$35,140, respectively, for 2011. Additionally, the median income for homeowners increased by 45.4% since 2000 while only by 18.5% for renters.

***Increasing poverty – Need subsidized rentals for the community's most vulnerable households***

- The numbers of individuals and families in poverty increased from 1990 to 2011, rising over the past couple of decades for not only individuals and families but also for children and the elderly. The numbers of those living within the poverty level are quite substantial – almost 1,800 individuals and 400 families. *The 563 units that are part of the SHI as well as 76 rental vouchers do not come close to meeting the needs of all those living in poverty!*

***Widening affordability gaps – Need a mix of affordable rental and ownership units***

- The affordability gap is about \$31,000 - the difference between the price of the median priced single-family home (\$320,000) and what a median income household can afford (\$289,000). *This gap will widen as the housing market continues to rebound.* These calculations are also based on the ability of the purchasers to secure sufficient cash to afford 80% mortgage financing of about \$60,000. While financing with less than 5% down payments was common before the financial crisis, they are now more the exception than the norm.
- The affordability gap widens to \$90,000 if the analysis focuses on those low and moderate-income households earning at or below 80% of area median income, or \$58,000 for a family of three (3), who can afford a house costing no more than about \$230,000.<sup>30</sup> There remains a sizable segment of Bourne's housing stock within this purchase price, however, it is likely that many of these units are small and require significant improvements. Moreover, the continuing resurgence of the housing market will push more and more properties outside of this price range.

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<sup>30</sup> This analysis assumes the ability of the purchaser to obtain subsidized mortgage financing from the ONE Mortgage Program or MassHousing mortgage offerings. Therefore, no private mortgage insurance (PMI) was included in the calculations and 95% mortgage financing was assumed. Also, purchase prices under the state's Local Initiative Program (LIP) are based on someone earning at 70% AMI and are thus lower, closer to \$200,000.

- In regard to rentals, the gross median rent of \$1,037, reported by the 2011 census estimates, requires an income of about \$47,480, not affordable to more than two-thirds of Bourne's renter households. More recent estimates suggest market rents of \$1,375 for average two-bedroom units that require an income of \$61,000 and approaching median income levels.

***High cost burdens – Need more affordable living options for both existing renters and owners who are spending too much on their housing***

- Based on 2011 census estimates, there were 3,337 households or more than 42% of all Bourne households living in housing that is by common definition beyond their means and unaffordable. This total included 2,520 owners, or more than 42% of all owners, as well as 817 renters (45% of all renters).
- Of the 910 *households earning at or below 30% median family income (MFI)*, 55% were spending more than half of their income on housing including 260 renters and 240 owners.
- There were 720 *households who earned between 30% and 50% MFI*, including 230 renters and 490 owners. A total of 80 of these renter households (36.4%) and 230 of these owner households (46.9%) were spending more than half of their income on housing.
- Of the 1,310 *households who earned between 50% and 80% MFI*, 140 renters (35% of renters in this income category) and 485 owners (53.3% of all owners in this income category) were spending too much that included 10 renter households and 225 owner households spending more than half of their income on housing.
- A considerable number of *seniors* were experiencing cost burdens including 240 renters and 690 owners. A total of 155 or three-quarters of the seniors who were renters earned less than 30% MFI and were overspending on their housing, including about half who were spending at last 50% of their incomes on housing. Another 65 seniors who were renting and earning between 30% and 50% MFI were also overspending on their housing, with about one-third spending more than half of their income on housing.
- The 690 *seniors who owned their own homes* and were spending too much on their housing included 35% of all elderly homeowners. Cost burdens were particularly high for those earning at or below 50% MFI. The combination of fixed incomes and rising utility and insurance costs, is likely contributing to these high cost burdens.
- There were 175 of the total 840 *small families that rented* that had cost burdens, including 85 with severe costs burdens, all earning less than 80% MFI.
- A substantial portion of all *small families who were owners* and earned at or below 80% MFI, or 83%, were experiencing housing cost burdens including 160 or about 40% with severe cost burdens.
- There were no *larger families that were renting* that had any cost burdens, likely signaling relatively little need for large rental units or such families have already moved outside the community.
- There were 125 *owners with large families* (24.5%) that were overspending on their housing, 45 spending at least half of their income on housing expenses and all earning between 50% and 80% MFI.
- *"Other" households* (meaning non-family and non-elderly households such as single persons living alone) were encountering substantial cost burdens for both renters and owners. More than half of all "other" households who rented had cost burdens, including one-third with severe cost burdens. Likewise, 56% of these owners had cost burdens, 26% spending more than

half of their income on housing. Particularly hard-hit are these “other” household renters with very limited incomes where 81% of these households earning at or below 50% MFI had severe cost burdens.

***Long waits for subsidized rental housing – Need more subsidized rentals***

- The Bourne Housing Authority has a substantial waiting list of several hundred applicants with limited turnover of units –
  - Family Public Housing – Windswept Acres with 14 units*  
The waiting list has been closed for the past 2 months with 65 applicants including 3 residents. Turnover averages about one or two units per years, with most units filled by applicants on the Authority’s emergency priority wait list from the emergency shelter in Bourne.
  - Elder Public Housing – Roland Phinney Housing with 56 units and Continental Apartments with 36 units*  
There are 72 applicants on the Roland Phinney wait list, 20 of which are Bourne residents; and 102 applicants on the wait list for Continental Apartments, including 35 Bourne residents. Turnover is usually about six to seven units per year.
  - Special Needs Housing –*  
The current wait list includes 25 applicants, and turnover is limited to one or two units per year.
  - Rental Subsidies – 81 vouchers*  
The Housing Authority accesses the state’s centralized wait list of 56,000 applicants and offers local preference to Bourne residents on that list.
- Cape Cod Senior Residents of Pocasset, the manager of the Pocasset Assisted Living Project that included 84 affordable units, received approximately 400 applications representing substantial demand for this type of housing.

***Decreases in the rental housing stock – Need to replace some of this valuable housing stock***

- Occupied rental units fell by 129 units between 1990 and 2010 despite overall growth in the housing stock during this period of 20.1%, going from 34.6% of all occupied units to 24.3%.
- Census estimates indicate that between 2000 and 2011 there was a decline in the number of multi-family units in two to nine-unit structures. The decline in small, multi-family homes represents the loss of a valuable segment of the town’s existing housing stock. Many of these units were probably more affordable, as private landlords, particularly owner-occupied ones, tend to value good tenants and frequently maintain rents below market to keep them. It also suggests the loss of some particularly affordable homeownership stock since owners with rentals benefit from rental income that helps them finance and afford the property. As a result, small multi-family homes have offered important starter housing in many communities. The Town should consider strategies to replace some of this housing in future planning.

***Significant numbers of people with disabilities – Need to incorporate handicapped accessibility “visitability”, and supportive services into new development***

- Census data suggests a total of 2,751 residents, or about 15% of all residents claimed some type of disability in 2000. While updated figures are not available, given the aging of Bourne's population and continued population growth, it is likely that a higher percentage of residents are in fact currently disabled.

***Increases in smaller households – Need to focus on producing smaller units for increasing numbers of persons living alone and smaller families***

- The number of households increased by 33.4% between 1990 and 2010, higher than the total population growth during the same period of 23.0% and reflective of the increasing number of smaller households. While families were still the predominant type of household, they decreased from 72.1% of all households in 1990 to 63.8% by 2010, while non-family households,<sup>31</sup> including single individuals who are living alone, increased significantly during this period.
- The growing number of smaller households is also confirmed by the declining average household size at 2.60 persons in 1990 and down to 2.30 persons by 2010.
- There were limited costs burdens for those living in large families.

***Older housing stock – Need resources to make necessary home improvements for units occupied by low- and moderate-income individuals and families***

- About half of Bourne's housing stock, 49.5%, was built prior to 1970 and almost one-fifth (18.4%) predates World War II.
- While the Town has been fortunate to receive CDBG funding in support of a Housing Rehabilitation Program and other commercial improvements, continued funding for such improvements is important to improving the Town's substandard housing with is occupied by low- and moderate-income households. The 42 applicants on the Town's wait list document the need and demand for this program.

There is therefore a sizable population of those who are seniors, have special needs and or have very low incomes who have significantly reduced capacities to secure decent, safe and affordable housing. The current supply of affordable housing, including affordable units and rental subsidies, does not meet this existing need and a broader range of subsidized housing options is required.

It is important to note that while cost burdens for homeowners are substantial and affordability gaps are widening, the ability to make substantial progress on the production of affordable homeownership is limited. For example, while the state is planning to reintroduce some subsidies to support new ownership units, funding will likely be limited and extremely competitive. Consequently most of the financial support for such development will remain largely limited to local resources, CPA and Affordable Housing Trust Funds primarily, that are insufficient to support more than a few affordable units per year.

Another limiting factor is that state Local Initiative Program (LIP) guidelines prescribe financial asset limits of \$75,000, including another \$200,000 from the net equity of a previous home for those 55 years of age and older. This means that many of the lower income owners who are

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<sup>31</sup> Non-family households include those whose members are not related or single individuals.

particularly cash burdened might not qualify for subsidized housing given the value of their existing homes.

Consequently, priority needs, as summarized in Table III-24, are directed largely to rental units. The table summarizes the distribution of units to be produced over the next five (5) years based on the housing production goal of 43 units per year, with about three-quarters of the units directed to subsidized rentals to meet the increasing needs of the most vulnerable and financially-strapped households and the realities of available subsidies and program restrictions for ownership. Three-quarters of these rentals would be developed for qualifying individuals or families and the remainder for seniors. The remaining 25% of the projected affordable units would be developed for homeownership. Given the aging of the population, the housing goals include the integration of handicapped accessible and/or service enriched housing units equivalent to about 10% of all new units produced. Moreover, the goal of supporting necessary home improvements of a projected five (5) units per year are also included in production goals, although these units are likely not to be included in the SHI given that the Town has not required deed restrictions for participating properties with the exception of investor-owned buildings.

**Table III-24: Housing Production Goals Based on Types of Units**

| <b>Type of Units</b>                                                                 | <b>1-Year Goal</b>                     | <b>5-Year Goals</b>                     |
|--------------------------------------------------------------------------------------|----------------------------------------|-----------------------------------------|
| Rental Housing                                                                       | 33 units                               | 165 units                               |
| Families/Individuals                                                                 | 25 units                               | 125 units                               |
| Seniors                                                                              | 9 units                                | 45 units                                |
| Homeownership Units                                                                  | 10 units                               | 50 units                                |
| Total                                                                                | 43 units                               | 85 units                                |
|                                                                                      |                                        |                                         |
| Handicapped accessibility and/or supportive services/about 10% of new units produced | 5 units                                | 50 units                                |
|                                                                                      |                                        |                                         |
| Promote housing assistance for property Improvements                                 | 5 participants in improvement programs | 50 participants in improvement programs |

#### **IV. CHALLENGES TO PRODUCING AFFORDABLE HOUSING**

It will be a great challenge for the town of Bourne to create enough affordable housing units to 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 that include the following:

##### **Limited Developable Property**

Most prime properties have been developed, and there are fewer parcels available that do not involve development restrictions or environmental issues, such as wetlands. As a result, it will become increasingly challenging to locate development opportunities for affordable housing.

As noted above, build-out projections from the state that were prepared more than a decade ago estimated that the town of Bourne could support at least another 700 housing units for a total build-out of about 11,500 units under current zoning. This means that in order to meet the 10% state standard, more than 80% of all new housing units produced must be made affordable as about 300 affordable units would be needed to meet the current deficit and another 287 affordable units would be required based on projected growth.<sup>32</sup>

More recent buildout calculations as part of a Cape Cod Commission report project a total of 12,111 housing units at buildout, representing an increase of 1,215 units from the estimated total housing units of 10,896 as of September 25, 2013.<sup>33</sup> This analysis suggests that to reach the 10% state affordability goal under Chapter 40B, 406 or one-third of all new units produced must be affordable, based on the assumption that about 80% of all new units will be for year-round use. While such a level of affordability is unlikely to occur and buildout projections are typically riddled with questionable assumptions, these build out figures highlight the decreasing amount of property that is available for development and the need for continuing a proactive strategy on the part of the Town to guide any future development in ways that will have a significant impact on public benefits, including affordable housing.

##### *Mitigation Measures:*

It will be important to guide future development to appropriate locations, maximizing density in some areas and minimizing the effects on the natural environment and preserving open space corridors and recreational opportunities. Therefore, changes to the Town's Zoning Bylaw will be necessary which will consequently alter buildout calculations.

Because of the limited amount of developable property, it is all the more important that the new units that are created help diversify the housing stock and provide greater affordability. This Plan suggests several zoning mechanisms to mandate and incentivize affordable units as well as strategies to promote more housing choices within the community (see Section VI).

##### **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 in the towns of

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<sup>32</sup> Assumes largely the same percentage of year-round housing units of 80%.

<sup>33</sup> Cape Cod Commission, "Cape Wide Buildout Analysis to Support Regional Wastewater Planning, Final Report", Submitted to the MA Department of Environmental Protection, July 31, 2012.

## Final

Massachusetts embraces large-lot subdivisions to maintain low housing densities thus severely constraining the construction of affordable housing. Bourne is no exception, with minimum lot size requirements of 40,000 and 80,000 square feet. Moreover, there are no areas of town where multi-family housing can be built as-of-right (even the construction of a two-family house requires a special permit and is excluded from many residential districts).

The Town has several provisions in its Zoning By-law that are relevant to the issue of affordable housing that include the following.

- There is a provision to approve *accessory dwellings* through the special permit process, however, the single-family homes to which the accessory dwellings are being added must have been in existence for at least five years at the time of application. Therefore, accessory units cannot be incorporated into new construction.
- The Bylaw also allows *mixed uses* through a special permit in the B-1 and B-2 districts and may include single, two-family, or multi-family dwellings as a co-occupant of a building together with one or more nonresidential uses. The Bylaw states that the purpose of this provision is “to contribute to housing affordability and to add residential activity to village centers.”<sup>34</sup> These units must be serviced by the Town’s municipal sewerage system and non-residential uses must occupy a majority of the first floor area.
- Another provision is the *Flexible Resource Development bylaw* within the Bournedale Overlay District that allows some flexibility and creativity of design and site planning beyond the Town’s subdivision requirements and includes density bonuses for senior housing, one-bedroom units to limit children and school impacts, and the preservation of existing natural areas. The bylaw is perceived as being relatively complicated and has not been used to date.
- The Bylaw also includes an *Open Space Community provision* that allows density bonuses for projects with ten (10) acres or more where at least 25% of the units are affordable, are targeted to seniors and thus avoid excessive school impact, and protect existing natural areas and open space. Density bonuses are limited when the applicable land area per dwelling unit in the entire development is reduced below 30,000 square feet. This bylaw also has not been used.
- A more recent addition to the Zoning Bylaw relates to *nonconforming affordable lots* to increase the supply of permanently affordable housing by allowing the building of such units on nonconforming or non-complying lots through a special permit from the Planning Board. The lot must be at least 10,000 square feet, located in a residential district, contain at least 90% of the area as upland, have at least 80 feet of frontage, and satisfy Board of Health regulations.

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<sup>34</sup> Town of Bourne Zoning Bylaw, Section 4250.

- Another important section of the Zoning Bylaw involves the creation of a *Downtown District (DTD) in Buzzards Bay* through a form-based code to produce a mixed-use zone with the following goals:<sup>35</sup>
  - To facilitate a higher density mix of commercial, entertainment, civic, educational, recreational, marine and residential uses throughout the district;
  - To create an environment that is a desirable place to live, work and socialize;
  - To create a network of attractive streets, intermodal transportation modes and open space;
  - To create a downtown that serves residents, students and visitors alike;
  - To connect the downtown with the waterfront; and
  - To preserve and enhance the distinctive characteristics of buildings and places significant in their architecture or to the history of Bourne, and to maintain and improve settings for such buildings and places with compatible designs.

(Add map of downtown subdistricts from page 40 of the Zoning Bylaw here.)

The Downtown District is divided into four (4) subdistricts that include:

- The *Downtown Neighborhood District (DTN)* remains residential with either single-family or two-family dwellings under the requirements of the Residential 40,000 (R-40) District, not regulated under Section 2800.
- The *Downtown Core District (DTC)* is a higher density, mixed-use area where residential uses are generally included in multiple-use structures.
- The *Downtown Waterfront District (DTW)* is identical to the DTC District except certain uses are limited.
- The *Downtown Gateway (DTG)* District includes areas around Belmont Circle and is also identical to the DTC District except certain travel-related uses are permitted.

In addition to promoting a higher density, mixed-use area in downtown Buzzards Bay, the Bylaw includes a provision to encourage some *affordable housing*. Section 2842 specifies that all residential developments of ten (10) or more units must include a minimum of 10% of the total number of units as affordable per state requirements and thus be eligible for inclusion in the Subsidized Housing Inventory.

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<sup>35</sup> Town of Bourne Zoning Bylaw, Section 2800.

- The Downtown District has also been designated a *Growth Incentive Zone (GIZ)*, endorsed by the Board of Selectmen on March 20, 2012 and authorized by the Cape Cod Commission (CCC) on April 26, 2012. The Cape Cod Commission allows communities to adopt Growth Incentive Zones (GIZ) pursuant to the Cape Cod Commission Act, Chapter 716 of the Acts of 1989. This enables the Commission to establish a process for approving such zones, the purpose of which is to enable towns to “enhance downtowns and other areas of existing development by promoting greater density and a mix of residential and commercial uses within these locations while ensuring that all growth is properly served by infrastructure. At the same time, as part of the Growth Incentive Zone designation process, the towns shall protect land outside these areas through the implementation of transferable development rights, down zoning, conservation restrictions, and other land protection measures.”<sup>36</sup> By encouraging a mix of uses, Towns may request changes in the thresholds (generally size and use limits) that trigger the Cape Cod Commission’s regulatory review of Developments of Regional Impact (DRI) in the Growth Incentive Zones.

The GIZ establishes that development and redevelopment projects that would typically be reviewed by the CCC as Developments of Regional Impact (DRI) would not be subject to this review process until the total amount of development reaches a designated cap/threshold. The Town requested a phased growth approach consistent with existing offsets and infrastructure as follows:

- Phase 1 – 128 residential units and 265,000 square feet of commercial development potential based on remaining water supply and wastewater capacity.
- Phase 2 – 122 additional residential units (up to 250 unit total for Phases 1 and 2) contingent upon additional offsets such as extended infrastructure.
- Phase 3 – 110 additional residential units (up to 360 total units for all phases) and 385,000 square feet of additional commercial development also contingent upon additional offsets such as added infrastructure.

#### *Mitigation Measures:*

This Housing Production Plan includes a number of strategies that are directed to reforming local zoning regulations and making them “friendlier” to the production of affordable housing and smart growth development. These strategies include pursuing Chapter 40R/40S smart growth zoning, modifying the accessory apartment and open space community bylaws, and exploring inclusionary zoning provisions.

#### **Environmental Concerns**

Most Cape residents are aware of the Cape’s natural treasures and are rightly concerned about conserving the environment. The Town has very limited municipal sewer services<sup>37</sup> and consequently most properties must rely on on-site septic systems that contribute significant amounts of nitrogen into the groundwater. Nitrogen loading affects the community’s drinking water and is a serious threat to surface water as well, particularly salt ponds and estuaries that

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<sup>36</sup> Growth Incentive Zone Regulations, Section 1.

<sup>37</sup> An Inter-Municipal Agreement with the Town of Wareham allocates 200,000 gallons per day of wastewater capacity to Buzzards Bay.

are so environmentally sensitive. The substantial reliance on wells<sup>38</sup> and septic systems also significantly restricts development, limiting higher densities in areas that could provide a wider range of residential and commercial opportunities in Bourne.

There are also a number of wildlife and vegetative species that have been identified by the state and/or federal government as being threatened with extinction or endangered in Bourne. For example, the Common and Roseate Terns are both identified as endangered, and the Piping Plover as threatened. The Northern Red-bellied Cooter, whose habitat is on the north side of the Cape Cod Canal, is also endangered.

*Mitigation Measures:*

The Town recognizes the need for the development of new infrastructure to facilitate growth through its Local Comprehensive Plan, particularly in Buzzards Bay. As such the Town is continuing to plan for some increased wastewater treatment capacity and water services for the Buzzards Bay area. Moreover, the Town will continue to carefully assess the impacts of any new development in order to reduce any adverse environmental impacts that might result before approvals are issued.

**Availability of Subsidy Funds**

While the Town has more housing resources available than it has had in the past to promote affordable housing, including Community Preservation funding<sup>39</sup> and the Affordable Housing Trust Fund, subsidy funds still remain in short supply and are highly competitive. Unlike most cities, Bourne does not receive an annual allocation of federal CDBG or HOME Program funding that provides substantial housing support for a wide range of housing activities. HOME funding is available by application from the Barnstable County HOME Consortium for the acquisition and rehabilitation of rental housing, homeowner repairs, rental assistance and first-time homeownership. Specific down payment assistance for first-time homebuyers, administered by the Housing Assistance Corporation, has also been funded through HOME. To date Bourne has received \$550,000 in HOME funding for the Pocasset Assisted Living Project, Canal Bluffs I, and Clay Pond Cove.

The Bourne Housing Partnership also applied and received \$900,000 of Community Development Block Grant (CDBG) funding in fiscal year 2011 to support a Housing Rehabilitation Program in Buzzards Bay that included the rehabilitation of 15 units plus important improvements to the Bourne Housing Authority's Colonial Apartments. In fiscal year 2013 the Town applied and received \$891,350 in CDBG funding for the rehabilitation of 12 units (estimated at \$30,000 per unit) as well as funding for commercial façade improvements and new signage in Buzzards Bay.<sup>40</sup> Bourne has also been a pioneer in developing a town-wide

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<sup>38</sup> A water district in Buzzards Bay currently provides water service of up to 530,000 gallons per day.

<sup>39</sup> A total of \$1,186,195 in CPA funding has been allocated in support of affordable housing since the funding became available in 2003, representing 9.75% of all CPA funds that have been spent through June 30, 2013. This funding included \$218,500 for rental production efforts, \$262,835 for homeownership production, \$288,260 for buy-down programs such as B-HOPP, \$100,000 for the preservation of existing affordable units, and \$316,600 for professional support.

<sup>40</sup> Twenty percent (20%) of the funding for the Housing Rehab Program can be used outside of the Buzzards Bay target area.

Housing Rehab Program in cooperation with the U.S. Department of Agriculture and the Cape Cod Commission, and has committed CPA funding to support a Housing Rehabilitation Specialist to support housing rehab efforts.

In regard to state funds, several sponsors of developments in Bourne (i.e., for profit and non-profit housing developers, Bourne Housing Authority, sponsors of group homes) have received financing from a number of state programs for affordable housing development. These awards have been essential to insuring the financial feasibility of the units, but remain extremely competitive sources of financial support. Moreover, the Town has access to rental assistance vouchers, but these are in very short supply with only 76 units managed by the Bourne Housing Authority. It is also likely that state and federal subsidy funds will continue to decrease somewhat in the near future, which will further challenge the community's ability to meet local needs and production goals.

*Mitigations Measures:*

This Housing Plan provides guidance on the use of Community Preservation Funds, Bourne's Affordable Housing Trust Fund, USDA, CDBG and HOME funding for affordable housing initiatives that will enable the Town to support the production of new affordable units and leverage other public and private funding sources.

### **Community Perceptions**

In most communities, residents are concerned about the impacts that new development has on local services and the quality of life. They may also have negative impressions of affordable housing and question whether there is a real need for such development in their town. Therefore, local opposition to new affordable units is more the norm than the exception. On the other hand, given high real estate prices and community education, more people are recognizing that the new kindergarten teacher, their grown children, or even their elderly neighbor may not be able to afford to live or remain in the community without some financial or technical assistance.

*Mitigations Measures:*

Ongoing community outreach and education (see strategy VI.A.1) will be necessary to continue to acquaint the community with unmet housing needs and garner local support and ultimately approvals for new and continuing housing initiatives. This Housing Production Plan also offers an excellent opportunity to showcase the issue of affordable housing, providing information to the community on local needs and proactive measures to meet these needs. It will be important to continue to be sensitive to community concerns and provide opportunities for residents to not only obtain accurate information on housing issues, whether they relate to zoning or new development, but have genuine opportunities for input.

### **School Enrollment**

While residents may have reservations about new housing development that will bring more children into the community and tax local schools, school enrollments have in fact been decreasing. The Bourne Public Schools reported a student enrollment of 2,104 students for the 2012-2013 school year, down from an enrollment of 2,548 in 2000-2001. Consequently, it is unlikely that there will be any significant adverse impacts on existing school capacity in the short term. The Town in fact has a couple of vacant schools, one (Coady School) of which is being developed as affordable housing.

A report sponsored by the Cape Cod Commission makes a number of important conclusions concerning the impacts of children on the local economy, school expenditures in particular. It indicates that the Cape's per-pupil expenditures have risen faster than total education costs because as school costs increase, expenses are spread over a shrinking number of students. The highest per-pupil expenditures tend to be for school districts with the smallest enrollments, while districts with the lowest per-pupil expenditures have among the largest enrollments. The report in fact found that factors other than enrollment, such as increases in health insurance and energy costs, were accounting for the major increases in school expenditures while declining enrollments were helping to further boost per-pupil costs. Many of the towns with the fastest growth in population experienced a reduction in per-capita local expenditures as costs were spread over a larger population. Moreover, while towns assume that homebuyers over 50 years of age will not have school-age children and will therefore not increase municipal costs, there is evidence that age-restricted housing actually results in the turn-over of existing housing to younger buyers as older residents move into the restricted units. Other conclusions from the report suggest that families with children strengthen the local economy and community character as families spend more on local goods and services, strengthen the workforce, and add to the diversity, vibrancy, and stability of the town.<sup>41</sup>

*Mitigation Measures:*

Despite the fact that new subsidized development of family housing will unlikely have any negative impacts on the community, this Housing Plan includes a strategy to develop a Smart Growth Overlay District through the state's Chapter 40R program that provides subsidies to support denser mixed-use development in appropriate areas. The state also enacted Chapter 40S under the Massachusetts General Law that provides additional benefits through insurance to municipalities 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. 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.

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<sup>41</sup> Ridley and Associates, Inc. on behalf of the Cape Cod Commission, "Do Kids Mean Taxes?".

## V. HOUSING PRODUCTION GOALS

The Massachusetts Department of Housing and Community Development (DHCD) introduced the Planned Production Program in December 2002, in accordance with regulations that were meant to provide municipalities with greater local control over housing development. Under the Program, cities and towns were required to prepare and adopt a Housing Plan that demonstrated the production of an increase of .75% over one year or 1.5% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.<sup>42</sup> If DHCD certified that the locality had complied with its annual goals or that it had met two-year goals, the Town could, through its Zoning Board of Appeals, potentially deny what it considered inappropriate comprehensive permit applications for one or two-years, respectively.<sup>43</sup> The Town of Bourne submitted its 2005 Affordable Housing Plan under this particular program.

Changes to Chapter 40B have established some new rules.<sup>44</sup> For example, Planned Production Plans are now referred to as Housing Production Plans. Moreover, annual goals changed from 0.75% of the community's year-round housing stock to 0.50%, meaning that Bourne will now have to produce at least 43 affordable units annually to meet annual production goals, still a formidable challenge. If the Town produces 1.0% of its year-round housing units in any calendar year, or 86 units, it will have a two-year period during which it will likely be able deny inappropriate 40B applications that do not meet local needs, without the developer's ability to appeal the decision.

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

- At a minimum, at least fifty percent (50%) of the units that are developed on publicly owned parcels should be affordable to households earning at or below 80% of area median income. The rental projects will also target some households earning at or below 60% of area median income and lower. It should also be noted that the Town can provide CPA assistance to subsidize units for those earning between 80% and 100% of area median income, sometimes referred to as "community housing" units, however these units cannot count as part of the Subsidized Housing Inventory.

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<sup>42</sup> Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

<sup>43</sup> If a community has achieved certification within 15 days of the opening of the local hearing for the comprehensive permit, the ZBA shall provide written notice to the applicant, with a copy to DHCD, that it considers that a denial of the permit or the imposition of conditions or requirements would be consistent with local needs, the grounds that it believes have been met, and the factual basis for that position, including any necessary supportive documentation. If the applicant wishes to challenge the ZBA's assertion, it must do so by providing written notice to DHCD, with a copy to the ZBA, within 15 days of its receipt of the ZBA's notice, including any documentation to support its position. DHCD shall review the materials provided by both parties and issue a decision within 30 days of its receipt of all materials. The ZBA shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be consistent local needs, provided, however, that any failure of the DHCD to issue a timely decision shall be deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days.

<sup>44</sup> Massachusetts General Law Chapter 40B, 760 CMR 56.00.

- Projections are based on no fewer than four (4) units per acre, averaging about eight (8) total bedrooms. However, given specific site conditions and financial feasibility it may be appropriate to decrease or increase density as long as projects are in compliance with state Title V and wetlands regulations.
- Because housing strategies include development on privately owned parcels, production will involve projects sponsored by private developers through the standard regulatory process or the “friendly” comprehensive permit process. The Town will continue to work with these private developers to fine-tune proposals to maximize their responsiveness to community interests and to increase affordability to the greatest extent feasible, potentially infusing CPA or Affordable Housing Trust funding where appropriate.
- The projections involve a mix of rental and ownership opportunities that reflect the priority housing needs in the Housing Needs Assessment (see Section III.D) with about 75% of the units directed to rentals. The Town will work with developers to promote a diversity of housing types targeted to different populations with housing needs including families, older adults and other individuals with special needs to offer a wider range of housing options for residents.

**Table V-1: Bourne Housing Production Program**

| Strategy         | Strategies by Year<br>Name/Housing Type                                                    | Affordable<br>Units < 80%<br>AMI | 80%-120%<br>AMI or<br>Ineligible for<br>SHI | Market<br>Units | Total # Units |
|------------------|--------------------------------------------------------------------------------------------|----------------------------------|---------------------------------------------|-----------------|---------------|
|                  | <b>Year 1 – 2014</b>                                                                       |                                  |                                             |                 |               |
| VI.A.4<br>VI.A.5 | Development of public property –<br>Cape View BHA development in<br>Sagamore/senior rental | 16                               | 0                                           | 0               | 16            |
| VI.A.3           | Development of nonconforming lots/<br>ownership                                            | 2                                | 0                                           | 0               | 2             |
| VI.A.3           | Housing Rehab Program/ownership                                                            | 0                                | 12                                          | 0               | 12            |
|                  | <i>Subtotal</i>                                                                            | <i>18</i>                        | <i>12</i>                                   | <i>0</i>        | <i>30</i>     |
|                  | <b>Year 2 – 2015</b>                                                                       |                                  |                                             |                 |               |
| VI.A.6           | Private development - "friendly 40B"/<br>Canal Bluffs                                      | 30 rentals<br>18 ownership       | 0                                           | 52              | 100           |
| VI.A.3           | Development of nonconforming lots/<br>ownership                                            | 2                                | 0                                           | 0               | 2             |
| VI.A.3<br>VI.B.3 | Conversion of existing housing – GAP<br>or buy-down/ownership                              | 1                                | 0                                           | 0               | 1             |
| VI.A.3           | Housing Rehab Program/ownership                                                            | 0                                | 5                                           | 0               | 5             |
|                  | <i>Subtotal</i>                                                                            | <i>51</i>                        | <i>5</i>                                    | <i>52</i>       | <i>108</i>    |
|                  | <b>Year 3 – 2016</b>                                                                       |                                  |                                             |                 |               |
|                  | Covered under Year 2                                                                       |                                  |                                             |                 |               |
| VI.A.3           | Development of nonconforming lots/<br>ownership                                            | 2                                | 0                                           | 0               | 2             |
| VI.A.3<br>VI.B.3 | Conversion of existing housing – GAP<br>or buy-down/ownership                              | 1                                | 0                                           | 0               | 1             |
| VI.B.4           | Accessory apartments/rental                                                                | 0                                | 3                                           | 0               | 3             |
| VI.A.3           | Housing Rehab Program                                                                      | 0                                | 15                                          | 0               | 15            |
| VI.A.6           | Private development in Growth<br>Incentive Zone/mix of rentals +<br>Condos                 | 10                               | 0                                           | 90              | 100           |
|                  | <i>Subtotal</i>                                                                            | <i>13</i>                        | <i>19</i>                                   | <i>90</i>       | <i>121</i>    |
|                  | <b>Year 4 – 2017</b>                                                                       |                                  |                                             |                 |               |
| VI.A.6           | Private development - "friendly 40B"/<br>rentals                                           | 40 (all units<br>count)          | 0                                           | 30              | 40            |
| VI.A.3<br>VI.A.4 | Development of public property-<br>tax title property/ownership                            | 2                                | 0                                           | 0               | 2             |
| VI.A.3           | Development of nonconforming lots<br>/ownership                                            | 2                                | 0                                           | 0               | 2             |
| VI.A.3<br>VI.B.3 | Conversion of existing housing – GAP<br>or buy-down /ownership                             | 1                                | 0                                           | 0               | 1             |
| VI.B.4           | Accessory apartments                                                                       | 0                                | 3                                           | 0               | 3             |
| VI.A.3           | Housing Rehab Program                                                                      | 0                                | 5                                           | 0               | 5             |

Final

|                  |                                                               |      |    |     |     |
|------------------|---------------------------------------------------------------|------|----|-----|-----|
|                  | <i>Subtotal</i>                                               | 45   | 8  | 30  | 53  |
|                  | <b>Year 5 – 2018</b>                                          |      |    |     |     |
| VI.A.6           | Private development/"friendly 40B/<br>rentals                 | 30   | 0  | 0   | 30  |
| VI.B.1           | Private development/40R/condo<br>ownership                    | 10   | 0  | 40  | 50  |
| VI.A.7           | Group homes/special needs rental                              | 8    | 0  | 0   | 8   |
| VI.A.3           | Development of nonconforming lots/<br>ownership               | 2    | 0  | 0   | 2   |
| VI.A.3<br>VI.B.3 | Conversion of existing housing – GAP<br>or buy-down/ownership | 1    | 0  | 0   | 1   |
| VI.B.4           | Accessory apartments                                          | 0    | 3  | 0   | 3   |
| VI.A.3           | Housing Rehab Program                                         | 0    | 5  | 0   | 5   |
|                  | <i>Subtotal</i>                                               | 51   | 8  | 40  | 99  |
|                  | Total                                                         | 178* | 51 | 212 | 411 |

\*30 of these units count in the SHI as part of a 40B project but are market units.

## VI. HOUSING STRATEGIES

This Housing Production Plan builds on the substantial progress the Town of Bourne has made to proactively promote affordable housing. The Town, through its Housing Partnership, Affordable Housing Trust and the Bourne Housing Authority, has implemented most of the strategies that were included in its 2005 Affordable Housing Plan, faithfully using the document as a road map in driving its housing agenda. This impressive progress is summarized In Table VI-1.

**Table VI-1: Summary of Progress in Implementing the 2005 Affordable Housing Plan**

| <b>Strategies Included in 2005 Affordable Housing Plan</b> | <b>Status</b>                                                                                                                                                                                                                                                                                                                              |
|------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A. Build Local Capacity</b>                             |                                                                                                                                                                                                                                                                                                                                            |
| 1. Conduct educational campaign                            | This has been ongoing with a wide variety of special forums and marketing efforts.                                                                                                                                                                                                                                                         |
| 2. Establish annual housing summit                         | There has not been a formal “housing summit” per se but considerable public outreach on the issue of affordable housing has taken place.                                                                                                                                                                                                   |
| 3. Expand role of the Bourne Housing Partnership           | The Housing Partnership has effectively overseen the implementation of many components of the 2005 Affordable Housing Plan, including the introduction of special programs.                                                                                                                                                                |
| 4. Fund an Affordable Housing Coordinator                  | Kerry Horman was hired as the Affordable Housing Specialist in November 2006 to provide professional support to the Bourne Housing Partnership in the implementation of the Affordable Housing Plan. His hours have steadily increased from 15 to 24 over the years. Some clerical support for Mr. Horman has also been recently provided. |
| 5. Establish nonprofit organization                        | While a non-profit subsidiary of the Bourne Housing Authority was contemplated, the Town determined that the establishment of a Municipal Affordable Housing Trust was the best alternative and received approval of the Trust in May 2009.                                                                                                |
| 6. Create affordable housing trust fund                    |                                                                                                                                                                                                                                                                                                                                            |
| 7. Approve CPA                                             | Town Meeting adopted the Community Preservation Act in 2005 with substantial local support based on a surcharge of 3% and no exemptions.                                                                                                                                                                                                   |
| 8. Secure and maintain EO 418 Housing Certification        | The Town received certification but the state has discontinued this program.                                                                                                                                                                                                                                                               |
| 9. Access new housing resources                            | Many additional local, state and federal resources have been tapped in support of affordable housing through sponsors of affordable developments including the BAHT and private developers.                                                                                                                                                |

|                                                                                |                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10. Secure state approval under Planned Production regulations                 | State approval was obtained on January 18, 2006.                                                                                                                                                                                                                                                                                                                 |
| <b>B. Planning and Regulatory Reform</b>                                       |                                                                                                                                                                                                                                                                                                                                                                  |
| 1. Adopt inclusionary zoning                                                   | Through a number of inquiries, the Housing Partnership determined that there was little support for an inclusionary zoning bylaw and has not yet pushed for its adoption.                                                                                                                                                                                        |
| 2. Establish an affordable housing program for accessory apartments            | Changes in the state's Local Initiative Program (LIP) guidelines made an affordable accessory apartment program too cumbersome to implement. The Housing Partnership is currently looking into the program that has been adopted in Wellfleet. Moreover, amending the Zoning Bylaw to better promote accessory units is included in this Plan (strategy VI.B.3). |
| 3. Amend accessory apartment bylaw                                             |                                                                                                                                                                                                                                                                                                                                                                  |
| 4. Continue to make tax-foreclosed properties available for affordable housing | The Town approved the conveyance of a number of tax title lots to the Housing Trust for development of affordable housing.                                                                                                                                                                                                                                       |
| 5. Continue to identify an inventory of Town-owned property                    | This was completed and continues to be conducted on an ongoing basis as new property becomes available through tax title. For example, just recently a property was identified on Old Plymouth Road for conveyance to the Housing Trust.                                                                                                                         |
| 6. Formalize the waiver of application fees for Town-supported projects        | The Town now always waives fees for affordable housing units.                                                                                                                                                                                                                                                                                                    |
| 7. Allow affordable housing on nonconforming lots                              | The Town amended its Zoning Bylaw and established a non-conforming lot special permit process to allow for the use of nonconforming lots to build deed-restricted affordable homes.                                                                                                                                                                              |
| 8. Explore streamlining the permit approval process                            | This has been done for Buzzards Bay through the GIZ.                                                                                                                                                                                                                                                                                                             |
| 9. Strengthen zoning provisions for mixed-use development                      | This Plan includes Chapter 40R Smart Growth Zoning (strategy VI.B.1). Additionally, new zoning in Buzzards Bay (downtown rezoning in 2008 and approval of the GIZ in 2012) to promote mixed uses and affordable housing has been adopted.                                                                                                                        |
| 10. Revise Open Space Community Bylaw                                          | This is part of this Housing Production Plan (strategy VI.B.4)                                                                                                                                                                                                                                                                                                   |
| <b>C. Housing Production</b>                                                   |                                                                                                                                                                                                                                                                                                                                                                  |
| 1. Make Town-owned land available                                              | The Town approved the conveyance of a number of tax title lots to the Housing Trust for development of affordable housing including the parcels that will be developed by BHA as part of its Cape View project and the Coady School to be developed as rental housing through a "friendly" 40B process.                                                          |
| 2. Convert existing property to affordability                                  | The Town established the Bourne Housing Opportunity Purchase Program (B-HOPP) to assist eligible households to purchase homes with CPA subsidies that become deed restricted in perpetuity.                                                                                                                                                                      |
| 3. Promote adaptive re-use of existing structures                              | The Town issued a Request for Proposals to convert the Town-owned Coady School into affordable rental                                                                                                                                                                                                                                                            |

|                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4. Create affordable living options for seniors                             | housing. While the project is not age-restricted, it is expected that much of the target market will be seniors.                                                                                                                                                                                                                                                                                                                             |
| 5. Continue to work with developers on fine-tuning 40B projects             | The Bourne Housing Partnership and Affordable Housing Specialist have been involved in reviewing and offering input on number of 40B private development proposals.                                                                                                                                                                                                                                                                          |
| <b>D. Housing Preservation</b>                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 1. Provide low-income existing homeowners with assistance                   | The Town, through the BHP, has developed new programs including B-HOPP, nonconforming lots initiative, and special housing rehab programs.                                                                                                                                                                                                                                                                                                   |
| 2. Reduce the cost burden and threat of homelessness for low-income tenants | The Bourne Housing Authority has been instrumental in providing housing for those who are homeless or at risk of homelessness.                                                                                                                                                                                                                                                                                                               |
| 3. Monitor and insure that existing affordable units remain affordable      | The Housing Partnership has assumed the role of monitoring agent for a number of projects and has been involved in coordinating a number of resales, returning four affordable units to the SHI, and saving another affordable unit from foreclosure. It has also amended the comprehensive permit for Pilgrim Pines and Nightingale Pond so that the universal deed rider could be used and established a state-approved Ready Buyers List. |

The strategies outlined below are derived primarily from the Local Comprehensive Plan, 2005 Affordable Housing Plan, Housing Needs Assessment in Section III, the public forum on ?, 2013, local housing goals, existing local initiatives, the experience of other comparable localities in the area and throughout the Commonwealth, and the significant progress that has been made to date. The strategies are grouped according to those that involve the continuation of existing activities for promoting affordable housing and those that include new regulatory or production approaches. They are also categorized according to priority – those priority actions that are of a high priority and feasibly implemented within Years 1 and 2 and those for Years 3 to 5 that take greater lead time to implement or are of somewhat lower priority. A summary of these actions is included in Table I-1 of the Executive Summary.

The strategies also reflect state requirements that ask communities to address all of the following major categories of strategies to the greatest extent applicable:<sup>45</sup>

- *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*
  - Pursue Chapter 40R/40S smart growth zoning (see strategy VI.B.1)
- *Identification of specific sites for which the municipality will encourage the filing of comprehensive permit projects*

<sup>45</sup> Massachusetts General Law Chapter 40B, 760 CMR 56.03.4.

- Make suitable public property available for affordable housing (see strategy VI.A.4)
  - Work with developers on fine-tuning affordable housing projects (see strategy VI.A.6)
- *Characteristics of proposed residential or mixed-use developments that would be preferred by the municipality*
  - Pursue Chapter 40R/40S smart growth zoning (see strategy VI.B.1)
  - Amend accessory apartment bylaw (strategy VI.B.4)
  - Create affordable living options for seniors (strategy VI.A.5)
  - Encourage special needs housing (strategy VI.A.7)
  - Revise Open Space Community bylaw (strategy VI.B.5)
  - The Town will continue to explore the acquisition and conveyance of Town-owned property and work with developers to create affordable housing in line with smart growth principles including the development of nonconforming lots, adaptive reuse, and cluster development (strategy VI.A.4).
- *Municipally owned parcels for which the municipality commits to issue requests for proposals to develop affordable housing*
  - Make suitable public property available for affordable housing (strategy VI.A.4)
- *Participation in regional collaborations addressing housing development*
  - Help qualifying residents access housing services (see strategy VI.A.1)
  - Participation in the Barnstable County HOME Consortium and Cape Cod and the Islands Continuum of Care

It should be noted that a major goal of this Plan is not only to strive to meet the state’s 10% affordability threshold under Chapter 40B, but to also to serve the range of local needs. Consequently, there are instances where housing initiatives might be promoted to meet these needs that will not necessarily result in the inclusion of units in the Subsidized Housing Inventory (examples potentially include the promotion of accessory apartments, housing rehab program units, and mixed-income housing that includes “community housing” or “workforce housing” units).<sup>46</sup> More commonly, housing affordability is being referred to as either little “a” affordability, meaning that the units do not meet all state requirements for inclusion in the Subsidized Housing Inventory (SHI) but still meet local housing needs, versus big “A” affordability for those units that can be counted as part of the SHI. The Town will also encourage developers to incorporate universal design and visitability standards, particularly given the high number of seniors and those with special needs in the community, as well as green design approaches.

Within the context of these compliance issues, local needs, existing resources, affordability requirements and housing goals and objectives (see Section II.A), the following housing strategies are proposed. *It is important to note that these strategies are presented as a package for the Town to prioritize and process, each through the appropriate regulatory channels.* Moreover, these actions present opportunities to judiciously invest funding to subsidize actual unit production (predevelopment funding and/or subsidies to fill the gap between total development costs and the affordable rent or

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<sup>46</sup> Community housing generally refers to units directed to those earning between 80% and 100% AMI, whereas workforce housing refers to units directed to those earning between 80% and 120% AMI, but still priced out of the private housing market.

purchase prices) and leverage additional resources, modify or create new local zoning provisions and development policies, and help preserve the existing affordable housing stock.

#### **A. Continuation of Existing Housing Strategies (Years 1 to 2 and Ongoing)**

As noted above, the Town of Bourne has implemented most of the housing strategies that were included in its 2005 Affordable Housing Plan that was approved by the state under former Planned Production requirements. The Town in fact has most of the building blocks of this Housing Production Program already in place, including local entities for undertaking the work and programs and projects underway. Consequently, a major focus of this Housing Production Plan is the continuation of the mix of current activities to promote affordable housing which include the following key strategies:

##### **1. Continue to Conduct Ongoing Community Education on Affordable Housing**

Because most of the housing strategies in this Housing Plan rely on local approvals, including those of Town Meeting, community support for new initiatives has and will continue to be essential. Continued and strategic efforts to inform residents and local leaders on the issue of affordable housing and specific new initiatives builds support by generating a greater understanding of the benefits of affordable housing, reducing misinformation and dispelling negative stereotypes. These outreach efforts are mutually beneficial as they provide useful information to community residents and important feedback to local leaders on concerns and suggestions.

Since the 2005 Housing Plan was adopted, the Town has utilized numerous methods for conducting outreach on affordable housing that have included the following:

- Prepared a Guide to Housing Programs that describes housing opportunities in Bourne and the region that is included on the Town's website and has been distributed widely;
- Offered written materials on the range of local and regional assistance programs that can help residents make necessary home improvements, avoid foreclosure, afford weatherization measures, modify their homes to make them more accessible to those with disabilities, make repairs to their septic systems, remove lead paint, etc.;
- Prepared a guide to help developers with local permitting requirements;
- Sponsored a series of special meetings to present affordable opportunities to residents in Bourne and the area such as those involved in the Town's special programs (see strategy VI.A.3 below); and
- Provided referrals to local and regional housing lotteries for available affordable housing units, homeownership and rentals, as well as homebuyer education programs and down payment assistance.
- Sponsored tables at Town Meeting with information on affordable housing programs and developments.
- Inserted information in the Council on Aging's newsletter on housing resources and opportunities in the community, particularly for seniors.
- Participated in the Council on Aging's Health Fair at the Senior Center, sharing a table with the USDA, to provide information on available housing-related assistance.

- Provided ongoing information and referral services to those seeking to develop or buy/rent affordable housing through the Town's CPA-funded Affordable Housing Specialist.

The presentation of this Housing Production Plan represents another opportunity to showcase the issue of affordable housing, offering updated information on housing characteristics, trends and needs as well as proposed strategies to build community support for existing and new affordable housing initiatives. A public meeting occurred on ? and public presentations to the Planning Board and Board of Selectmen were also held on ? and ?, respectively, to present the highlights of the Housing Plan, obtain comments, and answer questions.

Other education opportunities should continue to be pursued including special forums on all new housing initiatives, public information on existing programs and services, enhanced use of public access television, and educational opportunities for board and committee members as well as professional staff. Efforts to educate the public on fair housing laws to avoid any discriminatory impacts with respect to access to housing within the community will also be highlighted in local outreach.

*Projected Number of Affordable Units Produced:* While this strategy is essential for engaging the community and securing necessary approvals, it only indirectly creates affordable housing.

## **2. Continue to Capitalize the Bourne Affordable Housing Trust Fund**

On June 7, 2005, the Municipal Affordable Housing Trust Fund Act was enacted, which simplified the process of establishing housing funds that are dedicated to subsidizing affordable housing. 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 by the Board of Selectmen and confirmed by Town Meeting. Per statute, the chief elected official must be one of the members of the Trust. 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, most trusts 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 one.

The Town of Bourne approved the establishment of the Bourne Affordable Housing Trust at its Annual Town Meeting in May of 2009. There are five (5) Trustees appointed by the Board of Selectmen with part-time staff support from the Town's Affordable Housing Specialist through cooperation with the Bourne Housing Partnership and CPA funding.

Some communities have decided to commit CPA funding on an annual basis to Housing Trust Funds without targeting the funding to any specific initiative. For example, the Towns of Grafton and Sudbury have been directing 10% of their annual CPA allocation to their Trust Funds for the past few years. The Trusts are encouraged to apply for additional CPA funds for specific projects. Scituate's Town Meeting funded its Housing Trust with \$700,000 of Community Preservation funding from its community housing reserves. The Town of Harwich has committed lease payments from its cell tower as well as sale proceeds of a Town-owned property (fetching more than a million dollars) to its Housing Trust Fund.

The Bourne Affordable Housing Trust will discuss the prospects of securing CPA funding on an annual basis with the Community Preservation Committee in an amount at least equivalent to the minimal annual allocation for affordable housing or 10%. This initial funding request would also require Town Meeting approval.

*Projected Number of Affordable Units Produced:* While this strategy is essential for engaging the community and securing necessary approvals, it only indirectly creates affordable housing.

### **3. Continue Funding Local Housing Initiatives**

The Town of Bourne has been effectively administering a number of programs to assist qualifying residents in accessing homeownership and rental opportunities. CPA funding has been particularly important in supporting the following initiatives, which should be continued:

- *New Housing Development on Town-owned Lots*

In 2002, the Bourne Housing Partnership sponsored the development of three (3) new homes for qualifying first-time homebuyers with prices ranging from approximately \$103,000 to \$115,000. Through a Request for Proposals process, the Partnership selected a developer who built small capes on these scattered Town-owned lots. Cape Cod Habitat for Humanity developed a fourth lot.

In 2011, the Housing Trust embarked on another similar project with two (2) affordable three-bedroom homes, one in Cataumet and the other in Sagamore Village, both acquired by the Town through tax foreclosure. The design of the new homes was not only attractive, but also integrated energy efficiencies and modifications for those with disabilities, an important component for one of the purchasers.

The Affordable Housing Trust may also consider adapting this approach to rental development, ultimately renting the units to qualifying households in partnership with the Bourne Housing Authority as property manager. This strategy has been effectively implemented in towns such as Barnstable, Sandwich and Lexington for example.

- *Bourne Housing Opportunity Purchase Program (B-HOPP)/GAP Program*

The Bourne Housing Partnership created B-HOPP to help meet local affordable housing needs by identifying an eligible group of buyers (as defined by the Commonwealth of Massachusetts's Local Initiative Program) that it can work with over a period of up to two years to purchase their first homes, making essential repairs as necessary. The other major program component was matching purchasers from a pre-approved Ready Buyers List to identified properties on an Approved Properties List, with the Housing Partnership taking the lead in locating more affordably priced homes and condos in the existing housing market and referring prospective buyers to specific units based on size and price.

The purchased units included deed restrictions that insured affordability in perpetuity. Assistance to eligible applicants is in the form of a direct subsidy to reduce the principle of a mortgage in an amount that is the minimum reasonably necessary under current market conditions, initially planned not to exceed \$15,000 per bedroom for single-family homes and \$20,000 per bedroom for condominiums.

In developing the program, the Partnership worked with the U.S. Department of Agriculture to identify opportunities for program participants to secure mortgage financing at very attractive rates and terms that would enable lower income purchasers to finance more expensive units than available under conventional mortgage terms and conditions. The Partnership was also committed to coordinating funding sources for down payment purposes and mortgages from the state and other sources in cooperation with local lenders and through other public subsidy programs. The intent of the Housing Partnership was to combine existing programs with B-HOPP in such a way as to help as many applicants as possible.

Since the Town introduced the Program, it was necessary to increase the subsidy to effectively fill the gap between the costs of purchasing and improving the property and the affordable purchase price. This was accomplished by the **GAP Program, which enabled the Housing Partnership to increase the subsidy to \$? The Program has assisted ? purchasers for a total of \$? In CPA funding.**

- *Sales and Resales of Affordable Units*

In addition to serving as marketing agent for its own affordable housing developments and programs, the Bourne Housing Partnership, in cooperation with the Bourne Affordable Housing Trust, has served as the Town's last line of defense against losing affordable homes by foreclosure, by the inability of current owners to find eligible buyers within specified periods of time upon resale, and by outdated affordability restrictions that placed resale prices outside of affordability limits. The Trust, when it is in the best interest of the Town, can act to purchase properties and resell them with an improved form of affordability deed restriction that survives in perpetuity.

In 2010 BHP reviewed and approved the sale of two (2) new affordable homes in the Pilgrim Pines development. Based on the resale price formula from an out-of-date deed restriction, the purchase price of one of these affordable units was too high for a qualifying household. In order to maintain the unit's continued affordability, the BHP decided to purchase the unit, further subsidize it, find a qualifying purchaser, apply the updated state-approved deed rider, and insure the unit's continued inclusion in the Subsidized Housing Inventory and affordability in perpetuity. Another affordable unit was confronting foreclosure by the lender, and the Bourne Affordable Housing Trust purchased the unit, made necessary repairs and resold the unit, also with the new "universal deed rider" that has been approved by DHCD and Fannie Mae.

BHP also has helped resolve affordability issues at the Canal Crossing condominium development where the developer defaulted and outstanding but minor construction issues blocked any sales activity for a period of time. The project included 16 total units, four (4) of which were affordable. BHP was involved in the sale of these affordable units.

Additionally, in recognition of the short time that is available to identify eligible new buyers when affordable units turnover, BHP sought and received approval from DHCD to establish its own affordable Ready Buyers List, from which it has been drawing new purchasers when resales are necessary. BHP continues to work closely with DHCD in resolving ongoing issues related to maintaining the affordability of units on the Subsidized Housing Inventory, including the development of creative solutions.

- *Nonconforming Lots*  
The Bourne Planning Board and Bourne Housing Partnership collaborated on the development of a zoning bylaw<sup>47</sup> to allow the development of nonconforming lots that are at least 10,000 square feet and meet all other zoning requirements to be used for deed-restricted affordable homes under special permit provisions. Only recently the Town, through its Affordable Housing Trust, issued a Request for Proposal to Bourne property owners that indicated its interest in purchasing parcels that are suitable for the renovation of an existing single-family residence or the construction of a new single-family home under the bylaw and within the restrictions of the state's Local Initiative Program (LIP). The BHP and Housing Trust are currently coordinating efforts to build a house on a 10,000 square foot tax foreclosed Town-owned lot on Old Plymouth Road. The Housing Trust is also sponsoring a 12,000 square foot lot on Tom Avenue in accordance with the bylaw.
- *Housing Rehab Programs*  
The Town of Bourne applied and received \$900,000 in fiscal year 2011 federal Community Development Block Grant (CDBG) funding from DHCD to introduce a

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<sup>47</sup> Town of Bourne Zoning Bylaw, Section 4260.

Housing Rehabilitation Program in Buzzards Bay which contains the highest concentration of older, dilapidated housing and low and moderate-income residents earning at or below 80% AMI. The Town applied and received an additional allocation of \$891,350 in CDBG funding in fiscal year 2013, \$360,000 of which is targeted to the continuation of the Housing Rehab Program.

The Program provides deferred payment loans of up to \$30,000 per unit at 0% interest and for a term of 15 years. An additional \$5,000 per unit is available for removing asbestos or lead paint, constructing home modifications to provide better access for disabled residents, or for emergency repairs. Full financing of the improvements are available to qualifying owner-occupants with 50% financing for investor owners, although full funding of lead paint removal is available when it is part of other repair needs. Loan repayment is deferred until the time of sale or resale although if the property is not sold or transferred during the 15-year term of the loan, the loan is forgiven and the funding ultimately becomes a grant. Moreover, all loans are secured with a mortgage filed with the Barnstable County Registry of Deeds. To participate, properties must have one or more major code violations.

In the case of investor-owned properties, the owners will be required to execute a Rental Agreement that requires them to rent the rehabbed units to low and moderate-income households and regulates rent increases to keep them affordable. Also, a 15-year affordability restriction is required that runs with the property and is recorded at the Registry of Deeds.

The Program was implemented through the Town Planner's Office and TRI in cooperation with support from the Bourne Housing Partnership and a consultant. The funding has enabled the Bourne Housing Authority to make substantial improvements to its Continental Apartments elderly housing development in addition to subsidizing necessary repairs in 27 units owned by low- and moderate-income households living in the Buzzards Bay Village target area or by investor-owners where the majority of units are occupied by low and moderate-income residents.<sup>48</sup>

With CPA funding, the Bourne Affordable Housing Trust, in cooperation with the Cape Cod Commission (CCC) and U.S. Department of Agriculture's local office, is supporting the services of a Housing Rehab Specialist in providing inspection, specification writing, bid processing, and construction oversight services for home repairs funded by the Dept. of Agriculture's Rural Development Grant Program. This program provides grants of up to \$7,500 and/or loans of up to \$20,000 with interest of only 1% and longer terms of up to 20 years for home repairs. This program operates town-wide and supplements the Town's other

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<sup>48</sup> A total of 15 units were rehabilitated through FY 2011 funding and an additional 12 units are estimated to be rehabbed through the FY 2013 allocation. There are 42 applicants on the wait list for the FY 2013 funding.

Housing Rehab Program described above, which is limited to properties within the designated Buzzards Bay target area.

*These initiatives would not be possible without the dedication of members of the Bourne Housing Partnership and Bourne Affordable Housing Trust and the hands-on coordination of the Affordable Housing Specialist!*

*Projected Number of Affordable Units Produced: 15 units*

In regard to the Housing Rehab Program, only investor-owned rental properties require deed restrictions and would be eligible for inclusion on the SHI. Nevertheless, the housing repair programs still serve an important local need for home repair assistance to preserve the existing little “a” affordable housing stock owned and/or occupied by low- and moderate-income residents.

#### **4. Continue to Make Suitable Public Property Available for Affordable Housing**

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 Town committee (through a Request for Proposals process) 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.

The Town of Bourne has already taken action on this matter and has provided a number of municipally owned properties for development as affordable housing including the following examples:

- In 2002, the Town conveyed four (4) tax-foreclosed lots for development of new single-family homes for first-time homebuyers through the first phase of the Housing Partnership’s Homeownership Program and Habitat for Humanity.
- In 2011 the Town approved the conveyance of another two (2) lots to the Bourne Affordable Housing Trust who then selected a developer for the project through the required Request for Proposals process.
- In 2012 the Town provided the Housing Trust with a tax-foreclosed property that will require a special permit under the Town’s recently approved bylaw that allows the development of nonconforming lots for affordable housing.
- The Town is providing the Bourne Housing Authority with six (6) tax-foreclosed properties that it is assembling into its Cape View development that will provide approximately 16 affordable rental units for area seniors.
- The formerly vacant Coady School has been conveyed to the Stratford Capital Group for the development of 58 rental units for seniors through the “friendly” 40B comprehensive permit process.

As additional Town-owned parcels become available for affordable housing, the BHP and Affordable Housing Trust will work with the Board of Selectmen and Planning Board to determine what type of housing is most appropriate based on an initial assessment of site conditions, consideration of location, and need to produce a mix of housing types.

In addition to currently owned Town parcels or those acquired through tax foreclosure, the Town of Bourne may decide to acquire privately owned sites for the purposes of protecting open space and developing some amount of housing, including affordable housing, through cluster development on a portion of the sites. Community Preservation Funds would be one source for such acquisition as the accommodation of both affordable housing and open space would serve two CPA goals. Smaller sites should also not be overlooked, as they can be conducive to infill development as starter housing, small mixed-income pocket neighborhoods, group homes, etc.

Once a property has been identified and approved by Town Meeting for affordable housing development, the next task will be to for the Bourne Affordable Housing Trust, in cooperation with the Town's Chief Procurement Officer, to draft a Request for Proposals (RFP) that includes the criteria established by the Town for the development of the parcel (e.g., rental vs. homeownership, density, design guidelines, level of affordability, community preference criteria) and select a builder/developer to undertake the project. Because most new developments will require densities greater than what is allowed under current zoning to be economically feasible, it should be expected that most new affordable housing production projects would be processed through a "friendly" comprehensive permit per the requirement of Chapter 40B and the state's Local Initiative Program (LIP). Additionally, the Housing Partnership and Affordable Housing Trust will need to work with the chosen developer to help it pull together the necessary financial, technical and political support for the project.

It should be noted that the state allows up to 70% of the affordable units in a development to be designated as local preference units, earmarked for those who have a connection to the town of Bourne as they live and/or work in town.

It is likely that a number of financial and technical resources will be required to produce affordable units. Because the costs of development are typically significantly higher than the rents or purchase prices that low- and moderate-income households can afford, multiple layers of subsidies are often required to fill the gaps, potentially including the following sources:

- Town-owned property conveyed at a nominal price. If the acquisition of private property is involved the gap is increased, requiring significantly greater amounts of subsidy. Donated property represents a substantial investment of the community into a Town-sponsored development.
- Community Preservation funding if the Town approves the surcharge on the property tax to support affordable housing, historic preservation, and open space preservation.

- Predevelopment funding from the Massachusetts Housing Partnership, DHCD's Planning Assistance Towards Housing (PATH) Program, CEDAC, MHIC, Mass Development, Life Initiative, etc.
- Federal HOME Program financing of up to \$20,000 per unit and up to \$100,000 per project administered through the Cape Cod Commission for communities in Barnstable County.
- Possible federal financing through Low Income Housing Tax Credits (for rental housing), Section 202 (for rental housing serving seniors and disabled), or the Historic Tax Credit Program.
- Affordable Housing Program grant funding from the Federal Home Loan Bank Board, applied through participating banks.
- Rental subsidies through the Project Based Section 8 Program or individual Section 8 vouchers.
- A wide range of other state funding programs including the Affordable Housing Trust Fund, Housing Stabilization Fund, Housing Innovations Fund, etc.
- Affordable mortgage financing programs including the Soft Second Program, a range of programs offered by MassHousing, financing support from the Housing Assistance Corporation (HAC), and United States Department of Agriculture (USDA).

*Projected Number of Affordable Units Produced: 18 units*

**5. Continue Creating Affordable Living Options for Seniors**

Barnstable County, including the town of Bourne, has a significant and increasing elderly population that includes many with disabilities. These residents often experience difficulties aging in place and require alternative living options, some of which might offer supportive services. By providing increased options for seniors – through subsidized units for seniors, more assisted living options, mixed-income or affordable condominiums, etc. – the Town would help address the need of those who are looking to down-size.

The Town of Bourne has made progress on providing housing for seniors. For example, the Bourne Housing Authority owns and manages 82 units in its two elderly developments at Roland Phinney Place and Continental Apartments with a wait list of **approximately ? applicants**. Moreover, an additional 84 affordable units were produced through the Pocasset Assisted Living project, which attracted almost 400 applications.

In response to the acknowledged need for more subsidized units for seniors, the Bourne Housing Authority has been pursuing the development of six (6) formerly tax foreclosed properties through its Cape View development. **(status of Cape View here)?**

Another important development is the conversion of the formerly Town-owned Coady School into 58 rental units for seniors. In addition to renovating the school per historic preservation standards, the project involves an addition on the 4.37-acre site. All of the units will be affordable to seniors with incomes at or below 60% AMI and 20% will be affordable to extremely low-income seniors earning within 30% AMI. The developer of

the Coady School received comprehensive permit approval for the project in February 2013 and the units should be added to the Subsidized Housing Inventory.

*Projected Number of Affordable Units Produced:* 16 units (also counted under strategy VI.A.4)

**6. Continue Working with Developers on Fine-Tuning Affordable Housing Projects**

The Bourne Housing Partnership has played a key role in meeting with applicants of affordable housing projects 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. It is important that other Town boards and committees acknowledge BHP's important role in providing this support.

*Chapter 40B Development*

Some developers will approach the town with a request to process the comprehensive permit through a "friendly" 40B process. Such developers have included the Housing Assistance Corporation (HAC) for its Canal Bluffs project and the Stratford Capital Group for the redevelopment of the Town's vacant Coady School into 58 subsidized rentals for low-income seniors. 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. Other state agencies are also serving as subsidizing agencies to promote greater coordination and cooperation between developers and municipalities under the state's Chapter 40B comprehensive permit law in communities with less than 10% of its housing stock reserved for low- and moderate-income households (incomes at or below 80% of area median income) and with restrictions insuring long-term affordability.

To the greatest extent possible, "friendly" solutions should be encouraged, but the BHP should continue to meet with developers of all comprehensive permit projects in their early predevelopment stages to provide initial feedback to the developer and input into the site eligibility and ZBA hearing processes. There have been a number of Chapter 40B developments in Bourne, many of which involved BHP review and support.<sup>49</sup> BHP can continue to help negotiate projects with developers to realize new development that will benefit the community with more appropriate scale, better design, improved amenities, and with sensitivity to the natural landscape and environment. Particular areas of the community where the combination of undeveloped or underutilized properties and some greater potential for higher densities, such as the Otis Rotary and pockets along Route 28, represent potential development opportunities through Chapter 40B.

*Use of Existing Zoning*

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<sup>49</sup> A total of seven (7) projects that include 111 affordable units were development through the Chapter 40B comprehensive permit process.

Given BHP's mission and experience, it should also review all potential development projects that involve affordable housing that can likely be developed through existing zoning. Zoning that has been created to promote affordable housing, such as Downtown rezoning in Buzzards Bay, represent real opportunities for developing affordable housing.

*Projected Number of Affordable Units Produced: 128 units*

**7. Continue Encouraging Special Needs Housing**

Given the aging of Bourne's residents and significant special needs population, the Town should continue to welcome special needs projects. Bourne has a number of special needs developments. For example, the Bourne Housing Authority owns and manages two (2) elderly developments that include a set-aside of units for younger disabled residents (Roland Phinney Place and Continental Apartments) and a third project (Waterhouse Road) for 18 special needs residents. The state Department of Developmental Services (DDS) also sponsors eleven (11) units for the developmentally disabled. These developments are important but insufficient to meet the community's increasing needs.

As new housing opportunities arise, BHP should insure that at least 10% of new units created include handicapped accessibility and/or supportive services for residents. Moreover, it should work with developers and non-profit service providers to produce additional service enriched facilities that support those with special needs.

*Projected Number of Affordable Units Produced: 7 units*

**8. Continue Monitoring and Insuring that Units Included in the Town's Subsidized Housing Inventory Remain Affordable**

Based on how housing was financed and how long the affordability requirements were established, the affordable status of some current housing units are likely to be in jeopardy in the future. For example, the 105 affordable units that are part of the Bourne Oaks development had affordability restrictions that were shortly due to expire, and the Town intervened to avoid the prepayment of the mortgage held by the United States Dept. of Agriculture's Rural Development Program and affordability was extended through 2028. Additional projects have affordability restrictions that are scheduled to expire within the next decade including the Canalside Apartments (112 units by March 2018). The Housing Partnership will continue to monitor these units and intervene as necessary to preserve their affordability. New affordable units that come into the Inventory should be designated as affordable for as long a period of time as possible. In the case of homeownership, the BHP will continue to apply, as required, the state's "universal" deed rider to insure affordability in perpetuity.

As noted in strategy VI.A.3, the Bourne Housing Partnership has spent considerable time and energy on efforts to preserve the affordability of individual homeownership units that are included on the SHI but are being resold by existing owners. BHP has resorted to some creative solutions to maintain the affordability of some of these units, even

acquiring a property and further subsidizing the resale. BHP will continue to work with DHCD to preserve these important affordable units.

*Projected Number of Affordable Units Produced:* While this strategy does not involve the creation of new affordable units, it is essential for maintaining existing affordable units that are included in the Subsidized Housing Inventory.

## **B. Introduction of New Housing Strategies**

With modifications to the existing Zoning Bylaw, greater flexibility can be created that would promote “smart growth” objectives and affordable housing. New approaches also include efforts to preserve and improve the community’s mobile homes, a particularly vulnerable segment of the Town’s little “a”<sup>50</sup> affordable units.

### **1. Pursue 40R/40S Smart Growth Zoning (Years 1 to 2)**

The state legislature approved the Chapter 40R zoning tool for communities in 2004 in recognition that housing supply was not keeping up with housing demand, which was driving up housing prices. Such escalating housing prices were becoming increasingly beyond the reach of growing numbers of state residents including graduates from area institutions of higher learning who were choosing to relocate to other areas of the country in search of greater affordability.

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 open space, farmland, natural beauty and critical environmental areas, strengthens existing communities, provides a variety of transportation choices, makes development decisions predictable, fair and cost effective and encourages community and stakeholder collaboration in development decisions.”<sup>51</sup> The key components of 40R include:

- Allows local option to adopt Overlay Districts near transit, areas of concentrated development, commercial districts, rural village districts, and other suitable locations;
- Allows “as-of-right” residential development of minimum allowable densities;
- Provides that 20% of the units be affordable;
- Promotes mixed-use and infill development;
- Provides two (2) types of payments to municipalities (one based on the number of projected housing units and another for each unit that receives a building permit); and
- Encourages open space and protects historic districts.

The state also enacted Chapter 40S under the Massachusetts General Law that provides additional benefits through insurance to municipalities 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. In effect, 40S is a complimentary insurance plan for

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<sup>50</sup> Units that are not eligible for inclusion in the Subsidized Housing Inventory but still serve a pressing local need.

<sup>51</sup> Massachusetts General Law, Chapter 40R, Section 11.

communities concerned about the impacts of a possible net increase in school costs due to new housing development.

A joint report from Citizens Housing and Planning Association (CHAPA) and the Metropolitan Area Planning Council (MAPC)<sup>52</sup> identified 27 cities and towns that had fully-approved 40R districts that collectively permitted the construction of almost 10,000 housing units if fully developed as of August 2009 (including 2,100 affordable units), just four and a half years after the program regulations were issued. Another 20 communities had begun the process of establishing a 40R district or were seriously considering the program. As of August 2009, 17 districts had given approval for 3,200 units and nine (9) had a combined total of 1,100 units under construction. The communities with approved districts were scattered throughout the state, from Pittsfield and Northampton in Western and Central Massachusetts, to Plymouth on the South Shore, and to Amesbury on the North Shore.<sup>53</sup>

The 27 communities with approved districts were eligible to receive \$36.8 million in 40R payments if their districts were fully built, working out to about \$17,100 per projected affordable unit if only 20% of the units are affordable. As of August 2009, \$10.56 million had been paid out by the state. For example, the overlay district in Amesbury projects 249 total housing units of which 225 would receive 40R funding, including 50 affordable units, for a total of \$1,025,000. It is also worth noting, that contrary to common belief, most 40R districts are not “transit” or “concentrated development” locations as the majority of the districts were approved under the “highly suitable” standard for somewhat higher-density development.

The Bourne Planning Board, with support from the Bourne Housing Partnership, will explore opportunities to create Smart Growth Overlay Districts through 40R/40S. A particular area that might be conducive to such a district is the Sagamore Beach area in proximity to the Sagamore Bridge with considerable highway access.

The formal steps involved in creating the 40R Overlay District 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

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<sup>52</sup> Ann Verrilli and Jennifer Raitt, “The Use of Chapter 40R in Massachusetts As a Tool for Smart Growth and Affordable Housing Production”, October 2009.

<sup>53</sup> Districts with approved projects as of August 2009 included Amesbury, Boston, Chelsea, Haverhill, Holyoke, Lakeville, Lawrence, Lowell, Lunenburg, Lynnfield, Natick, North Reading, Northampton, Norwood, Pittsfield, Plymouth, Sharon and Westfield.

- DHCD issues a letter of approval, which indicates the number of projected units on which its subsidy is based and the amount of payment.

*It will be helpful for the Town to hire a consultant to assist them in this process.* The Town should apply for funding from the state's Planning Assistance Towards Housing Program (PATH) to cover these consultant fees.

*Projected Number of Affordable Units Produced:* 10 units

## **2. Explore Solutions for Preserving Mobile Homes (Years 1 to 2)**

A mobile home park in Pocasset is currently in receivership. Mobile homes, while not included in the Town's SHI, still are a valuable segment of the Town's unsubsidized affordable housing stock and should be safe guarded to the greatest extent possible. Service providers indicate that mobile homes are occupied by very low-income residents who have few other housing options that they can afford in town.

The Bourne Housing Partnership should explore what options might be available to maintain these very vulnerable units, including measures to upgrade the homes and wastewater system. Moreover, there is undeveloped land behind the park that might be available for some new development to complement the preservation work.

*Projected Number of Affordable Units Produced:* While it is unlikely that the units can be included in the SHI given state requirements, such an effort to improve these units will still meet a pressing local need to preserve existing housing that serves lower income residents.

## **3. Pursue New Buy-down Strategies (Years 1 to 2)**

In addition to the existing local housing initiatives described in strategy VI.A.3, the Housing Partnership and Housing Trust are interested in exploring other opportunities for producing affordable units in small projects through the Local Initiative Program (LIP). Options that might be considered include:

- Purchase existing homes with the intent of making necessary improvements and converting the units to long-term affordability as either rentals or ownership.
- Review privately owned lots that are over two (2) acres in size and reach out to owners about the possibility of the Housing Trust purchasing and subdividing at least 10,000 square feet of the parcel to build an affordable single or two-family home.

It would be advisable for the Housing Trust to prepare a Request for Proposals (RFP) to select a capable entity to coordinate a buy-down effort through these potential approaches. With a funding commitment, the Town would then contract with the selected entity to convert existing housing units to affordability in perpetuity or build new units on acquired land with the units meeting all state requirements for inclusion in the SHI as rentals (managed by the Bourne Housing Authority) or first-time homeownership.

There are many examples of buy-down programs including the Sandwich Housing Opportunity Program (SHOP). In this effort, 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 the Housing Assistance Corporation (HAC) through a Request for Proposals process to coordinate 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.

*Projected Number of Affordable Units Produced:* (counted under strategy VIA.3)

**4. Amend the Accessory Dwelling Zoning Bylaw (Years 3 to 5)**

An accessory apartment is a complete, separate unit within an owner-occupied home, typically a second unit in surplus space of a single-family home. Such units are separated from the principal dwelling and have their own kitchen, bathroom and living facilities.

Accessory units are helpful in meeting a number of public policy objectives. First they enable homeowners to capture additional income, which is particularly important for elderly homeowners or single parents where such income may be critical to remaining in their homes. Also, without the flow of income from an accessory apartment, some young families or moderate-income households might not be able to afford homeownership. Second, they provide appropriately sized units for growing numbers of smaller households. Third, accessory units are inexpensive ways of increasing the rental housing stock less expensively than new construction and without significant impact on the surrounding neighborhood. And the creation of accessory units typically does not require additional public services such as streets or utilities or the loss of open space. Fourth, tenants in accessory apartments can also provide companionship, security and services for the homeowner, from shoveling the sidewalk for an elderly owner to babysitting for a single mom. Fifth, often referred to as “in-law” apartments, they have offered good opportunities for keeping extended families in closer contact. Sixth, new accessory units typically generate tax revenue in a locality because accessory units add value to existing homes. Many residents recognize accessory units as a valuable housing resource. Without proper regulation, however, many accessory units may have health and safety problems and could be potential firetraps without adequate means of egress.

There is a provision in Bourne’s Zoning Bylaw to approve accessory dwellings through the special permit process, however, the single-family homes to which the accessory dwellings are being added must have been in existence for at least five (5) years at the time of application. Therefore, accessory units cannot be incorporated into new construction. The current Accessory Dwelling Zoning Bylaw has not been adequately utilized and should be modified to encourage the creation of accessory apartments in Bourne that can provide significant affordable year-round housing opportunities for

residents. Zoning changes that would allow accessory units in detached structures or additions to the principal dwelling should also be approved.

The Bourne Housing Partnership is currently exploring provisions for accessory apartments that have been adopted by Wellfleet. This Program does not require deed restrictions nor does it include mandates for tenants to be selected from a pre-qualified Ready Renters List, and consequently the units, although affordable based on specified income and rent limits, would be ineligible for inclusion in the Subsidized Housing Inventory. Wellfleet has established the following process for approving Affordable Accessory Dwelling Units:

- Property owner applies for a special permit.
- Building Inspector and Board of Health visit and inspect the unit to determine if there are any health and safety violations that must be corrected prior to the owner obtaining the special permit. Those whose incomes are below 100% of area median are eligible for participation in Wellfleet's Affordable Accessory Dwelling Unit Loan Program that provides no interest loans to support necessary improvements.
- The ZBA reviews the application and the reports submitted by the Building Inspector and Board of Health, holds a public hearing, and grants the special permit.
- The Building Inspector issues a Certificate of Occupancy prior to the unit being occupied.
- Prospective tenants must submit income information to the Assistant Town Administrator that documents that they qualify for the units. Once qualified, property owners will be officially notified of the monthly rent they are able to charge based on HUD Fair Market Rents. A list of qualified tenants is available to property owners, or owners may be able to select their own.
- The Town Assessor issues a tax abatement to the property owner based on a specified formula, without the need for the owner to submit to a separate application process (this requires state legislative approval).
- The property owner annually submits forms that document the continued eligibility of the tenant and use of HUD Fair Market Rents.

If a property owner decides at some point to opt out of the special permit, they must inform the Building Inspector and remove the kitchen in the accessory unit. They are allowed to convert the space to other uses such as a "private guest house" or office. Wellfleet has also complimented this zoning with a special program to help the owner finance the new accessory through CPA subsidies.

*Projected Number of Affordable Units Produced:* This change will help diversify the housing stock by promoting year-round rental units for the increasing number of smaller households but such units will not be eligible for inclusion in the SHI.

##### **5. *Revise Open Space Community Bylaw (Years 3 to 5)***

The Zoning Bylaw includes Open Space Community provisions that allow "relatively intensive use of land, while at the same time maintaining existing character; to preserve open space for conservation and recreation; to introduce variety and choice into residential development; to meet housing needs; and to facilitate economical and efficient provision of public services and to encourage development of well designed

resorts with accessory recreation facilities.”<sup>54</sup> The allowable number of units is the same as subdivision requirements, however density bonuses are offered when at least 25% of the units are affordable, as certified by the Housing Partnership, and when other objectives are achieved including creating housing for seniors, avoiding excessive school impact, protecting natural areas, minimizing visual disruption, encouraging recreation, etc. Density bonuses, however, are limited when the applicable land area per dwelling unit in the entire development is reduced below 30,000 square feet.

While this bylaw represents an attempt to promote affordable housing, it does not offer sufficient incentives to actually produce such units based on the mix of local needs. The Housing Partnership should work with the Planning Board to amend the bylaw to at least allow increased densities through clustering the housing and encourage housing for families.

*Projected Number of Affordable Units Produced:* Will likely make the development of affordable housing on some Town-owned parcels and private properties more feasible to help the Town meet its housing needs and production goals.

#### **6. Explore Adoption of Inclusionary Zoning (Years 3 to 5)**

Inclusionary zoning is not currently included in Bourne’s Zoning Bylaw. The Town prepared a draft bylaw in May 2002, but it was not approved by Town Meeting. This zoning mechanism has been adopted by many communities 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. Most municipalities that have inclusionary zoning in place, more than one-third of the municipalities in the Commonwealth, 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.

The Housing Partnership should review successful models of inclusionary zoning and make some determination regarding their adaptability to Bourne. It may be prudent to obtain the services of a consultant to recommend appropriate language to a zoning amendment based on local needs, market conditions and concerns. Funding for a consultant might be obtained through the state’s Planning Assistance Towards Housing (PATH) Program.

*Projected Number of Affordable Units Produced:* Assumes potential adoption towards the end of the five-year term of the Housing Plan

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<sup>54</sup> Zoning Bylaw, Town of Bourne, Section 4620, page 48.

## **ATTACHMENT 1**

### **Local and Regional Housing Organizations**

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

- ***Bourne Housing Authority (BHA)***  
The Bourne Housing Authority (BHA) was incorporated in 1965 to produce housing for low-income residents. Today it owns and manages affordable housing units at four (4) project sites, representing 122 units, and administers 76 rental subsidies to low-income tenants living in private housing. It is in the process of developing six (6) formerly Town-owned properties into new senior housing through its Cape View development. (Roland Phinney Place, 871 Shore Road, Pocasset; 508/563-7485)

- ***Bourne Housing Partnership (BHP)***

The Bourne Board of Selectmen established the Bourne Housing Partnership (BHP) in 1991 as the municipal entity to oversee issues related to affordable housing. Consisting of seven (7) members, BHP's mission includes increasing community awareness about the seriousness of the need for safe and affordable housing, reviewing and providing feedback on proposed affordable housing development projects, initiating new zoning related to promoting affordable housing, and advising the Town on issues related to affordable housing as they arise. The Partnership has sponsored a number of special housing initiatives to create new housing opportunities including assisting qualifying buyers of affordable homes and existing property owners in making home improvements. It also serves as a monitoring agent in reviewing the initial sale and resale of affordable homes. In these efforts, BHP has worked closely with the Town Planner and Planning Board, the Bourne Housing Authority, the Bourne Affordable Housing Trust, the Cape Cod Commission, Housing Assistance Corporation, the Massachusetts Department of Housing and Community Development (DHCD), and the U.S. Department of Agriculture. Beginning in November 2006, BHP secured part-time professional staff support with CPA funding for an Affordable Housing Specialist who has been instrumental in coordinating the wide range of BHP activities. (C/O the Bourne Housing Authority; town hall Roland Phinney Place, 871 Shore Road, Pocasset; 508/563-7485)
- ***Bourne Affordable Housing Trust (BAHT)***

The Bourne Affordable Housing Trust (BAHT) was established by Town Meeting in May 2009 to manage a fund dedicated to the production of affordable housing opportunities. The Board of Selectmen is responsible for appointing the five (5) members of the Housing Trust, and in cooperation with BHP, the Housing Trust has been provided with part-time professional support from the CPA-funded Affordable Housing Specialist. In addition to establishing a fund, the Bourne Affordable Housing Trust also has the authority to own and manage real estate, not just receive and disburse funds, which will enable it to create and preserve affordable housing.
- ***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 Bourne and are administered by the Cape Cod Commission. (C/O the Cape Cod Commission; 3225 Main Street, Barnstable, MA 02630; 508/362-3828)
- ***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 nonprofit organization is working throughout the Cape and the Islands as a sponsor of affordable housing developments and has a wide range of financial and educational resources available for renters, existing homeowners and first-

time homebuyers including HOME Program funding and rental subsidies. (460 West Main Street, Hyannis, MA 02601; 508/771-5400)

- ***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 several 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. (658 Main Street, West Yarmouth, MA 02673; 508/775-3559)

- ***Cape Cod Commission (CCC)***

The Cape Cod Commission (CCC) 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 special funding for consultants to assist communities in a range of housing activities. The Commission also manages the allocation of housing subsidy funds that are made available to communities to support affordable housing efforts including the oversight of HOME Program funds on behalf of the Barnstable County HOME Consortium and the Development of Regional Impact (DRI) process. (3225 Main Street, Barnstable, MA 02630; 508/362-3828).

## **ATTACHMENT 2**

### **Glossary of Housing Terms**

#### ***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 orientation, marital status, ancestry, veteran status, children, and age. The state law also prohibits discrimination against families receiving public assistance or rental subsidies, or because of any requirement of these programs.

### ***Inclusionary Zoning***

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

### ***Infill Development***

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

### ***Local Initiative Program (LIP)***

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

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

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

***Metropolitan Statistical Area (MSA)***

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

***Mixed-Income Housing Development***

Development that includes housing for various income levels.

***Mixed-Use Development***

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

***Overlay Zoning***

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

***Public Housing Agency (PHA)***

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

***Regional Non-Profit Housing Organizations***

Regional non-profit 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 Bourne's regional non-profit 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. In the case of the Cape Cod, Dukes County and Nantucket Commissions, the RPA's are land use regulatory agencies as well as planning agencies. The Cape Cod Commission (CCC) serves as Bourne'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.

