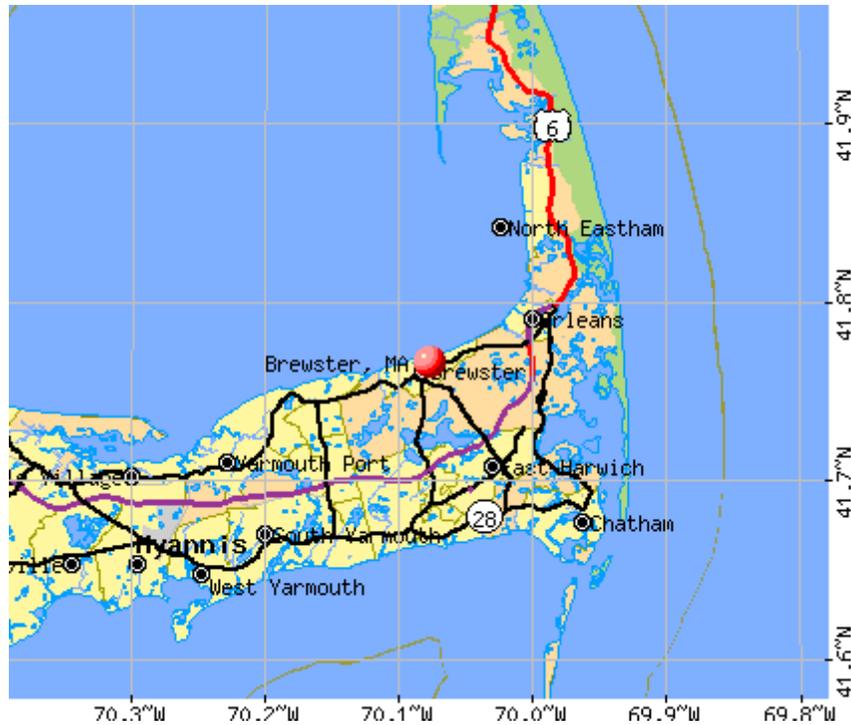


# BREWSTER, MASSACHUSETTS HOUSING PRODUCTION PLAN



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# TOWN OF BREWSTER HOUSING PRODUCTION PLAN

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# TOWN OF BREWSTER

## HOUSING PRODUCTION PLAN

### I. EXECUTIVE SUMMARY

#### A. Introduction

Brewster is located at the inside bend of the elbow of Cape Cod. With approximately 10,000 residents, Brewster is bordered by Cape Cod Bay on the north, Orleans on the east, Harwich on the south, and Dennis on the west. Brewster's small town character, miles of pristine beaches, rich historical connection to the sea, and rural nature have continued to lure visitors over the years – some who arrive for extended periods in the summer, others who have decided to purchase second homes, and those searching for a place to retire. But living in Brewster has become expensive and despite the relatively recent softening of the housing market, homes remain out of reach for most year-round residents.

A summary of some of the demographic and housing characteristics of Brewster versus Barnstable County and the state is included in Table I-1. This information also shows how unique Brewster is, with sizable differences from other communities in the County and the state, some of which can be explained based on the following factors:

- *Preserved Open Space*  
More than one-third of Brewster's land area has been reserved for conservation, watershed protection, open space, and recreational purposes. This significant reserve of open space as well as other environmental constraints places significant burdens on new development.
- *Housing Growth and Density*  
The Cape has experienced substantial housing growth in the recent past, fifth highest among the state's 14 counties. In regard to resulting increases in density, the Cape is the third highest among the 14 counties. Brewster is experiencing somewhat greater housing growth than the County and state, but density levels still remain lower.
- *Seasonal Housing Pressures*  
More than 40% of the town's housing stock is occupied by seasonal or occasional residents as compared to 32% in Barnstable County as a whole, where one would expect a high level of such residents, and a state average of only 3.6%. Consequently, in the summer months, Brewster's resident population increases exponentially, putting substantial pressure on Town services and the long-term, permanent population. Town estimates indicate that the total number of visitors actually comes close to 30,000. This temporary population, however, has bolstered the local economy and employment has increasingly focused on servicing these temporary residents. Seasonal workers have also encountered significant challenges locating decent and affordable housing in Brewster and throughout the Cape.
- *Older Population*  
In comparison to the Cape and state in general, Brewster's population is older, with a median age of 46.9 years as opposed to 44.6 and 36.5 years for the County and state, respectively. Additionally, the town had a higher proportion of residents 65 years of age or older, 26.2% versus 23% (34% using 2005 census projections) for the County and only 13.5% for the state. Brewster also had a substantially higher percentage of those 45 to 54 years of age who are entering the prime of their earning potential and better able to afford the higher cost of housing, 17% versus 14.8% for the County and 13.8% for the state. Increases in these older age groups are projected to continue through at least 2020.

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

<b>Characteristics</b>	<b>Brewster</b>		<b>Barnstable County</b>		<b>Massachusetts</b>	
<b>Household Characteristics</b>						
	2000 Census	2009 Estimate <sup>1</sup>	2000 Census	2008 Estimate <sup>3</sup>	2000 Census	2008 Estimate*
% less than 18 years	20.9%	15.7%	20.4%	17.7%	23.6%	22.0%
% 20 to 34 years	9.6%	14.1% (21-34)	13.2%	15.5%	21.0%	19.8%
% 35 to 44 years	14.5%	9.2%	15.3%	12.5%	16.7%	14.7%
% 45 to 54 years	17.0%	16.9%	14.8%	15.0%	13.8%	15.4%
% 55 to 64 years	10.1%	13.3%	11.5%	13.4%	8.6%	11.6%
% 65 years or more	26.2%	27.9%	23.1%	24.0%	13.5%	13.4%
Median age	46.9 years	50.3	44.6 years	46.3	36.5 years	38.7
% non-family households	30.8%		36%	37.4%	36%	36.4%
Average household size	2.34 persons	2.3	2.28 persons	2.33	2.51 persons	2.33
Median income 2000	\$49,276/ \$77,363**	\$60,964	\$45,933/ \$72,115	\$57,314	\$50,502	\$65,401
Individuals in poverty	3.7%		7%	7.4%	9%	9.7%
% earning less than \$25,000	22.6%	16.6%	24.6%	19.4%	24.6%	19.8%
% earning more than \$100,000	12.6%	22.2%	12.4%	23.7%	17.7%	30.2%
<b>Housing Characteristics</b>						
% occupied housing	56.2%		64.5%	59.6%	93.2%	90.2%
% owner-occupied	84.4%		77.8%	81.2%	61.7%	64.5%
% renter-occupied	15.6%		22.2%	18.8%	38.3%	35.5%
% seasonal or occasional use	40.3%		32.0%		3.6%	
% single-family, detached structures	74.9%		82.9%	83.6%	52.4%	52.9%
Housing growth 2000 to 2008	7.2%		6.2%		4.3%	
Housing density 2000 to 2008	288.0 to 308.7 units per square mile		371.6 to 394.5 units per square mile		334.5 to 349 units per square mile	
Median sales price/end of 2008	\$198,500/\$370,000		\$178,800/\$310,000 (12/08)		\$185,700 (\$264,900 in 5/09)	

Source: Data for the above table is derived primarily from the 2000 census, however, some updated estimates have been incorporated.

\* The numbers for the County and state are updated census projections based on the 2008 American Community Survey unless otherwise noted. The estimates for Brewster are from the Nielsen Claritas data source 2009.

On the other hand, the town had a comparable number of school-age children under 18 years of age as the County, at a bit more than 20%, but fewer than the level for the state at 23.6%. The

<sup>1</sup> Updated data is provided where available, but for some demographic and housing characteristics, the 2000 census is the only source available.

relatively smaller numbers of children relates directly to the increasing numbers of non-family households and dwindling numbers of those aged 20 to 34 who are forming new families and entering the labor market, 9.6% of all households in Brewster but 13.2% for the Cape in general and 21.0% for the state. The high cost of living in Brewster, the lack of affordable housing in particular, as well as limited employment opportunities are creating barriers for this age group and making it increasingly more likely that those who were raised in Brewster will not be able to raise their own families locally. Projections suggest the continued decline in those under 20, but surprisingly estimate that those young adults age 20 to 34 will increase over the next decade or so.

- *Higher Incomes*

The 2000 median income in Brewster was higher than that for the County, \$49,276 and \$45,933, respectively, and comparable to the state median at \$50,500. Updated 2009 projections for Brewster and the Cape are \$77,363 and \$72,115 respectively. Additionally, the percentage of those earning less than \$25,000 annually was lower in Brewster, 22.6%, while it was 24.6% for the County and state. On the other hand, there were fewer year-round residents in Brewster and the County earning more than \$100,000, 12% as opposed to 17.7% for the state.

- *Escalating Housing Market Conditions*

The 2000 median house price provides a comparison of Brewster's housing market to that of Barnstable County and the state, with significantly higher market values -- \$198,500 for Brewster, \$178,800 for the County and \$185,700 for the state. Since that time housing prices have doubled. Brewster's median house value for a single-family home was \$410,000 as of July 2007. To afford this price, a purchaser would have to earn approximately \$112,000 based on conventional lending practices, well beyond the means of most local residents. Since that time the housing market has slowed down and prices have decreased somewhat, down to \$370,000 as of the end of 2008. Nevertheless, high housing prices are reflected in increased property taxes, which in combination with rising energy bills and insurance costs, cause a serious financial strain on long-term residents, particularly those with fixed incomes. Applying the updated median income estimate of \$77,363, based on the 57% change in the HUD median income levels for Barnstable County between 2000 and 2009, would result in an affordability gap of \$65,000, the difference between what the median income household could afford (\$305,000) and the median priced house (\$370,000). *This information points to a critical local concern, the divergence between the high costs of housing and residents' ability to pay for it, but it should also be noted that the combination of decreased market prices and interest rates has narrowed the affordability gap significantly in recent months.*

- *Scarce Supply of Affordable Housing*

The supply of housing for working families is dwindling as homes that were priced reasonably in the past have more than doubled in value given market pressures brought on by a buoyant regional economy and the demand from the seasonal, second home and retirement market. There are currently only five single-family homes on the market for less than \$300,000 and only another 15 priced below \$400,000. Based on the Massachusetts Department of Housing and Community Development's most recent data on the Chapter 40B Subsidized Housing Inventory, Brewster had 4,379 year-round housing units, of which 253 can be counted as affordable, representing 5.78% of the year-round housing stock. To meet the state's 10% affordable housing goal under Chapter 40B of the Massachusetts General Laws, at least 438 of the existing units would have to be "affordable".<sup>2</sup> This means that right now Brewster is short of the 10% standard by 185 affordable

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<sup>2</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-

housing units. Assuming future housing growth, this 10% figure is a moving target and ultimately the required minimum number of affordable units will increase over time.

## **B. Housing Goals**

The Town of Brewster has adopted the following housing goals to help guide the development of specific strategies for promoting affordable housing:

1. *Strive to meet 10% state affordable housing goal.* Brewster will promote decent, safe, affordable housing for rental or purchase to meet the needs of present and future Brewster residents. In accordance with state law, Brewster will seek to raise its affordable housing stock to 10% of all year-round units at the rate of 0.50% per year.
2. *Serve a variety of housing needs.* Brewster will encourage and support affordable housing that can serve a variety of needs including elderly residents, families with children, couples, singles, those with disabilities, Town employees and those “at risk” of losing their housing. In addition, Brewster will strive to promote and support workforce housing (and especially first-time ownership opportunities) that is affordable to those with moderate incomes, i.e. between 80% and 120% of area median income.
3. *Promote affordable housing that is consistent with smart growth whenever possible.* Encourage the development and the maintenance of affordable housing that is compatible with the existing semi-rural residential character of the Town, and to the extent feasible, direct development to those locations that, within a smart growth context, can better support new development. Smart growth development is a response to the problems associated with unplanned, unlimited suburban development – or sprawl – and calls for more efficient land use, a mix of uses, compact development patterns, less dependence on the automobile, a range of diverse housing opportunities and choices, equitable allocation of the costs and benefits of development, and an improved jobs/housing balance.
4. *Preserve existing affordable housing.* Brewster will establish programs and provide resources to preserve the affordability of its existing affordable housing units.
5. *Make zoning and regulatory reforms.* Brewster will make the necessary zoning and regulatory changes to encourage the development of affordable rental units and homes. This includes measures to promote smart growth development.
6. *Encourage partnerships.* Brewster will work with other towns and with state and regional agencies to support affordable housing at the regional level. Brewster will encourage the private, public and semi-public sectors to cooperate in utilizing existing housing stock and creating new units to meet affordable housing needs.

## **C. Summary of Development Challenges**

Undertaking a more proactive housing agenda to promote affordable housing will be a significant challenge in Brewster. First, the town’s resources for absorbing growth are limited given significant physical constraints. In addition to the considerable extent of the town’s preserved open and recreational space, Brewster has no sewer services and some areas are still without municipal water, making denser development more costly and difficult. This raises concerns among residents about water supply and water quality impacts of any new development.

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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.

Second, local zoning provides substantial obstacles to affordable housing development, and current regulations would have to be reformed or in many cases overridden through “friendly” comprehensive permits to overcome these barriers. Zoning for accelerated growth raises local questions concerning capacity and changing the very nature of the community with its small town distinctions.

Third, the Town needs to establish the means of building its capacity to promote more affordable development by aggressively reaching out for necessary technical and financial resources and building the political support needed to get the job done. It must also strive to effectively manage the Town’s limited assets as a whole, and direct growth most effectively for the overall environmental and social health of the community. Besides Community Preservation Funds, Brewster has limited resources to support affordable housing. Because the Town has little commercial and industrial uses, it relies predominantly on property taxes raised through its residential base. While tax revenues have increased based on rising property values, Brewster, like other nearby communities, has a relatively low tax rate of \$5.96 per thousand as opposed to more than \$15.00 per thousand in quite a few other communities in the Boston region.

This Housing Production Plan suggests a range of options for meeting pressing local housing needs and bringing Brewster closer to the state’s 10% affordable housing goal, presenting a proactive housing agenda of Town-sponsored initiatives based on documented local needs. Due to the high costs of homeownership, including escalating costs associated with taxes, insurance<sup>3</sup> and utilities, some residents are finding it increasingly difficult to afford to remain in Brewster. Children who grew up in the town are now facing the possibility that they may not be able to return to raise their own families locally. Long-term residents, especially the elderly, are finding themselves less able to maintain their homes and keep up with increased expenses, but are unable to find alternative housing that better meets their current life styles. Families are finding it more difficult to “buy up,” purchasing larger homes as their families grow. Town employees and employees of local businesses are increasingly hard pressed to find housing that is affordable in Brewster and are confronted with longer commutes as the increasing affluence of the area squeezes them out of the housing market. Clearly more housing options are required to meet local needs and produce Brewster’s fair share of regional needs.

#### **D. Summary of Housing Needs Assessment**

The Housing Needs Assessment examines the issue of housing in Brewster, particularly housing affordability, to present a documented snapshot of current conditions and trends. It also looks at the gaps between what housing is available to serve local residents and what is required to meet local needs, including a review of local, regional and state resources. Based on the Housing Needs Assessment, there are a number of key indicators that suggest there are significant local needs for affordable housing that go beyond what is required to meet the 10% state goal including:

##### **1. *Households with Limited Incomes***

- Despite increasing household wealth, there are substantial numbers of households with incomes below \$25,000, 932 households or almost 23% of all households, based on 2000 census data, down to 16.6% based on 2009 estimates<sup>4</sup>. There are substantially more of these households than subsidized units available (254 units), and they are challenged to compete in Brewster’s very tight housing market.

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<sup>3</sup> Following Hurricane Katrina, more insurance companies are deciding to no longer offer insurance in “high risk” areas, including Brewster, and as a result insurance costs are doubling. Many residents are now being referred to the state’s Fair Plan, which is not designed to serve areas like Brewster.

<sup>4</sup> Nielsen Claritas data source, 2009.

- There were 1,423 households with incomes at or below 80% of the 2000 area median income. Therefore, based on income alone, about 35% of Brewster's households might qualify for housing assistance.<sup>5</sup>
- The numbers of residents living in poverty have declined over the past couple of decades, however, there still remains a population within the town of Brewster, including 360 individuals and 45 families in 2000, who were living below poverty level.
- There were 254 households earning at or below 30% of area median income, referred to by HUD as extremely low-income households, and of these 193 were owners and 61 were renters. Of these households, 71.5% of the owners and 55.7% of the renters, or 172 total households, were spending more than 50% of their income on housing-related expenses.
- Of the 439 households earning between 30% and 50% of area median income, referred to as very low-income households, more than half were spending over 30% of their income on housing and another 30% were spending more than 50% on housing.
- There were 730 households earning between 50% and 80% of median income and more than one-quarter were spending over 30% of their income on housing with about 5% spending more than 50% on housing.
- The significant resort economy in Brewster causes fluctuations in the job force that increases in the summer months to serve seasonal needs. At this point there are few housing options in Brewster to house these lower paid seasonal workers.

*Priority Need #1: Given the high costs of housing, more subsidized rental housing is necessary to make living in Brewster more affordable, particularly for those described above with very limited financial means.*

## 2. ***Affordability Gaps***

- In 2000 there were almost 1,000 households, or about one-quarter of all Brewster households, who were living in housing that by common definition was beyond their means and unaffordable as they were paying more than 30% of their income on housing-related expenses.
- Real estate listings as of August 21, 2007, did not include any single-family homes on the market in Brewster for less than \$200,000, only five for less than \$300,000, and just another 15 priced below \$400,000. Consequently, almost all listings were priced out of the range of the average household much less low- and moderate-income households.
- Applying the updated median income estimate of \$77,363 based on the 57% change in the HUD median income levels for Barnstable County between 2000 and 2009, would result in an affordability gap of \$65,000 as of the end of 2008, the difference between what the median income household could afford and the median priced house. The affordability gap has in fact widened from \$23,500 in 2000 to \$155,000 in mid-2007 and then based on the combination of lower real estate prices and interest rates decreased to \$130,000 as of June 2008 to half that amount, \$65,000, as of the end of 2008.
- For those earning at 80% of area median income, the affordability gap was \$229,500 in 2007, the difference between the maximum they could afford of \$180,500 and \$410,000, the median priced house at that time. This gap decreased to \$204,500 in mid-2008 due to further softening of the housing market and lower interest rates and decreased further to \$150,000 as of the end of 2008.
- In regard to rentals, the gross median rent of \$770, according to the 2000 census, required an income of about \$30,800 (assuming utilities are included in the rent), which was within the means of two-person households earning at about 80% of area median income in 2000. Nevertheless, approximately 1,130 or 27% of Brewster's households would still have been unable to afford to

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<sup>5</sup> While these households' incomes might be at or below 80% of area median income, many households are likely to have assets, particularly if they are homeowners, that are more than the allowable state or federal standards that would disqualify them from housing assistance.

rent at that level. Rental levels have increased substantially as average winters rentals are currently about \$1,000 and year-round rents about \$1,500.

- Demographic trends also suggest that those entering the labor market and forming new families in Brewster are dwindling in numbers, reducing the pool of entry-level workers and service employees. For example, in 1980 this group comprised about 23% of Brewster's residents, but by 2000 the number of those in this age category had dropped from almost 2,000 residents to less than 1,000, comprising less than 10% of the town's population.

*Priority Need #2: Wider range of affordable housing options including first-time homeownership opportunities, particularly for younger households entering the job market and forming their own families, as well as for empty nesters.*

### 3. ***Special Needs Households***

- More than 2,000 residents that claimed some kind of disability in 2000. Of the population age 5 to 20 years old, 210 or 10.6% had some disability. Of those aged 21 to 64, 1,291 residents, or more than one-quarter of the persons in the age range, claimed a disability, and 168 were unemployed, likely due to their disability. Also, 552 seniors or about one-quarter of those in this age group claimed some type of disability. These levels of disability, particularly that of seniors, represent significant special needs within the Brewster community.
- There were 89 extremely low-income elderly owners (earning at or below 30% of area income) spending more than 50% of their incomes on housing.
- There were 23 seniors who rented and were spending more than 50% of their income on housing.
- As a result of two (2) projects that underwent Cape Cod Commission review, the Town has six (6) affordable assisted living units and another six (6) under construction. However, given the high number of seniors in Brewster, including those with disabilities, more of this type of housing is needed.

*Priority Need #3: Some amount of new housing should be built handicapped-adaptable or accessible to the disabled, including seniors, and more supportive housing services should also be integrated into new development – goal of 10% of all new units created.*

### 4. ***Existing Housing Conditions***

- About 25% of Brewster's housing stock was built prior to 1970, and houses in this age category are more likely to have traces of lead-based paint, posing safety hazards to children, as well as problems concerning aging system and structural conditions.
- Brewster does not have municipal sewer services and consequently it is likely that some septic systems require repairs.

*Priority Need #4: Programs to support necessary home improvements, including deleading and septic repairs for units occupied by low- and moderate-income households, particularly the elderly living on fixed incomes, and including investor-owned properties tenanted by qualifying households.*

This Housing Needs Assessment suggests that over the next five (5) years the Town of Brewster establish the following targeted affordable housing production goals and priority housing needs.

**Table I-2  
Summary of Priority Housing Needs and Targeted Production Goals**

<b>Type of Housing</b>	<b>Seniors/One Bedroom Units</b>	<b>Small Families/ 2 Bedrooms</b>	<b>Large Families/ 3+ Bedrooms</b>	<b>Total</b>
Rental	40	30	12	82
Ownership	6	6	26	38
Special Needs*	(4)	(4)	(4)	(12)
<b>Total</b>	<b>46</b>	<b>36</b>	<b>38</b>	<b>120</b>

Source: 2000 HUD SOCDs CHAS and Census data, Karen Sunnarborg Consulting  
 \* These numbers reflect about 10% of new units created.

Also worth noting is that, provided the community can demonstrate the associated need and the absence of any discriminatory impacts, up to 70% of units in an affordable housing development can be set-aside as “local or community preference units.” Within the parameters of fair housing laws and Chapter 40B guidelines, the criteria for these units can be defined by the Town as Brewster residents, employees of the Town of Brewster (including the School District) or employees of businesses located in Brewster.

**E. Summary of Production Goals**

The state administers the Housing Production Program that enables cities and towns to adopt an affordable housing plan that demonstrates production of .50% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.<sup>6</sup> Brewster would have to produce at least 22 affordable units annually to meet these production goals through 2010. When the 2010 census figures become available in 2011, this number will be higher, most likely closer to 25 units.

If a community has achieved certification<sup>7</sup> within 15 days of the opening of the local hearing for a comprehensive permit, the ZBA shall provide written notice to the applicant, with a copy to DHCD, that it considers that 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 denial or approval with conditions would be consistent with 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.

Using the strategies summarized in Section VII, the Town of Brewster has developed a Housing Production Program to project affordable housing production over a five-year period, however, there is likely to be a great deal of fluidity in these estimates from year to year. The goals are based largely on the following criteria:

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<sup>6</sup> The state has only recently adopted changes to Chapter 40B, including modifications to production requirements, what had previously been referred to as Planned Production. For example, the annual production goals are now based on one-half of one percent of total housing units as opposed to three-quarters of one percent in the past.

<sup>7</sup> Certification means that the community has met its production goal.

- At a minimum, at least 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 and at least another 10% affordable to those earning up to 120% of area median income, depending on project feasibility. The rental projects will also target some households earning at or below 50% or 60% of area median income depending upon subsidy program requirements.
- Projections are typically based on a minimum of four units per acre. However, given specific site conditions and financial feasibility it may be appropriate to increase or decrease density as long as projects are in compliance with state Title V and wetlands regulations.
- Because housing strategies include some development on privately owned parcels, production will involve projects sponsored by private developers through the standard regulatory process or “friendly” comprehensive permit process. The Town plans to promote increased affordability in these projects when possible.
- The projections involve a mix of rental and ownership opportunities. The Town will work with developers to promote a diversity of housing types directed to different populations with housing needs including families, seniors and other individuals with special needs to offer a wider range of housing options for residents.

Production goals over the next five (5) years include the creation of 133 affordable units (for those earning at or below 80% of area median income), 12 units (for those earning between 80% and 120% of area median), and 74 market units with a total projected number of housing units created of 219 units.

#### **F. Summary of Housing Strategies**

The strategies outlined below are based on previous plans, reports, studies, the Housing Needs Assessment, housing goals (see Section I.B above) and the experience of other comparable localities in the region and throughout the Commonwealth. The strategies are grouped according to the type of action proposed – Housing Production, Zoning and Regulatory Reforms, Housing Preservation and Building Local Capacity – and prioritized. Highest priority actions are those that will be implemented within the next two years, most of which will involve some immediate actions, and lower priority strategies are those that will involve focused attention after the next couple of years, working towards implementation after Year 2 but before Year 5. A summary of these actions is included in Appendix 2.

Within the context of Chapter 40B compliance issues, local needs, existing resources, affordability requirements and the goals listed in Section II of this Plan, the following housing strategies are offered for consideration. ***It is important to note that these strategies are presented as a package for the Town to consider, prioritize, and process, each through the appropriate regulatory channels.*** Moreover, all of the proposed actions present opportunities to judiciously invest limited Community Preservation funding to build local capacity, modify or create new local zoning provisions and development policies, subsidize actual unit production (predevelopment funding and/or subsidies to fill the gap between total development costs and the affordable rent or purchase prices) and leverage additional resources, and help preserve the existing affordable housing stock.

##### ***1. Housing Production Strategies***

To accomplish the actions included in this Housing Production Plan and meet production goals, it will be essential for the Town of Brewster to reach out to the development community and sources of public and private financing to secure the necessary technical and financial resources to create actual affordable units. While some of the units produced may rely on the participation

of existing homeowners, most of the production will require joint ventures with developers – for profit and non-profit – to create affordable housing.

- *Make publicly-owned land available for affordable housing*  
Conduct necessary feasibility studies for publicly owned properties and convey suitable Town-owned properties for some amount of affordable housing. The Town should formalize its process of determining the future use of surplus municipal properties, convening all stakeholders including the Brewster Housing Partnership.
- *Support private development in line with local guidelines*  
Reach out to local developers who have been active in producing affordable housing to discuss the Town’s interest in promoting these units, possible areas and opportunities for new development, local guidelines and priorities for new development and the prospects for working together in the future. This will be particularly useful after the Town has produced Affordable Housing Guidelines and has passed key zoning changes. Also, establish a process for reviewing local development proposals in their early conceptual stages to provide useful feedback to developers on preliminary plans.
- *Convert existing housing to long-term affordability*  
Explore various program models for converting existing housing to units that have long-term affordability restrictions and prepare an implementation plan that outlines program procedures and the respective roles and responsibilities of various municipal staff persons and boards and committees. Community Preservation Funds and potentially HOME funding from the Barnstable County HOME Consortium could be allocated to the program to provide the necessary subsidies.
- *Promote accessory apartments*  
Provide information to residents to promote the use of the recently revised accessory apartment bylaw and monitor its effectiveness. If it is not being used, explore efforts in other communities to promote affordable accessory apartments, such as Wellfleet’s, and determine how best to move forward locally including the possible addition of a CPA-funded rehabilitation loan program.

## **2. Zoning and Planning Strategies**

The Town of Brewster should consider the following planning and zoning-related strategies to provide appropriate incentives and guidance to promote the creation of additional affordable units:

- *Encourage more flexible cluster zoning*  
Amend Brewster’s Zoning Bylaw to incorporate density bonuses as incentives for producing affordable units in new developments and promote cluster zoning as a “smarter” way for developing new sites to better protect the environment and the rural character of Brewster while offering a broader range of housing options that can promote affordability.
- *Adopt inclusionary zoning*  
Adopt inclusionary zoning to ensure that any new residential development in Brewster provides a percentage of affordable units or cash in lieu of units.
- *Allow starter housing on noncomplying lots*  
Explore zoning options for promoting starter homes on lots that do not meet minimum area or dimensional requirements but might still be suitable for the development of smaller homes, and prepare and adopt a zoning bylaw to enable these lots to be developed

under specific criteria including the incorporation of affordability and sensitivity to groundwater protection areas.

- *Promote mixed-use development*  
Promote mixed residential and commercial development through changes in the Zoning Bylaw, directing such development to places in town that already allow commercial uses and are better suited to higher density development.
- *Adopt Affordable Housing Guidelines*  
Prepare and approve Affordable Housing Guidelines to provide guidance to developers on the types of housing proposals that will be acceptable to the community.
- *Review the effectiveness of the accessory apartment bylaw and modify if necessary*  
Monitor the use of the recently revised accessory apartments to determine its effectiveness and if necessary, explore efforts in other communities to promote affordable accessory apartments, such as Wellfleet's, and determine how best to move forward locally.

### **3. *Housing Preservation Strategies***

Housing production is critical, but the Town also needs to be concerned that all eligible affordable units are counted as affordable in the Subsidized Housing Inventory and it does not lose existing affordable units to the greatest extent possible. Efforts should also be made to refer eligible homeowners to existing programs that can address the deferred home maintenance needs of lower income residents, including seniors.

- *Reconcile Subsidized Housing Inventory*  
Continue to provide necessary information to DHCD to have eligible units qualify as affordable in the Subsidized Housing Inventory.
- *Insure long-term affordability*  
Insure that all affordable units, current and future, remain a part of the Town's Subsidized Housing Inventory to the greatest extent possible.
- *Help qualifying homeowners access housing assistance*  
Disseminate information and make referrals to local, regional and state programs that provide technical and financial assistance to help qualifying property owners make necessary home improvements including building code violations, septic repairs, handicapped accessibility improvements and lead paint removal.

### **4. *Capacity Building Strategies***

In order to be able to carry out the strategies included in this Housing Plan and meet production goals, it will be important for the Town of Brewster to build its capacity to promote affordable housing activities. This capacity includes gaining access to greater resources – financial and technical – as well as building local political support, continuing to develop partnerships with public and private developers and lenders, and creating and augmenting local organizations and systems that will support new housing production.

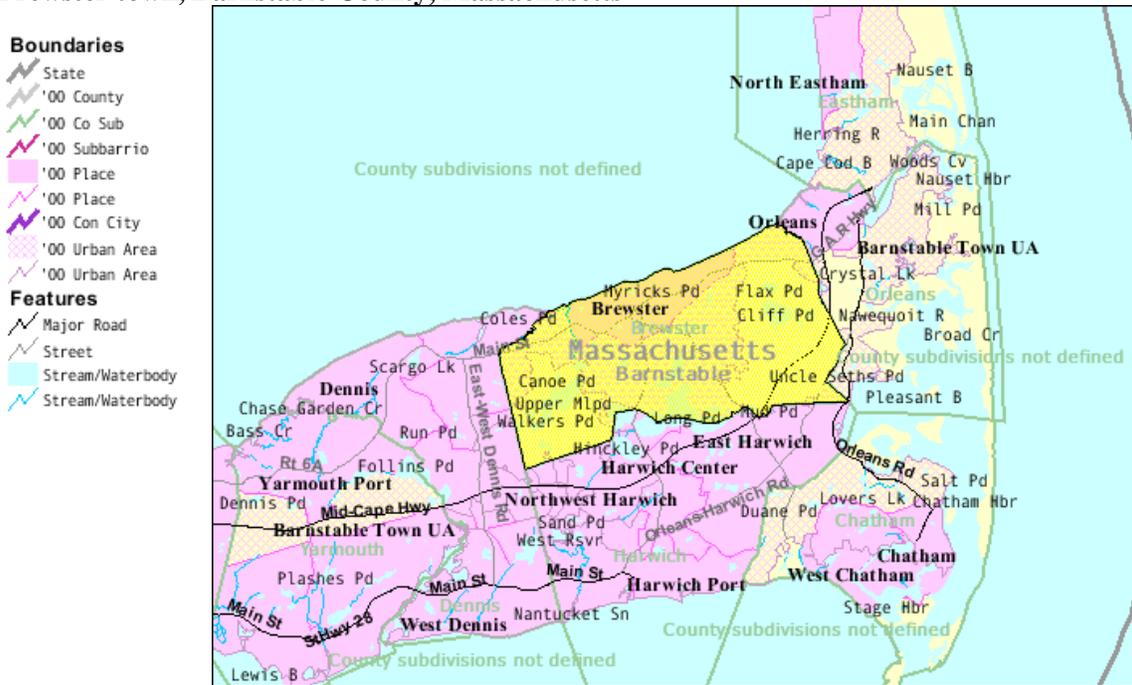
- *Hire a Housing Coordinator*  
Hire the necessary professional support to provide ongoing staff-support to effectively coordinate the implementation of various components of the Housing Production Plan, most likely, at least initially, on a part-time basis.

- *Investigate the feasibility of creating a Municipal Affordable Housing Trust Fund*  
While the Town has established a housing fund under the control of the Board of Selectmen, some further consideration should be made to creating a Municipal Affordable Housing Trust Fund provided for under Massachusetts General Laws Chapter 44, Section 55C as a permanent municipal entity for overseeing the implementation of the Housing Production Plan.
- *Establish partnerships*  
Reach out to private, public and nonprofit entities to secure additional housing resources – technical and financial – in support of efforts to produce affordable housing, using Community Preservation funding as important leverage.
- *Conduct ongoing educational campaign*  
Continue to engage the community in discussions on affordable housing to present information on the issue needed to dispel myths and negative stereotypes and to help galvanize local support, political and financial, for new production.
- *Establish Annual Housing Summits*  
Establish at least annual meetings of relevant Town boards and committees to focus on affordable housing issues, promoting more effective communication and coordination on housing initiatives.
- *Encourage training for board and committee members*  
Promote opportunities for Town board and committee members to take advantage of ongoing training and educational programs related to affordable housing.
- *Continue to apply for Commonwealth Capital Scoring*  
Continue to submit the application for Commonwealth Capital scoring that is used by the state to allocate a wide range of discretionary funding related to the environment, transportation, infrastructure, economic development, and housing. Municipalities are scored in large part related to the progress they have made towards promoting smart growth development.

## II. INTRODUCTION

Brewster is primarily a rural, residential community located on the bay side of Cape Cod, approximately 16 miles east of Hyannis and 85 miles from both Boston and Providence. More than one-third of Brewster’s land area has been reserved for conservation, watershed protection, open space, and recreational purposes. Among Brewster’s greatest physical assets are approximately 325 acres of beaches and marshlands as well as 24 ponds larger than ten acres in size. This significant reserve of open space as well as undevelopable natural resources, six (6) miles of coast, a rich history, and quaint New England seaside charm, serve to draw summer visitors, second home owners and retirees to Brewster, but also place substantial pressure on existing developable land. Additionally, significant population growth, particularly in the summer season, while stimulating the local economy, also presents the town with a host of other challenges. A compelling question is whether Brewster will be able to sustain the diversity of ages, occupations, and incomes residents so treasure in light of high land and home values?

### Brewster town, Barnstable County, Massachusetts



Population growth has put significant pressures on the town, local services and the housing market in particular, as the population almost quadrupled in size between 1970 and 1990, from 2,220 residents to 8,415. During the 1980s and 1990s, the population nearly doubled in size, and during this timeframe experienced substantial demographic shifts as almost 4,000 new housing units were created. During this same time period seasonal housing units increased from 10% to 40% of the housing stock, median incomes grew from \$15,687 to almost \$50,000, and housing values soared to more than \$400,000.

Population growth since 1960 is summarized in Table II-1.

Table II-1

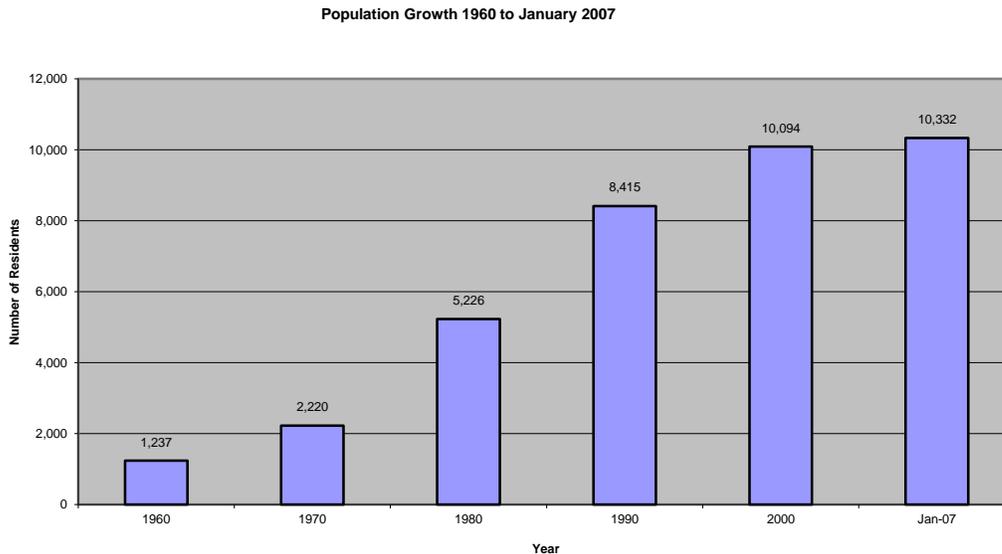
**Population Change  
1960-January 2007  
Increase From Previous Period**

<b>Year</b>	<b>Population</b>	<b>Increase in # Residents</b>	<b>Percentage Change</b>
1960	1,237	--	--
1970	2,220	983	79.5%
1980	5,226	3,006	135%
1990	8,415	3,189	61.0%
2000	10,094	1,679	20.0%
January 2007	10,332	238	2.4%

Source: U.S. Census Bureau and Town of Brewster.

This population growth is graphically presented in the following chart.

**Figure II-1**



As mentioned above, a substantial portion of the housing growth has been attributable to seasonal residents, the second home market or retirement households. This seasonal or occasional housing stock increased from 372 units in 1980 to 2,751 units in 1990 and up to 2,960 units in 2000, a 700% increase during this time period involving growth of about 2,600 seasonal units. In 2000, this component of the housing stock represented about 40% of all Brewster units. The seasonal and second home market has placed enormous pressures on Brewster, causing dramatic increases in housing prices and taxing local infrastructure and services, particularly in the summer months when estimates indicate that there are up to 30,000 visitors.

High housing prices, which often characterize resort-housing markets, have depleted the affordable housing stock with the exception of tiny condominium units. As of August 21, 2007, there were no single-family homes listed on the market for less than \$200,000 and only five active listings for less than \$300,000. Only 20 houses were for sale at less than \$400,000. Consequently those with incomes of less than \$110,000 and without substantial financial assets are virtually shutout of the private housing market

based on conventional lending requirements. The median single-family house price as of the end of July 2007 was \$410,000, affordable to households earning at least \$112,000, substantially greater than the median income of about \$43,000 in the last census and adjusted current median income of \$77,363.

In regard to the future, the Buildout Analysis that was performed by the state's Executive Office of Environmental Affairs in 2000<sup>8</sup>, projected that the town of Brewster could support an additional 1,464 households or housing units based on current zoning. The analysis also projected approximately 3,652 additional residents and 593 more school children. Infrastructure requirements to support this added growth included about 271,180 gallons of water per day and 1,854 tons of municipal solid waste per year, of which a projected 535 tons would be non-recyclable. This analysis further indicated that in order to meet the 10% state standard, the projected population growth would require at least an additional 146 units of affordable housing over and above the 185 units required based on the 2000 year-round housing unit count. Therefore, approximately 330 units of affordable housing would be required for build-out (once again this is premised on current zoning), though it is worth noting that the analysis does not project how long it will take to achieve actual buildout. This goal would be remarkable without a considerable investment of public and private resources and strong political will.

This Housing Production Plan provides documentation on local needs and suggests a range of options to meet these needs and to bring Brewster closer to the state's 10% affordable housing goal, presenting a proactive housing agenda of Town-sponsored initiatives. Due to the rising costs of homeownership, including escalating costs associated with taxes, insurance and utilities, some residents are finding it increasingly difficult to afford to remain in Brewster. Children who grew up in the town are now facing the possibility that they may not be able to return to raise their own families locally. Long-term residents, especially the elderly, are finding themselves less able to maintain their homes and keep up with increased real estate taxes and energy costs but unable to find alternative housing that better meets their current life styles. Families are finding it more difficult to "buy up," purchasing larger homes as their families grow. Town employees and employees of local businesses are increasingly hard pressed to find housing that is affordable in Brewster. Another trend is for residents to rent out their homes in the summer months and camp or move in with relatives during this period in order to afford to live in Brewster, and the occupants of the Housing Authority's family housing development have all been at risk of homelessness if not actually homeless. Clearly more housing options are required to meet local needs and produce Brewster's fair share of regional needs.

#### **A. Definition of Affordable Housing**

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

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

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<sup>8</sup> The agency is now called the Executive Office of Energy and Environmental Affairs.

range between 51% and 80% of area median income (\$55,900 for a family of three at the 80% level). These income levels are summarized in the table below.

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

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

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

The state established legislation for promoting affordable housing under Chapter 774 of the Acts of 1969, creating the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B).<sup>9</sup> This legislation allows developers to override local zoning if the project meets certain requirements and the municipality has less than 10% of its year-round housing stock defined as affordable under the 40B Subsidized Housing Inventory. In calculating a community’s progress toward the 10% Chapter 40B goal, the state counts a housing unit as affordable if it is created by state or federal programs that support low- and moderate-income households earning at or below 80% of area median income.

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

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

Based on the Massachusetts Department of Housing and Community Development’s most recent data on Brewster’s supply of affordable housing included in the state’s Subsidized Housing Inventory, Brewster had 4,379 year-round housing units, of which 253 can be counted as affordable, representing 5.78% of the

<sup>9</sup> Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

year-round housing stock. To meet the 10% standard, at least 438 of the existing units would have to be “affordable” based on the state’s definition. This means that right now Brewster is short of the 10% standard by 185 housing units. Assuming future housing growth, this 10% figure is a moving target and ultimately the required minimum number of affordable units will increase over time.

Additionally, most state-supported housing assistance programs are targeted to households earning at this same level, at or below 80% of area median income, however, others, particularly rental programs, are directed to those earning at lower income thresholds. For example, the Low Income Housing Tax Credit Program that subsidizes rental units are targeted to households earning within 60% of median income. First-time homebuyer programs typically apply income limits of up to 80% of area median income.

It is worth noting that according to the 2000 census, approximately 1,423 households or almost 35% of Brewster’s total households would be income-eligible for affordable housing using the 80% of area median income criterion without regard to assets.

The Community Preservation Act allows Community Preservation funding to be directed to those within a somewhat higher income range – 100% of area median income – now commonly referred to as “community housing”. Additionally, some housing developments incorporate several income tiers. For example, one project could combine units for those earning at or below 80% of area median income, moderate-income “workforce” units for those earning between 80% and 120% of median income, and even some market rate units to help cross-subsidize the more affordable ones. A rental project might include a couple of tiers below the 80% level in addition to workforce and/or market rate units.

## **B. The Planning Process**

This planning process builds on the work that began in 2004 towards drafting an Affordable Housing Plan. The Brewster Community Preservation Committee determined that it was necessary to update and complete this Plan, undertaking a more comprehensive analysis of housing needs and strategies that will direct Brewster’s future housing agenda. The Committee issued a Request for Proposals on May 9, 2007 to solicit interest from consultants to do this work, and the following August the Committee entered into a contract with Karen Sunnarborg Consulting.

This Housing Production Plan is divided into two phases. The first phase focuses on the Housing Needs Assessment – the review and assessment of documentation and research already compiled as well as the collection and analysis of new information to identify local housing needs, to determine what resources are available to meet these needs and to obtain a comprehensive understanding of the remaining gaps in housing services and programs. A public forum was conducted on October 30, 2007 to obtain input from local leaders and community residents on housing needs, concerns and priorities that bolstered this analysis and helped focus the planning effort on the second phase, the housing strategies. A summary of local input from this forum is included as Appendix 1.

The second phase provides specifics on how to preserve and create new affordable and workforce housing opportunities in Brewster. Guided by the context established in phase one, prioritized actions are presented, each including the rationale for the strategy, next steps, the timetable for implementation, the resources required, and the projected number of affordable units produced. These strategies will provide a blueprint to enable the Community Preservation Committee, Town Board of Selectmen, Housing Partnership, Housing Authority, Planning Board, and other key committees to chart a course for the future towards making progress on local housing needs as well as meeting the 10% state affordable housing threshold and production goals.

This Housing Production Plan is being produced under the state’s new Chapter 40B requirements that enable cities and towns to prepare and adopt a Housing Production Plan that demonstrates production of an increase of

.50% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.<sup>10</sup> Brewster will have to produce approximately 22 affordable units annually to meet these goals through 2010. When the 2010 census figures become available in 2011, this number will be somewhat higher. If DHCD certifies that the locality has complied with its annual goals, the Town may, through its Zoning Board of Appeals, deny comprehensive permit applications without opportunity for appeal by developers.

### **C. Housing Goals**

The Town of Brewster has adopted the following housing goals to help guide the development of specific strategies for promoting affordable housing:

1. *Strive to meet 10% state affordable housing goal.* Brewster will promote decent, safe, affordable housing for rental or purchase to meet the needs of present and future Brewster residents. In accordance with state law, Brewster will seek to raise its affordable housing stock to 10% of all year-round units at the rate of 0.50% per year.
2. *Serve a variety of housing needs.* Brewster will encourage and support affordable housing that can serve a variety of needs, including elderly residents, families with children, couples, singles, those with disabilities, Town employees and those “at risk” of losing their housing. In addition, Brewster will strive to promote and support workforce housing (and especially ownership opportunities) that is affordable to those with moderate incomes, i.e. between 80% and 120% of area median income.
3. *Promote affordable housing that is consistent with smart growth whenever possible.* Encourage the development and the maintenance of affordable housing that is compatible with the existing semi-rural residential character of the Town, and to the extent feasible, direct development to those locations that, within a smart growth context, can better support new development. Smart growth development is a response to the problems associated with unplanned, unlimited suburban development – or sprawl – and calls for more efficient land use, a mix of uses, compact development patterns, less dependence on the automobile, a range of diverse housing opportunities and choices, equitable allocation of the costs and benefits of development, and an improved jobs/housing balance.
4. *Preserve existing affordable housing.* Brewster will establish programs and provide resources to preserve the affordability of its existing affordable housing units.
5. *Make zoning and regulatory reforms.* Brewster will make the necessary zoning and regulatory changes to encourage the development of affordable rental units and homes. This includes measures to promote smart growth development.
6. *Encourage partnerships.* Brewster will work with other towns and with state and regional agencies to support affordable housing at the regional level. Brewster will encourage the private, public and semi-public sectors to cooperate in utilizing existing housing stock and creating new units to meet affordable housing needs.

The primary local agencies supporting affordable housing in Brewster include the Brewster Housing Authority, a state-funded agency, and the Brewster Housing Partnership, a five-member volunteer committee appointed by the Board of Selectmen and supported by staff in the Town Administrator's Office. The Community Preservation Committee has also become active in supporting affordable

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<sup>10</sup> Massachusetts General Law Chapter 40B, 760 CMR 56.03 (4).

housing, providing important new funding for affordable housing initiatives and supporting the preparation of this Housing Plan. Additionally, the Planning Board plays a critical role in amending zoning to better promote housing affordability and smart growth development as does the Zoning Board of Appeals in its responsibilities for oversight of comprehensive permit projects.

### **III. HOUSING NEEDS ASSESSMENT**

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

**A. Demographic Profile<sup>11</sup>**

***I. Population, Race and Household Type***

For a small town, Brewster has experienced considerable growth in recent years in both its year-round and seasonal populations. The population in fact almost doubled between 1980 and 2000, from 5,226 residents to 10,094, a 93.2% increase. Town records indicate that Brewster had 10,332 residents in January 2007, pointing to an increase in population since 2000 of 238 residents. Population projections suggest continued population growth to 12,130 by 2010 and 14,483 by 2020.

The population has remained predominately White but minority residents are steadily increasing in number from 37 residents in 1980 to 279 in 2000. Approximately one-third of the 2000 minority population identified themselves as Black or African American, another third as Asian, another 17% as Native American, and the remaining claimed Hispanic origin.

**Table III-1  
Demographic Characteristics  
1980-2000**

	1980		1990		2000	
	#	%	#	%	#	%
Total Population	5,226	100.0	8,440	100.0	10,094	100.0
Minority Population*	37	0.7	93	1.1	279	2.8
Total # Households	1,950	100.0	3,383	100.0	4,124	100.0
Family Households	1,471	75.4	2,427	71.7	2,854	69.2
Female Heads of Households with Children ** <sup>12</sup>	60	3.1	288 (with & without children)	8.5	212	5.1
Non-family Households **	479	24.6	956	28.3	1,270	30.8
Average Household Size	Not Available		2.42 persons		2.34 persons	

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

\*All non-White classifications

\*\* Percent of all households

Smaller, non-family households are becoming a more significant part of Brewster, increasing by 314 households between 1990 and 2000 and by 477 between 1980 and 2000, growing as a percentage of all households from about 25% in 1980 to almost 31% in 2000. While the number of families almost doubled from 1980 to 2000, from 1,471 to 2,854 households, they decreased as a proportion of all households from about 75% to 69%. Correspondingly, the average household size decreased from 2.42 persons in 1990 to 2.34 persons in 2000, reflective of the growth in smaller, non-family households and a

<sup>11</sup> The bulk of the data that is available on social and economic information is through the U.S. Bureau of the Census and while old, dating back to 2000, is the primary source available. Projections and updated sample data will be added where available.

<sup>12</sup> A family householder is a householder living with one or more people related to him or her by birth, marriage, or adoption. The householder and all people in the household related to him are family members. A nonfamily householder is a householder living alone or with nonrelatives only.

significant number of retirees. This trend towards smaller households is part of a demographic shift that is occurring throughout the state and country. For example, the percentage of non-family households grew from 33% to 36% between 1990 and 2000 in both Barnstable County and the state as a whole.

## 2. Age Distribution

As Table III-2 demonstrates, demographic changes are occurring remarkably fast in Brewster. For example, while the population almost doubled between 1980 and 2000, those under the age of five stayed at the same level, 359 and 353, respectively. Also, proportionately the school-age population between five and 17 years is declining somewhat, from 18% in 1980 to 17.4% in 2000. Those under 18 years of age comprised almost one-quarter of the 1980 population, or 1,300 young persons, then decreased on a percentage basis to about 21% of residents or 2,106 persons in 2000.

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

Age Range	1980		1990		2000	
	#	%	#	%	#	%
Under 5 Years	359	6.9	569	6.7	353	3.5
5 – 17 Years	941	18.0	1,334	15.8	1,753	17.4
18 – 20 Years	125	2.4	216	2.6	231	2.3
21 – 24 Years	219	4.2	278	3.3	207	2.1
25 – 34 Years	942	18.0	1,175	13.9	707	7.0
35 – 44 Years	453	8.7	1,458	17.3	1,467	14.5
45 – 54 Years	356	6.8	672	8.0	1,715	17.0
55 – 59 Years	332	6.4	340	4.0	523	5.2
60 – 64 Years	376	7.2	523	6.2	491	4.9
65 – 74 Years	722	13.8	1,083	12.8	1,260	12.5
75 – 84 Years	308	5.9	586	6.9	936	9.3
85 Years and Over	93	1.8	206	2.4	451	4.5
Total	5,226	100.0	8,440	100.0	10,094	100.0
Under 18	1,300	24.9	1,903	22.6	2,106	20.9
Age 20 to 34	1,195	22.9	1,520	18.0	969	9.6
Age 45 to 59	688	13.2	1,012	12.0	2,238	22.2
Age 65+	1,123	21.5	1,875	22.2	2,647	26.2
Median Age	--		--		46.9 years	

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

Most significantly is the drop in those between the ages of 20 and 34 who are entering the labor market and beginning to form their own families, reducing the pool of entry-level workers and service employees. In 1980 this group comprised about 23% of Brewster's residents, but by 2000 the number of those in this age category dropped from almost 2,000 residents to less than 1,000, comprising less than 10% of the town's population. This trend is happening throughout most communities of the Cape, where the combination of fewer job opportunities, particularly those outside of the retail and service sectors that pay well, and escalating living expenses are increasingly forcing this group to relocate further and further away. This trend suggests the need for not only workforce development efforts, but also more first-time homebuyer opportunities as starter homes in the private housing market have virtually been eliminated. Another significant population shift is reflected in those between the ages of 45 and 59, who made up 13.2% of Brewster residents in 1980 but 22.2% in 2000, largely correlated to the costs of living, where

those older residents in the height of their earning potential are better able to afford to live in town. This trend also reflects the overall aging of the population.

The aging trend is particularly evident in the older age categories. Those 65 years of age or older were 21.5% of the population in 1980, but increased to 26.2% by 2000. Even those frail elderly over 85 years increased as a percentage of the population from 1.8% in 1980 to 4.5% in 2000, from 93 to 451 residents, a growth of almost five times the size of this group over two decades. This trend also suggests that the Town should address the housing needs of this burgeoning population, offering more housing options for seniors, including those with handicapped accessibility and support services.

Table III-3 provides comparative information for Barnstable County and the state, which highlights the trends described above. Brewster and Barnstable County had a significantly lower percentage of children than the state, about 20% as opposed to almost 24%. It is probable the town's school-age population will not likely increase substantially over the next few years.

Notably, Brewster's young adult population of those 20 to 34 years of age is substantially smaller than that of the Cape as a whole, 9.6% versus 13.2%, and proportionately less than half that of the state at 21% in 2000. While this younger age group is significantly smaller, those baby boomers (born 1946 to 1964 and age 43 to 61 in 2007) comprise a far greater proportion of town residents, at 22.2%, than the Cape at 14.8% or the state at 13.8%, once again a reflection of Brewster's aging population and costly living conditions.

Brewster's had a more significant population of seniors, at 26.2% as opposed to 23.1% for the County and only 13.5% for the state. The considerable aging of Brewster's population is also reflected in its median age, 46.9 years versus 44.6 and 36.5 years for the County and state, respectively.

**Table III-3  
Comparative Demographic Data  
2000**

Age Range	Brewster		Barnstable County		Massachusetts	
	#	%	#	%	#	%
Under 18	2,106	20.9	45,440	20.4	1,500,064	23.6
Age 20 to 34	969	9.6	29,330	13.2	1,331,067	21.0
Age 45 to 54	2,238	22.2	32,802	14.8 (20.8)	873,353	13.8
Age 65 +	2,647	26.2	51,265	23.1 (34.4)	860,162	13.5
Median Age	46.9 years		44.6 years		36.5 years	

Source: U.S. Census Bureau, 2000; Numbers in parentheses indicate updated census projections for Barnstable County based on the 2005 American Community Survey. This projected data includes substantial trends towards an aging population including a revised figure of 10.1% for residents under the age of 35.

Table III-4 provides projections of the age distribution in Brewster, suggesting continued declines in children as those under 20 are expected to decrease from 22.3% of the population in 2000 to 15% by 2020. On the other end of the age range, those 65 years of age or older are expected to increase substantially, from 26.2% of the population in 2000 to 34.5% by 2020. Residents 45 to 65 are also expected to increase significantly. Surprisingly and contrary to past trends, the figures project increases in young adults as those age 20 to 34 are estimated to double in number. If these demographic trends do occur, Brewster will be confronted with increasing numbers of older residents and even more younger households entering the job market and forming their own families who will be searching for affordable living opportunities. Consequently, the Town should target its affordable housing efforts to the development of first-time homebuyer opportunities as well as more affordable rental options for younger households and the increasing numbers of older, long-term residents with fixed incomes.

**Table III-4  
Age Distribution  
2000 Data Compared to 2010 and 2020 Projections**

Age Range	2000 Census		2010 Projections		2020 Projections	
	#	%	#	%	#	%
Under 5 Years	353	3.5	427	3.5	541	3.7
5 – 19 Years	1,929	19.1	1,607	13.2	1,628	11.2
20 – 24 Years	262	2.6	578	4.8	375	2.6
25 – 34 Years	707	7.0	1,078	8.9	1,480	10.2
35 – 44 Years	1,467	14.5	1,121	9.2	1,482	10.2
45 – 54 Years	1,715	17.0	1,808	14.9	1,425	9.8
55 – 64 Years	1,014	10.1	2,324	19.2	2,558	17.7
65 – 74 Years	1,260	12.5	1,489	12.3	2,930	20.2
75 – 84 Years	936	9.3	1,056	8.7	1,294	8.9
85 Years and Over	451	4.5	642	5.3	770	5.3
Total	10,094	100.0	12,130	100.0	14,483	100.0
Under 20	2,282	22.3	2,034	16.8	2,169	15.0
Age 20 to 34	969	9.6	1,656	13.6	1,855	12.8
Age 35 to 44	1,467	14.5	1,121	9.2	1,482	10.2
Age 45 to 64	2,729	27.0	4,132	34.1	3,983	27.5
Age 65+	2,647	26.2	3,187	26.3	4,994	34.5

Source: U.S. Census Bureau, 2000, and the Massachusetts Institute for Social and Economic Research.

### 3. *Income*

Brewster has gained increasingly more affluent residents over the past several decades as have many other communities on Cape Cod and in the Boston region, with median income levels rising from \$15,687 in 1979, more than doubling to \$34,935 in 1989 and to \$49,276 by 1999, during a time of significant population growth when the number of households more than doubled. This 2000 median household income level is also higher than those of neighboring communities as presented below.

**Brewster -- \$49,276**

Chatham -- \$45,519

Dennis -- \$41,598

Eastham -- \$42,618

Harwich -- \$41,552

Orleans -- \$42,594

Those earning more than \$75,000 increased from only 19 households in 1979 to almost 300 in 1989 to 1,020 in 1999. In 1979 only 1.5% of households were earning between \$50,000 and \$74,999, but in 1999 this level was about one-quarter of all households, more than what one would expect under normal inflation. While it is to be expected that the incomes of longer-term residents would increase over time, it was largely the influx of new residents with higher income levels that boosted median income levels.

Despite this increasing household wealth, there are substantial numbers of households with incomes below \$25,000, 932 households or almost 23% of all households, based on 2000 census data. There are substantially more of these households than subsidized units available (254 units), and they are challenged to compete in Brewster's very tight housing market. It is likely that many of the households in

the lower income ranges may in fact be long-term residents who own their homes, which are now worth a considerable amount of money. As such they are cash poor but equity rich. Nevertheless, continued increases in taxes, insurance and energy bills as well as health-related issues, may drive these households out of the community given the limited number of affordable and/or service supported housing alternatives in Brewster.

The income distribution for those households that include children – families – is somewhat higher with a median family income in 1999 of \$57,174, with 16% of all families earning more than \$100,000 and 2.8% earning more than \$200,000. A comparison of 1979, 1989 and 1999 income figures is presented in Table III-5 below.

**Table III-5  
Income Distribution by Household, 1979-1999**

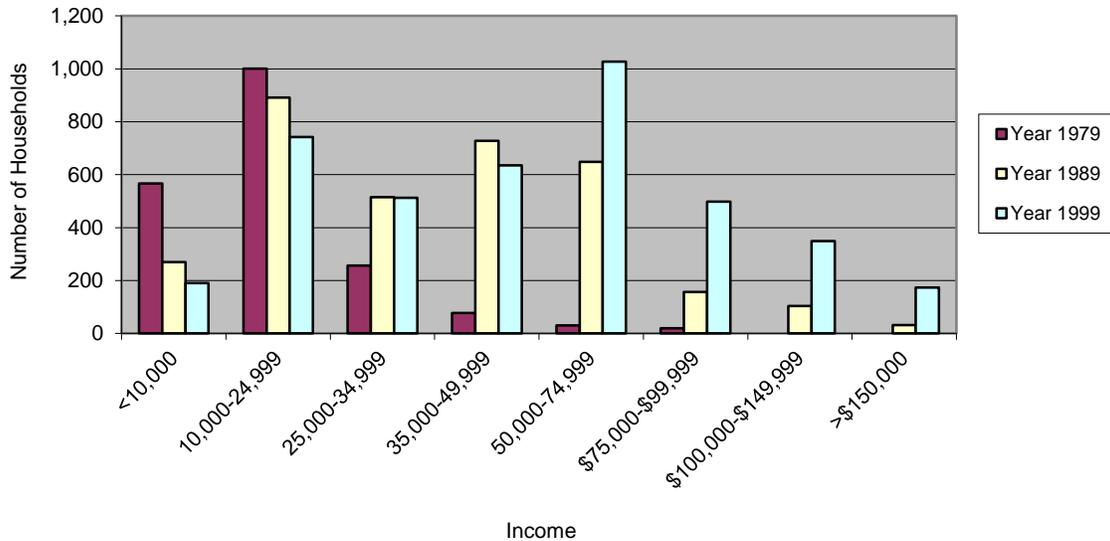
	1979		1989		1999	
	#	%	#	%	#	%
Under \$10,000	566	29.0	270	8.1	190	4.6
10,000-24,999	1,001	51.3	891	26.6	742	18.0
25,000-34,999	257	13.2	515	15.4	513	12.4
35,000-49,999	77	4.0	728	21.7	635	15.4
50,000-74,999	30	1.5	648	19.4	1,027	24.9
75,000-99,999	19	1.0	157	4.7	498	12.1
100,000-149,999			104	3.1	349	8.5
150,000 or more			32	1.0	173	4.2
Total	1,950	100.0	3,345	100.0	4,127	100.0
Median income	\$15,687		\$34,935		\$49,276	

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

The chart below shows the substantial shift in income levels from 1979 to 1999.

**Figure III-1**

Income Distribution by Census



Incomes for Brewster residents are higher than the Cape as a whole with 2000 median household income levels of \$49,276 and \$45,933, respectively. The County proportionately had higher levels of households

in all income categories below \$50,000, while Brewster had fairly comparable levels in those categories above \$50,000 as documented in Table III-6.

**Table III-6  
Income Distribution by Household: Barnstable County and Brewster  
1999**

	Barnstable County		Brewster	
	#	%	#	%
Under \$10,000	6,478	6.8	190	4.6
10,000-24,999	16,843	17.8	742	18.0
25,000-34,999	12,148	12.8	513	12.4
35,000-49,999	15,935	16.8	635	15.4
50,000-74,999	20,425	21.5	1,027	24.9
75,000-99,999	11,243	11.9	498	12.1
100,000-149,999	7,605	8.0	349	8.5
150,000 or more	4,168	4.4	173	4.2
Total	94,845	100.0	4,127	100.0
Median income	\$45,933		\$49,276	

Source: U.S. Census Bureau, 2000

Brewster's median income level was fairly comparable to that of the state at \$50,502.

*Projections of median income, based on the percentage increase of HUD area median income levels for Barnstable County of 57%, would put the 2009 median for Brewster at \$77,363.*

#### 4. Poverty

The following table presents poverty levels in Brewster over the past couple of decades.

**Table III-7  
Poverty Status  
1979-1999**

	1979		1989		1999	
	#	%	#	%	#	%
Individuals Below Poverty *	621	13.9	437	5.4	360	3.7
Families **	176	13.6	112	4.7	45	1.6
Related Children Under 18 Years ***	181	27.8	171	9.4	28	1.4
Individuals 65 and Over ****	135	15.3	30	1.8	70	3.1

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

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

\*\*Percentage of all families

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

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

The 2000 census indicates that the absolute numbers of those with incomes below the poverty level (\$10,400 for an individual and \$17,600 for a family of three in 2008) decreased substantially from 1979

to 1999, although despite a considerable drop in the poverty level for seniors between 1979 and 1989, from 15.3% to 1.8%, there was a slight increase to 3.1% in 1999. Clearly poverty levels have dropped dramatically in absolute numbers and as a percentage of the total population, which is correlated to the increasing affluence of Brewster, particularly the escalating costs of living including housing costs, which are now prohibitive for those earning below the poverty level without subsidies. These reductions in poverty levels are also likely reflective of individuals and families being forced to leave Brewster in search of more affordable living conditions. However, there still was a population within the town of Brewster, including 360 individuals and 45 families, who had substantial income limitations and may require public assistance to meet their housing needs.

#### **5. *Employment***

Brewster is located well into the Cape and a fair distance from the major population and job centers of Boston and Providence, approximately 85 miles away, but about 16 miles from Hyannis. The 2000 census indicated that more than one-third of Brewster's workers, 37.2%, were involved in management or professional occupations and more than half, 55.7%, were employed in the lesser paying retail and service oriented jobs that supported the local economy including construction (10.4%), sales and office occupations (27.7%), and service occupations (17.6%). While 69% were salaried workers, another 14.8% were government workers and 15.9% were self-employed.

Additional information on employment patterns indicated that of those Brewster residents who were employed over the age of 16, 1,345, or about 30%, worked in the community which was lower than that for the County at 42%, suggesting fewer employment opportunities in town. It should also be noted that the significant resort economy in Brewster causes fluctuations in the job force that increases in the summer months to serve seasonal needs. At this point there are few housing options in Brewster to house these lower paid seasonal workers.

#### **6. *Education***

The educational attainment of Brewster residents has improved. In 2000, 94% of those 25 years and older had a high school diploma or higher and about 40% had a Bachelor's degree or higher, up from the 1990 figure of 35% with a college degree and higher than the 2000 figure of 33.6% for the County. Those enrolled in school (nursery through graduate school) totaled 2,254 residents or almost 22% of the population, and those enrolled in nursery school through high school totaled 1,923 students, 85% of those who were enrolled in school and 19% of the total population.

#### **7. *Disability Status***

Of the 2000 population age 5 to 20 years old, 210 or 10.6% had some disability. Of those aged 21 to 64, 1,291 residents, or more than one-quarter of the persons in the age range, claimed a disability. More than 87% of this group was employed, leaving another 13% unemployed, likely due to their disability. In regard to the population 65 years of age or older, 552 seniors or about one-quarter of those in the age group claimed some type of disability. These levels of disability, particularly that of seniors, represent significant special needs within the Brewster community.

#### **8. *Residency in 1995***

Approximately 36% of the persons in Brewster over the age of five who were living in Brewster in 2000, or 3,518 residents, moved to a new residence in Brewster from 1995 to 2000. Of these, 18.6% came from Barnstable County, 17.6% came from a different county, with 6.4% coming from the same state and 12.1% coming from a different state or elsewhere, representing significant mobility of the town's year-round population.

It is important to note that housing turnover drives up housing prices in an escalating real estate market, and typically the buyers are more affluent than sellers, fueling demographic changes in the community

over time. This suggests that it is useful to find ways to reduce housing turnover, to maintain the affordability in the existing housing stock to the greatest extent possible, and to help those who want to remain in town afford to do so.

## **B. Housing Profile**

Housing in Brewster involves two distinct markets, the year-round housing stock and the seasonal or second home market now comprising more than 40% of all dwelling units. This seasonal usage, the burgeoning interest in second homes by affluent baby boomers, and the attractiveness of the Cape for retirement, in addition to regional market pressures, have resulted in high housing prices that are no longer affordable to most long-term, year-round residents. Some more recent softening of the market still has not made single-family homes much more accessible. The creation and preservation of affordable housing is particularly important in enabling the year-round population to remain in the community.

### **I. Housing Characteristics**

The 2000 census counted 7,339 total housing units in the town of Brewster, up 15% from 6,367 units in 1990 and as much as 110% from 3,489 units in 1980. Substantial housing growth occurred between 1980 and 1990 when the town gained 2,878 units, including 1,026 owner-occupied homes and 348 rental units. During this same time, the census counted 2,379 new seasonal units, so in addition to the new construction of approximately 1,500 seasonal units, more than another 800 existing units were converted to seasonal use. Housing growth between 1990 and 2000 slowed down with only about 1,000 new units, 863 in owner-occupied housing and a gain of another 200 or so seasonal units. During this time, however, the rental housing supply was reduced by 122 units, most likely converted to ownership or to seasonal usage.

**Table III-8  
Housing Characteristics, 1980-2000**

	1980		1990		2000	
	#	%	#	%	#	%
Total # Housing Units	3,489	100.0	6,367	100.0	7,339	100.0
Occupied Units *	2,009	57.6	3,383	53.1	4,124	56.2
Occupied Owner Units **	1,591	79.2	2,617	77.4	3,480	84.4
Occupied Rental Units **	418	20.8	766	22.6	644	15.6
Total Vacant Units/ Seasonal, Recreational or Occasional Use*	372	10.7	2,751	43.2	2,960	40.3
Average House- Hold Size/Owner- Occupied Unit	Not Available		2.46 persons		2.37 persons	
Average House- Hold Size/Renter- Occupied Unit	Not Available		2.27 persons		2.16 persons	

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

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

Out of the total housing units in 2000, Brewster had 4,124 occupied units, of which 3,480 or 84.4% were owner-occupied while the remaining 644 units, or 15.6%, were rental units. These figures represent a

higher level of owner-occupancy in 2000 than that of Barnstable County where 78% of the units were owner-occupied. Table III-8 includes a summary of these housing characteristics.

The 2000 homeowner vacancy rate was 1.5%, down only marginally from 2.6% in 1990. The change in the homeowner rate is relatively insignificant as any level below 5% is considered to represent tight market conditions and the rate remains well below that of the state and nation as a whole. The rental vacancy rate, on the other hand, more than doubled from 6.1% to 12.3% between 1990 and 2000, and is higher than what would be expected and more than the 7.4% rental vacancy rate for Barnstable County. This may be related somewhat to the seasonal nature of a considerable portion of the employment base that drives a great many residents out of town for parts of the year.

**Table III-9  
Vacancy Rates, 1990 and 2000**

<b>Vacancy Rates by Tenure</b>				
	<b>1990</b>	<b>2000</b>	<b>MA 2000</b>	<b>Nation</b>
Rental	6.1	12.3	3.5%	5%
Homeowner	2.6	1.5	0.7%	3%

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

The 2000 census indicated that a great majority of the existing housing units were in single-family, detached structures totaling 5,495 units or 74.9% of Brewster’s housing units, lower than the 83% level for the County. There was a gain of 855 of these units between 1990 and 2000 but a decrease of 270 single unit attached structures during this same time period. Additionally, Brewster saw a gain of multi-family housing units, about 200 in small multi-family structures of two to four units and 238 units in larger five to nine unit structures, that are likely are part of condominium development, particularly Ocean Edge. However, another 55 units were lost in structures of ten or more units. Additionally, six seasonal mobile homes were lost when the Town purchased the Jolly Whaler Village for open space. There are two existing mobile home parks/campgrounds in town, Sweet Water Forest on Harwich Road and Shady Knoll Campground on Route 6A.

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

<b>Type of Structure</b>	<b>1990</b>		<b>2000</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
1 Unit Detached	4,640	72.9	5,495	74.9
1 Unit Attached	1,087	17.1	817	11.1
2 to 4 Units	244	3.8	445	6.1
5 to 9 Units	135	2.1	383	5.2
10 or More Units	223	3.5	168	2.2
Other	38	0.6	32	0.4
Total	6,367	100.0	7,339	100.0

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

Table III-11 charts housing growth, identifying that more than one-third of Brewster’s housing units were created between 1980 and 1989, and almost 60% built between 1970 and 1990, directed largely to the

higher priced market based on the growing demand for second homes and places to retire on or near the seashore. No more than one-quarter of Brewster's housing stock, 1,859 units, was built prior to 1970.

**Table III-11  
Year Structure Built  
2000**

	#	%
1999 to March 2000	91	1.2
1995 to 1998	494	6.7
1990 to 1994	628	8.6
1980 to 1989	2,684	36.6
1970 to 1979	1,583	21.6
1960 to 1969	588	8.0
1940 to 1959	617	8.4
1939 or earlier	654	8.9
<b>Total</b>	<b>7,339</b>	<b>100.0</b>

Source: U.S. Census Bureau, 2000

Table III-12 compares Brewster's housing growth from 1970 through 2000 to that of its neighbors. Almost three-quarters of Brewster's housing stock was built during this timeframe, a dramatically higher level than neighboring towns where new unit production was substantial but typically between 50% and 60% with the exception of Eastham at about 65%. This demonstrates considerably more recent development than the state as a whole where only about one-third of new housing construction took place between 1970 and 2000.

**Table III-12  
Recent Housing Development, 1970 to 2000  
Brewster and Neighboring Communities, Barnstable County and Massachusetts**

<i>Community</i>	# Units Built 1970-2000	% Units Built 1970-2000
<b>Brewster</b>	<b>5,480</b>	<b>74.7</b>
Chatham	3,405	50.7
Dennis	7,162	50.8
Eastham	3,576	64.6
Harwich	5,416	57.3
Orleans	3,002	58.9
Barnstable County	85,148	57.9
Massachusetts	847,922	32.3

Source: U.S. Census Bureau, 2000

The median number of rooms per housing unit was 5.5, indicating that the average home was moderately sized with three bedrooms at most. The number of rooms per dwelling ranged from three rooms or less in 484 units (6.6%) to nine rooms or more in 431 dwellings (5.9%), representing a relatively small number of very large residential units. This data, however, is based on 2000 information, and it is likely that given the economics of new development, new home construction since then has focused on the larger, luxury home market, particularly second homes and summer residences.

The building permit data summarized below indicates that building activity has slowed down in recent years and the average number of permits for new residential units decreased from 98 permits per year from 1993 through 2006, to an average of 62 permits from 2000 to 2006.

This data also indicates that since the 2000 census, at least another 450 units have been added to Brewster's total housing stock through July 2007.

**Table III-13  
Building Permit Data, 1993 to 7/2007**

<b>Year</b>	<b># Building Permits for New Units</b>
1993	64
1994	129 (includes 15 condos)
1995	104
1996	135
1997	140 (includes 25 rental units)
1998	91
1999	285 (includes 88 condos represents 18 months)
2000	95
2001	74
2002	57
2003	75
2004	51
2005	40
2006	39
As of 7/2007	19
<b>Total (1993-7/2007)</b>	<b>1,398</b>
<b>Average Per Year (1993-2006)</b>	<b>98</b>
<b>Average Per Year (2000-2006)</b>	<b>62</b>

Source: Brewster Building Department

Census projections for Barnstable County through the 2008 U.S. Census Bureau's American Community Survey estimates reinforce these high growth rates including:

- Housing growth in Barnstable County between 2000 and 2008 was estimated to be 9,058 units, from 147,083 to 156,141 units, up 6.2%. During this same time period, building permit activity in Brewster indicates a 7.2% increase in new housing units,<sup>13</sup> higher than the growth rate of the County and even that of the state at 4.3%.
- Barnstable County's housing growth ranked fifth among all 14 Massachusetts counties as of 2005.
- Housing density increased from 371.6 units per square mile in 2000 to an estimated 394.5 in 2008 for Barnstable County. Statewide housing density was lower, increasing from 334.5 to 349 units per square mile during this same time period, and in fact the Cape's housing density has exceeded that of the state since 1990.
- The Cape's addition of 17 units per square mile between 2000 and 2005 was third highest of the 14 Massachusetts counties, following only Suffolk and Nantucket Counties, and ahead of its growth during the 1990s when 30 units per square mile were added on the Cape during the entire decade.
- From 1950 to 2000, housing growth for Barnstable County increased nearly fivefold, more than all other counties in the state, from 30,306 to 147,083 units.

**2. Housing Market Conditions**

<sup>13</sup> Based on building permit activity through 7/2007 and then projecting 40 new units per year.

*Ownership*

Census data also provides information on housing values for homeownership and rental units. While this information is now more than eight years old, it still provides a reasonable frame of reference to compare with more current values. The census indicated that the 2000 median house value was \$198,500, up about 18% from the median in 1990 of \$168,700. While there were no units valued at less than \$100,000, a substantial number of units were valued from \$100,000 to \$200,000 including 1,651 units or half the housing stock at that time.

**Table III-14  
Housing Values<sup>14</sup>  
2000**

<b>Value</b>	<b>Number of Units</b>	<b>% Units</b>
Less than \$50,000	0	0.0
\$50,000 to \$99,999	0	0.0
\$100,000 to \$149,999	609	18.8
\$150,000 to \$199,999	1,042	32.1
\$200,000 to \$299,999	974	30.0
\$300,000 to \$499,999	480	14.8
\$500,000 to \$999,999	126	3.9
\$1 million or more	12	0.4
Total	3,243	100.0
Median (dollars)		\$198,500

Source: U.S. Census Bureau, 2000

The 2000 housing prices in Brewster were high in comparison to Barnstable County with a median house value of \$178,800. The median price was even lower at \$162,800 for the state.

More updated and reliable market data is tracked by The Warren Group from Multiple Listing Service information based on actual sales. This market information since 1988 is summarized in Table III-15. The single-family home market was at its highest as recently as 2007 when the average sales price was \$455,250, and as of the end of 2008 the median had dropped to \$370,000, reflecting the softening of the housing market that most communities on the Cape and in the Boston region have experienced. Condo values have also decreased somewhat with the median down to \$251,000 as of the end of 2008 from a high of \$404,500 in 2006.

The number of total sales in Brewster ranged from a low of 181 sales in 1990 to a high of 466 in 1998. In 2008 there were 228 total sales further reflecting some slowness in the housing market. After a decline in market prices in the early 1990's, due largely to the region's economic recession, the market began to revive somewhat in the mid-90s but did not surpass the 1988 median sales price until 1999, more than a decade later. After that the market escalated precipitously, up more than 108% from \$177,500 in 1999 to \$370,000 by the end of 2008 for single-family home sales.

**Table III-15**

<sup>14</sup> Census data is derived primarily from Assessors' information that typically underestimates market value.

**Median Sales Prices  
January 1988 – December 2008**

<b>Year</b>	<b>Months</b>	<b>Single-family</b>	<b>Condo (#)</b>	<b>All Sales</b>	<b># Sales</b>
2008	Jan – Dec	\$370,000	\$251,000 (63)	\$334,000	228
2007	Jan – Dec	455,250	270,000 (68)	379,000	250
2006	Jan – Dec	428,000	270,000 (72)	404,500	274
2005	Jan – Dec	431,900	292,000 (105)	378,000	329
2004	Jan – Dec	415,000	255,000 (151)	330,250	388
2003	Jan – Dec	365,000	229,000 (145)	295,000	397
2002	Jan – Dec	299,700	190,000 (117)	250,000	371
2001	Jan – Dec	263,000	174,900 (121)	215,700	351
2000	Jan – Dec	229,900	147,750 (110)	179,900	403
1999	Jan – Dec	177,500	120,000 (158)	144,900	455
1998	Jan – Dec	158,000	87,700 (158)	123,500	466
1997	Jan – Dec	144,950	87,000 (129)	112,000	409
1996	Jan – Dec	137,000	84,250 (114)	111,500	377
1995	Jan – Dec	127,265	95,000 (100)	107,750	338
1994	Jan – Dec	128,000	73,450 (104)	98,500	361
1993	Jan – Dec	130,000	79,375 (84)	110,000	249
1992	Jan – Dec	128,950	77,000 (65)	115,000	282
1991	Jan – Dec	119,500	85,000 (57)	103,250	194
1990	Jan – Dec	137,300	110,000 (43)	127,000	181
1989	Jan – Dec	150,000	118,000 (81)	135,000	230
1988	Jan – Dec	145,000	139,000 (141)	140,000	342

Source: The Warren Group, April 1, 2009

Table III-16 presents a sample of house sales in 2004 and 2005, demonstrating that even within a year house prices shifted significantly upwards. Within this single year, the number and percentage of units in the price ranges below \$500,000 decreased, but those in the higher ranges increased. Most of Brewster’s sales, however, remained within the \$300,000 to \$500,000 price range.

**Table III-16  
Sample Single-Family Sales Data for Brewster  
2004 – 2005**

<b>Price Range</b>	<b>2004</b>		<b>2005</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Under \$300,000	9	5.6	2	1.2
\$300,000 to \$500,000	111	68.5	100	62.5
\$500,000 to \$700,000	26	16.0	34	21.3
\$700,000 to \$1 million	11	6.8	17	10.6
Over \$1 million	5	3.1	7	4.4
Total	162	100.0	160	100.0

Source: Information from “Cape Cod’s Real Estate Voice”, Spring 2006, from Multiple Listing Service data.

Table III-17 provides comparative data for other neighboring communities.

**Table III-17**

**Sample Single-Family Sales Data for Neighboring Communities, 2004/2005**

Price Range	Orleans 2004/2005		Eastham 2004/2005		Chatham		Dennis	
	#	%	#	%	#	%	#	%
Under \$300,000	2/9	2/8	5/2	4/2	5/2	2/1	123/78	32/22
\$300,000 to \$500,000	34/27	27/25	89/79	63/68	63/52	30/26	156/201	41/58
\$500,000 to \$700,000	39/31	31/29	33/28	23/24	53/50	26/25	55/33	14/10
\$700,000 to \$1 million	33/26	26/24	10/2	7/2	42/37	20/19	29/21	8/6
Over \$1 million	19/15	15/14	4/5	3/4	44/56	21/28	17/14	4/4
<b>Total</b>	<b>127/108</b>	<b>100/100</b>	<b>141/116</b>	<b>100/100</b>	<b>207/197</b>	<b>100/100</b>	<b>380/347</b>	<b>100/100</b>

Source: Information from “Cape Cod’s Real Estate Voice”, Spring 2006, from Multiple Listing Service data.

All of these towns have also confronted with high housing prices, with few if any homes priced below \$300,000 with the exception of Dennis. It should be noted, however, that even Dennis experienced a significant drop-off of units below the \$300,000 level between 2004 and 2005. Brewster and Chatham had most of their homes priced in excess of \$500,000.

Table III-18 compares Brewster’s median single-family home price to its neighbors and demonstrates that median values in Brewster were at about the middle of the range at \$411,000 as of June 2007, in comparison to its neighbors with median values ranging from \$327,000 in Dennis to \$590,000 and \$600,000 in Chatham and Orleans, respectively. Brewster’s housing market is still priced considerably higher than the County as a whole at \$350,000.

**Table III-18  
Median House Values of Brewster and Neighboring Communities  
June 2007**

Community	Median Price Jan-June 2007	Change from 2006	Sales Volume Jan-June 2007	Change from 2006
Brewster	\$411,000	-1.0%	74	-24.5%
Chatham	\$590,000	-14.5%	107	14.0%
Dennis	\$327,000	-7.9%	163	-6.3%
Eastham	\$439,500	-2.3%	56	16.7%
Harwich	\$353,500	-8.8%	142	20.3%
Orleans	\$600,000	-14.3%	62	5.1%
Barnstable County	\$350,000	-7.1%	1,959	-1.2%

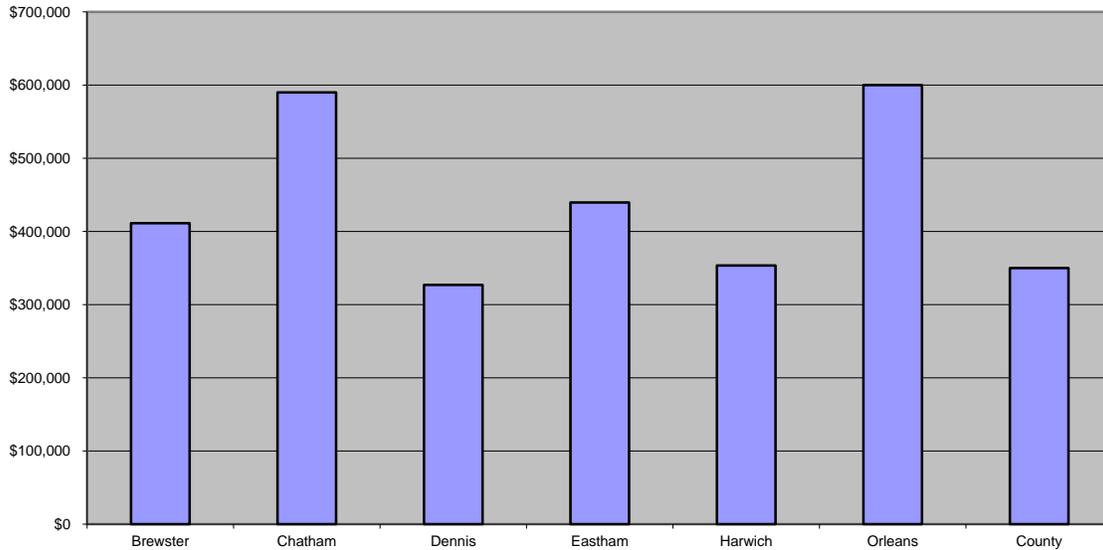
Source: The Warren Group

Data based on single-family home sales of \$1,000 and above, excluding condominiums and foreclosure deeds.

The chart below presents a summary of this sales data for Brewster and neighboring communities.

**Figure III-2**

**Median Sales Prices: Brewster and Neighboring Communities**



Information from the Town Assessor on the assessed values of residential property in Brewster is presented in Table III-19 that confirms that there are few residential properties that are valued in the affordable range below \$200,000, only 157. The bulk of these lower valued properties are condominiums and 18 condos were valued at less than \$100,000, all located on Main Street, Daffodil Cartway, Paines Creek Road, or Millstone Road. About two-thirds of the condos were valued in the \$200,000 to \$399,999 range, however, some were valued in the high ranges with more than 10% of the units assessed above \$800,000 including one unit for as much as \$7.8 million. Condominiums in fact are a significant part of Brewster’s housing stock, totaling 1,470 units or about 20% of all residential units. A substantial portion of the town’s condominiums is included in the Ocean Edge development.

Most of the single-family homes, about 60%, were valued between \$300,000 and \$499,999, significantly higher relative to the condos. Only 13 units were priced in the affordable range of less than \$200,000, most between \$185,000 and \$199,000. One house on Tar Kiln Road was valued below the \$100,000 threshold, at \$99,300. On the other hand, 586 homes were assessed beyond \$800,000, representing almost 11% of the town’s single-family dwellings, more than half of which were valued beyond \$1 million.

Assessor’s data indicated that there were six mobile homes valued between \$162,200 and \$212,400. There were also 146 multi-family dwellings including two- and three-family properties as well as two homes on one lot. Values of these properties ranged considerably including 27 properties assessed beyond \$1 million.

**Table III-19  
Assessed Values of Residential Properties  
2006**

Assessment	Single-family Dwellings		Condominiums		Multi-family Dwellings*		Total	
	#	%	#	%	#	%	#	%
0-\$199,999	13	0.2	144	9.8	0	0.0	157	2.2
\$200,000-\$299,999	317	5.8	666	45.3	6	4.1	989	14.1
\$300,000-\$399,999	1,903	35.1	312	21.2	20	13.7	2,235	31.8
\$400,000-\$499,999	1,323	24.4	135	9.2	31	21.2	1,489	21.2
\$500,000-\$599,999	638	11.8	36	2.4	16	11.0	690	9.8
\$600,000-\$699,999	390	7.2	52	3.5	14	10.0	456	6.5
\$700,000-\$799,999	250	4.6	22	1.5	15	10.3	287	4.1
\$800,000-\$899,999	179	3.3	38	2.6	11	7.5	228	3.2
\$900,000-\$999,999	109	2.0	42	2.9	6	4.1	157	2.2
Over \$1 million	298	5.5	23	1.6	27	18.5	348	5.0
<b>Total</b>	<b>5,420</b>	<b>100.0</b>	<b>1,470</b>	<b>100.0</b>	<b>146</b>	<b>100.0</b>	<b>7,036</b>	<b>100.0</b>

Source: Brewster Town Assessor, fiscal year 2006.

\* Includes two-family, three-family, four-family, multiple homes on one lot, and four + unit properties, and apartments.

Table III-20 provides a breakdown of the number of units existing within various affordability ranges. According to Assessor's data, almost all, 95%, of the Brewster's single-family homes were affordable only to households earning 120% or more of the area median income (\$70,400) in 2007 based on conventional lending terms. There were only four homes valued within the means of those low- and moderate-income households earning at or below 80% of area median income, or \$51,600 for a household of three. Only another 57 single-family houses in Brewster could be considered moderately-priced, affordable to households earning between 80% and 100% of the area median income, and another 207 valued within the means of those earning between 100% and 120% of the area median.

**Table III-20<sup>15</sup>**  
**Approximate Cost of Single-family Units in Brewster, 2007**

Approximate Home Price Range	Affordability Range (% HUD Median Family Income for 2007/3-person households)	Single-Family Units Available in Price Range	
		Number	%
Less than \$115,000	Less than 50% (Less than \$32,250)	1	0.02
\$115,000 - \$180,499	50% - 80% (\$32,250 - \$51,599)	3	0.06
\$180,500 - \$249,999	80% - 100% (\$51,600 - \$70,400)	57	1.05
\$250,000 - \$294,999	100% - 120% (\$70,401 - \$84,480)	207	3.82
More than \$295,000	More than 120% (More than \$84,480)	5,152	95.05
<b>Total</b>		<b>5,420</b>	<b>100.00</b>

Source: Town of Brewster Assessor's Database for fiscal year 2006. Please note that as a standard practice, assessed value is assumed to be 93% of actual value or potential sale price.

Another analysis of housing market data is presented in Table III-21, which demonstrates the escalation of prices based on a breakdown of sales data from the Multiple Listing Service for single-family homes. This data indicates that there were no longer homes available in Brewster for under \$200,000 that would be affordable to low- and moderate-income households, and even homes for less than \$300,000 were scarce. In fact the only single-family home available in the \$200,000 to \$299,999 range that was for sale for less than \$299,000 was a small two-bedroom unit of less than 1,000 square feet at the Ocean Edge development for \$235,000. Only five properties sold for less than \$300,000 since the beginning of 2006, and these were typically small ranches, often needing some "TLC".

As Assessor's data, most of the properties were priced between \$300,000 and \$500,000, however, more than 10% of the single-family homes were priced above \$800,000, demonstrating a robust luxury market in Brewster. Certainly most of these high-end properties had waterfront views and/or accessibility.

It is also interesting to note that despite headlines about dire market conditions and the softening of the housing market, housing prices did not decrease substantially and were on the rise in 2007. Median sales prices increased from an average of \$415,000 in 2006 to \$424,900 as of August 21, 2007 to \$455,250 by the end of 2007. Listings in August 2007 averaged more than \$600,000 and even with sales prices approximating 95% of the listings, some significant price escalation was evident. Nevertheless, a local realtor indicated that there was still a lot of inventory to sell with 19 homes on the market for every unit sold during mid-summer of 2007 as opposed to a 14 to one ratio before that. Those properties that moved the fastest tended to be on the extreme ends of the price range, below \$400,000 or at the top of the luxury market. In fact, since that time prices have dropped and the median as of June 2008 was at \$385,000 based on 67 sales.

<sup>15</sup> Figures based on 95% financing, interest of 7.0%, 30-year term, annual property tax rate of \$5.47 per thousand, insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), and private mortgage insurance estimated at 0.3125 percent of loan amount.

**Table III-21**  
**Single-family House Sales**  
**January 2006 Through August 21, 2007**

<b>Price Range</b>	<b>Current Listings #/%</b>	<b>Under Agreement #/%</b>	<b>Sold 2006 #/%</b>	<b>Sold 2007 1/1/07- 8/21/07 #/%</b>	<b>Total #/%</b>
<b>Less than \$199,000*</b>	0/0.0	0/0.0	0/0.0	0/0.0	0/0.0
<b>\$200,000-299,999</b>	5/4.1	0/0.0	2/1.0	3/3.0	10/2.1
<b>\$300,000-399,999</b>	15/12.2	3/16.7	70/35.0	36/36.4	124/26.3
<b>\$400,000-499,999</b>	24/19.5	3/16.7	88/43.8	22/22.2	137/29.0
<b>\$500,000-599,999</b>	21/17.1	2/11.1	14/7.0	14/14.1	51/10.8
<b>\$600,000-699,999</b>	14/11.4	3/16.7	12/6.0	9/9.1	38/8.0
<b>\$700,000-799,999</b>	19/15.4	1/5.6	5/2.5	3/3.0	28/5.9
<b>\$800,000-899,999</b>	2/1.6	3/16.7	3/1.5	5/5.0	13/2.8
<b>\$900,000-999,999</b>	6/4.9	1/5.6	0/0.0	2/2.0	9/1.9
<b>Over \$1 million</b>	17/13.8	2/11.1	7/3.5	5/5.0	31/6.6
<b>Total</b>	123/100.0	18/100.0	201/100.0	99/100.0	472/100.0
<b>Median Price</b>	\$614,500	\$679,900	\$415,000	\$424,900	--

Source: Multiple Listing Service, August 21, 2007

Additional information on the housing market suggested that there was a great deal of property turnover at the height of the market about two years ago with owners quickly flipping properties and reaping substantial profits. That is not currently occurring, not only because of some slowing down of the market, but also because of new Cape-wide building codes that now require higher hurricane resistant standards and thus boost the costs of improvements.

**Table III-22**  
**Condominium Sales**  
**January 2006 Through August 21, 2007**

<b>Price Range</b>	<b>Current Listings #/%</b>	<b>Under Agreement #/%</b>	<b>Sold 2006 #/%</b>	<b>Sold 2007 1/1/07- 8/21/07 #/%</b>	<b>Total #/%</b>
<b>Less than \$199,000*</b>	16/17.8	5/27.8	9/13.6	3/10.7	33/16.3
<b>\$200,000-299,999</b>	40/44.4	7/38.9	34/51.5	14/50.0	95/47.0
<b>\$300,000-399,999</b>	17/18.9	2/11.1	10/15.2	4/14.3	33/16.3
<b>\$400,000-499,999</b>	6/6.7	1/5.6	7/10.6	4/14.3	18/8.9
<b>\$500,000-599,999</b>	1/1.1	0/0.0	1/1.5	1/3.6	3/1.5
<b>\$600,000-699,999</b>	2/2.2	0/0.0	2/3.0	1/3.6	5/2.5
<b>\$700,000-799,999</b>	4/4.4	0/0.0	0/0.0	0/0.0	4/2.0
<b>\$800,000-899,999</b>	1/1.1	2/11.1	3/ 4.6	1/3.6	7/3.5
<b>\$900,000-999,999</b>	1/1.1	0/0.0	0/0.0	0/0.0	1/0.5
<b>Over \$1 million</b>	2/2.2	1/5.6	0/0.0	0/0.0	3/1.5
<b>Total</b>	90/100.0	18/100.0	66/100.0	28/100.0	202/100.0
<b>Median Price</b>	\$284,000	\$259,000	\$268,000	\$280,000	--

Source: Multiple Listing Service, August 21, 2007

Table III-22 provides a summary of the same information for condominium sales that demonstrates that values for these units are considerably lower than for single-family homes and more units fall within an affordable range. There were 33 units that either sold, were pending sale, or listed for less than \$200,000, and eight (8) units for under \$100,000. Those under \$100,000 were typically very small apartments of less than 300 square feet at Nickerson Village or studio cottages at Cranberry Cove, Bay Breeze or Millstone Road. Those units between \$100,000 and \$200,000 were largely at Ocean Edge or Bayview cottages. In fact prices ranged considerably for condos, from an \$86,000 studio condo at Cranberry Cove to a \$1.3 million beachfront property at Ocean Edge.

As mentioned above, the prices of condominiums are substantially lower than those for single-family homes with median values as of August 21, 2007 of \$268,000 for properties that sold in 2006 and \$280,000 for those that sold in 2007, which are about two-thirds the values of median single-family house prices. There have not, however, been significant drops in the values of condos over the past couple of years, although the median price of those condos under agreement is somewhat lower at \$259,000, but the sample size is small at only 18 units. On the other hand the median value of current condo listings is a bit higher than the median for 2007 sales, although the actual sales prices will be lower.

The Ocean Edge resort contains most of the condominiums in town, but there are other condominium developments, including more inland and less expensive developments such as The Colony, Snow Road, Oakwood Village, and Woodview, as well as higher cost developments with water access including Sea Pines, Cobbs Pond, and Sears Point. The bulk of the condo market is within the \$200,000 to \$400,000 range, however, select waterfront properties fetch between \$800,000 to more than \$1 million.

Multi-family structures represent a very small segment of Brewster's housing stock, only about 146 properties according to Assessor's data. Multiple Listing Service data included the following information on these multi-unit properties:

- An historic property built in 1835 as the Brewster Academy on an acre of land with 7 bedrooms in the main house and two apartments in a separate guesthouse listed at \$599,000.
- A four-unit property on about an acre of land near Paine's Creek Beach, including a duplex as well as two cottages listed and sold at \$499,000.
- A two-unit duplex with 1,100 square feet of living space per side on Rosemary Lane, listed and sold for \$375,000.
- Another duplex on Rosemary Lane that was listed for \$335,000 and sold for \$325,000.

### *Rentals*

The number of rental units almost doubled between 1980 and 1990, from 388 units to 731 units but Brewster then lost 110 of these units from 1990 to 2000, most likely through single-family homes shifting from rental to owner-occupancy. Table III-23 provides census data on rent levels from 1980 to 2000.

After 1980, Brewster experienced substantial growth and demographic shifts as significant numbers of homes were built based on the increasing demand of those interested in a second home or retiring to Cape Cod. With this building boom, home prices increased significantly, including rental values, which more than doubled from 1980 to 1990 alone, from \$260 to \$643. By 2000 this median rent had increased to \$770, somewhat higher than 2000 median gross rent of \$723 for the County.

**Table III-23  
Rental Costs  
1980-2000**

Gross Rent	1980		1990		2000	
	#	%	#	%	#	%
Under \$200	87	22.4	42	5.8	0	0.0
200-299	142	36.6	14	1.9	7	1.1
300-499	131	33.8	111	15.2	86	13.8
500-749	0	0.0	265	36.2	136	21.9
750-999			214	29.3	195	31.4
1,000-1,499			35	4.8	58	9.3
1,500 or more					21	3.4
No cash rent	28	7.2	50	6.8	118	19.0
Total	388	100.0	731	100.0	621	100.0
Median rent	\$260		\$643		\$770	

Source: U.S. Census Bureau, 1980, 1990 and 2000 (Summary Table 3 – sample data)

Like housing values for homeownership units, rental values tend to be underestimated in the census data, and actual market rents are typically much higher as verified by local realtors. Internet listings of rental properties in Brewster included the following:

- Winter rental of a one-bedroom end unit at Ocean Edge for \$850/month.<sup>16</sup>
- Winter rental of a “cozy townhouse in Ocean Edge with loft” for \$900 including 2 bedrooms.
- Winter rental, referred to as a “school year condo rental”, of a two-bedroom, 2.5 bath, mostly furnished condo for \$999.
- Winter rental of a two-bedroom, two-bath condo at Ocean Edge offered initially for \$1,600 and dropped down to \$1,250.
- Winter rental of \$1,000 for a four-bedroom, two-bath house located on a “family residential road” to run from mid-September through May or June.
- A six to 12-month lease for an efficiency apartment in a private home at \$800.
- Year-round rental of an efficiency apartment at Daffodil Cartway near Nickerson State Park with 300 square feet of living space, “suitable for one person only” for \$750. The unit had previously been listed for \$815.
- Year-round rental of a three-bedroom home with two baths “with fireplace beam ceiling living room” for \$1,495.
- Year-round rental of a three-bedroom, two-bath home with fireplace for \$1,500.
- Year-round rental for a three-bedroom home near 6A for \$1,450.

Listings indicate that summer seasonal rents of homes or condos near the water can fetch up to \$3,500 per week.

**C. Affordability Analysis of Existing Market Conditions**

The borrowing power of the median income household, using the 2000 census data, was about \$175,000,<sup>17</sup> significantly lower than even the median house value as reported in the 2000 census of \$198,500. The affordability gap was then about \$23,500 - the difference between the price of the median priced home and what a median income household could afford. A three-person household earning at

<sup>16</sup> All figures represent monthly rents.

<sup>17</sup> Assumes owners pay no more than 30% of their income on housing.

80% of area median income at that time, or \$36,650, could afford a home priced at little more than \$128,500 based on conventional lending requirements, resulting in an affordability gap of \$70,000.

As housing prices have risen at a greater rate than the household income of year-round residents, the affordability gap in Brewster has widened, defined as the gap between the cost of housing and the portion of income that is reasonable to pay for housing, typically defined as 30% of gross income. To afford the median sales price of the median valued home in Brewster of \$370,000 (based on The Warren Group information as of the end of 2008), a household would have to earn approximately \$92,400,<sup>18</sup> substantially more than the adjusted 2009 median income of \$77,363. Applying this updated median income estimate of \$77,363, based on the 57% change in the HUD median income levels for Barnstable County between 2000 and 2009, would result in an affordability gap of \$65,000, the difference between what the median income household could afford (\$305,000) and the median priced house (\$370,000). Therefore, from 2000 through 2008 the affordability gap widened from \$23,500 to \$65,000. It should be noted that the combination of lower real estate prices and interest rates have decreased the affordability gap from \$155,000 as of July 2007 to \$130,000 as of June 2008 to half that amount, \$65,000, as of the end of 2008.

For those earning at 80% of area median income, the gap was about \$229,500 in mid-2007, the difference between the maximum they could afford of \$180,500 and the median home price \$410,000. Due to decreases in values and interest rates since that time, with the median price dipping to \$370,000 as of end of 2008, the gap has narrowed to \$150,000 for low- and moderate-income households who can afford a home for about \$220,000.

Table III-24 presents a range of residential units that sold in 2007, from a tiny one-room condominium at \$86,000, to a two-bedroom cottage “with lots of potential” at \$285,000, to a duplex and three-bedroom Cape priced similarly, and then to more expensive homes priced well beyond the means of most Brewster residents.

All of the listings and sales, with the exception of some tiny condominiums, are beyond the means of not only those earning within 80% of area median income, a requirement of housing affordability under Chapter 40B, but also are too expensive for households earning at or below the town’s 2000 median income of \$43,000 or adjusted median of \$77,363. In fact there were no homes sold for under \$250,000 since January 2006 that would be affordable to those earning at the median income level. It should be noted however, that property values and interest rates have decreased since this time and new properties coming on the market would be somewhat more affordable.

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<sup>18</sup> Figures based on 95% financing, interest of 5.5%, 30-year term, annual property tax rate of \$5.96 per thousand, insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), and private mortgage insurance estimated at 0.3125 percent of loan amount.

**Table III-24  
Affordability of Existing Housing<sup>19</sup>  
August 2007**

<b>House Type</b>	<b>Recent Sale/List Price</b>	<b>Estimated Annual Income Required</b>
Studio cottage condominium in Cranberry Cove with 277 square feet of living space, built in 1941, 120 days on the market	\$86,000/ \$89,000	\$32,500
“Cute” 2-bedroom, 1 bath cottage on Mt. Pleasant Rd. with 929 sq. ft. of living space, 1/3-acre lot, built in 1926, 79 days on market	\$285,000/ \$309,900	\$80,500
Two-family duplex at Rosemary Lane, each unit with 2 bedrooms, 1½ baths, 1,110 sq. ft. of living space, 15,246 sq. ft. lot, built in 1971, 115 days on market	\$375,000/ \$375,000	\$86,500
Three-bedroom, 2 bath Cape on Beach Rose Lane, 1,862 sq. ft. of living space, ½-acre-lot, built in 1991, large deck and screened porch, 243 days on market	\$380,000/ \$399,000	\$107,500
Four-bedroom, 2½ bath, Victorian on Satucket Road, 3,000 sq. ft. on about 1½-acre lot, includes pool, built in 1996, 4 days on market (advertises property gets \$3,500/week of rent in summer months)	\$680,000/ \$699,000	\$192,000
Four-bedroom, 2½ bath contemporary Cape with Canoe Pond frontage, 3,800 sq. ft. of living space, 1.51-acre lot, built in 2000, 163 days on the market	\$1,037,500/ \$1,100,000	\$294,000

Source: Multiple Listing Service, August 21, 2007.

In regard to rentals, the gross median rent of \$770, according to the 2000 census, required an income of about \$30,800, which is within the means of low- and moderate-income households. Nevertheless, approximately 1,200 or 30% of Brewster’s households would still have been unable to afford to rent at this level based on 2000 census data. Rental listings indicate that year-round market rental listings are actually quite a bit higher with the average three-bedroom house renting for about \$1,500, affordable to a household earning \$60,000 annually, assuming utilities are included in the rents. Winter rentals are a bit lower fetching about \$1,000 per month, affordable to households earning about \$40,000, once again assuming the inclusion of utilities in the rent. Seasonal listings, particularly in desirable locations, are getting about \$3,500 per week.

<sup>19</sup> Figures based on 95% financing, interest of 7.0%, 30-year term, annual property tax rate of \$5.47 per thousand, insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), and private mortgage insurance estimated at 0.3125 percent of loan amount, rents for two-family homes of \$650, and condo fees of \$200.

While current housing market data tells us that most town residents do not have sufficient incomes to afford the median sales price of \$410,000 as of July 2007 and even \$385,000 a year later, and about 30% of town households cannot afford the median rent of \$770 per month, it is also useful to identify numbers of residents who were living beyond their means based on their housing costs. The 2000 census provides data on how much households spent on housing whether for ownership or rental. Such information is helpful in assessing how many households were overspending on housing or encountering housing affordability problems, defined as spending more than 30% of their income on housing. Based on 1999 data, the census indicated that 234 households or 7.2% of the homeowners in Brewster were spending between 30% and 34% of their income on housing and another 562 or 17.3% of owners were spending more than 35% of their income on housing expenses. In regard to renters, 33 renters or 5.3% were spending between 30% and 34% of their income on housing and another 164 or 26.4% were allocating 35% or more of their incomes for housing. This data suggests that almost 1,000 households or almost one-quarter of all Brewster households were living in housing that is by common definition beyond their means and unaffordable.

HUD provides additional data on housing affordability problems through its CHAS Report. This report, based on 2000 census data for Brewster, indicates the following:

- There were 254 households earning at or below 30% of area median income, referred to by HUD as extremely low-income households, and of these 193 were owners and 61 were renters. Of these households, 71.5% of the owners and 55.7% of the renters, or 172 total households, were spending more than 50% of their income on housing-related expenses.
- More than two-thirds of extremely low-income elderly owners were spending more than 50% of their incomes on housing.
- There were 23 seniors who rented and were spending more than 50% of their income on housing.
- Of the 439 households earning between 30% and 50% of area median income, referred to as very low-income households, more than half were spending over 30% of their income on housing and another 30% were spending more than 50% on housing.
- There were 730 households earning between 50% and 80% of median income and more than one-quarter were spending over 30% of their income on housing with about 5% spending more than 50% on housing.

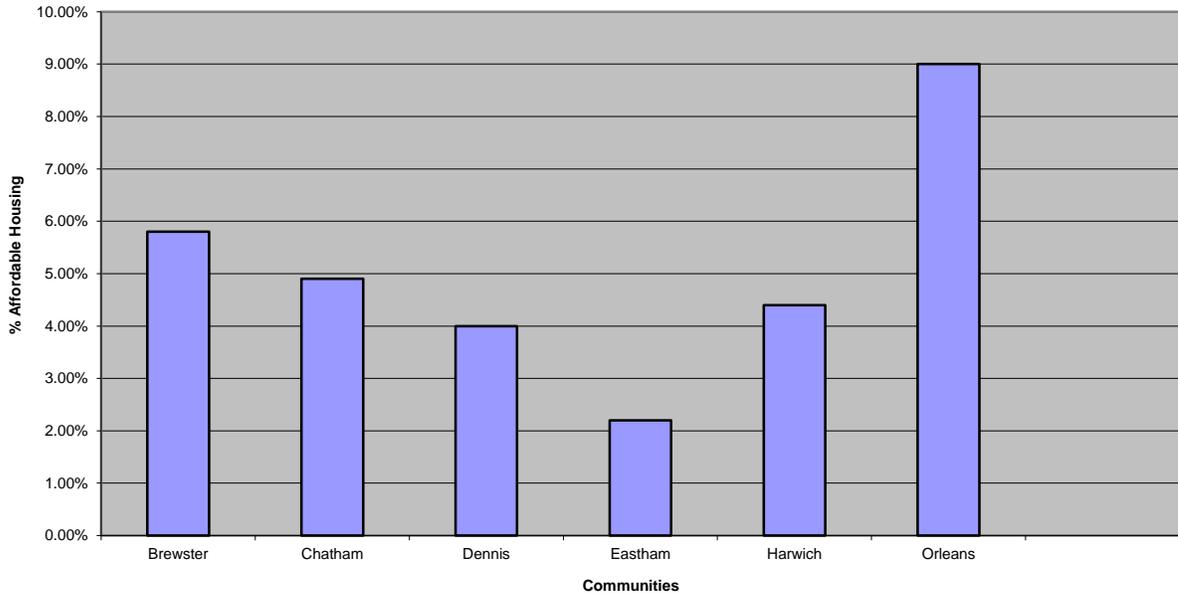
#### **D. Subsidized Housing Inventory**

Brewster is not alone in this quandary about what to do about the decreasing lack of affordable housing. Brewster's neighbors also have affordable housing levels below the state target, and, most, like Brewster, face significant challenges in meeting the 10% state goal. The level of housing affordability for each of the nearby towns is as follows:

1. **Brewster – 253 units (5.8%)**
2. Chatham – 175 units (4.9%)
3. Dennis – 327 units (4.0%)
4. Eastham – 59 units (2.2%)
5. Harwich – 261 units (4.4%)
6. Orleans – 298 units (9.0%)

While none of Brewster's neighboring towns have produced enough affordable units to meet the state target of 10% of its year round housing stock, Orleans has an almost 9% level of affordability and is only 37 units shy of meeting the 10% threshold. There has been a wide range of demonstrated progress exhibited by the remaining towns listed above, and Brewster, at 5.8%, is towards the top of the range. This information is visually presented in Figure III-3.

**Figure III-3**  
**Level of Affordable Housing**



In recognition of pressing local needs, this Housing Production Plan suggests a range of opportunities to meet specified local housing priorities and to bring Brewster closer to the state 10% threshold. This Plan will also set the stage for producing new units that will allow the Town to reject unwanted Chapter 40B developments. Given past efforts in the area of affordable housing, creating 22 units a year needed to meet production goals and exert control over new development will be a substantial challenge. Nevertheless, affordable housing will come to Brewster, and the Plan will provide mechanisms for the Town to guide its creation as opposed to relying on outside development interests.

The state lists 253 affordable housing units in Brewster’s current state-approved Subsidized Housing Inventory, 5.8% of the total year-round housing stock of 4,379 units. Therefore, the town needs to produce at least 185 more affordable units to reach the state’s 10% goal based on the existing housing stock. Build-out projections estimated by the state’s Executive Office of Environmental Affairs (now renamed the Executive Office of Energy and Environmental Affairs) in 2000, indicated that Brewster could support 1,464 additional units of housing based on current zoning, which would require at least another 146 units be affordable to comply with the state’s 10% Chapter 40B goal. This is over and above the 185 affordable units that are needed based on the existing housing stock, representing a projected 331 additional affordable units required at build-out – a daunting task for a small rural community.

To be counted as affordable under Chapter 40B, housing must be dedicated to long-term occupancy of income-eligible households through resale or rental restrictions. Table III-25 presents the income limits for the affordable units based on the 2008 HUD guidelines for the Barnstable area, including the town of Brewster. It is directed to those earning at or below 80% of area median income adjusted by family size.

**Table III-25**  
**Affordable Housing Income Limits for the Barnstable MSA**  
**Based on 80% of Area Median Income for 2009**

Number of Persons in Household	Income Limit
1	\$43,450
2	49,700
3	55,900
4	62,100
5	67,050
6	72,050
7	77,000
8	81,950

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

Using these income guidelines a family of two (the average household size in Brewster is 2.34 persons) could afford to purchase a house for no more than approximately \$195,000. Based on housing market information described above, the Town no longer has homes available within this price except for tiny efficiency condominiums.

***1. Current Inventory***

Brewster currently has 253 units in its Subsidized Housing Inventory. Created in 1988, the Brewster Housing Authority (BHA) manages fifty-six (56) of these units.

- *Huckleberry Lane*: This development includes eight (8) two-bedroom units as well as sixteen (16) three-bedroom units. Two (2) of the three-bedroom apartments are modified for families with special needs members.
- *Frederick Court*: In 1988, Steven Hayes, a local developer, built Frederick Court as private condominiums that included 32 units. This development was subsequently purchased by the state and served as the initial impetus for creating the Brewster Housing Authority to manage the units. Units at Frederick Court are available for renters who are at least 60 years of age and earning at or below 80% of area median income or younger persons who are disabled. The Authority also maintains two (2) one-bedroom modified apartments for elderly with special needs in the development. There is still more capacity in a parcel that the BHA owns adjacent to this development, and it is the Housing Authority's intention to develop it as housing for developmentally disabled young adults from the Latham School and include supportive services.

Another 195 units were developed privately by for profit or non-profit developers:

- *Belmont Park*: In 1990, Belmont Park, a twenty-unit, single-family home development, was completed through the state's Home Ownership Program (HOP). The applicants for this funding included the Town of Brewster through the Brewster Housing Partnership and the McShane Development Corporation, a private corporation. The project is 100% affordable with deed restrictions, which will insure that the units will remain affordable for forty (40) years through 2030.
- *King's Landing*: One hundred and eight (108) of the Town's subsidized units are located in the King's Landing apartment complex. This complex was subsidized through a Farmers Home Administration "Flexible Subsidy" loan and is guaranteed to remain in Brewster's

affordable housing inventory until 2014. Twenty-six (26) of these units are under BHA control through the project-based Massachusetts Rental Voucher Program.

- *Yankee Clipper Village:* In 1995, Yankee Clipper Village was completed, involving a forty-eight (48) unit single-family homeownership project, developed under DHCD's Local Initiative Program (LIP) by McShane Development Corporation. Twelve (12) of these units are guaranteed affordable through deed restrictions to remain affordable for at least forty (40) years until 2035. One of the affordable units is handicapped accessible.
- *Yankee Clipper II Town Houses:* In 2001 the final phase of the McShane development, Yankee Clipper II Town Houses, was completed. This six (6) unit condominium complex included four (4) deed-restricted affordable units, which were sold for prices ranging from \$120,000 to \$125,000. These units have yet to be incorporated in the Subsidized Housing Inventory but are eligible for inclusion.
- *Additional Homeownership Projects:* A total of four (4) deed-restricted homeownership units were built or rehabilitated on South Orleans Road (Cape Cod Commission rehab), Great Fields (LIP duplex), and Old Long Pond Road (Habitat for Humanity house).
- *Wells Court:* Wells Court is the latest new development, involving Section 202 financing and County HOME funds, to provide 24 one-bedroom units for lower income seniors who are at least 62 years of age and earning within 50% of area median income. The project was developed through the comprehensive permit process by the Housing Assistance Corporation (HAC) in cooperation with the Brewster Housing Authority, the owners of the land on which the development was built.

Of these subsidized developments, four (4) projects totaling 80 units took advantage of the Chapter 40B comprehensive permit process, representing 32% of the current Subsidized Housing Inventory. Additionally, the Belmont Park and Yankee Clipper Village developments based their resale formulas in the deed riders on market value, and as a result of escalating prices have encountered difficulties maintaining unit affordability upon turnover. Several units in the Belmont Park project have remained affordable only because of some additional state funding.

The Affordable Housing Committee, now the Brewster Housing Partnership, is focusing on fostering the development of affordable homeownership units. At the 2002 fall Town Meeting, the Partnership successfully sponsored a zoning bylaw allowing affordable accessory apartments in existing residential and commercial structures by special permit. To date four (4) such units have been permitted but none of these meet all of the new requirements under the state's Local Initiative Program (LIP) to be counted as part of the Subsidized Housing Inventory.

**Table III-26  
Brewster's Subsidized Housing Inventory**

<b>Project Name</b>	<b># Affordable Units</b>	<b>Project Type/ Financing</b>	<b>Use of a Comp Permit</b>	<b>Affordability Expiration Date</b>
Frederick Court	32	Rental/667	No	Perpetuity
Huckleberry Lane	24	Rental/705	No	Perpetuity
Belmont Park	20	Ownership/HOP	Yes	Perpetuity
Great Fields Road	2	Ownership/LIP	No	Perpetuity
Cape Cod Comm./ S. Orleans Rd.	1	Rehab/HOME	No	2010
Habitat/Old Long Pond Rd.	1	Ownership/LIP	No	2005
King's Landing	108	Rental/MHFA 236	No	2018
Yankee Village	12	Ownership/LIP	Yes	2045
Wells Court	24	Rental	Yes	Perpetuity
Eagle Point	3	Rental	No	7-31-2020
DMR Group Homes	16	Rental	No	NA
Brewster HOR Program	1	Ownership/Rehab	No	8-18-2012
CDP/LCCDC HOR	9	Ownership/Rehab	No	12-12-2016 thru 6-30-2019
<b>TOTAL</b>	<b>253</b>			

Source: Massachusetts Department of Housing and Community Development, January 29, 2007.

In May of 1996, the Annual Town Meeting authorized the development of four (4) Town-owned lots for single-family affordable homes. Title issues subsequently emerged, and the lots remained entangled in a Land Court battle until 2003. The Town requested proposals for this project and Habitat for Humanity of Cape Cod was chosen to develop the site. Habitat received HOME Program funding from the Barnstable County HOME Consortium as well as CPA funding to build the four homes on one of the lots, the other three to be preserved, a large portion of which is restricted to cover the nitrogen loading from the four homes. The Community Preservation Committee recommended \$95,000 towards construction of the road and utilities, which was approved by Town Meeting. At this time three of the homes are being built and the fourth will be started in the spring of 2008. The houses will sell for \$103,650 each to qualifying households earning below 65% of area median income.

Additionally, the Town of Brewster approved \$43,270 in Community Preservation funding to assist the Community Development Partnership's (formerly called the LCCDC) efforts to purchase and rehabilitate a studio condominium at Nickerson Park and rent the unit to a qualifying tenant. At the time the Community Development Partnership applied for CPA funding, the unit was rented to a low-income individual, who would have likely been displaced if the unit were sold at market value.

The Town also processed four accessory apartments through its Affordable Accessory Unit bylaw, and has submitted documentation to DHCD to have these units counted as part of the SHI. These units were approved prior to the changes in Local Initiative Program (LIP) guidelines that changed a number of requirements.

In addition to new affordable housing development, Brewster can count 16 units through groups homes managed by the state's Department of Mental Retardation (DMR) and another ten (10) units through

housing rehabilitation programs. Nine of these rehabbed units were subsidized by the Department of Housing and Community Development (DHCD) through the Lower Cape Cod Community Development Corporation's (now called the Community Development Partnership) Housing Rehabilitation Loan Program. This Program provided funding for property owners who rent year-round to Cape residents, as well as income-eligible, single-family homeowners, to bring units up to current building, health, and safety codes. The units are scattered throughout the town of Brewster. These units have deed restrictions in affect for 15 years, and these restrictions are due to expire between 2012 and 2019, and thus be eliminated from the Subsidized Housing Inventory.

There are also a number of assisted living and nursing homes in Brewster that include some affordable units:

- *EPOCH Assisted Living of Brewster:* EPOCH Assisted Living of Brewster is a 64-unit facility at 855 Harwich Road, offering assisted-living care. This development was reviewed by the Cape Cod Commission as a Development of Regional Impact (DRI) and the permit included an affordable housing set-aside of seven (7) units for those earning at or below 80% of area median income. These units do not yet have deed restrictions, however, and without them cannot be included in the Subsidized Housing Inventory (SHI).
- *EPOCH Senior Health Care:* EPOCH Senior Health Care, located at 873 Harwich Road, is a skilled nursing facility that also does short-term rehab. The Cape Cod Commission reviewed the facility as a residential development and imposed an affordability requirement of 16 beds restricted to those earning within 80% of area median income. These units, however, will not be eligible for inclusion in the Subsidized Housing Inventory.
- *The Residences of Pleasant Bay:* The Pleasant Bay Nursing Home is a 134-bed facility on 383 South Orleans Road, offering elder care and post-operative physical rehabilitation. A 60-unit assisted-living expansion, The Residences of Pleasant Bay, has been approved. Because the size of this project triggered the threshold for Cape Cod Commission review as a Development of Regional Impact, there was a set-aside requirement that six (6) of the units be reserved for Medicaid-eligible individuals. The project has an Affordable Housing Requirement (AHR) that is currently on record, and therefore the six units should be eligible for counting as part of the SHI.

## 2. *Proposed Projects*

Another 11 units of affordable housing is planned for development through the following projects:

- The Brewster Housing Authority, in collaboration with neighboring Latham Center, has been pursuing the prospect of developing eight rental apartments, four with one-bedroom and four with two-bedrooms, for individuals with developmental disabilities who are presently housed at the Latham School. When these residents must leave the school at age 22, they encounter serious difficulties finding permanent housing with supportive services. To accommodate this proposed development, the Housing Authority is seeking approval from DHCD to subdivide somewhat more than two acres from their present 10.265-acre parcel where their Frederick Court development is located. It is planned that the Department of Mental Health (DMH) will subsidize the units.
- The Zoning Board of Appeals has approved a comprehensive permit for White Rock Commons, a development that includes 12 new single-family homes as well as the renovation of a relocated

home on the site with a total of three (3) affordable units. The project is currently under appeal at the state’s Housing Appeals Committee (HAC).

In addition to the 253 affordable units that are currently included in the Subsidized Housing Inventory, an additional 22 units should also be counted including:

- Yankee Clipper II Townhouses – 4 units
- Habitat for Humanity houses off of Slough Road – 4 units
- Nickerson Park Condominium – 1 unit
- Affordable Accessory Apartments – 4 units
- The Residences of Pleasant Bay – 6 units
- White Rock Commons – 3 units

If deed restrictions could be executed for the affordable units at EPOCH Assisted Living of Brewster and the above units are approved by DHCD for inclusion in the SHI, another seven (7) units could be added to the SHI for a total of 282 units or 6.4% of the year-round housing stock.

**E. Gaps Between Existing Housing Needs and Current Supply**

As the affordability analysis indicates in Section III.C above, significant gaps remain between what most current year-round residents can afford and the cost of housing that is available. In fact current prices are shutting almost everyone out of the market that does not have substantial income and financial assets. Another look at the gaps between what housing is available in Brewster and what residents can afford to pay is demonstrated in the following analysis.

**I. Rental Housing Needs**

The analysis included in Table III-27 projects a shortage of 66 rental units for low- and moderate-income renters. This data, however, was based only on existing renters in 2000 and does not reflect pent-up regional need for additional rental opportunities, particularly in the context of a housing market that has seen extraordinary price increases since 2000. For rental units alone, the median rental of \$770 has climbed beyond \$1,000 based on real estate listings, at least a 30% increase. If Brewster wants to attract more young adults and service employees, it will have to make sure that it provides additional affordable rental opportunities to enable them to live in town as the current subsidized rental stock is inadequate to meet these needs.

**Table III-27  
Rental Unit Gap Analysis  
2000 to 2007**

<b>Income Group</b>	<b>Income Range*</b>	<b>Affordable Rent</b>	<b># Renter Households** 2000/2007</b>	<b># Existing Units*** 2000/2007</b>	<b>Deficit/ Surplus 2000/2007</b>
Less than 30% of AMI	\$12,400 and less	Less than \$310	61/38	11/11	-50/-27
Between 30% and 50% of AMI	\$12,401 to \$20,650	\$310 to \$516	95/84	90/90	-5/6
Between 50% and 80% of AMI	\$20,651 to \$33,000	\$516 to \$825	171/151	187/106	16/-45
<b>Total</b>			<b>327/273</b>	<b>288/207</b>	<b>39/-66</b>

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

\* Based on 2000 HUD Income Levels for average size household of two persons.

\*\* It can be assumed that incomes have increased since 2000, which would likely reduce some of these numbers somewhat. The 2007 projections are based on 70% the change in these income categories between 1989 and 1999 per the census, assuming a similar rate of change.

\*\*\* The projections assume that all 207 subsidized rental units cover those in the lowest income categories and based on rental listings, all other rentals are beyond the means for those earning below 80% of area median income.

A further analysis of the rental needs of different types of households is included in Table III-28. This table indicates that in 2000 there were 168 renter households with housing problems, either overcrowding or spending too much of their income on their existing housing. Just looking at the proportionate need of seniors, small families (two to four family members) and large families (five or more members), seniors comprise about half of those with housing-related problems, small families (two to four family members) make-up about 36%, and large families about 14%.

**Table III-28  
Level of Housing Problems by Type of Renter Household**

<b>Household by Type and Income</b>	<b>Elderly</b>	<b>Small Families</b>	<b>Large Families</b>	<b>All Other Renters</b>	<b>Total</b>
< 30% AMI	8	14	NA	20	42
30-50% AMI	27	18	4	8	57
50-80% AMI	22	8	0	15	45
> 80% AMI	0	0	10	14	24
<b>Total</b>	<b>57</b>	<b>40</b>	<b>14</b>	<b>57</b>	<b>168</b>

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

This Housing Needs Assessment suggests that the 66-unit deficit in Table III-27, based on the difference between projected number of households and available units in their price range, and the 168-unit level need included in Table III-28, focusing on those who are overcrowded or paying too much, creates an approximate need for almost 240 affordable rental units in Brewster. This Assessment suggests that these rental units be distributed as follows over the next five years to cover about one-third of this outstanding need:

**Table III-29  
Projected Distribution of Rental Units**

<b>Target Renter Households</b>	<b>Target Unit Size</b>	<b>Proportion of Need</b>	<b># Units</b>
Seniors	One bedroom	50%	40
Small Families	Two bedrooms	36%	30
Large Families	Three + bedrooms	14%	12
<b>Total</b>		<b>100%</b>	<b>82</b>

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

This amount of rental housing will unlikely accommodate all of the pent-up regional demand, but represents a reasonable short-term local goal.

## **2. Homeownership Needs**

Table III-30 focuses on homeownership and demonstrates the waning supply of housing priced within the affordable range of many existing households and suggests a substantial need for more

affordable homeownership opportunities in Brewster, well above the 330 affordable units projected to be required to get to the state’s goal of 10% at buildout.

Table III-29 demonstrates that if you do not already own a home in Brewster, you are virtually shut-out of the housing market and even those earning at 150% of area median income are unlikely to find a home they can afford if they do not have substantial financial assets such as equity in a current home. First-time homebuyers earning below 150% of median area income are unlikely to find homeownership a possibility with the exception of tiny cottage condominiums or small ranches that are “fixer-uppers”.

**Table III-30**  
**Homeownership Affordability Analysis**  
**2000 to 2007**

<b>Income Group</b>	<b>Income Range*</b>	<b>Affordable Sales Prices</b>	<b># Households 2000/2007**</b>	<b># Existing Units 2007*** # Single-family/ #condos</b>
Less than 80% of AMI	\$32,600 and less	Less than \$115,000	1,096/ <b>918</b>	1/20 Total = <b>21</b>
Between 80% and 100% of AMI	\$32,601 to \$40,750	\$115,000 to \$144,999	325/ <b>303</b>	3/4 Total = <b>7</b>
Between 100% and 150% of AMI	\$40,751 to \$61,125	\$150,000 to \$220,000	849/ <b>946</b>	17/134 Total = <b>151</b>

Sources: 2000 HUD SOCDs CHAS and Census data, Brewster Assessor’s Office

\*Based on 2000 HUD Income Levels for average size household of two persons.

\*\* It can be assumed that incomes have increased since 2000, which would likely reduce some of these numbers somewhat. The 2007 projections are based on one-half the percentage change in these income categories between 1989 and 1999 per the census, assuming a similar rate of change.

\*\*\* Updated assessments from Brewster Assessor’s Office.

This Housing Needs Assessment recommends that first-time homeownership opportunities be included as a high priority in the housing strategies and production goals, either through the development of small single-family homes or three-bedroom condominiums for young workers and their families. However, as Table III-29 demonstrates, there is a tremendous existing gap between the current costs of housing and what residents can afford.

Empty nesters looking to downsize from their existing single-family homes should be able to find accessible and affordable condominiums in Brewster. However, given state requirements regarding assets, such as not having more than \$200,000 in net equity from a previous house or an additional \$75,000 in financial assets, puts many seniors out of the running for affordable housing that can be counted as part of the Subsidized Housing Inventory. Nevertheless, such housing does serve an important need for local seniors who want to afford to live independently in Brewster. Some service-enriched housing for seniors with handicapped accessibility should also be considered.

### **3. Special Population Needs**

Besides seniors, this Housing Needs Assessment identified more than 2,000 residents with some type of disability. Of the 2000 population age 5 to 20 years old, 210 or 10.6% indicated that they had some type of disability. Of those aged 21 to 64, 1,291 residents, or more than one-quarter of the persons in the age

range, claimed a disability. More than 87% of this group was employed, leaving another 13% of 168 residents unemployed, likely due to their disability. In regard to the population 65 years of age or older, 552 seniors or about one-quarter of those in the age group claimed some type of disability. These levels of disability, particularly that of seniors, represent significant special needs within the Brewster community, and the Town should try to integrate handicapped accessibility into new housing development of up to 10% of the units created.

**4. Existing Housing Condition Needs**

Programs that continue to support necessary home improvements, including deleading and septic repairs for units occupied by low- and moderate-income households, particularly the elderly living on fixed incomes and including investor-owned properties tenanted by qualifying households, should be integrated into Brewster’s housing efforts.

**5. Summary of Priority Housing Needs**

This Housing Needs Assessment suggests that over the next five years the Town of Brewster establish the following targeted affordable housing production goals based on priority housing needs.

**Table III-31  
Summary of Priority Housing Needs and Targeted Production Goals**

Type of Housing	Seniors/One Bedroom Units	Small Families/ 2 Bedrooms	Large Families/ 3+ Bedrooms	Total
Rental	40	30	12	82
Ownership	6	6	26	38
Special Needs*	(4)	(4)	(4)	(12)
Total	46	36	38	120

Source: 2000 HUD SOCDs CHAS and Census data, Karen Sunnarborg Consulting

Production goals will chart housing development activity over the next five years based largely on this distribution of needs.

**F. Local and Regional Organizations**

The town of Brewster has a number of local and regional agencies and organizations available to help support the production of affordable housing or provide housing-related services:

**1. Brewster Housing Authority**

The Brewster Housing Authority manages 56 units of housing – 24 units for families on Huckleberry Lane (state’s Chapter 705 Program) and 32 units for seniors and disabled earning at or below 80% of area median income at Frederick Court (state’s Chapter 667 Program). It also administers project-based rental subsidies for 26 units at Kings Landing (involving the state’s Project-based MRVP Program). The BHA also owns the units at Huckleberry Lane and Frederick Court and is planning a new development on part of a parcel adjacent to Frederick Court for developmentally disabled young adults.

The Housing Authority indicates that there are typically two to five Brewster residents on their wait lists for senior units and wait times vary but are about two years for residents. For units at its Huckleberry Lane family development, the BHA has only been taking emergency applications and has not been able to offer units to anyone who is not considered an emergency priority applicant and therefore homeless or at risk of becoming homeless.

The Brewster Housing Authority has also been designated as the entity to monitor the affordability of those accessory apartments that are established under the affordable accessory apartment provisions of the Zoning Bylaw.

## **2. *Brewster Community Preservation Committee***

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

In November 2004, Brewster Town Meeting adopted the CPA and ballot approval occurred in May 2005. Brewster approved a 3% surcharge. Like the other communities on Cape Cod, Brewster voted to convert the 3% property tax surcharge that had been committed to the Land Bank for the purchase and conservation of open space into funding to support the Community Preservation Fund. As a result, the Town was able to continue to receive state matching funds, as state support for the Land Bank had run out, without raising additional taxes. The Brewster CPA requires that 50% must be spent or reserved for open space, 10% spent or reserved for historic preservation, 10% spent or reserved for community housing, with the remaining 30% remaining available for historic preservation, community housing or recreation.

The Community Preservation Committee includes nine (9) members including representatives of the Housing Authority, Conservation Commission, Historic Commission, Planning Board, and Recreation Committee as well as four at-large citizen representatives appointed by the Board of Selectmen. Estimates indicate that the surcharge will raise approximately \$600,000 annually. With the current state match at 100%, available funds will likely double to about \$1.2 million, at least through the near future. Despite decreases in the state matching pool because of reduced turnover of housing, many communities are expecting related decreases in the state match, however, those which have approved the 3% surcharge, like Brewster, will be in a better position based on current state matching formulas.

To date, Community Preservation funding for housing has been allocated to the following activities:

- \$95,000 for the four affordable homes that are being built by Habitat for Humanity of Cape Cod on James Burr Road, off Slough Road.
- \$43,000 to the Community Development Partnership (formerly named the Lower Cape Cod Community Development Corporation) to purchase a condominium at Nickerson Condominiums to manage as an affordable rental unit.
- \$60,000 to create a buy-down program for existing affordable ownership units that come up for resale at unaffordable prices because the resale price formula in the original deed riders was indexed to market values (i.e., Belmont Park, Yankee Clipper Village).

## **3. *Brewster Housing Partnership***

The Brewster Housing Partnership is a Town committee involved in promoting affordable housing in the community. The Housing Partnership has been particularly focused on fostering the development of affordable units for ownership. For example, it provided important support for

the Belmont Park development that included twenty (20) single-family homes, completed through the state's Home Ownership Program (HOP). The applicants for this funding included the Town of Brewster through the Brewster Housing Partnership and the McShane Development Corporation, a private corporation. More recently the Housing Partnership has revised the Affordable Accessory Apartment bylaw to promote this type of housing in Brewster, providing small rental opportunities in the community. The Housing Partnership has been substantially involved in the development of this Housing Plan and will be the lead entity in overseeing the implementation of various housing strategies as indicated in Section VII.

#### **4. *Brewster Council on Aging***

The Brewster Council on Aging is a Town department that supports the quality of life of Brewster's elders through a wide variety of services. These activities include an information and referral service on a wide range of issues, community-based services to promote independent living such as free shuttle bus transportation (including a shuttle to medical visits in Boston), as well as in-home support services. The Council relies heavily on local volunteers to support its activities and operates a senior center.

The Council receives numerous inquiries regarding housing, particularly regarding where elders might find affordable housing, either rental or ownership, that is easily accessible on the ground floor or by elevator. Particularly vulnerable seniors are those who lose a spouse that results in a substantial decrease in their fixed incomes during a time of rising housing expenses including taxes, utilities and insurance. A number of Brewster's seniors prefer to move from their more isolated and increasingly difficult to maintain single-family homes, but are finding that they cannot afford to stay in town.

The Council on Aging also works with the Town on a program that abates taxes for qualifying seniors in exchange for services to the Town. The Town currently allows a maximum of \$500 to be worked off in a specified number of hours. In addition to this work program, the Town also has a tax exemption program for income-eligible seniors that reduces property tax bills.

#### **5. *Cape Cod Commission***

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

#### **6. *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 Brewster, and are administered by the Cape Cod Commission. HOME funding for Brewster, as of the end of June 2006, was \$135,400 including \$5,400 in support for two ownership units, \$50,000 for Wells Court and \$80,000 for four units at Slough Road. Brewster also received \$60,670 in HOME funding for the Down Payment/Closing Cost Program, and \$11,945 for two loans as part of the Homeowner Repair Program, also as of June 30, 2006. (C/O the Cape Cod Commission; 3225 Main Street, Barnstable, MA 02630; 508/362-3828).

**7. *Housing Assistance Corporation (HAC)***

The Housing Assistance Corporation (HAC) has proclaimed its mission to “promote and implement the right of all people on Cape Cod and the Islands to occupy safe and affordable housing”. This non-profit organization is working throughout the Cape as a sponsor of affordable housing developments and has a wide range of financial and educational resources available for renters, existing homeowners and first-time homebuyers including HOME Program funding and rental subsidies. HAC was also the developer of Wells Court, a subsidized housing development for qualifying seniors in Brewster. (460 West Main Street, Hyannis, MA 02601; 508/771-5400)

**8. *Community Development Partnership (formerly named the Lower Cape Community Development Corporation)***

The Community Development Partnership was established in 1992 (named the Lower Cape Cod CDC at that time) to promote affordable housing and economic development in the towns of the Lower Cape. In regard to affordable housing, the organization recognized that the dwindling supply of affordable housing was becoming a critical problem. Through its Housing Development Program it is creating new, year-round, affordable housing units by purchasing existing units or building new units. The organization also used to manage the Housing Rehabilitation Program that was supported through Community Development Block Grant (CDBG) funds provided by the state but was suspended given funding constraints.<sup>20</sup> (P.O. Box 1860, Main Street Mercantile, North Eastham, MA 02651; 508/240-7873)

**9. *Habitat for Humanity of Cape Cod***

Habitat for Humanity is an ecumenical, non-profit Christian ministry dedicated to building simple, decent homes in partnership with families in need that has grown over the past two decades into one of the largest private homebuilders in the world. The organization has almost 1,600 U.S. affiliates and over 2,000 affiliates worldwide, including one on the Cape that has been able to build new homes for first-time homebuyers through donated land, materials, labor and funding as well as other special financing strategies. Brewster has one affordable house that was developed in recent years through this organization and another four under development at Slough Road including the construction of four three-bedroom homes on land donated by the Town. Three of the Cape-style units are partially completed and the fourth, which will be changed to a ranch-style for a family with a disabled child, will be started in Spring 2008. (658 Main Street, West Yarmouth, MA 02673; 508/775-3559)

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<sup>20</sup> The Housing Rehabilitation Program provided loans to private property owners who committed to keeping their property affordable as year-round units. The terms of the loan were determined by the needs and budget of the qualifying applicants. Since 1994 the Program improved nine (9) of these loans in Brewster. LCCCDC is now operating a comparable program in Provincetown and Wellfleet.

#### **IV. OBSTACLES TO DEVELOPMENT AND MITIGATION MEASURES**

It will be a great challenge for the town of Brewster to create enough affordable housing units to meet the state's 10% affordable housing standard, production goals and local needs, particularly in light of current constraints to new development including the following:

##### **A. Infrastructure**

###### ***Challenges***

As mentioned earlier, a major constraint and cost factor for new development relates to infrastructure, particularly the total lack of sewer services and the absence of water services in some areas of town that raise concerns among residents about impacts of any new development on the environment, the water supply and quality in particular. The issue of water is particularly critical on Cape Cod. Residents must rely solely on on-site septic systems unless special treatment facilities are integrated into the new development, a costly measure that requires a fairly large project to be feasible.

As part of the 2006 Pleasant Bay Estuary System Report, DEP has released suggested total maximum daily loads (TMDLs) for total nitrogen (N) for the Pleasant Bay watershed that includes a good portion of eastern Brewster. The primary goal is to lower the concentrations of nitrogen by greatly reducing the loading from on-site subsurface wastewater disposal systems through a variety of centralized or decentralized methods such as sewerage or treatment with nitrogen removal technology, advanced treatment of septage, upgrade/repairs of failed on-site systems, and/or installation of N-reducing on-site systems.

Similar studies are already in process for the Namskaket and Quivett Estuary Systems, which will result in similar state suggested nitrogen loading limits. At this time these are only suggestions by the state. However, DEP may change these to mandated regulations, and the Town may be required to adhere to no net nitrogen standards.

###### ***Mitigation Measures***

It will be important for any new affordable housing development to address these infrastructure constraints, septic issues in particular, and insure that there are sufficient amounts of subsidies incorporated into the project to adequately service new residents and protect the environment. Also, the Town will need to consider providing municipal sewer services in some areas of town where growth could better be directed at some point in the future. For example, areas with municipal services and commercial uses that allow multi-family housing, such as the C-H district, should be studied for possible new infrastructure development. The Cape Cod Commission is currently working on a mapping project that is likely to provide information to Cape communities on likely areas for targeting increased densities.

##### **B. Zoning**

###### ***Challenges***

As is the case in most American communities, a zoning bylaw or ordinance is enacted to control the use of land including the patterns of housing development. Like most localities in the Commonwealth, Brewster's Zoning Bylaw embraces large-lot zoning, in Brewster's case at least 60,000 square feet except in the R-R district where it is 100,000 square feet and the C-H district where multi-family dwellings require 130,000 square feet plus 10,000 per bedroom. Low housing density severely constrains the construction of affordable housing. Minimum lot frontages of 150 feet, 25-foot side, rear and backyard setbacks, and two-story height limits also seriously constrain affordable housing development. There are, however, several zoning provisions included in the existing Bylaw that are meant to potentially promote smart growth and/or more affordable units including:

- *Affordable Accessory Apartments*

The Zoning Bylaw until recently included a provision that stated “for the purpose of promoting the development of affordable housing in Brewster for year-round residents, one accessory apartment, incorporating up to a maximum of two bedrooms per lot may be allowed by a fifteen-year, limited special permit from the Zoning Board of Appeals”<sup>21</sup> subject to a number of conditions including:

- The residential lot must have at least 15,000 square feet of contiguous upland or commercial lots of at least 10,000 square feet. If a change in the building footprint is proposed, the units may be allowed in principal or attached accessory structures on residential lots with 20,000 square feet or more of contiguous upland.
- The owner of the property must occupy the principal dwelling or accessory unit on a year-round basis. For commercial properties, the owner must live in Brewster or designate a property manager residing in Brewster who will be named in the special permit and whose residency will be confirmed.
- The accessory unit cannot be larger than 900 square feet.
- For the first five (5) years of the program, no more than 30 such units can be approved in any one calendar year.
- Accessory units are not allowed in detached structures unless apartments already existed prior to approval of the bylaw.
- One off-street parking space is required.
- Owners of accessory units are responsible for submitting annual information to the Building and Zoning Commissioner as well as the Brewster Housing Authority, or other monitoring agent, verifying occupancy and management status.
- Leases must be for one-year terms and are to be renewed pending recertification by the Housing Authority or other designated monitoring agent of the tenant’s income eligibility.
- Affordability requirements must comply with the state’s Local Initiative Program.

To date and prior to this bylaw, thirty-eight (38) accessory apartment units had been permitted, most of them for family members (so-called in-law apartments). Only four (4) affordable accessory units were approved through the above requirements. These units are awaiting DHCD approval as LIP units but none meet all of the more recent state requirements to be counted as part of the Subsidized Housing Inventory.

The Town recently approved another revised accessory apartment bylaw at its fall of 2007 Town Meeting. Key components of this new bylaw include:

- Accessory units are allowed by right on residentially zoned lots that exceed the stipulated area regulations by at least 25%.
- One accessory unit may be allowed under special permit if the lot has more than 40,000 square feet or if the lot is residentially zoned and has at least 125% of the minimum lot requirements for the district.
- Accessory units allowed by right may be situated in attached or detached structures provided that zoning minimum dimensional requirements are met.
- Accessory units can only be created on lots with a structure or structures that existed prior to the enactment of the bylaw.

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<sup>21</sup> Town of Brewster Zoning Bylaw, Section 179-42.1.

- No accessory unit can be sold separate and apart from the principle structure unless it has been in use for at least 15 consecutive years and the ZBA grants a special permit with the condition of remaining affordable in perpetuity.
- Accessory units are allowed in commercial properties if the owner or property manager is a Brewster resident.
- Accessory units are allowed by right in commercial, industrial or business districts if the lot meets minimum dimensional requirements. If the lot does not meet minimum dimensional requirements, an accessory unit may be approved under special permit.
- A minimum of one parking space per accessory unit is required.

Thus far no units have been permitted under these provisions.

- *Multi-family Dwellings*<sup>22</sup>

Multi-family housing and townhouses are permitted in the C-H district (Commercial High Density District) under a number of very restrictive conditions including that the units and accompanying lots not comprise more than 35% of the land area, that the structures not occupy more than 25% of the lot, at least 20% of the lot must be reserved as green space, set-backs must be at least 150 feet from an existing roadway and at least 200 feet from the boundary of any residential (R) district, buildings must have no more 30,000 square feet of floor space excluding basements, and buildings must be separated from each other by at least 25 feet.

- *Cluster Residential Development*

“The cluster residential development is intended to allow flexibility in lot sizes and building arrangements for property owners in meeting the basic intent of the dimensional requirements of Article V, while at the same time maintaining the existing character of the Town.”<sup>23</sup> This provision, while promoting a “smarter” type of development pattern, does not include any density bonuses or other incentives for integrating any amount of affordable housing. There are a number of clustered developments in Brewster including Wood Duck and Eastward Homes.

- *Major Residential Development*

Major residential development is defined under the Zoning Bylaw as either the (1) land division, whether a subdivision or not, so as to increase the number of buildable lots, unless restricted from residential use, to more than six within any twelve-month period; or (2) issuance of building permits for construction of more than eight dwelling units within any twelve-month period.<sup>24</sup> Such developments require a special permit from the Planning Board and applicants must submit a basic development plan as well as a substantially different alternative development plan. The Board can approve the basic development plan as long as they determine it to be at least as beneficial to the town as the alternative.

The Planning Board may authorize flexible development within a major residential development subject to a number of conditions – 1.) the lots having reduced area are not limited to six if frontage is on a newly created street or an existing street that has been substantially improved by the development, 2.) each lot has frontage of at least 50 feet and a lot area of at least ½ the required minimum, and 3.) the proposed open space is conveyed to the Town or its Conservation Commission through a recorded restriction. All forms of residential development may be allowed in a major residential development. In regard to the number of units allowed, the Planning Board

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<sup>22</sup> Town of Brewster Zoning Bylaw, Section 179-34. Multi-family dwellings are defined under Section 179-2 of the Zoning Bylaw as properties with three or more dwelling units.

<sup>23</sup> Town of Brewster Zoning Bylaw, Section 179-35.

<sup>24</sup> Town of Brewster Zoning Bylaw, Section 179-2.

may approve a density bonus of up to 15% of the basic maximum, if the units are affordable subject to the requirements of the state’s Local Initiative Program (LIP). The Planning Board may also limit the rate of development as a condition of its approval. This bylaw was used for a couple of large developments in the past (Wood Duck, Eastward Homes, Carson’s Way, Long Pond, AP Newcomb-Newcomb Knolls), but the Town has not had a large development proposal in a long time. Additionally, this bylaw has not resulted in any affordable units.

- *Planned Residential Development*<sup>25</sup>

The Zoning Bylaw defines Planned Residential Development as “a mixed use development on a plot of land in single or consolidated ownership, in which a mixture of residential, open space, commercial, recreational and other uses and a variety of building types may be permitted subject a number of conditions.”<sup>26</sup> Such conditions include a requirement that the plot of land be at least 25 contiguous acres of upland, significantly reducing prospects for use. A comprehensive development plan and impact study must be submitted for approval by the Planning Board under a special permit. In addition to single-family homes, two-family as well as multi-family (three units or more) are allowed, but there are no density bonuses for incorporating affordable housing. This bylaw has not been used to date.

- *Subsidized Elderly Housing*

Subsidized elderly housing is allowed in most residential districts and the C-H district by special permit from the Planning Board. At least ten (10) contiguous acres are required and the density may not exceed more than eight (8) units per acre. Also the rules under Section 179-34, multifamily dwellings, apply not only in the C-H district but the residential districts as well. The bylaw also limits the number of units stating that “the provisions of this section shall not be used to increase the town-wide number of subsidized dwelling units by more than 125 dwelling units in excess of that number which is consistent with local needs as defined in MGL C. 40B, Section 20.”<sup>27</sup> There are a considerable number of design requirements and the bylaw adds that the Planning Board must determine “that the proposal would have beneficial effects which overbalance any adverse impacts on the neighborhood or the Town”<sup>28</sup> including a number of considerations, among them the effect on the range of available housing choices and service to identified housing needs. There are, however, no specific requirements for integrating affordability into conditions for the special permit.

### ***Mitigation Measures***

This Housing Production Plan includes a number of strategies that are directed to reforming local zoning regulations, making them “friendlier” to the production of affordable housing and smart growth development. These include adding inclusionary zoning, further modifying accessory apartment provisions, promoting mixed-use development, encouraging more flexible clustered zoning, and allowing affordable housing on noncomplying lots (see Section VII.B).

## **C. Local Capacity**

### ***Challenges***

In addition to managing 82 units of subsidized housing, the Brewster Housing Authority has been active in supporting a number of other housing initiatives including the lease of its land for Wells Court and its pursuit of new units for the developmentally disabled on surplus property at its Frederick Court development. The Town of Brewster also has experience in working with regional non-profit housing

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<sup>25</sup> Town of Brewster Zoning Bylaw, Section 179-36.

<sup>26</sup> Town of Brewster Zoning Bylaw, Section 179-2.

<sup>27</sup> Town of Brewster Zoning Bylaw, Section 179-42.

<sup>28</sup> Town of Brewster Zoning Bylaw, Section 179-42.

providers such as the Housing Assistance Corporation (HAC), Habitat for Humanity of Cape Cod and Lower Cape Cod CDC. The Brewster Housing Partnership has actively supported new affordable homeownership development as well as affordable accessory apartments. It will be important for the Town to continue to establish important partnerships with developers, for profit and non-profit, and build its capacity to promote new affordable units by aggressively reaching out for necessary technical and financial resources in addition to securing the necessary political support for new housing initiatives and the implementation of the Housing Production Plan.

Brewster is fortunate to have an Assistant Town Administrator who has provided professional support of affordable housing initiatives, and it has recently received approval at its spring Town Meeting to hire a Town Planner, which will provide an additional boost to local capacity.

### ***Mitigation Measures***

This Housing Plan suggests that the Town hire a Housing Coordinator to oversee the implementation of the Plan. The Town will also continue to actively engage the Brewster Housing Authority, local and regional non-profit organizations and private developers in its housing initiatives to secure important support in the implementation of this Plan (see strategy VII.D.1 and 3).

## **D. School Enrollment**

### ***Challenges***

While Brewster's population almost doubled between 1980 and 2000, those under the age of five stayed at about the same level, 359 and 353, respectively. Also, proportionately the school-age population between five and 17 years is declining somewhat, from 18% in 1980 to 17.4% in 2000. Those under 18 years of age comprised almost one-quarter of the 1980 population, or 1,300 young persons, then decreased on a percentage basis to about 21% of residents or 2,106 persons in 2000. Cape Cod Commission data indicates that only 478 students were enrolled in local schools as of October 2005, down from 537 students two years earlier. Many people with children have moved away due to the high cost of living, lack of jobs, etc., and others are sending their kids to charter schools and private schools in the area. Moreover, given declining enrollment, there has been some discussion about moving all of the elementary school students to the Stony Brook School, thus freeing the Eddy Elementary School for municipal or other purposes. Nevertheless, build-out projections indicate that the school age population should increase by about another 600 children, which would likely tax the school system.

### ***Mitigation Measures***

This Housing Production Plan recognizes the need for a wider range of affordable housing options in Brewster, including first-time homebuyer opportunities for young families. However, the Plan also suggests exploring options for covering some of the added municipal costs associated with new students, including 40R and 40S (see Section VII.B.4 for more information).

## **E. Transportation**

### ***Challenges***

Like most of Cape Cod, Brewster encounters significant problems with traffic congestion, particularly in the summer months when the population doubles in size. Starting in June 2006, a new transportation system was introduced, called Flex-Route, which provides bus service throughout the Outer Cape including Brewster. Those living within a half mile of the route can call the service to arrange pick-up. Twelve buses were purchased through a federal grant obtained by the National Seashore and all participating towns pay the operating expenses, with some support from passengers via a token system. It should also be noted that Brewster's Council on Aging offers free transportation to area seniors, thus promoting independent living for this part of the population. Nevertheless, public transit remains limited and largely requires residents to have access to automobiles, further increasing the cost of living in Brewster and

presenting a barrier to those low- and moderate-income residents who are more likely to feel the financial strains of owning and maintaining a car.

### ***Mitigation Measures***

The Town will have to pay particular attention to the projected traffic implications of any new development, working with the developer to resolve problems. One of the strategies included in this Housing Plan is to explore higher density, mixed-use development in appropriate locations that has the potential for reducing the reliance on the automobile (see Section VII.B.4 for details). Opportunities to direct development to areas that are most conducive to higher densities, such as Underpass Road and commercial corridors, may serve to reduce transportation problems somewhat.

## **F. Environmental Concerns**

### ***Challenges***

Brewster's six miles of coastline, including 76+ ponds, thousands of acres of protected parkland (Roland C. Nickerson State Park, Punkhorn Parkland Conservation Area, Drummer Boy Park), the Stony Brook Herring Run and the Cape Cod Museum of Natural History, among others, attract many thousands of visitors annually and provide highly valued opportunities for a wide range of recreational activities. These important natural assets need to be protected to the greatest extent possible and include, but are not limited to, the following:

- *Water* -- The town has 76+ ponds totaling 1,661 acres in area, and as a result, about 10% of the town's total 16,279 acres of area is under water and a good portion of eastern Brewster, as part of the Pleasant Bay watershed, is an environmentally sensitive area facing more rigorous regulatory controls by the state.
- *Monomoy Lens* -- Brewster, along with Harwich, Dennis, Orleans and Chatham, obtains its drinking water from a sole-source aquifer, the Monomoy Lens. Because drinking water is such a crucial resource, the Town has enacted a Groundwater Protection Bylaw that limits development of land within its Zone II's, the recharge areas for its four (4) wellfields. Further, the Town has enacted Wetland Protection Bylaws to protect against the destruction of habitat and pollution of surface and groundwater resources.
- *Existing Open Space* -- The Town has struggled to protect open space, which is under tremendous development pressures. Nickerson State Park occupies 1,789 acres of the town's land area as a permanently protected public recreation area. As a result of both public and private efforts, approximately 29% of the town's land area is now permanently protected. There is a full understanding that as build-out approaches, development pressures will increase, which further stresses the need to actively preserve land and accommodate affordable housing within existing and future development.

The impacts of any new development must be identified as to how its affects the environment and what actions might be required to mitigate impacts. While regulations to protect the environment, such as wetland bylaws and ZONE II regulations, and to protect the public health, such as Title V regulations, are important and essential, they nevertheless present challenges to development by reducing the amount of buildable land and increasing the time and costs of developing new housing.

### ***Mitigation Measures***

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

## **G. Availability of Subsidy Funds**

### ***Challenges***

Financial resources to subsidize affordable housing preservation and production as well as rental assistance, have suffered budget cuts over the years making funding more limited and extremely competitive. Communities are finding it increasingly difficult to secure necessary funding and must be creative in determining how to finance projects and tenacious in securing these resources.

Community Preservation funding offers Brewster an important resource for affordable housing production, as will HOME funding from the Barnstable HOME Consortium. Nonetheless, the Town will need substantial support from regional, state and federal resources as well.

### ***Mitigation Measures***

This Housing Plan provides guidance on the use of Community Preservation Funds 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, hopefully at a level well above the minimum 10% contribution. Moreover, like other communities on Cape Cod, Brewster has access to federal HOME subsidies, administered by the Barnstable County HOME Consortium. In an effort to better manage and coordinate funding for affordable housing purposes, this Plan recommends that the Town hire a Housing Coordinator (see Section VII.A.1 for details).

## **H. Community Perceptions**

### ***Challenges***

Residents in most communities are concerned about the impacts that any new development will have on local services and quality of life, and many may also have negative impressions of affordable housing in general. Therefore, local opposition to new affordable housing developments is likely to be more the norm than the exception. On the other hand, with such high real estate prices, community perceptions have begun to tilt towards the realization that more affordable housing options are needed in the community. More people are recognizing that the new kindergarten teacher, their grown children, or the elderly neighbor may not be able to afford to live or remain in the community. It is this growing awareness that is spurring communities such as Brewster to take a more proactive stance in supporting affordable housing initiatives.

### ***Mitigation Measures***

Brewster proposes launching an ongoing educational campaign to better inform local leaders and residents on the issue of affordable housing, to help dispel negative stereotypes, provide up-to-date information on new opportunities and to garner political support (see details on this strategy in Section VII.D.4). It will be important to continue to be sensitive to community concerns and provide opportunities for residents to not only obtain accurate information on housing issues, whether they relate to zoning or new development, but have opportunities for real input. Moreover, this Plan proposes that the Town hold at least annual housing summits to provide opportunities for local leaders to share information about the status of affordable housing initiatives to better promote municipal communication and cooperation in the implementation of various strategies (see strategy VII.D.5) as well as for local leaders to obtain ongoing training related to affordable housing (see strategy VII.D.6).

**V. PROPERTY INVENTORY**

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

**A. Publicly Owned Properties**

Table V-1 lists some properties that are owned by the Town or the Brewster Housing Authority that may be suitable for some amount of infill or clustered affordable housing development. The Town has conducted some preliminary analysis of Town-owned property and has identified five (5) parcels that are listed in the following table. The Town has allocated \$15,000 for legal and professional services to clear and perfect the title to these properties (this funding was allocated several years ago, and work has not yet been completed, which the Board of Selectmen needs to insure happens as quickly as possible). Another Town-owned site is also included that is located in the CH zone where multi-family housing is allowed. The Brewster Housing Partnership recently submitted a letter to the Board of Selectmen encouraging the designation of this parcel for affordable housing. The Brewster Housing Authority owns two other parcels listed below.

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

<b>Parcels</b>	<b>Map #/ Parcel #</b>	<b>Total Parcel Acres/</b>	<b>Estimated # Housing Units/Aff. Units</b>	<b>Comments</b>
BHA/Latham School housing site	24/46	2	8/8	Housing Authority owned site currently part of its Frederick Court property; Town providing \$50,000 in CPA funds for predevelopment work
BHA senior rental	24/45	5.8	20/20	Town donated site to HA
Underpass Rd.	26/102	3	25/25	Zoned for multi-family housing; adjacent to Stony Brook School
Millstone Road	98/12	14.46	40/20	CPC voted to provide resources to determine site feasibility
Hazel Lane	54/23	.56	2/2	Housing Partnership to develop an RFP for the site
Slough Road 1	10/71	.31	2/2	Housing Partnership to develop an RFP for the site
Slough Road 2	10/56	.40	2/2	Housing Partnership to develop an RFP for the site
Freeman’s Way	143/4	.83	4/4	Housing Partnership to develop an RFP for the site
<b>TOTAL</b>		<b>22.6</b>	<b>93/78</b>	

The Town should also analyze additional municipally owned parcels that are smaller in size to determine whether the sale of such properties, with proceeds going to the Housing Trust, would ultimately generate more affordable units.

In addition to currently owned Town parcels, the Town of Brewster may decide to acquire privately owned sites over the next decade 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. Smaller sites may be available as well to build affordable new starter homes on an infill basis. Some limited opportunities may also be available through the taking of tax-foreclosed properties for affordable housing.

**B. Private Properties**

It is also likely that developers, non-profit and for profit, will continue to pursue comprehensive permit applications or the standard regulatory process for affordable housing development, and it will be incumbent on the Town to determine the best approach for negotiating with these developers to guide new development to more appropriately satisfy local needs and requirements. One of the strategies recommended in this Housing Production Plan is to prepare Housing Guidelines that establish general local criteria for new housing development that would be acceptable to the Town, including the identification of areas in town that might be more appropriate for denser development; another is to reach out to developers to promote development opportunities in line with local priorities; and still another is to promote accessory apartments or the conversion of existing housing to long-term affordability.

Additionally, the Town should become alert to opportunities for acquiring property that would be suitable for some amount of affordable housing. Ideally such properties would meet a number of smart growth principals such as:

- The redevelopment of existing structures,
- Infill sites development including small home development on nonconforming lots,
- Development of housing in underutilized locations with some existing infrastructure,
- Large enough to accommodate clustered housing,
- Good carrying capacity for water and septic systems or can accommodate special treatment facilities,
- Buffer between adjacent properties, and
- Located along a major road.

## VI. AFFORDABLE HOUSING PRODUCTION GOALS

The Massachusetts Department of Housing and Community Development (DHCD) administered the Planned Production Program since December 2002, in accordance with regulations that have enabled cities and towns to prepare and adopt a Housing Plan that 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>29</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, deny comprehensive permit applications without opportunity for appeal by developers for one or two-years, respectively.

Recently adopted changes to Chapter 40B have established some new rules.<sup>30</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, translating into 33 units per year or 66 units over two years for Brewster, to 0.50% of its year-round units, meaning that Brewster will have to now produce at least 22 affordable units annually to meet production goals through 2010. When the 2010 census figures become available in 2011, this number will be somewhat higher.

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

- At a minimum, at least fifty percent (50%) of the units that are developed on publicly-owned parcels should be affordable to households earning at or below 80% of area median income – the **affordable units** – and at least another 10% affordable to those earning up to 120% of area median income – **moderate-income “workforce” units** – depending on project feasibility. The rental projects will also target some households earning at or below 60% of area median income and lower depending upon subsidy program requirements.
- Projections are based on no fewer than four (4) units per acre. However, given specific site conditions and financial feasibility it may be appropriate to decrease or increase density as long as projects are in compliance with state Title V and wetlands regulations.
- Because housing strategies include some development on privately owned parcels, production will involve projects sponsored by private developers through the standard regulatory process or possibly the “friendly” comprehensive permit process. The Town will continue to work with these private developers to fine-tune proposals to maximize their responsiveness to community interests and to increase affordability to 30% of total project units to the greatest extent feasible, potentially infusing CPA funds where appropriate.
- The projections involve a mix of rental and ownership opportunities. The Town will work with developers to promote a diversity of housing types directed to different populations with housing needs including families, seniors and other individuals with special needs to offer a wider range of housing options for residents.

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<sup>29</sup> Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

<sup>30</sup> Massachusetts General Law Chapter 40B, 760 CMR 56.00.

**Table VI-1  
Brewster Housing Production Program\***

<b>Strategies by Year</b>	<b>Units &lt; 80% AMI</b>	<b>Units 80%-120% AMI</b>	<b>Total # units</b>
<b>Year 1 – 2009</b>			
Latham School Project/ special needs rental	8	0	8
Conversion of existing housing/ first-time homeownership	2	0	2
Private development – friendly 40B with additional subsidies/ownership	12	4	36
<i>Subtotal</i>	22	4	46
<b>Year 2 – 2010</b>			
Other BHA development/rental	20	0	20
Housing on nonconforming lots/ first-time homeownership	2	0	4
<i>Subtotal</i>	22	0	24
<b>Year 3 – 2011</b>			
Mixed-use development (private dev.)	4	1	12
Conversion of existing housing/ purchase for special needs rental housing	12	0	12
Inclusionary zoning (with added subsidies)	5	2	20
Development of scattered tax title properties/ownership	4	0	4
<i>Subtotal</i>	25	3	48
<b>Year 4 – 2012</b>			
Town-owned site/ Rental	25	0	25
Conversion of existing housing/ first-time homeownership	4	0	4
Housing on nonconforming lots/ first-time homeownership	2	0	4
Inclusionary zoning	2	1	10
Private development – group home/ special needs rentals	6	0	6
<i>Subtotal</i>	39	1	49
<b>Year 5 – 2013</b>			
Mixed-use development/rental	12	2	24
Development of scattered tax title properties/ownership	8	0	8
Inclusionary zoning (with added subsidies)	5	2	20
<i>Subtotal</i>	25	4	52
<b>Total</b>	<b>133</b>	<b>12</b>	<b>219</b>

Total = 133 affordable units (for those earning at or below 80% of area median income), 12 units (for those earning between 80% and 120% of area median), and 74 market units with a total projected number of housing units created of 219 units.

***\* Final determination of the use of existing Town-owned parcels for new affordable housing is subject to a more thorough feasibility analysis of site conditions and Town Meeting approval. If any of the preliminarily identified existing Town-owned properties are finally determined infeasible or do not obtain approval from Town Meeting, it is anticipated that the projected numbers of affordable units would be met through the acquisition of privately owned properties or private development.***

These projections are therefore conservative with totals assuming homeownership projects with at least 30% of the units affordable although a mix of rental and ownership is planned to meet local needs. The numbers would be higher in the case of rental projects with all units counting as part of the Subsidized Housing Inventory. Additionally, these estimates do not earmark all projects as being directed to seniors, families, individuals or special needs populations. However, this Plan projects that all of these needs will be addressed through local development efforts during the next five years.

Meeting these production goals will be extremely challenging. Currently there is a 185-unit gap between existing affordable units (253) and 10% of the Town's year-round housing units (438 units). Moreover, this gap will increase when the new census figures become available in 2010 and when a number of units currently included in the Subsidized Housing Inventory, which participated in a Housing Rehab Program, will dropout of the count as the affordability restrictions expire. If the Town were to meet each of its annual production goals, obtaining certification each year, it would most likely reach the 10% state threshold sometime towards the end of the next ten years.

## VII. HOUSING STRATEGIES

The strategies outlined below are based on previous plans, reports, studies, the Housing Needs Assessment, local housing goals and the experience of other comparable localities in the area and throughout the Commonwealth. The strategies are grouped according to the type of action proposed – Housing Production, Planning and Regulatory Reforms, Housing Preservation and Building Local Capacity – and categorized according to priority as those to be implemented within Years 1 and 2 and those within Years 3 to 5. A summary of these actions is included in Appendix 2.

The strategies also reflect the recent changes to state requirements that ask communities to address all of the following major categories of strategies to the greatest extent applicable:<sup>31</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;*
  - Promote mixed-use development (see strategy VII.B.4)
- *Identification of specific sites for which the municipality will encourage the filing of comprehensive permit projects;*
  - Make suitable public land available for affordable housing (see strategy VII.A.1)
  - Allow starter housing on nonconforming lots (see strategy VII.B.3)
  - Promote mixed-use development (see strategy VII.B.4)
  - Support private development in line with local guidelines (see strategy VII.A.2)
- *Characteristics of proposed residential or mixed-use developments that would be preferred by the municipality;*
  - Adopt inclusionary zoning (see strategy VII.B.1)
  - Allow starter housing on nonconforming lots (see strategy VII.B.3)
  - Adopt Housing Guidelines (see strategy VII.B.5)
  - Convert existing housing to affordability (see strategy VII.A.3)
- *Municipally owned parcels for which the municipality commits to issue requests for proposals to develop affordable housing.*
  - Make suitable public land available for affordable housing (see strategy VII.A.1)
- *Participation in regional collaborations addressing housing development*
  - Participate in Barnstable County HOME Consortium (see strategy VII.C.2)
  - Promote homebuyer counseling and other homebuyer services (see strategies VII.C.2 and 3)

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

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<sup>31</sup> Massachusetts General Law Chapter 40B, 760 CMR 56.03.4.

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

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

- A result of municipal action or approval;
- Sold or rented based on procedures articulated in an affirmative fair marketing and lottery plan approved by DHCD;
- Sales prices and rents must be affordable to households earning at or below 80% of area median income; and
- Long-term affordability is enforced through affordability restrictions, approved by DHCD.

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

Some of the important tasks for insuring that the affordable units, now referred to as Local Action Units (LAU's), meet the requirements of Chapter 40B/LIP include:

- Meet with the developer to discuss requirements for insuring that the unit(s) meets the requirements for inclusion in the Subsidized Housing Inventory through the state's Local Initiatives Program (LIP).
- Determine the purchase price based on LIP Guidelines.
- Contact DHCD to discuss the project.
- Prepare a LIP Local Action Units application submitted by the municipality (chief elected official).
- Identify a marketing agent to conduct outreach and the lottery.
- Execute a regulatory agreement to further insure long-term affordability between the developer, municipality and DHCD.
- Prepare a Fair Housing Marketing Plan.
- Prepare a Purchaser Application and implement the Marketing Plan.
- Hold at least one information session about the lottery.
- Approve applicants for eligibility in the lottery.
- Prepare a letter to those eligible for inclusion in the lottery and another to those who do not qualify.
- Conduct the lottery.<sup>32</sup>
- Work with winning applicants and lenders to secure mortgage commitments.
- Obtain the deed rider and resale price certificate from DHCD that requires the loan commitment letters, purchase and sale agreements, and contact info for the closing attorneys.
- Work with lenders and the developer to close on the units.

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<sup>32</sup> Up to 70% of the affordable units in most developments can be reserved for those who have a connection to the community as defined by Section C of the state's Affirmative Fair Housing Marketing Plan guidelines, dated June 25, 2008.

- Submit necessary documentation to DHCD to have the unit counted as part of the Subsidized Housing Inventory.
- Annually recertify the continued eligibility of affordable units.

The proposed Housing Coordinator (see Section VII.D.1), another designated municipal employee, or a consultant could coordinate this work, and associated administrative costs should come from the project budget and could also be covered by Community Preservation funding. The affordability restrictions for all units produced through the Local Initiative Program will be monitored by DHCD, but it is the premise of LIP that the municipality and DHCD work together to create affordable housing and fulfill the obligations of the affordability restrictions.

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

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

#### **A. Housing Production Strategies**

To accomplish the actions included in this Housing Plan and meet production goals, it will be essential for the Town of Brewster to continue to reach out to the development community and sources of public and private financing to secure the necessary technical and financial resources. While some of the units produced may rely on the participation of existing homeowners, most of the production will require joint ventures with developers – for profit and non-profit – to create affordable units. For example, competitive Requests for Proposals (RFP's) are necessary for the selection of developers of Town-owned property. For profit developers continue to express interest in developing housing in Brewster, and there are a number of for profit developers whose major focus has been on affordable housing production. There are also numbers of effective non-profit organizations that have successfully completed affordable housing projects on Cape Cod, including in Brewster. This Plan also suggests that the Town prepare Housing Guidelines (see strategy VII.B.5) that establish some local development criteria that can be a useful tool for developers considering projects in Brewster. These criteria can include guidance regarding scale, siting, density, levels of affordability, design, etc., including possible locations that the Town might more suitable for higher density development, even “friendly” 40B projects, such as in proximity to the commercial corridors or Underpass Road.

In addition to the active participation of the development community, it will be important for Brewster to actively seek support from state and federal agencies. In addition to the state's Department of Housing and Community Development (DHCD), other state and quasi-public agencies that have resources to support affordable and special needs housing include MassHousing, MassDevelopment, Department of Mental Retardation, Department of Mental Health, Community Economic Development Assistance Corp. (CEDAC), Massachusetts Housing Partnership Fund, and Massachusetts Housing Investment Corporation (MHIC). Regional resources should be considered as well including the Cape Cod Commission (CCC),

Barnstable County HOME Consortium, Housing Assistance Corporation (HAC), Habitat for Humanity of Cape Cod and the Community Development Partnership (formerly known as the Lower Cape Cod CDC). Because affordable housing is rarely developed without private financing, project developers will need to reach out to private lenders as well.

The following strategies provide the basic components for the Town to meet its housing production goals:

**1. *Continue to Make Suitable Public Land Available for Affordable Housing***

*Current Status:* The contribution or “bargain sale” of land owned by public entities, including the Town and Housing Authority, but not essential for public purposes is a component of production goals and the Town has identified a list of potential publicly-owned parcels that might be developed as affordable (see Section V.A. of this Plan for the list of properties under preliminary consideration). Final determination of the use of these parcels for affordable housing is subject to a more thorough feasibility analysis of site conditions and in the case of municipally-owned properties, Town Meeting approval.

In addition to currently owned Town parcels, the Town of Brewster may decide that it will acquire privately owned sites over the next decade 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. Smaller infill sites might be acquired as well to build affordable starter homes. Acquisitions could occur through the private housing market, through special negotiations with existing owners who are interested in selling their properties for a discounted price in exchange for tax advantages, or through the tax foreclosure process.

*Next Steps:* The Town should develop a more formal policy for determining the future use of surplus municipal property that brings together all interested stakeholders, including the Brewster Housing Partnership, into the decision-making process. Moreover, there are a number of Town-owned properties, some of which are included in Table V-1 of this Housing Plan, to which funding was appropriated two years ago for title searches. Thus far this work has not been completed, and the Board of Selectmen should follow-up to insure the timely completion of this important work.

The Town should also support the costs of preliminary feasibility analyses of existing Town-owned parcels or Housing Authority owned properties, including those listed in Section V.A, or on sites identified at a later time on the open market, through negotiations with interested sellers for reduced prices or through tax foreclosures that might potentially include some amount of affordable housing. Such analyses could be funded through Community Preservation funds. In fact, the Community Preservation Committee has approved a funding request from the Brewster Housing Authority to support predevelopment costs for the development of special needs housing. If the preliminary analysis indicates that housing might likely be accommodated, the Town should consider further CPA support towards project financing. For Town-owned properties, approval will be required from the Board of Selectmen and Town Meeting to acquire and/or designate these parcels for housing development that includes affordable housing and perhaps other uses as well.

Following the necessary approvals for the conveyance of Town-owned properties, the Town’s Chief Procurement Officer and a housing professional (proposed Housing Coordinator, other staff person, or a consultant) should prepare a Request for Proposals (RFP) to solicit interest from developers based on the Town’s specific project requirements and select a developer based also on identified criteria included in the RFP. Projects may require densities or other regulatory relief beyond what is allowed under the existing Zoning Bylaw, and this might be obtained through normal regulatory channels, if community support is assured, or use the “friendly” comprehensive permit process through DHCD’s Local Initiative Program (LIP) or other subsidizing agency. Additionally, the Town will need to be involved in attracting

the necessary financial, technical and political support. Evidence of municipal support is often critical when seeking financial or technical assistance from regional, state or federal agencies.

*Timeframe:* Years 1-2

*Responsible Party:* Board of Selectmen

*Resources Required:* It would be useful to have professional support to coordinate this effort, working with the Town's Chief Procurement Officer to prepare a Request for Proposals, staff the developer selection process and monitor development and construction, marketing and tenant/owner selection and occupancy. This professional support could be covered by CPA funds directed to the proposed Housing Coordinator, other municipal staff person or a consultant. Moreover, if the selected developer did not have the necessary capacity to undertake the marketing and lottery for the affordable units, the designated professional or other qualified entity might also be able to perform these functions, with project funding through professional fees for services.

Resources will also be required to help subsidize the development. Comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units in fact subsidize the affordable ones. Many communities have used the "friendly" comprehensive permit process to take advantage of these internal subsidies, to create the necessary densities to make development feasible, and to make it easier to navigate the existing regulatory system. Other communities are finding that they require public subsidies to cover the costs of affordable or mixed-income residential development and need to access a range of programs through the state and federal government and other financial institutions to accomplish these objectives. 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. Sometimes even Chapter 40B developments are finding it useful to apply for external subsidies to increase the numbers of affordable units, to target units to lower income or special needs populations, or to fill gaps that market rates cannot fully cover.

It is likely that a number of financial and technical resources will be required to produce affordable units in Brewster. Appendix 3 includes summaries of many of these programs but some are highlighted below.

- Predevelopment funding from the Cape Cod Commission's Technical Assistance Program (TAP), CPA funding, or state programs such as the Priority Development Fund, Smart Growth Technical Assistance Program, CEDAC, MHIC, Life Initiative, etc.
- Federal HOME Program financing of up to \$65,000 per unit administered through DHCD for a range of housing activities. These are competitive funding sources, and DHCD typically accepts proposals through two funding rounds per year. The Barnstable County HOME Consortium, administered by the Cape Cod Commission, also has HOME funding available to communities in Barnstable County.
- Possible federal financing through Low Income Housing Tax Credits to developers of affordable housing that provide significant equity into a development. The allocating agency is DHCD and there are typically two funding rounds per year. Other entities are also involved in providing (syndicating) tax credits. These funds are directed to rental properties solely and are extremely competitive.
- Section 202 federal financing to non-profit organizations for the development of rental housing targeted to very low-income seniors and those with disabilities.
- 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 (this program is administered through the state, Housing Authorities and regional non-profit organizations).
- Section 8 to Homeownership Program, enabling Section 8 subsidy recipients to access homeownership.
- Additional resources that are directed solely to first-time homebuyer projects to make homeownership more affordable including the Soft Second Loan Program, American Dream Downpayment Assistance Program and MassHousing First-Time Homebuyer financing.
- Financing from CEDAC to support innovative forms of affordable housing including SRO's, transitional housing, limited equity cooperatives, etc. and to preserve existing affordable housing developments.
- OneSource Loan Program is a streamlined financing program offered jointly by MHIC and Massachusetts Housing Partnership Fund offering construction and permanent financing in a single package.
- Other state funding programs such as the Affordable Housing Trust Fund, Housing Stabilization Fund, etc.

*Projected # Affordable Units Produced: 65 units*

## **2. Support Private Development in Line with Local Guidelines**

*Current Status:* With incentives created in the zoning bylaw to promote affordable housing (see Section VII.B), and with local policies that provide guidance to developers on what the Town would like to see with respect to new development (see strategy VII.B.5), the Town is in a good position to work cooperatively with developers, both for profit and non-profit, to guide new development that incorporates affordable units. This Housing Production Plan suggests that in addition to accessory apartments that are already promoted through the Zoning Bylaw, new provisions should be made to encourage the following types of housing:

- Mixed-use development in appropriate locations,
- Smaller infill housing on nonconforming lots,
- Cluster development that is more in keeping with smart growth principles, and
- Small scattered sites, like those developed by Habitat for Humanity, when developed as affordable housing.

Support for such development could be processed through normal regulatory channels when the projects are in basic compliance with existing zoning or could be handled through the “friendly” 40B process offered through the state’s Local Initiative Program (LIP). Comprehensive permits have proven to be a useful tool in many communities for projects that require significant waivers of local zoning but meet local needs and priorities. Some of these projects have also incorporated more affordable units than those required under Chapter 40B. Key to the success of these new developments was the partnership between the Town and the developer to build affordable housing, the infusion of Community Preservation funding to support the enhanced affordability of these developments and leverage other sources of financing including the Barnstable County HOME funds and state-supported subsidy programs (see Appendix 3 for a summary of resources), as well as the expertise of the developer in building affordable housing.

*Next Steps:* The Town should *reach out* to local developers who have been active in producing affordable housing to discuss the Town’s interest in promoting these units, possible areas and opportunities for new development, local guidelines and priorities for new development (see strategy VII.B.5), and the prospects for working together in the future. This will be particularly useful after the Town has produced Affordable Housing Guidelines and has passed key zoning changes summarized in Section VII.B.

To effectively guide development, the Town should also establish a *process for reviewing* local development proposals in their early conceptual stages to provide useful feedback to developers on preliminary plans. The Town should therefore identify a particular municipal entity to oversee this review and a staff person to coordinate the process such as the proposed Housing Coordinator, other municipal official, or a consultant.

*Timeframe:* Years 1-2

*Responsible Party:* Brewster Housing Partnership

*Resources Required:* The proposed Housing Coordinator, other designated municipal official or a consultant (could be paid by CPA funds) should take the lead in reaching out to affordable housing developers and in staffing the local proposal review process, working with developers on the “friendly” 40B process where appropriate.

*Projected # Affordable Units Produced:* 50 affordable units

### **3. Convert Existing Housing Units to Affordability**

*Current Status:* Brewster should not overlook the potential of working on strategies to not only preserve the affordability of the existing housing stock (see strategy VII.C.2) but to, when possible, convert existing market units to state-defined “affordable” ones, thus insuring the long-term affordability of existing units.

There are a variety of program strategies that provide affordability through focusing on existing dwelling units rather than new ones. They have the potential of being helpful, though Brewster’s elevated prices are a challenge. Examples include:

- Mortgage Assistance Programs: Providing subsidies to qualified first-time homebuyers to fill the gap between the market purchase price and the affordable price that is allowed under the state’s Local Initiative Program (LIP).
- Buy-downs: Purchase of one- or two-family structures or other housing types by some housing organization or agency, renting or reselling one (or possibly both/several) of the units subject to a deed restriction assuring permanent affordability.
- Equity Conversion Homeownership Programs (ECHO – also known as Affordable Deed Restriction Programs): Purchase of a restriction on housing occupied by an income-eligible senior or other lower income household, providing public assurance (deed restriction) that the house when resold will remain affordable and offering residents cash for rehab plus an annuity or lump-sum subsidy. While ECHO initiatives have been politically popular in communities, including Bedford, Marion, and Westport, for example, which provided set-asides of funding; they have not proven to be effective strategies and have not produced any affordable units to date. Consequently, Brewster should focus more on the viability of the other two approaches – the mortgage assistance program or buy-down initiative.

Buy-down programs have proven to be viable strategies in a number of communities including the Sandwich Home Ownership Program (SHOP) implemented several years ago that produced seven (7) affordable housing units under the coordination of HAC. HAC is trying to to replicate this effort in Barnstable, and the Municipal Affordable Housing Trust in Yarmouth has had success with its program using CPC and County HOME funds.

Several towns have also adopted mortgage assistance programs. For example, the Town of Chatham has introduced the First Time Homebuyers Assistance Program that uses up to \$60,000 in CPA funds per household to fill the gap between the market price of a home and the affordable purchase price as allowed under the state's Local Initiative Program (LIP). Purchasers are pre-qualified through the Program before they are able to search in the private housing market for a qualifying home. Purchasers are also required to attend first-time homebuyer classes and encouraged to explore more affordable mortgage financing such as loans through the state's Soft Second Loan Program. The Chatham Housing Authority administers the Program.

The Town of Bourne is also introducing a mortgage assistance program, referred to as the Bourne Housing Opportunity Purchase Program (B-HOPP). This Program involves matching those on a pre-qualified ready to buy list (developed through a lottery) with identified properties in the private housing market, providing the necessary subsidy to make the units affordable. Maximum subsidies are \$15,000 per bedroom for single-family homes and \$20,000 per bedroom for condominiums. Another aspect of B-HOPP is to have purchasers utilize the most advantageous mortgages available, such as through the USDA or Soft Second Program, reducing the necessary subsidy to the greatest extent possible. The Program will also allow its CPA funds to be used to bring the dwelling up to HUD Housing Quality Standards.

*Next Steps:* The Town should explore these models and determine which of these options makes the most sense in Brewster. It should then prepare an implementation plan that outlines program procedures and the respective roles and responsibilities of various municipal staff persons and boards and committees. Community Preservation Funds and potentially HOME funding from the Barnstable County HOME Consortium could be allocated to the program to provide the necessary subsidies.

*Timeframe:* Years 1-2

*Responsible Party:* Brewster Housing Partnership

*Resources Required:* Some professional staff time, most likely from the proposed Housing Coordinator, other municipal official, or a consultant (paid through CPA funds), to prepare an implementation strategy and oversee project operations. Another option is to contract with the Chatham Housing Authority to expand their existing First Time Homebuyers Assistance Program into Brewster, to be paid on a fee for service basis.

*Projected # Affordable Units Produced:* 18 units

#### **4. Promote Accessory Apartments**

*Current Status:* To date thirty-eight (38) accessory apartment units have been permitted in Brewster, most of them for family members (so-called in-law apartments). Only four (4) affordable accessory units have been approved through the Affordable Accessory Apartment bylaw. These four units are awaiting DHCD approval as LIP units but none meet all of the more recent state Local Initiative Program (LIP) requirements to be counted as part of the Subsidized Housing Inventory, although they were submitted for approval before the new provisions were in effect.

The Town recently approved a revised accessory apartment bylaw at its fall of 2007 Town Meeting. This bylaw makes it easier to create accessory units, even allowing their development by-right under a number of conditions, also allowing them in nonresidential properties and in detached structures. However, given that the new state LIP guidelines require tenants to be selected by owners through a Ready Renters List of pre-qualified applicants managed by the municipality, it is unlikely that many owners will choose to

follow through with the affordability requirements, including entering into deed restrictions (see strategy VII.B.6 for more information).

Wellfleet has an affordable accessory apartment bylaw that promotes the development of accessory units where tenants meet income requirements but owners are not required to enter into deed restrictions nor pick tenants from a Ready Renters List. The Town also has just recently initiated a new pilot initiative, the Affordable Accessory Dwelling Unit (AADU) Loan Program, to provide qualifying local property owners with assistance in creating affordable accessory rental units. The Wellfleet Town Meeting approved \$20,000 in Community Preservation funding to provide no interest loans which will be due as a balloon payment in 30 years or when the unit is no longer used as an affordable accessory unit, whichever comes first. The funding was meant to cover two to four loans to address outstanding health and/or safety repairs in order to obtain special permit approval from the Zoning Board of Appeals for the accessory unit, however the costs of improvements will be more than what is projected under the loan program. This loan program was developed by the Wellfleet Housing Authority (WHA) in conjunction with the Lower Cape Cod Community Development Corporation (Lower Cape Cod CDC) and is meant to support Wellfleet's existing effort to promote year-round rental units, providing another incentive for property owners to convert part of their residential or commercial properties to an affordable residential accessory unit. Wellfleet has also passed special legislation to offer tax exemptions on the portion of the property rented affordably.

*Next Steps:* The Housing Partnership should monitor and promote the existing accessory apartment bylaw. If it is determined that the bylaw is not working effectively, it should explore other efforts to promote affordable accessory apartments, such as Wellfleet's, as well as initiatives in other communities, and determine how best to move forward in encouraging accessory units locally. It will have to work closely with the Planning Board, particularly in determining how or whether to revise the accessory apartment bylaw (see strategy VII.B.6). For example, the Town could establish its own funding program to support loans under specific conditions for those interested in creating accessory apartments. The loan program, like Wellfleet's, could be supported by CPA funding. Moreover, the Town could prepare a Ready Renters List per LIP requirements and offer owners the opportunity to select tenants from the list, but a deed restriction would also be necessary to have the units count as affordable and part of production goals and the Subsidized Housing Inventory. Recent LIP changes, however, allow deed restrictions for accessory units to be revoked upon the discretion of the property owner but the unit will be removed from the Subsidized Housing Inventory.

*Timeframe:* Years 1-2

*Responsible Party:* Brewster Housing Partnership

*Resources Required:* Some donated time of local leaders to monitor the use of the accessory apartment bylaw and determine modified local policies with respect to accessory apartments and professional staff time for implementation, most likely from the proposed Housing Coordinator, other municipal official, or a consultant (paid through CPA funds) to prepare an implementation strategy and oversee project operations.

*Projected # Affordable Units Produced:* This strategy will promote units occupied by tenants earning at or below 80% of area median income and serve an important local need for more affordable year-round rental units. However, these units may not count as part of the Subsidized Housing Inventory unless owners choose to take tenants from the Ready Renters List and enter into a deed restriction.

## **B. Zoning and Planning Strategies**

Housing production is contingent not only on actual development projects but on the planning and regulatory tools that enable localities to make well informed decisions to strategically invest limited public and private resources on housing creation. To most effectively and efficiently execute the strategies included in this Plan and meet production goals, greater flexibility will be needed in the Town's Zoning Bylaw, and new tools will be required to capture more affordable units and better guide new development to specific "smarter" locations.

The Zoning Bylaw includes a minimum lot requirement of at least 60,000 square feet as well as frontage, setback and other requirements that are not conducive to affordable housing. This creates the likely need for regulatory relief for any residential development that includes affordable units, possibly through the "friendly" comprehensive permit process that overrides local zoning if not through normal regulatory channels. Additionally, the Zoning Bylaw incorporates a number of provisions that while intended to encourage affordable housing, have not provided sufficient incentives to realize actual new affordable unit production and should be revisited and revised as necessary (see Section IV.B).

It should be noted once again that the Town of Brewster recently adopted an accessory apartment bylaw to make it easier for property owners to develop affordable accessory units including provisions to allow them by-right (see Section IV.B for details). These units fill an important need for small year-round rental housing in Brewster and their development has strong local support.

The Town of Brewster should consider the following planning and zoning-related strategies to promote the creation of additional affordable units and to better direct new development. These actions can be considered as tools that the Town will have available to promote new housing opportunities, each applied to particular circumstances and providing a powerful group of resources when available in combination.

### **1. Encourage More Flexible Cluster Zoning**

*Current Status:* Brewster's Zoning Bylaw includes provisions that allow cluster development through its cluster residential development bylaw and major residential development bylaw. The former does not allow any density bonuses for affordable housing and while the latter does, no affordable units have been approved to date. Additionally, cluster development has not been promoted as a "smarter" way for developing new sites. Cluster development can better protect the environment and the rural character of Brewster while offering a broader range of housing options that can promote affordability.

*Next Steps:* The Planning Board should review model bylaws with respect to more flexible zoning provisions and tweak the existing bylaw. Model bylaws have been produced by the Metropolitan Area Planning Council, Massachusetts Audubon, and others in the Green Neighborhood Alliance, and adopted by a number of Massachusetts communities. Several examples are offered on the Citizen Planner Training Collaborative website ([www.umass.edu/masscptc/examplebylaws.html](http://www.umass.edu/masscptc/examplebylaws.html)) and the state's Smart Growth Toolkit ([www.mass.gov/envir/smart\\_growth\\_toolkit/pages/SG-bylaws.html](http://www.mass.gov/envir/smart_growth_toolkit/pages/SG-bylaws.html)).

More incentivized density bonuses and affordability requirements should be integrated into the bylaw to encourage this kind of development and to support project feasibility. Associated design guidelines and review and inclusionary requirements can insure that goals are met in ways appropriate and beneficial to the Town.

*Timeframe:* Years 1-2

*Responsible Party:* Planning Board

*Resources Required:* The Planning Board should coordinate this effort with other appropriate local officials, drafting the zoning amendment and coordinating the necessary approvals towards implementation. This strategy is also likely to require the professional support from the Town Planner with input from the proposed Housing Coordinator and/or a consultant.

*Projected # Affordable Units Produced:* Units created under this strategy become part of some of the private development (see strategy VII.A.2 for estimates).

## **2. Adopt Inclusionary Zoning**

*Current Status:* Inclusionary zoning, not currently included in Brewster's Zoning Bylaw, is a zoning provision that requires a developer to include affordable housing as part of a development or potentially contribute to a fund for such housing. This mechanism has been adopted by more than one-third of the communities in the state to insure that any new development project over a certain size includes a set-aside in numbers of affordable units or funding from the developer to support the creation of affordable housing. This bylaw applies to development that typically meets local zoning requirements, but most communities have determined it appropriate to incorporate density bonuses in their inclusionary bylaw. Many of the municipalities that have inclusionary zoning in place are reaping the rewards of these actions through the creation of actual affordable units and/or cash contributions to the locality for investment in affordable housing production. Most of the bylaws include mandated percentages of units that must be affordable, typically 10% to 20% and density bonuses<sup>33</sup>. Some also allow the development of affordable units off-site and/or cash in lieu of actual units.

*Next Steps:* There are a variety of bylaws that have been adopted in localities throughout the state but requirements vary considerably. The Executive Office of Environment and Energy's Smart Growth Toolkit includes a model inclusionary zoning bylaw that highlights key local decisions and makes some commentary for consideration throughout ([www.mass.gov/envir/smart\\_growth\\_toolkit/pages/SG-bylaws.html](http://www.mass.gov/envir/smart_growth_toolkit/pages/SG-bylaws.html)). The Citizen Planner Training Collaborative's website has a model bylaw with commentary and some policies as well ([www.umass.edu/masscptc/examplebylaws.html](http://www.umass.edu/masscptc/examplebylaws.html)).

The Brewster Planning Board should explore models and prepare a zoning amendment that is best suited to supporting affordable housing in Brewster. The Planning Board should prepare, adopt and present the bylaw to Town Meeting for adoption.

*Timeframe:* Years 1-2

*Responsible Party:* Planning Board

*Resources Required:* One of the benefits of this strategy is that it requires very little local investment to implement. The research and preparation of the bylaw could be performed by the Town Planner with input from the proposed Housing Coordinator or a consultant. If the Town decided to hire a consultant, the fee should not be more than \$5,000 and could be covered by CPA funds, Cape Cod Commission's Technical Assistance Program (TAP), or state technical assistance funding such as DHCD's Priority Development Fund or the Executive Office of Energy and Environmental Affairs (EOEA) Smart Growth TA Program.

It will be important to also insure that all affordable units produced through the bylaw get counted as part of the Subsidized Housing Inventory, applied through the Local Initiative Program (LIP) administered by DHCD if another housing subsidy is not used. The major tasks for insuring that the affordable units, now referred to as Local Action Units (LAUs), meet the requirements of Chapter 40B are summarized at the

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<sup>33</sup> Density bonuses allow increased densities beyond what is allowed under the Zoning Bylaw.

introduction to this section. The proposed Housing Coordinator could oversee this work (see strategy VII.D.1), the costs to be budgeted as part of the project. The monitoring of projects to insure continued affordability based on use restrictions would be the responsibility of a designated monitoring agent, DHCD in the case of LIP units, however towns also have a role in the monitoring process.

*Projected # Affordable Units Produced:* Ideally the adoption of this bylaw would lead to the production of actual housing units, but may also deliver payments in lieu of actual units to help capitalize Brewster's dedicated housing fund. Units counted under strategy VII.A.2.

### 3. ***Allow "Starter Home" Development on Nonconforming Lots***<sup>34</sup>

*Current Status:* There are parcels of vacant land that at this time cannot be developed because they do not meet the dimensional requirements of the Zoning Bylaw such as minimum lot size as well as front, rear and side yard provisions without regulatory relief. It is likely that many of these parcels could in fact be suitably developed as housing, and Brewster's Zoning Board of Appeals has in fact provided special permits for these situations in the past. Smaller lots will encourage the construction of smaller homes under appropriate guidelines to provide some housing options that are not currently being created by the private market as starter housing, which is a priority housing need in Brewster as identified in the Housing Needs Assessment (see Section III).

*Next Steps:* The Planning Board should explore what other communities are doing with respect to these undersized lots and work with the Zoning Board of Appeals and Housing Partnership to prepare a zoning amendment to enable these lots to be developed based on specific criteria, including some affordability requirements and sensitivity to groundwater protection areas.

One potential model is to consider the thrust of a bylaw that has been approved in Dennis and modify it to meet Brewster's needs. This bylaw allows "affordable lots" that enable nonconforming lots to be built on by special permit if they meet the following conditions:

- Contains at least 10,000 square feet and satisfies other Board of Health requirements.
- Has safe and adequate access to a public or private way.
- Is similar in size and shape to surrounding lots.
- The dwelling cannot have more than three bedrooms with a minimum of 5,000 square feet per bedroom.
- The applicable front, rear and side yard requirements are determined by establishing an average setback based on the homes adjacent to and across the street from the lot in question.
- Where two lots are in common ownership, one of the two lots must be deed restricted to insure permanent affordability and where more than two lots are held in common ownership, the second, third and fifty percent of the remaining lots to be built upon shall be deed restricted as permanently affordable (the fourth lot may be market rate, fifth affordable, sixth market rate, etc.).

Another consideration might be to decrease the minimum lot requirement from 60,000 to 15,000 or even 10,000 square feet for two-family homes where one of the units is affordable and eligible for counting as part of the Subsidized Housing Inventory as long as the development is in line with Title V requirements. The development of these lots could also be promoted through the "friendly" 40B process of the state's Local Initiative Program (LIP).

*Timeframe:* Years 3-5

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<sup>34</sup> Also referred to as "noncomplying lots".

*Responsible Party:* Planning Board

*Resources Required:* The Planning Board, in coordination with the Zoning Board of Appeals and Housing Partnership, should coordinate this effort with other appropriate local officials in determining the feasibility of implementing this strategy in Brewster, drafting the zoning amendment and coordinating the necessary approvals towards implementation. This strategy is also likely to require some professional support from the Town Planner with input from the proposed Housing Coordinator or a consultant.

*Projected # Affordable Units Produced:* Units created under this strategy become part of some of the private development (see strategy VII.A.2 for estimates).

#### **4. Promote Mixed-Use Development**

*Current Status:* Brewster’s Zoning Bylaw allows mixed-use development through its Planned Residential Development bylaw, but the bylaw requires that these mixed uses be developed on at least 25 contiguous acres of upland. Because there are few such sites available for new development in Brewster, as well as other onerous requirements, it is not surprising that the bylaw has never been used (see Section IV.B for more information). Moreover, it is appropriate in a planning context to look towards promoting mixed-uses, particularly mixed commercial and residential uses, in areas that already allow commercial development and where somewhat higher density makes sense such as certain areas along Route 6A or Underpass Road, including business and commercial zoning districts. Opportunities for integrating affordable housing into mixed-use development should also be promoted in the bylaw.

There are bylaws that have been adopted in many other communities that offer models on how to integrate housing, including affordable housing, in town or village centers and other commercial areas. These bylaws encourage the development of housing on top of first-floor retail space, for example. The Town of Yarmouth recently passed a Village Center Bylaw that would be worth reviewing, and the Metropolitan Area Planning Council (MAPC) has prepared a report entitled, “Mixed Use Zoning: A Planner’s Guide” that can be referenced. Additionally, the Citizen Planner Training Collaborative offers several models including one adopted by the Town of Dennis. The establishment of Smart Growth Zoning Overlay District under the state’s 40R and 40S provisions may also be helpful in promoting the feasibility of mixed-use development (40R/40S are described in Appendix 3).

Another option would be to develop policy and design guidelines on mixed-use development and process acceptable mixed-use development projects through the “friendly” 40B process as established under the state’s Local Initiative Program (LIP). These policies could be incorporated into the Affordable Housing Guidelines proposed under strategy VII.B.5.

*Next Steps:* The Planning Board should explore bylaws for promoting mixed-use development and prepare a zoning amendment that best meets Brewster’s needs, which would be submitted to Town Meeting for approval.

*Timeframe:* Years 3-5

*Responsible Party:* Planning Board

*Resources Required:* This strategy will require staff time from the Town Planner with input from the proposed Housing Coordinator or a consultant.

*Projected # Affordable Units Produced:* Units created under this strategy are counted under strategies VII.A.1 or 2.

**5. Adopt Affordable Housing Guidelines – Promoting More Responsive Private Development**

*Current Status:* “Affordable Housing Guidelines” should be considered by the Town of Brewster as a helpful tool for promoting greater cooperation with private for profit and non-profit developers on affordable housing production (see strategy VII.A.2). This Housing Plan incorporates production goals that identify development opportunities leading to the potential production of at least 0.50% of the year-round housing stock per year or at least 22 units. However, given past production, this goal is ambitious and will require the Town to continue to work with developers to boost the level of affordable housing. To this end the Town should consider affecting the types of housing proposals submitted through the creation of reasonable Affordable Housing Guidelines that provide guidance on projects that will be acceptable to the community, and therefore, more likely to avoid prolonged and often litigious battles. These guidelines can also help direct private development to more appropriate locations, including areas that are more conducive to higher densities such as the commercial corridors and Underpass Road, entertaining potential “friendly” comprehensive permit projects based on these general project criteria.

Affordable Housing Guidelines, also referred to as LIP Policies or local 40B guidelines, provide an aid to both non-profit and for profit housing developers to help them plan for residential development that will be in line with what the community seeks in affordable housing related to scale, siting, density, levels of affordability, location, design, etc. Through such Guidelines the developer “wins” because there is greater predictability in what the Town is willing to approve, and the Town “wins” because it gets new affordable units that meet reasonable locally-established development criteria that help it satisfy local needs and production goals. These Guidelines will contribute to a more open environment where developers who abide by these development criteria can approach the Town with the expectation that they will likely be able to pursue their project through a “friendly” Chapter 40B process, if not normal regulatory channels, working with instead of against the Town on housing creation strategies.

Other towns have established guidelines including the Town of Grafton, which is planning to revisit and revise policies for “friendly” 40B projects, as well as the Town of Chatham that has established local 40B policies.

*Next Steps:* The Planning Board, working in coordination with the Brewster Housing Authority, Housing Partnership, ZBA and CPC should explore models of Affordable Housing Guidelines (also referred to as LIP Policies, Chapter 40B Policies or Procedures), make necessary changes and share them with the Board of Selectmen, Conservation Commission, Board of Health, Zoning Board of Appeals and other interested boards and committees for their review and comment. The Guidelines can then be finalized and made public.

*Timeframe:* Years 3-5

*Responsible Party:* Brewster Housing Partnership in cooperation with the Planning Board, Brewster Housing Authority, ZBA and Community Preservation Committee

*Resources Required:* The donated time of local officials and various Town boards and committees and staff time from the Town Planner, proposed Housing Coordinator, other designated municipal official or a consultant, funded through available state technical assistance funds, CPA or the Cape Cod’s Commission’s Technical Assistance Program (TAP).

*Projected # Affordable Units Produced:* These units are also counted under strategy VII.A.2.

**6. Review Effectiveness of Accessory Apartment Bylaw and Modify as Necessary**

*Current Status:* The accessory apartment bylaw was amended in the fall 2007 Town Meeting to better promote accessory apartments and to encourage their affordability (see Section IV.B for more

information). However, changes to the state's Local Initiative Program (LIP) established new requirements for accessory apartments including the following:

- The municipality must submit an application to the state for approval of an affordable accessory apartment program that includes an affirmative fair marketing plan and the designation of a local project administrator responsible for oversight of the program.
- No employee, business associate, or family member of the unit owner or its management company can be selected as a tenant.
- The affirmative fair marketing plan must describe the outreach for media outlets and a list of community-based organizations that will receive notices of the availability of affordable units.
- The affirmative fair marketing plan must include the establishment and maintenance of a waiting list of qualified households applying to rent accessory apartments, referred to as the Ready Renters List, that is used to fill vacant units and must be periodically updated. Applicants on the list must have their eligibility reverified at the time a unit is offered to them and the list must be supplemented as needed, but at least annually, through ongoing outreach efforts.
- The tenant selection process requires that owners of available accessory apartments provide written notice to the local project administrator who in turn refers up to three appropriately sized households to the owner who must show the unit and then make a selection. The owners may also request a new referral of applicants. Non-selected applicants return to the top of the Ready Renters List.
- Deed restrictions are required that run with the property so as to be binding on and enforceable against any person claiming an interest in the property and will restrict the leasing of the accessory apartment as a rental unit to a person or family earning at or below 80% of area median income. The deed restriction can be revoked upon the discretion of the owner but the unit must then be removed from the Subsidized Housing Inventory.
- Rents are calculated in the same way as other LIP units.
- Leases are required for a minimum term of one year.
- The municipality, through the local project administrator, must recertify the eligibility of each affordable accessory apartment annually and prepare an annual report for submission to DHCD.

Brewster's current accessory apartment bylaw requires that all accessory apartments have deed restrictions and comply with the state's program.

*Next Steps:* Local leaders should monitor the use and effectiveness of the new bylaw and make changes to encourage its use and reconcile the changes in state LIP guidelines. For example, the community may decide to allow accessory apartments outside of the deed and marketing restrictions, similar to Wellfleet's orientation, continue to promote the affordable accessory apartment program as required under current LIP guidelines, or allow some choice from local units owners. (See strategy VII.A.4 for more information regarding the promotion of accessory apartments.) If the Planning Board decides to make adjustments to the bylaw they would have to be approved by Town Meeting.

*Timeframe:* Years 3-5

*Responsible Party:* Planning Board with support from the Housing Partnership

*Resources Required:* The donated time of local officials and various Town boards and committees with support from the Town Planner, proposed Housing Coordinator, other designated Town official or a consultant.

*Projected # Affordable Units Produced:* May produce some affordable units but perhaps not those that will be eligible for counting as part of the Subsidized Housing Inventory or production goals.

### **C. Housing Preservation Strategies**

Housing production is critical, but the Town also needs to be concerned that it does not lose current as well as future units counted as part of its Subsidized Housing Inventory to the greatest extent possible and provides resources to support the deferred home maintenance needs of seniors.

#### **1. Reconcile Subsidized Housing Inventory**

*Current Status:* As noted earlier in the Housing Needs Assessment (see Section III.D), in addition to the 253 affordable units that are currently included in the Subsidized Housing Inventory, additional units are not currently counted but might be eligible including:

- Yankee Clipper II Townhouses – 4 units
- Habitat for Humanity houses off of Slough Road – 4 units
- Nickerson Park Condominium – 1 unit
- Affordable Accessory Apartments – 4 units
- The Residences of Pleasant Bay – 6 units
- White Rock Commons – 3 units

If deed restrictions could be executed for the affordable units at EPOCH Assisted Living of Brewster and the above units are approved by DHCD for inclusion in the SHI, another seven (7) units could be added to the SHI for a total of 282 units or 6.4% of the year-round housing stock.

*Next Steps:* The Town should continue to provide necessary information to DHCD to have units qualify as affordable in the Subsidized Housing Inventory. If problems arise in having the units qualify under current agreements, the Town might consider creative options in converting them to long-term affordability, possibly through CPA subsidies (see strategy VII.A.3).

*Timeframe:* Years 1-2

*Responsible Entity:* Board of Selectmen

*Resources Required:* Some professional staff time, most likely from the proposed Housing Coordinator or other designated municipal official to continue to pursue outstanding issues related to these units and their affordability.

*Projected # Affordable Units Produced:* Potentially as many as 22 additional affordable units added to the Subsidized Housing Inventory but will not count towards production goals.

#### **2. Monitor Affordability of Subsidized Housing Inventory**

*Current Status:* Based on how housing was financed, how long the affordability requirements were established, and other stipulations in affordability agreements, the affordable status of housing units may be in jeopardy in many communities in the future. Brewster's existing Subsidized Housing Inventory includes a number of projects where affordability restrictions are currently projected to expire including:

- Cape Cod Commission's South Orleans Road unit (rehab with HOME funding) – restriction to expire in 2010
- Habitat's Old Long Pond Road unit (LIP ownership unit) – expiration in 2005
- King's Landing – 108 units with expiration date in 2018

- Yankee Village – 12 ownership units with expiring date in 2045
- Eagle Point – 3 rental units expiring in 2020
- Rehabilitation loans – 10 units at present due to expire between 2012 and 2019

Consequently as many as 135 units might be lost to the existing Subsidized Housing Inventory. The 12 units that were part of rehab loans programs had lower subsidies per unit and 15-year affordability restrictions and will not unfairly go off the SHI after the restrictions expire. There are, however, other affordable housing developments with use restrictions in perpetuity or not due to expire for many years where the continued affordability of units is in current jeopardy. Specifically, developments such as Belmont Park and Yankee Drive involved deed restrictions that indexed resale prices to market conditions. Given the substantial escalation of market prices in Brewster, deed riders for affordable units that were being resold were suddenly suggesting resale prices out of the range of households earning at or below 80% of area median income and therefore no longer eligible for inclusion in the Subsidized Housing Inventory. The state has partnered with non-profit organizations, such as HAC and Community Development Partnership (formerly called the LCCDC), to provide additional subsidies, often matched with CPA funds, to restore these units to the SHI and to exact deed restrictions subject to less volatile indexes, currently changes in HUD's area median income levels. Brewster's CPC was in fact instrumental in providing CPA funding to help maintain the affordability of units at Belmont Park and Yankee Drive that were in danger of losing affordability.

*Next Steps:* It is important to insure that affordable housing units remain a part of the Town's Subsidized Housing Inventory for as long a period of time as possible. The Town should closely monitor the SHI and intervene if necessary and feasible to maintain the units as affordable through the courts or through purchase and refinancing if necessary. Once units are within several years of losing their affordability restrictions, the Town should contact DHCD and CEDAC to ascertain the status of the units and to prepare plans for their continued affordability. It may be necessary to also reach out to organizations and developers that are experienced in saving expiring use units to request their possible intervention if necessary.

*Timeframe:* Years 1-2

*Responsible Party:* Board of Selectmen

*Resources Required:* Some professional staff time, most likely from the proposed Housing Coordinator or other designated municipal official to monitor the status of existing affordable units and to pursue outstanding issues and remedies related to these units and their continued affordability.

*Projected # Affordable Units Produced:* While this strategy is unlikely to create new affordable units, it is essential for maintaining existing affordable units.

### **3. *Help Qualifying Homeowners Access Housing Assistance***

*Current Status:* Some town residents, including seniors living on fixed incomes, are finding it increasingly difficult to afford the costs associated with rising taxes, energy costs, insurance and home improvements. Additionally, some seniors and those with special needs require handicapped adaptations and repairs to help them remain in their homes. Brewster residents might also benefit from technical and financial support in the case of septic failures and Title V compliance issues. Also, the number of foreclosures has increased both regionally and nationally.

The Community Development Partnership (formerly called the Lower Cape Cod CDC) used to administer the Housing Rehabilitation Loan Program that provided financial and technical assistance to qualifying property owners to make necessary home improvements. A couple of years ago the state did not renew

this funding for the CDC as well as those organizations that had operated comparable programs across the state with funding through the Community Development Block Grant.<sup>35</sup> There are, however, other programs available for home repair, upgrading and de-leading. For example, the Housing Assistance Corporation (HAC) administers several programs including:

- *Existing Homeowner Rehabilitation Assistance Program*  
Provides a no-interest, deferred payment loan to qualifying homeowners, the amount not to exceed \$25,000 and to be repaid upon the sale or refinancing of the property. The maximum house value for participating properties is \$362,000 and consequently most properties in Brewster may not qualify. The needs of seniors, handicapped and single parents are given priority consideration for funding, as are houses with substantial repair needs.
- *Get the Lead Out*  
With funding from MassHousing, this Program provides low-cost financing to owners of 1-4 family properties to remove lead and reduce the possibility of lead poisoning in children.
- *Home Modification Loan Program*  
Offers financial assistance to persons seeking to make modifications to their home to improve accessibility for the physically disabled.
- *Weatherization*  
A federally-funded program to help qualifying property owners make energy-efficient home improvements. Most households that receive fuel assistance also qualify for this program.
- *Heartwrap*  
An emergency repair program for households receiving fuel assistance that require the repair or replacement of their heating system.
- *Keyspan Gas Program*  
Provides installation, caulking and weather stripping to income-eligible tenants and homeowners who heat with Keyspan Gas and receive the lowered gas rate.
- *Cape Light Compact Efficiency Program*  
Offers energy-saving devices (i.e., light bulbs, water conservation and other devices) and technical assistance to qualifying tenants and homeowners on how to save on their electrical bills. Some participants can also qualify for a free refrigerator, freezer.

HAC also provides counseling services for first-time homebuyers and those confronting possible foreclosure that are available to residents in Brewster.

*Next Steps:* Through the community educational campaign recommended in Section VII.D.4, important information on housing improvement resources could be disseminated to real estate professionals, local organizations and community residents. The Town, through its Council on Aging and Housing Authority should provide the necessary education and referrals to programs sponsored by the Housing Assistance Corporation and MassHousing for example, which provide counseling services and low-cost financing for repair needs including de-leading, septic systems, weatherization and other home improvements.

*Timeframe:* Years 1-2

*Responsible Party:* Brewster Housing Authority and Council on Aging

*Resources Required:* Donated time of volunteers or some limited staff time from appropriate Town employees such as the proposed Housing Coordinator.

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<sup>35</sup> The LCCCDC recently was awarded Small Cities CDBG funding from DHCD to reestablish this program in Provincetown and Wellfleet.

*Projected # Affordable Units Produced:* The available home repair programs provide needed assistance, helping seniors and others with special needs remain independent in their homes, however, these programs do not typically include the necessary requirements to enable properties to be included in the SHI.

#### **D. Capacity Building Strategies**

In order to carry out the strategies included in this Housing Production Plan and meet production goals, it will be important for the Town of Brewster to bolster its capacity to promote affordable housing activities. This capacity includes gaining access to greater resources – financial and technical – as well as continuing to build local political support, develop partnerships with public and private developers and lenders, and create and augment local organizations and systems that will support new housing production.

It will be a substantial challenge for Brewster to meet the prescribed annual affordable housing production goal of 22 units, based on 0.50% of the town’s year-round housing stock,<sup>36</sup> that will likely increase to about 25 units after the next decennial census count becomes available. Housing growth will continue to drive-up the 10% goal.

Critical to the production of affordable housing is establishing the requisite local capacity for implementation. This capacity includes the following principal components required for launching a more proactive approach to producing affordable housing:

- ***Plan***  
This Housing Production Plan provides the necessary blueprint for prioritizing and implementing affordable housing initiatives based on documented local needs, community input and existing resources. Without such a Plan a community more typically responds reactively to development proposals or comprehensive permit applications as they appear instead of having a framework in which to proactively guide new development. The Plan will also provide important guidance on how to invest CPA funding for housing.
- ***Dedicated Municipal Oversight***  
Communities need to build a viable organizational structure to implement the Housing Production Plan. The Town has an active Housing Partnership and Housing Authority to promote affordable housing issues and development as well as a special account into which dedicated funding can be deposited to support local affordable housing initiatives. Moreover, the Community Preservation Committee (CPC) has prepared this Housing Production Plan and is committed to investing important Community Preservation funding towards affordable housing initiatives. *It will be incumbent on the Town to promote greater coordination among these parties towards the implementation of the Housing Plan, securing support from other important boards and committees as well including the Planning Board and Board of Selectmen.*
- ***Professional Support***  
In order to oversee the implementation of the Housing Plan, the Town of Brewster will need ongoing professional help. Most communities that are making real progress in producing affordable housing have some dedicated staff on hand to coordinate essential activities. This Plan recommends that the Town create a Housing Coordinator position, on at least a part-time basis, that could be funded through Community Preservation Funds (see strategy VII.D.1). Funds to

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<sup>36</sup> The number of year-round units is determined by the 2000 census and will increase when the 2010 census figures become available.

further support this new position could come from specific development projects, which will include fees for services that the Housing Coordinator could perform to insure that qualifying affordable units can be included in the Subsidized Housing Inventory (see LIP requirements above) and continue to meet requirements. Consultants are also likely to be needed to offer specialized expertise and to further supplement existing staff resources. The Town is also fortunate to have a couple of key staff persons who have been involved in housing and planning issues and can remain as valuable resource persons in providing ongoing professional support in implementation.

- ***Partnerships***

The successful implementation of this Housing Production Plan will require continued access to a wide range of resources – financial and technical – as well as establishing partnerships with a range of organizations, funding agencies, developers and lenders on new initiatives (see strategy VII.D.3).

- ***Community Support***

Because most of the housing strategies rely on local approvals, including those of Town Meeting, community support for new initiatives will be essential. Strategic efforts to better inform residents on the issue of affordable housing and specific new initiatives will help generate a greater understanding of the benefits of affordable housing, reduce misinformation, and dispel negative stereotypes (see strategy VII.D.4).

Specific actions to help build local capacity to meet local housing needs and production goals are detailed below. While these strategies do not directly produce affordable units, they provide the necessary support to implement a proactive housing agenda that ultimately will produce new units.

### ***1. Hire a Housing Coordinator***

*Current Status:* The Town is trying hard to expand Brewster's base of affordable housing and in addition to the support of the Town Administrator/Selectmen's Office, which had been overseeing research and coordination of affordable housing efforts, the Town has approved funding for a Town Planner. This position already involves full-time responsibilities and it is unlikely that the new Planner will have the capacity to take on most of the staff-related tasks included in this Plan outside of zoning-related activities. Moreover, the complexity of housing issues requires significantly more staff time and specialized expertise than is currently available.

If the Town of Brewster wants to assume a more proactive role in promoting affordable housing and effectively implement actions included in this Housing Production Plan, it will have to augment its capacity to coordinate these activities. While most of the strategies that are included in this Plan do not individually involve substantial amounts of staff time from Town officials or donated time from board and committee members, when considered altogether they require a significant time commitment and involve some specialized expertise in housing programs, policy and development. A major need is for the coordination and creation of programs that will not only expand the number of units available to low- and moderate-income residents, but will also guarantee the affordability of new and existing units into the future.

*Next Steps:* The Board of Selectmen and Town Administrator should work with the Community Preservation Committee to have CPA funds allocated for a qualified Housing Coordinator to effectively oversee the implementation of various components of this Housing Plan. This position, under the supervision of the Housing Partnership, would be responsible for overseeing all programmatic aspects of the Local Initiative Program (LIP) assigned to the municipality (referred to by DHCD as the Local Project Administrator) to insure that new affordable units are counted and continue to be counted as part of the

Subsidized Housing Inventory and provide additional professional support related to housing issues, policies and programs.

The Town should review job descriptions for comparable positions and obtain the necessary funding and approvals to advertise the position and hire at least a part-time person. Various communities have handled this position differently. For example, the Town of Marshfield issued a Request for Proposals for a Housing Coordinator position and has hired consultants over the past several years. The Town of Grafton has an Assistant Planner on board to assume many of these housing-related functions based on initial guidance from a housing consultant. The Towns of Wellfleet and Eastham are sharing a person in this position. Belmont is working with a non-profit development organization located in a nearby community, WATCH CDC, to support its housing activities. Holliston is working with a consultant to implement key initiatives, and at some point in the future is likely to hire a housing professional on at least a part-time basis with CPA funds. Weston supports a housing position with a combination of CPA and other Town revenues. CPA funds have also been used to hire a Community Preservation Planner in Randolph to address community housing needs and a CPA Liaison in Bridgewater to support the work of the Community Preservation Committee, including its work on affordable housing. Sudbury has used CPA funds to hire a part-time Housing Coordinator.

*Timeframe:* Years 1-2

*Responsible Party:* Board of Selectmen with support from the Community Preservation Committee.

*Resources Required:* A Housing Coordinator position would involve approximately \$50,000 per year including benefits that could be covered by Community Preservation Funds. A more part-time position would be significantly less, more in the \$25,000 to \$30,000 range, and perhaps makes the greatest sense at this time. Fees from specific development projects that will rely on the position to insure that affordable units meet all state requirements will also be available to supplement the costs of this new position.

## **2. Investigate the Feasibility of Creating a Municipal Affordable Housing Trust Fund**

*Current Status:* Discussions with other communities regarding the success of their affordable housing initiatives indicate that it is often critical to have accessible funds available to respond immediately and effectively to housing opportunities as they arise. Also, many of the state subsidy sources require local contributions either through local funds, donation of Town-owned property, or private donations. In order to receive donations and avoid paying taxes, it is useful for each locality to have a dedicated housing fund that offers communities greater ability to support the development of affordable housing. Brewster established a Housing Fund through a home rule petition that is overseen by the Board of Selectmen. The Fund has not been utilized or received funding to date.

On June 7, 2005, the Governor signed new legislation, called the Municipal Affordable Housing Trust Fund Act, under Massachusetts General Laws Chapter 44, which simplified the process of establishing such funds. More than 40 communities have adopted these funds and many more have plans to do so during the coming year. Previously, cities could create trusts through their own resolution, but Towns had to get approval from the state Legislature through a home rule petition, which is what Brewster did in 2002 and again in 2004, finally receiving approval in 2005. The existing Brewster Fund is under the complete control of the Board of Selectmen while a statutory Municipal Affordable Housing Trust Fund involves a Board of Trustees, appointed by the Board of Selectmen and including at least one member of the Board of Selectmen.

The state's Municipal Affordable Housing Trust 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, as mentioned above, appointed and confirmed by the Board of Selectmen, in the case of towns, and including a member of the Board of Selectmen or the Town Administrator. While the new trusts must be in compliance with Chapter 30B, the law which governs public procurement as well as public bidding and construction laws, it is likely that most trusts will opt to dispose of property through a sale or long-term lease to a developer so as to clearly differentiate any affordable housing development project from a public construction project.

In regard to activity on Cape Cod, Bourne, Dennis and Yarmouth have established Municipal Affordable Housing Trusts and have begun to capitalize them for specific projects.

*Next Steps:* Brewster's Housing Partnership should investigate the feasibility of creating a new Housing Trust under state guidelines that would offer broader powers than what now exist for the current special housing fund. The Partnership should determine the possible benefits of this new entity versus the existing housing fund and explore how other towns have structured their Housing Trusts. If the Partnership determines it would be beneficial to create a Municipal Affordable Housing Trust Fund, it should make a recommendation to the Board of Selectmen to do so. Town Meeting approval would be required as well.

It will also be important to explore a wide range of possible fundraising options to capitalize the Trust Fund. In addition to CPA funding and other public sector resources, the Town should also consider private sector donations. While Bourne, Yarmouth and Dennis CPC's have made awards to their Housing Trusts for specific purposes, it should be noted that some communities have decided to commit CPA funding to these Housing Trust Funds without targeting the funding to any one specific initiative. For example, the Towns of Grafton and Sudbury are directing 10% of their annual CPA allocation to their Trust Funds. Grafton plans to use some of the funding as collateral for securing a line of credit with a local lending institution, thus leveraging the CPA funds. The Trust is encouraged to apply for additional CPA funds for specific projects. Scituate's Town Meeting just approved a Municipal Housing Trust and funded it with \$700,000 of Community Preservation funding.

Many communities are reaching out to residents for private donations of land to promote housing affordability. Such contributions and the "bargain sale" of real estate could become a part of the Brewster land ethic, but donations need to be promoted, nurtured, and facilitated. Inclusionary zoning (see strategy VII.B.2), if passed, may also provide cash resources for a wider range of possible developments that can help capitalize the Affordable Housing Trust Fund if the developer decides to pay cash in lieu of constructing actual affordable units. Developers may also contribute to the Housing Fund through negotiations on comprehensive permit projects or other local developments. Developers make additional contributions to these funds if the purchase prices for the market units are higher than the prices that were projected in their comprehensive permit applications and profits are more than the 20% allowed under Chapter 40B.

Faith-based affordable housing initiatives are also widely viewed as effective, as reported by the organization World Vision.<sup>37</sup> The Housing Partnership can work with the local churches on some

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<sup>37</sup> Shabecoff, Alice. Rebuilding Our Communities: How Churches Can Provide, Support, and Finance Quality Housing for Low-Income Families, World Vision: Monrovia, California.

additional activities that focus on affordable housing, including, for example, donations to the Housing Fund, perhaps during Fair Housing month.

*Timeframe:* Year 1-2

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

*Responsible Party:* Housing Partnership

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

### **3. Establish Partnerships**

*Current Status:* The affordability of most housing development projects relies on multiple sources of financing involving both private and public loans and grants. Even Chapter 40B comprehensive permit projects rely on what is referred to as “internal” subsidies where the market rate units support the costs of the affordable ones in tandem with increased density. It will be important for the Town to encourage the establishment of partnerships with other interested parties including non-profit organizations, lenders, public agencies, and developers to secure the necessary financial and technical resources to create affordable units. Future Community Preservation funding for housing will also be an essential ingredient for supporting the implementation of this Housing Plan in addition to various state and federal housing subsidy programs. HOME funding from the Barnstable County HOME Consortium is another important funding source that should be tapped as well as the range of programs offered by HAC and the Lower Cape Cod CDC to support first-time homeownership such as homebuyer counseling.

*Next Steps:* The Town of Brewster should work with designated developers to reach out to private, public and non-profit entities to secure additional housing resources – technical and financial – in support of efforts to produce new affordable housing as opportunities arise. The developer is typically responsible for applying for these funds, but the support of the municipal government is often crucial for securing very competitive funding. There are numerous public programs that can be helpful in financing local housing efforts. A summary of some of these resources as well as pertinent housing regulations (e.g., Chapter 40B, Local Initiative Program, Commonwealth Capital, Community Preservation Act) is included in Appendix 3.

*Timeframe:* Years 1-2

*Responsible Party:* Board of Selectmen, and in some case the Brewster Housing Partnership, will need to provide letters of support for subsidy applications for affordable housing projects. The Community Preservation Committee will be crucial in recommending CPA funding for housing purposes for Town Meeting approval.

*Resources Required:* Funding will be needed for affordable housing initiatives, particularly the predevelopment funding necessary to determine project feasibility (CPA funds can cover these expenses as well as other state-funded programs). The proposed Housing Coordinator or other designated municipal official can take the lead in applying for these funds and offer necessary support to developers who typically apply directly for other subsidy programs. For those programs that require more complicated and direct applications from municipal governments, such as Community Development

Block Grant funded programs accessed through the state or LIP applications, the proposed Housing Coordinator, other designated municipal official or a consultant will be needed.

#### **4. Conduct Ongoing Educational Campaign**

*Current Status:* Affordable housing has become a more visible issue in Brewster, largely as a result of such high housing prices that are having homeowners, especially long-term homeowners, ponder how they might fare in the current housing market if they did not already own a home. Affordable housing, or the increasing lack thereof, is becoming a much-discussed issue throughout the Cape, and many communities are trying to become more proactive on affordable housing production. While residents are increasingly aware of steep housing prices and some are encountering difficulties affording housing in Brewster, it is likely that many residents hold onto negative stereotypes of what affordable housing is and what it will do to their community.

On October 30, 2007, the Brewster Community Preservation Committee sponsored a forum for local leaders and the public to hear the results of a Housing Needs Assessment that is a substantial component of this Housing Production Plan. During this meeting, updated information on the dwindling supply of unsubsidized affordable housing in Brewster was presented, highlighting the current gaps between the supply of housing and local needs (see Appendix 1 for a summary of this meeting).

The public had another opportunity to obtain information on affordable housing when the Plan was presented to the Board of Selectmen. Additional opportunities to engage the community in discussions on affordable housing and to present information on the issue are needed to dispel myths and help galvanize local support, political and financial, for new affordable housing production. These outreach efforts are mutually beneficial as they provide useful information to community residents and important feedback to local leaders on local concerns and suggestions.

*Next Steps:* The presentation of this Housing Production Plan offers an opportunity to bring attention to the issue, offering information on housing needs and proposed strategies that can help attract community support for affordable housing initiatives. Other public education opportunities should be pursued such as having representatives from other towns speak in public forums on innovative affordable housing strategies, which Truro did last year; organizing panel discussions on particular housing-related topics, and holding meetings on new local housing initiatives. These forums can help build community interest, improve communication and garner support. It may also be feasible to have local banks support such efforts with financial and/or technical assistance.

Once hired, the proposed Housing Coordinator could organize regular, at least annual, public forums on affordable housing, as well as special meetings on new initiatives. Otherwise, another designated municipal official could coordinate ongoing informational meetings. It should also be mentioned that the Town should get the word out about existing programs and services that support homeownership, property improvements or help reduce the risk of foreclosure including first-time homebuyer and foreclosure prevention counseling from HAC and Lower Cape Cod CDC.

*Timeframe:* Years 1-2

*Responsible Party:* Brewster Housing Partnership

*Resources Required:* Staff time of the proposed Housing Coordinator or other municipal official

#### **5. Establish Annual Housing Summits**

*Current Status:* Most communities lack an effective mechanism for promoting regular communication among relevant Town boards and committees on issues related to affordable housing. This coordination

is particularly important in Brewster where housing-related responsibilities are shared among a number of local entities including the Housing Partnership, Housing Authority, Community Preservation Committee, ZBA and Planning Board.

It is useful for each locality to determine how it might more effectively communicate and coordinate efforts on the issue of affordable housing to insure that local leaders remain apprised of housing activities and have an opportunity for input. Some communities have attempted to promote and formalize this communication. For example, the Town of Holliston hosted a meeting with representatives of all relevant municipal entities to discuss affordable housing, with each board or committee providing updates followed by a facilitated discussion regarding next steps. Additionally, some communities may determine that it may be helpful to open these meetings to the public to foster greater community understanding and participation in the area of affordable housing as part of the continued community education advocated above in strategy VII.D.4.

*Next Steps:* The Board of Selectmen should consider formalizing an Annual Housing Summit. Such a summit should include representatives from all local boards and committees that have a role in affordable housing. The proposed Housing Coordinator or other designated municipal official could schedule and coordinate the meeting and provide an annual report on housing issues and progress towards implementing this Housing Plan.

*Timeframe:* Years 3-5

*Responsible Party:* Brewster Housing Partnership

*Resources Required:* Donated time of local officials, and staff time from the proposed Housing Coordinator or other designated municipal official.

## **6. Encourage Training for Board and Committee Members**

*Current Status:* Local boards such as the Community Preservation Committee, Housing Partnership, Zoning Board of Appeals, Planning Board and other interested local leaders as well as members of the Brewster Housing Authority, should receive training on affordable housing issues including the comprehensive permit process, the new regulations and guidelines in particular. Well advised and prepared board and committee members are likely to conduct Town business in a more effective and efficient manner. New members without significant housing experience would benefit substantially from some training and orientation regarding their responsibilities. Moreover, requirements keep changing and local leaders must keep up-to-date. Funding for the professional development of staff, including the Town Planner, proposed Housing Coordinator, Assistant Town Administrator, etc. would also help keep key professionals informed and up-to-date on important new developments, best practices and regulations.

The University of Massachusetts Extension's Citizen Planner Training Collaborative (CPTC) offers classes periodically throughout the year and will even provide customized training sessions to individual communities. Examples of topics covered in their fall 2007 workshops included but was not limited to the following:

- Roles and responsibilities of Planning and Zoning Boards
- How to hold the perfect public hearing
- Chapter 40B
- Inclusionary housing
- Open space residential development

- Sustainability

The Massachusetts Housing Partnership has initiated the Massachusetts Housing Institute, which is “an educational program to support municipalities and local participants to better understand the affordable housing development process and have an effective role in initiating and implementing local solutions to increasing housing choices”.<sup>38</sup> This training is held over a two-day period, at least once a year. Topics during the recent Institute, held this past June, included:

- The affordable housing development process
- What you should know about development finance
- Getting housing built in the community
- Designing for affordability – architecture, design and density

Other organizations and agencies, such as DHCD, MHP, CHAPA, and the Community Preservation Coalition also provide conferences and training sessions on a wide variety of housing issues that would be useful for local officials and staff persons to attend. In addition, there are numerous written resources for localities. For example, DHCD has prepared a procedural “how to” booklet for local communities on the development process, MHP has many technical guides for localities, and CHAPA has a wide variety of reports on many issues related to affordable housing as well.

*Next Steps:* The Town’s Board of Selectmen should encourage members of appropriate committees, the ZBA, Planning Board, Housing Partnership and Community Preservation Committee to attend statewide and regional training sessions on housing-related issues. If fees are involved, this funding should be made available, and the Town should earmark funds from its CPA budget to support these costs. This training should also be accessed on an ongoing basis as membership of these boards and committees turns over. Funding should also be made available for professional staff development opportunities.

*Timeframe:* Years 1-2

*Responsible Party:* Board of Selectmen with support from the Community Preservation Committee and Local Housing Partnership

*Resources Required:* Information on available training should be tracked and made available and attendance fees paid through the Community Preservation Fund when required, the costs potentially ranging from \$2,000 to \$4,000 annually.

#### **7. Continue to Apply for a Commonwealth Capital Score to Secure Funding from State Capital Spending Programs**

*Current Status:* The state established Commonwealth Capital as a policy that encourages communities to implement smart growth measures by making municipal land use regulations more consistent with smart growth principles. The state uses these reforms as part of the evaluation of proposals for state funding under a number of state capital spending programs related to economic development, the environment, transportation and infrastructure as well as housing. Municipalities have been scored based on what progress has been made in bringing local regulations, policies and land use-related initiatives into greater compliance with smart growth principals. This program is summarized in more detail in Appendix 3.

While the future of Commonwealth Capital was in doubt during the transition from the Romney to Patrick administrations, particularly when the Office of Commonwealth Development that

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<sup>38</sup> Massachusetts Housing Partnership, Massachusetts Housing Institute agenda for June 14-15, 2007 Conference.

administered the program was disbanded, the state has maintained the basic principles of Commonwealth Capital. In fact the changes for fiscal year 2008 were quite modest that included an altered list of discretionary state programs to which the policy applies. More recently the state made more substantive changes that are summarized in Appendix 3. It is important to note that the completion of this Housing Plan would result in a higher score as would many of the strategies included in this Plan such as:

- Zoning for mixed-use development
- Modifying the accessory apartment bylaw
- Zoning for more flexible, cluster development
- Inclusionary zoning
- Attainment of Housing Production certification (meeting annual production goal)
- Production of housing units on municipally owned land or with municipal funding
- Where 66% or more of new units produced is through mixed-use development (including 40R and TOD), cluster development, multi-family housing, single-family development on ¼ acre lots, and/or conversion or redevelopment activities.

The Town has submitted Commonwealth Capital applications in the past and based on recent progress with respect to zoning reforms and this planning process, anticipates improved scores in the future.

*Next Steps:* With staff support from the proposed Housing Coordinator or Town Planner, or other designated municipal official, the Board of Selectmen should continue to prepare and submit the scoring application under Commonwealth Capital prior to applying for any of the state's capital spending programs or as required.

*Timeframe:* Years 1-2

*Responsible Party:* Board of Selectmen

*Resources Required:* Will require staff time from the proposed Housing Coordinator, Town Planner, or other municipal staff person to prepare the application for scoring under Commonwealth Capital.

**APPENDIX 1**  
**Summary of Comments from Public Forum**  
**October 30, 2007**

Following a welcome by Paul Hush from the Brewster Community Preservation Committee, the project consultant, Karen Sunnarborg, presented an overview of the Housing Needs Assessment and addressed questions. This conversation then naturally moved to recommendations from those attending the forum on what the Town should do to more proactively support affordable housing, particularly in light of local concerns and challenges. The following challenges were mentioned as part of this discussion:

- State affordability requirements are too onerous.
- There will be new specific state thresholds for net nitrogen loading that will affect development throughout most of Brewster.
- It is important to engage the community in affordable housing efforts, and we need to find creative ways of doing so.
- Finding sites for development is more difficult than locating the necessary funding.
- Brewster needs a Town Planner.
- Who is going to service the growing population of seniors?
- The commercial sector in Brewster is extremely small, representing only 3% of the tax base.
- Infrastructure is a critical component of new development planning.

Additionally, forum participants offered these potential strategies for promoting affordable housing in Brewster:

- Promote accessory apartments even if they might not be able to be counted as part of the Subsidized Housing Inventory. Hopefully Town Meeting will pass the revised zoning bylaw that will be proposed in November.
- Consider spending CPA funds to support of new accessory apartments by offering home improvement loans.
- Keep looking for ways to increase local funding for affordable housing including CPA, Town budget, Trust Fund, and other sources, including proposed special legislation to tax properties with seasonal rentals.
- Look beyond just counting units to help meet the Chapter 40B 10% affordability goal and focus on the range of local needs.
- Explore Land Trust models for effective fund raising strategies.
- “Friendly” 40B’s can be a useful tool.
- Do some rezoning.
- Establish local partnerships and do effective outreach to key community groups and organizations to better inform them about the issue of affordable housing. For example, schedule a time to make a presentation to the Chamber of Commerce, either at a breakfast or lunch meeting, and see how they may be able to assist in the Town’s efforts.
- Explore strategies for integrating affordable housing throughout all neighborhoods, such as promoting accessory apartments.
- Sewer certain areas where higher density is more suitable and new development should be promoted.
- Need more areas where multi-family housing can exist and carrying capacity exists.

**APPENDIX 2**  
**Summary of Housing Strategies**

Strategies	Priority for Implementation		# Affordable Units	Responsible Party**
	In Years 1-2	In Years 3-5		
<b>Housing Production Strategies</b>				
1. Make suitable public land available for affordable housing	X		65	BOS
2. Support private development in line with local guidelines	X		50	HP
3. Convert existing housing to affordability	X		18	HP
4. Promote accessory apartments	X		*	HP
<b>Zoning and Planning Strategies</b>				
1. Encourage more flexible cluster zoning	X		*	PB
2. Adopt inclusionary zoning	X		*	PB
3. Allow starter housing on nonconforming lots		X	*	PB
4. Promote mixed-use development		X	*	PB
5. Adopt Housing Guidelines		X	*	HP
6. Review effectiveness of accessory apartment bylaw and modify as necessary		X	*	PB/HP
<b>Housing Preservation Strategies</b>				
1. Reconcile Subsidized Housing Inventory	X		*	BOS
2. Insure long-term affordability	X		*	BOS
3. Help qualifying homeowners access housing assistance	X		*	HA/COA
<b>Capacity Building Strategies</b>				
1. Hire Housing Coordinator	X		*	BOS/CPC
2. Investigate creation of a municipal affordable housing trust fund	X		*	HP
3. Establish partnerships	X		*	BOS/CPC/HP
4. Conduct ongoing educational campaign	X		*	HP
5. Establish annual housing summits		X	*	HP
6. Encourage training for board and committee members	X		*	BOS
7. Continue to apply for Commonwealth Capital scoring	X		*	BOS

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

**\*\*Abbreviations**

Board of Selectmen = BOS

Community Preservation Committee = CPC

Planning Board = PB

Housing Partnership = HP

Housing Authority = HA

Council on Aging = COA

## APPENDIX 3

### Summary of Housing Regulations and Resources

#### I. SUMMARY OF HOUSING REGULATIONS

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

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

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

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

According to Chapter 40B regulations, the ZBA decision to deny or place conditions on a comprehensive permit project cannot be appealed by the developer if any of the following conditions are met<sup>39</sup>:

- The community has met the “statutory minima” by having at least 10% of its year-round housing stock affordable as defined by Chapter 40B, at least 1.5% of the community’s land area includes affordable housing as defined again by 40B, or annual affordable housing construction is on at least 0.3% of the community’s land area.
- The community has made “recent progress” adding SHI eligible housing units during the prior 12 months equal at least to 2% of its year-round housing.
- The community has a one- or two-year exemption under Housing Production.

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<sup>39</sup> Section 56.03 of the new Chapter 40B regulations.

- The application is for a “large project” that equals at least 6% of all housing units in a community with less than 2,500 housing units.
- A “related application” for the site was filed, pending or withdrawn within 12 months of the application.

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

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

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

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

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

- *Projects with Expired Use Restrictions*  
Units become ineligible for inclusion in the SHI upon expiration or termination of the initial use restriction unless a subsequent use restriction is imposed.
- *Biennial Municipal Reporting*  
Municipalities are responsible for providing the information on units that should be included in the SHI through a statement certified by the chief executive officer.

Towns are allowed to set-aside up to 70% of the affordable units available in a 40B development for those who have a connection to the community as defined within the parameters of fair housing laws and Section III.C of the Comprehensive Permit Guidelines including Brewster residents, employees of the Town of Brewster (including the school district) or employees of businesses located in town.

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

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

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

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

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

The next stage in the comprehensive permit process is the application phase including pre-hearing activities such as adopting rules before the application is submitted, setting a reasonable filing fee, providing for technical “peer review” fees, establishing a process for selecting technical consultants, and setting forth minimum application submission requirements. Failure to open a public hearing within 30 days of filing an application can result in constructive approval. The public hearing is the most critical part of the whole application process. Here is the chance for the Zoning Board of Appeals’ consultants to analyze existing site conditions, advise the ZBA on the capacity of the site to handle the proposed type of development, and to recommend alternative development designs. Here is where the ZBA gets the advice of experts on unfamiliar matters – called peer review. Consistency of the project with local needs is the central principal in the review process.

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

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

- The hearing be terminated within 180 days of the filing of a complete application unless the applicant consents to extend.
- Allows communities already considering three (3) or more comprehensive permit applications to stay a hearing on additional applications if the total units under consideration meet the definition of a large project (larger of 300 units or 2% of housing in communities with 7,500 housing units as of the latest Census, 250 units in communities with 5,001 to 7,499 total units, 200 units in communities with 2,500 to 5,000 units, and 150 units or 10% of housing in communities with less than 2,500 units).
- Local boards can adopt local rules for the conduct of their hearings, but they must obtain an opinion from DHCD that there rules are consistent with Chapter 40B.
- Local boards cannot impose “unreasonable or unnecessary” time or cost burdens on an applicant and bans requiring an applicant to pay legal fees for general representation of the ZBA or other boards. The new requirements go into the basis of the fees in more detail, but as a general rule the ZBA may not assess any fee greater than the amount that might be appropriated from town or city funds to review a project of a similar type and scale.
- An applicant can appeal the selection of a consultant within 20 days of the selection on the grounds that the consultant has a conflict of interest or lack minimum required qualifications.
- Specify and limit the circumstances under which ZBA’s can review pro formas.
- Zoning waivers are only required under “as of right” requirements, not from special permit requirements.

- Forbids ZBA's from imposing conditions that deviate from the project eligibility requirements or that would require the project to provide more affordable units than the minimum threshold required by DHCD guidelines.
- States that ZBA's cannot delay or deny an application because a state or federal approval has not been obtained.
- Adds new language regarding what constitutes an uneconomic condition including requiring applicants to pay for off-site public infrastructure or improvements if they involve pre-existing conditions, are not usually imposed on unsubsidized housing or are disproportionate to the impacts of the proposed development or requiring a reduction in the number of units other than on a basis of legitimate local concerns (health, safety, environment, design, etc.). Also states that a condition shall not be considered uneconomic if it would remove or modify a proposed nonresidential element of a project that is not allowed by right.

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

Subsidizing agencies are required to issue final project eligibility approvals following approval of the comprehensive permit reconfirming project eligibility, including financial feasibility, and approving the proposed use restriction and finding that the applicant has committed to complying with cost examination requirements. New Chapter 40B regulations set forth the basic parameters for insuring that profit limitations are enforced, while leaving the definition of "reasonable return" to the subsidizing agency in accordance with DHCD guidelines. The applicant or subsequent developer must submit a detailed financial statement, prepared by a certified public accountant, to the subsidizing agency in a form and upon a schedule determined by the DHCD guidelines.

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

## **B. Housing Production Regulations**

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

- Prepare and adopt an Housing Production Plan that demonstrates production of an increase of .05% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion

- in the Subsidized Housing Inventory (22 units and 44 units, respectively, for Brewster until the new census figures are available in 2011) for *approval* by DHCD.<sup>41</sup>
- Request *certification* of compliance with the plan by demonstrating production of at least the number of units indicated above.
  - Through local ZBA action, deny a comprehensive permit application during the period of certified compliance, which is 12 months following submission of the production documentation to DHCD, or 24 months if the 1.0% threshold is met.

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

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

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

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

In 2004, the State Legislature approved a new zoning tool for communities in recognition that escalating housing prices, now beyond the reach of increasing numbers of state residents, are causing graduates from area institutions of higher learning to relocate to other areas of the country in search of greater affordability. The Commonwealth Housing Task Force, in concert with other organizations and institutions, developed a series of recommendations, most of which were enacted by the State Legislature as Chapter 40R of the Massachusetts General Laws. The key components of these regulations are that “the state provide financial and other incentives to local communities that pass Smart Growth Overlay Zoning Districts that allow the building of single-family homes on smaller lots and the construction of apartments for families at all income levels, and the state increase its commitment to fund affordable housing for families of low and moderate income”.<sup>42</sup>

The statute defines 40R as “a principle of land development that emphasizes mixing land uses, increases the availability of affordable housing by creating a range of housing opportunities in neighborhoods, takes advantage of compact design, fosters distinctive and attractive communities, preserves opens space, farmland, natural beauty and critical environmental areas, strengthens existing communities, provides a variety of transportation choices, makes development decisions predictable, fair and cost effective and

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<sup>41</sup> Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

<sup>42</sup> Edward Carman, Barry Bluestone, and Eleanor White for The Commonwealth Housing Task Force, “A Housing Strategy for Smart Growth and Economic Development: Executive Summary”, October 30, 2003, p. 3.

encourages community and stakeholder collaboration in development decisions.”<sup>43</sup> The key components of 40R include:

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

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

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

There are also density bonus payments of \$3,000 for each residential unit issued a building permit. To be eligible for these incentives the Overlay Districts need to allow mixed-use development and densities of 20 units per acre for apartment buildings, 12 units per acre for two and three-family homes, and at least eight units per acre for single-family homes. Communities with populations of less than 10,000 residents are eligible for a waiver of these density requirements, however significant hardship must be demonstrated. The Zoning Districts would also encourage housing development on vacant infill lots and in underutilized nonresidential buildings. The Task Force emphasizes that Planning Boards, which would enact the Zoning Districts, would be “able to ensure that what is built in the District is compatible with and reflects the character of the immediate neighborhood.”<sup>44</sup>

The principal benefits of 40R include:

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

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

- The Town holds a public hearing as to whether to adopt an Overlay District per the requirements of 40R;
- The Town applies to DHCD prior to adopting the new zoning;

<sup>43</sup> Massachusetts General Law, Chapter 40R, Section 11.

<sup>44</sup> “A Housing Strategy for Smart Growth and Economic Development: Executive Summary,” p. 4.

- DHCD reviews the application and issues a Letter of Eligibility if the new zoning satisfies the requirements of 40R;
- The Town adopts the new zoning through a two-thirds vote of Town Meeting subject to any modifications required by DHCD;
- The Town submits evidence of approval to DHCD upon the adoption of the new zoning; and
- DHCD issues a letter of approval, which indicates the number of incentive units and the amount of payment.

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

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

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

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

Specific LIP requirements include the following by category:

***Income and Assets***

- Must be affordable to those earning at or below 80% of area median income adjusted by family size and annually by HUD. Applicants for affordable units must meet the program income limits in effect at the time they apply for the unit and must continue to meet income limits in effect when they actually purchase a unit.
- For homeownership units, the household may not have owned a home within the past three years except for age-restricted “over 55” housing.
- For homeownership projects, assets may not be greater than \$75,000 except for age-restricted housing where the net equity from the ownership of a previous house cannot be more than \$200,000.
- Income and asset limits determine eligibility for lottery participation.

### ***Allowable Sales Prices and Rents***<sup>45</sup>

- Rents are calculated at what is affordable to a household earning 80% of area median income adjusted for family size, assuming they pay no more than 30% of their income on housing. Housing costs include rent and payments for heat, hot water, cooking fuel, and electric. If there is no municipal trash collection a trash removal allowance should be included. If utilities are separately metered and paid by the tenant, the LIP rent is reduced based on the area's utility allowance. Indicate on the DHCD application whether the proposed rent has been determined with the use of utility allowances for some or all utilities.
- Sales prices of LIP units are set so a household earning 70% of area median income would have to pay no more than 30% of their income for housing. Housing costs include mortgage principal and interest on a 30-year fixed term mortgage at 95% of purchase price, property taxes, condo fees<sup>46</sup>, private mortgage insurance (if putting less than 20% of purchase price down), and hazard insurance.
- The initial maximum sales price or rent is calculated as affordable to a household with a number of household members equal to the number of bedrooms plus one (for example a two-bedroom unit would be priced based on what a three-person household could afford).

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

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

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<sup>45</sup> DHCD has an electronic mechanism for calculating maximum sales prices on its website at [www.mass.gov/dhcd](http://www.mass.gov/dhcd).

<sup>46</sup> DHCD will review condo fee estimates and approve a maximum condo fee as part of the calculation of maximum sales price. The percentage interests assigned to the condo must conform to the approved condo fees and require a lower percentage interest assigned to the affordable units as opposed to the market rate ones. DHCD must review the Schedule of Beneficial Interests in the Master Deed to confirm that LIP units have been assigned percentage interests that correspond to the condo fees.

- No third party mortgages are allowed for homeownership units.

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

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

***Regulatory Requirements***

- The affordable units design, type, size, etc. must be the same as the market units and dispersed throughout the development.
- Units developed through LIP as affordable must be undistinguishable from market units as viewed from the exterior (unless the project has a DHCD-approved alternative development plan that is only granted under exceptional circumstances) and contain complete living facilities.
- For over 55 projects, only one household member must be 55 or older.
- Household size relationship to unit size is based on “households” = number of bedrooms plus one – i.e., a four-person household in a three-bedroom unit (important also for calculating purchase prices of the affordable units for which LIP has a formula as noted above).
- Must have deed restrictions in effect in perpetuity unless the applicant or municipality can justify a shorter term to DHCD.
- All affordable units for families must have at least two or more bedrooms and meet state sanitary codes and these minimum requirements –

1 bedroom – 700 square feet/1 bath  
 2 bedrooms – 900 square feet/1 bath  
 3 bedrooms – 1,200 square feet/ 1 ½ baths  
 4 bedrooms – 1,400 square feet/2 baths

- Appraisals may take into account the probability of obtaining a variance, special permit or other zoning relief but must exclude any value relating to the possible issuance of a comprehensive permit.

The process that is required for using LIP for 40B developments – “friendly” comprehensive permit projects – is largely developer driven. It is based on the understanding that the developer

and Town are working together on a project that meets community needs. Minimum requirements include:

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

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

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

- Lottery must be held.
6. DHCD approval must include
- Marketing plan, lottery application, and lottery explanatory materials
  - Regulatory agreement (DHCD is a signatory)
  - Deed rider (Use standard LIP document)
  - Purchase arrangements for each buyer including signed mortgage commitment, signed purchase and sale agreement and contact information of purchaser’s closing attorney.

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

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

**E. Commonwealth Capital<sup>47</sup>**

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

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

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

Programs which are affected by Commonwealth Capital include the following that are operated by the Executive Office of Administration and Finance (EOAF), Executive Office of Energy and

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<sup>47</sup> This program was created by the Romney administration and coordinated by the Office of Commonwealth Development. While OCD has been disbanded, applications are still being accepted

Environmental Affairs (EOEEA), Executive Office of Housing and Economic Development (EOHED), Executive Office of Transportation and Public Works (EOTPW), Coastal Zone Management (CZM), Massachusetts Office of Business Development (MOBD), Massachusetts Office of Relocation and Expansion (MORE), and the Department of Housing and Community Development (DHCD):

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

Draft changes to Commonwealth Capital add the following programs:

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

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

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

- Plan for and promote livable communities and plan regionally (19)
- Zone for and permit concentrated development and mixed use (26)
- Expand housing opportunities (21)
- Make efficient decisions and increase job and business opportunities (12)
- Protect land and ecosystems (21)
- Use natural resources wisely (7)

- Promote clean energy (9)
- Provide transportation choice (9)
- Advance equity (6)
- Promote sustainable development via other actions (10)
- Bonus points for every prior fiscal year commitment implemented

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

## II. SUMMARY OF HOUSING RESOURCES

Those programs that may be most appropriate to development activity in Brewster are described below.<sup>48</sup>

### A. Technical Assistance

#### 1. *Priority Development Fund*<sup>49</sup>

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

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

Zoning activities that support the program objectives include:

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

Education and outreach efforts that support the program objectives include:

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

<sup>48</sup> Program information was gathered through agency brochures, agency program guidelines and application materials as well as the following resources: Verrilli, Ann. Housing Guidebook for Massachusetts. Produced by the Citizen's Housing and Planning Association, June 1999.

<sup>49</sup> Description taken from the state's program description.

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

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

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

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

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

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

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

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

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

Applications for funding will be accepted and evaluated on a rolling review basis. In order to deploy this assistance as effectively and efficiently as possible, or in the event the planning funds are oversubscribed, communities that have relatively greater planning capacity and/or resources may be requested to provide

some matching funds. Additional consideration and flexibility for the assistance will be made for communities with little or no planning staff capacity or resources.

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

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

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

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

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

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

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

Working with DHCD, MHP launched this program in 1999 to provide technical assistance to those communities needing assistance in reviewing comprehensive permit applications. The Program offers up to \$10,000 in third-party technical assistance to enable communities to hire consultants to help them review Chapter 40B applications. Those communities that are interested in this initiative should contact the MHP Fund directly for more information.

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

- State housing agencies will now appraise and establish the land value of 40B sites before issuing project eligibility letters.
- State will put standards in place for determining when permit conditions make a 40B development “uneconomic”.
- There will be set guidelines on determining related-party transactions, i.e., when a developer may also have a role as contractor or realtor.

- Advice on how to identify the most important issues early and communicate them to the developer, how informal work sessions can be effective, and how to make decisions that are unlikely to be overturned in court.

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

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

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

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

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

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

The state requires applicants to submit a One Stop Application for most of its housing subsidy programs in an effort to standardize the application process across agencies and programs. A Notice of Funding Availability (NOFA) is issued by the state usually twice annually for its rental programs and homeownership initiatives. Using the One Stop Application, applicants can apply to several programs simultaneously to support the funding needs of a particular project.

## ***1. HOME Program***

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

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

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

The HOME Rental Program is targeted to the acquisition and rehabilitation of multi-family distressed properties or new construction of multi-family rental housing from five to fifty units. Once again, the maximum subsidy per project is \$750,000 and the maximum subsidy per unit in localities that receive HOME or CDBG funds directly from HUD is \$50,000 (these communities should also include a commitment of local funds in the project). Those communities that do not receive HOME or CDBG funds directly from HUD, like Brewster, can apply for up to \$65,000 per unit. Subsidies are in the form of deferred loans at 0% interest for 30 years. State HOME funding cannot be combined with another state subsidy program with several exceptions including the Low Income Housing Tax Credits, HIF and the Soft Second Program.

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

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

In addition to funding for the Peer-to-Peer Program mentioned in the above section, there are other housing resources supported by federal CDBG funds that are distributed by formula to Massachusetts.

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

The program that potentially has the greatest applicability in Brewster is the **Housing Development Support Program (HDSP)** that provides gap financing for small affordable housing projects with fewer than eight units, including both new construction and rehabilitation. Eligible activities include development, rehabilitation, homeownership, acquisition, site preparation and infrastructure work. There is a maximum of \$500,000 plus administrative costs but the program can go up to \$750,000 per project for somewhat larger developments of up to ten units that involve mixed-use or adaptive reuse projects. A majority of the units must be affordable. All state and federal grants cannot exceed 75% of total project

costs with the exception of special needs projects where such grants can amount to 100% of total costs. Funding involves a two-step process: 1) a notice of intent that provides basic information on the project, and 2) the municipality may be invited to submit a full application. HDSP Program funding is extremely competitive, and projects that receive funding through the state HOME or Housing Stabilization Fund Programs are excluded from applying to HDSP.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The state also provides several financing programs for rental projects through the Massachusetts Housing Partnership Fund. The Permanent Rental Financing Program provides long-term, fixed-rate permanent financing for rental projects of five or more units from \$100,000 loans to amounts of \$2 million. At least 20% of the units must be affordable to households earning less than 50% of median income or at least

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

#### **9. *OneSource Program***

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

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

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

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

The Massachusetts Preservation Projects Fund (MPPF) is a state-funded 50% reimbursable matching grant program that supports the preservation of properties, landscapes, and sites (cultural resources) listed in the State Register of Historic Places. Applicants must be municipality or non-profit organization. Funds can be available for pre-development including feasibility studies, historic structure reports and certain archaeological investigations of up to \$30,000. Funding can also be used for construction activities including stabilization, protection, rehabilitation, and restoration or the acquisition of a state-registered property that are imminently threatened with inappropriate alteration or destruction. Funding for development and acquisition projects range from \$7,500 to \$100,000. Work completed prior to the grant award, routine maintenance items, mechanical system upgrades, renovation of non-historic spaces, moving an historic building, construction of additions or architectural/engineering fees are not eligible for funding or use as the matching share. A unique feature of the program allows applicants to request up to 75% of construction costs if there is a commitment to establish a historic property maintenance fund by setting aside an additional 25% over their matching share in a restricted endowment fund. A round of funding was recently held, but future rounds are not authorized at this time.

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

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

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

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

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

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

**C. *Homebuyer Financing and Counseling***

**1. *Soft Second Loan Program***

The Massachusetts Housing Partnership Fund, in coordination with the state's Department of Housing and Community Development, administers the Soft Second Loan Program to help first-time homebuyers purchase a home. The Program began in 1991 to help families earning up to 80% of median income qualify for a mortgage through a graduated-payment second mortgage and down payment assistance. Just recently the state announced that it had lent \$1 billion in these affordable mortgages. Participating lenders originate the mortgages which are actually split in two with a conventional first mortgage based on 77% of the purchase price, the soft second mortgage for typically about 20% of the purchase price (or \$20,000 if greater) and a requirement from the buyer of at least a 3% down payment. Borrowers do not need to purchase private mortgage insurance that would typically be required with such a low down payment, thus saving the buyer significant sums on a monthly basis. Program participants pay interest only on the soft second mortgage for the first ten years and some eligible buyers may qualify for an interest subsidy on the second mortgage as well. Additionally, some participating lenders and communities offer grants to support closing costs and down payments and slightly reduced interest rates on the first mortgage. Brewster is already a participating community in the Program.

**2. *American Dream Downpayment Assistance Program***

The American Dream Downpayment Assistance Program is also awarded to municipalities or non-profit organizations on a competitive basis to help first-time homebuyers with down payments and closing costs. While the income requirements are the same as for the Soft Second Program, the purchase price

levels are higher based on the FHA mortgage limits. Deferred loans for the down payment and closing costs of up to 5% of the purchase price to a maximum of \$10,000 can be made at no interest and with a five-year term, to be forgiven after five years. Another loan can be made through the program to cover deleading in addition to the down payment and closing costs, but with a ten-year term instead, with at least 2.5% of the purchase price covering the down payment.

### **3. *Homebuyer Counseling***

There are a number of programs, including the Soft Second Loan Program and MassHousing's Home Improvement Loan Program, as well as Chapter 40B homeownership projects, that require purchasers to attend homebuyer workshops sponsored by organizations that are approved by the state, Citizens Housing and Planning Association (CHAPA) and/or HUD as a condition of occupancy. These sessions provide first-time homebuyers with a wide range of important information on homeownership finance and requirements. The organization that offers these workshops in closest proximity to Brewster is the Housing Assistance Corporation or Lower Cape Cod CDC.

### **4. *Self-Help Housing.***

Self-Help programs involve sweat-equity by the homebuyer and volunteer labor of others to reduce construction costs. Some communities have donated building lots to Habitat for Humanity to construct affordable single housing units. Under the Habitat for Humanity program, homebuyers contribute between 300 and 500 hours of sweat equity while working with volunteers from the community to construct the home. The homeowner finances the home with a 20-year loan at 0% interest. As funds are paid back to Habitat for Humanity, they are used to fund future projects.

## **D. Home Improvement Financing**

### **1. *MassHousing Home Improvement Loan Program (HLP)***

The MHFA Home Improvement Loan Program (HILP) is targeted to one- to four-unit, owner-occupied properties, including condominiums, with a minimum loan amount of \$10,000 up to a maximum of \$50,000. Loan terms range from five to 20 years based on the amount of the loan and the borrower's income and debt. MassHousing services the loans. Income limits are \$92,000 for households of one or two persons and \$104,000 for families of three or more persons. To apply for a loan, applicants must contact a participating lender.

### **2. *Get the Lead Out Program***

MassHousing's Get the Lead Out Program offers 100% financing for lead paint removal on excellent terms that are based on ownership status and type of property. An owner-occupied, single-family home may be eligible to receive a 0% deferred payment loan up to \$20,000 that is due when the house is sold, transferred or refinanced. An owner-occupant of a two-family house could receive up to \$25,000 to conduct the de-leading work. Maximum income limits for owner-occupants are \$74,400 for one and two-person households and \$85,500 for three or more persons. Investor-owners can also participate in the program but receive a 5% fully amortizing loan to cover costs. Non-profit organizations that rent properties to income-eligible residents are also eligible for 0% fully amortizing loans that run from five to 20 years. Applicants must contact a local rehabilitation agency to apply for the loan.

### **3. *Septic Repair Program***

Through a partnership with the Massachusetts Department of Environmental Protection and Revenue, MassHousing offers loans to repair or replace failed or inadequate septic systems for qualifying applicants. The interest rates vary according to the borrower's income with 0% loans available to one and two-person households earning up to \$23,000 and three or more person households earning up to \$26,000 annually. There are 3% loans available for those one or two person households earning up to \$46,000 and three or more persons earning up to \$52,000. Additionally, one to four-family dwellings and

condominiums are eligible for loan amounts of up to \$25,000 and can be repaid in as little as three years or over a longer period of up to 20 years. To apply for a loan, applicants must contact a participating lender.

## APPENDIX 4

### Glossary of Housing Terms<sup>50</sup>

#### **Affordable Housing**

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

#### **Area Median Income (AMI)**

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

#### **Chapter 40B**

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

#### **Chapter 44B**

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

#### **Comprehensive Permit**

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

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

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

#### **Fair Housing Act**

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

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<sup>50</sup> Heudorfer, Bonnie, “Taking the Initiative: A Guidebook on Creating Local Affordable Housing Strategies”, Citizens Housing and Planning Association with funding from the Massachusetts Housing Partnership Fund, November 2002.

**Inclusionary Zoning**

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

**Infill Development**

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

**Local Initiative Program (LIP)**

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

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

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

**Metropolitan Statistical Area (MSA)**

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

**Mixed-Income Housing Development**

Development that includes housing for various income levels.

**Mixed-Use Development**

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

**Overlay Zoning**

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

**Public Housing Agency (PHA)**

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

**Regional Non-profit Housing Organizations**

Regional non-profit housing organizations include nine private, non-profit housing agencies, which administer the Section 8 Program on a statewide basis, under contract with DHCD. Each agency serves a wide geographic region. Collectively, they cover the entire state and administer over 15,000 Section 8

vouchers. In addition to administering Section 8 subsidies, they administer state-funded rental assistance (MRVP) in communities without participating local housing authorities. They also develop affordable housing and run housing rehabilitation and weatherization programs, operate homeless shelters, run homeless prevention and first-time homebuyer programs, and offer technical assistance and training programs for communities. The Housing Assistance Corporation (HAC) serves as Brewster's regional non-profit housing organization.

### **Regional Planning Agencies (RPAs)**

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