

TOWN OF SANDWICH HOUSING PRODUCTION PLAN



Commons at the Wing

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TOWN OF SANDWICH

HOUSING PRODUCTION PLAN

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TOWN OF SANDWICH

HOUSING PRODUCTION PLAN

I. EXECUTIVE SUMMARY

A. Introduction

Incorporated in 1639, Sandwich is the oldest town on Cape Cod, located on the northwest portion of the peninsula on both sides of the Cape Cod Canal. Sandwich is 57 miles southeast of Boston, a distance that many residents are now choosing to commute. Moreover, increasingly more companies are allowing employees to work remotely which has enabled more people to relocate to Cape Cod, increasing the demand for housing and driving up prices. This situation has been exacerbated by COVID-19.

The community is mostly residential with a winter population that is somewhat smaller than the population during the summer season. Like many communities on the Cape, Sandwich is encountering some demographic shifts that include a modest loss of population since 2010 in tandem with a declining population of younger residents and significant gains in older ones. While population projections suggest continued population growth and demographic trends, rising housing costs are leading to wider affordability gaps and severe cost burdens. This situation is not unique to Sandwich as it is a trend throughout the Cape as well as the Greater Boston area, recently exacerbated by the pandemic. More residents are struggling to remain in the community, and housing costs are becoming increasingly out of reach of young families. Consequently, planning efforts need to focus on strategies to attract younger residents to the community and also meet the needs of Sandwich's increasing population of older adults.

It is important to note that the Town is currently working on an update of its Local Comprehensive Plan (LCP) which provides the opportunity to work simultaneously on these two planning efforts, the results of which should be Plans that reinforce each other with respect to housing and clearly articulate the Town's housing agenda. The visioning survey identified housing as one of three top community priorities.

In 2002, the Town of Sandwich hired a consultant to research, document and develop updates to the Town's Housing Needs Assessment, completed in 1997, and the Housing Action Plan, completed in 1998. This work was sponsored by a special committee, the Community Affordable Housing Plan Committee, and was completed in December 2003 and approved by the state in early 2004. This Plan was subsequently updated as a Housing Production Plan in 2010 and is now being further revised to reflect significant demographic and economic shifts as well as housing market changes. It will enable the Town to reflect on what progress has been made in the last decade with respect to affordable housing, identify current local needs and priorities, and prepare strategies to better promote housing diversity and affordability.

Sandwich has in fact made important progress in producing affordable housing over the past few years. For example, 38 new rental units are being completed on land initially owned by the Sandwich Housing Authority as part of Terrapin Ridge

project. An additional 128 rental units for seniors has been completed through the redevelopment of the Wing School. These projects combined will increase the Subsidized Housing Inventory (SHI) by 166 units and thus change Sandwich's percentage of its year-round housing stock from 3.8% to about 5.7%.

B. Summary of Housing Needs Assessment

The predominant housing type in the town of Sandwich is a fairly new and moderately-sized, single-family detached structure, which has become very expensive with median values of \$526,000 as of May 2021. Homes are typically occupied by prosperous working professionals and their children. Nevertheless, a household with the median income of \$98,827, based on 2019 census estimates,¹ is still finding that it is difficult to find adequate housing that is affordable at market prices, particularly when lenders are requiring down payments of 20% the purchase price. Rental housing is relatively scarce and multi-family housing is very limited, available primarily through the Sandwich Housing Authority or through other subsidized developments.

A summary of some of the demographic and housing characteristics of Sandwich versus Barnstable County and the state is included in Table I-1 and described below.

- *Little net new population growth since 2000*

While Sandwich experienced substantial population growth in the late 20th century, growth has slowed considerably. Since 2000, there has been some population fluctuations that have resulted in very little net new population growth with the 2020 census population count of 20,259 residents.

Population projections from the Metropolitan Area Planning Council (MAPC) for 2030 suggest population gains to 23,655 residents by 2030, likely significantly overestimating population growth. Those from the State Data Center at the University of Massachusetts' Donahue Institute (UMDI) suggest a somewhat more realistic projection of 21,121 residents by 2030, and then a population loss to 19,893 by 2040.

The Cape Cod Commission (CCC) and Barnstable County commissioned a Regional Housing Market Analysis which was completed in June 2017.² This report projected some population growth for the county in general and a very modest increase for Sandwich to an estimated population of 20,761 residents by 2025, representing only a 0.4% rate of growth between 2010 and 2025. The report relied largely on the forecasts from Moody's Analytics that relate to the structural economy instead of typical projections based on changes in births, deaths and migration patterns that are less reliable in seasonal economies and retirement destinations.

- *Loss of younger residents and substantial gains in older ones*

Demographic changes have resulted in fewer children, from 30.3% to 24.6% of residents under age 20 between 2000 and 2019. During the same period, those age 55 to 64 increased from 9.6% to 19.5% of all residents, and those 65 years of age and older increased from 13.7% to 19.9%. In

¹ U.S. Census Bureau's American Community Survey (ACS) 5-Year Estimates for 2015–2019.

² Crane Associates, Inc. and Economic & Policy Resources, "Regional Housing Market Analysis and 10-year Forecast of Housing Supply and Demand for Barnstable County, Massachusetts", prepared for the Cape Cod Commission, June 30, 2017.

fact, while the total population increased by less than 1% between 2000 and 2019, those age 65 or older increased by 68%. This aging of the population, buoyed by the Baby Boomers, is reflected in the increase in the median age from 39.5 to 50.2 years, lower than the county level of 54.1 years but significantly higher than the state at 39.7 years.

The relatively high cost of living in Sandwich and relatively low amount of affordable housing are creating barriers for younger age groups and making it increasingly more likely that those who grew up in Sandwich will be less able to raise their own families locally without housing subsidies or help from their families. Empty nesters will need opportunities to downsize to better meet their current lifestyles and make their homes available to families needing more space.

- *Modest loss of families*

There has been a small decline in the percentage of families, from 75.2% to 72.2% of all households between 2000 and 2019. The percentage of families has remained about the same during the past two decades for the county, at 64%, but decreased somewhat for the state as a whole, from 64% to 62.8%. These losses are largely due to the aging of the population, driven by the Baby Boom generation³, with more people living alone in tandem with fewer children.

- *Higher income levels*

The median household income increased from \$61,250 to \$98,827 between 2000 and 2019 with a median considerably higher than Barnstable County's at \$74,336 and the state level of \$85,843. The percentage of those earning less than \$25,000, at 7.4%, is much lower than 13.5% and 15.5% for the county and state, respectively, based on 2019 census estimates. On the other end of the income range, the percentage of households earning more than \$100,000 is higher in Sandwich, at 49.5%, compared to 35.6% and 43.5% for the county and state, respectively. This relates to Sandwich's greater proximity to off-Cape employment centers as well as the need for higher incomes to afford rising housing costs.

- *Some more recent slowdown in housing growth*

Despite a modest loss in the population of year-round residents, net new housing units increased

Sandwich has been experiencing some teardown activity, particularly near the water, where more modest homes are being replaced by larger more expensive ones. At this point, the level of teardowns is about 10% of new residential permits.

by 1,214 units or 13.9% between 2000 and 2019 according to census data, a rate somewhat higher than county and state housing growth rates of 12% and 11.7%, respectively. Recently released 2020 census data suggests a total of 9,689 units, well below the 2019 census estimate and representing the growth of 213 new units and 2.2% since 2010.

A slowdown in residential building activity has occurred over the past decade with an average of 22 units produced between 2010 and 2020, significantly lower than the average of 54 units per year between 2004 and 2009. This decline in housing growth is likely related not only to dramatic increases in the costs of

property, but also to reductions in the amount of land that is most amenable to development.

³ Members of the large generation born between 1946 and 1964.

- *Some increase in seasonal housing pressures⁴*

While seasonal units and second homes comprise a much greater portion of the housing stock in communities of the Lower or Outer Cape, nevertheless, such units have also increased in Sandwich, comprising 16.9% of all housing units in 2019, up from 13.4% in 2000. This is not an insignificant amount but significantly less than the 32% level for Barnstable County and much more than the 3.6% level for the state. In the summer months Sandwich's resident population increases substantially, putting pressure on Town services and the long-term, permanent population. This temporary population, however, has bolstered the local economy.

- *Relatively low housing density*

Sandwich's housing density is significantly lower than the county and the state at about 231 per square mile as compared to 416 and 374, respectively. This is largely reflective of the considerable amount of preserved open space in town, including Shawme-Crowell State Park and Joint Base Cape Cod. In total, these open space holdings amount to an estimated 50% of all land in Sandwich. This significant reserve of open space, as well as other undevelopable natural resources, has helped make Sandwich a particularly appealing place to live or visit, attracting tourists, retirees and second-home owners. Nevertheless, such large amounts of protected land put substantial development pressures on the limited number of parcels that remain undeveloped or may be redeveloped.

- *Loss of rental units*

Census estimates suggest that Sandwich experienced a net loss of 169 rental units between 2000 and 2019, 193 since 1990. Consequently, Sandwich's rental housing declined proportionately to 9.1% compared to 20.0% for the county and 37.8% for the state. This points to rental housing being converted to owner-occupancy or from year-round to seasonal use.

- *Limited diversity in types of housing*

Almost all of Sandwich's housing units are single-family detached homes (92.4%), significantly higher than the county's level at 82% as well as the state where 52% of all units were in single-family detached dwellings. Almost all of the new housing growth has been in single-family homes with some modest erosion of other housing types.

- *High and rising housing costs*

The 2020 median single-family house price of \$450,000 was lower than the county median of \$475,000 but comparable to the state at \$445,950. As of May 2021, Sandwich's median climbed to \$526,000 likely boosted by COVID-19 which has caused a surge in housing demand that significantly decreased the inventory of available listings and pushed prices to unprecedented levels throughout the Cape.

⁴ In the U.S. Census, seasonal units are defined as those that are intended by the owner to be occupied during only certain seasons of the year. They are not anyone's usual or primary residence. A seasonal unit may be used in more than one season; for example, for both summer and winter sports. Published counts of seasonal units also include housing units held for occupancy by migratory farm workers. While not currently intended for year-round use, most seasonal units could be used year-round. In regard to units for occasional use, these are defined by the census units held for weekend or other occasional use throughout the year. Second homes may be classified as occasional use or as seasonal.

Additionally, while the year-round rental housing stock is small, high rental rates were further exacerbated by the pandemic. While there are few if any listings, realtors suggest that a two-bedroom apartment would run about \$1,800. Leasing requirements of a first and last month's rent plus a security deposit create further financial barriers for renters. As housing prices continue to increase, so do the gaps between what housing residents can afford compared to what is available.

Special HUD data indicates that of the 2,515 households with incomes at or below 80% of area median income, 1,759 or 70% were overspending and 1,155 or 46% had severe cost burdens as they were spending more than half of their income on housing costs.

- *High cost burdens*

The 2019 census estimates suggest that 2,353 households or 30% of all Sandwich year-round households were living in housing that is by common definition beyond their means and unaffordable. This level of cost burdens is lower than the state level, at about one-third, but higher than the county at 28.5%. Additionally, a HUD database based on special tabulations of 2013–2017 census data for Sandwich (the latest report available), indicates that 2,638

households or 34% of all households were spending too much on their housing. Of these, 1,300 households or 16% were experiencing severe cost burdens as they were spending more than half of their income on housing costs.

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

Characteristics	Sandwich		Barnstable County		Massachusetts	
Demographic Characteristics						
	2000 Census	2019 Estimate*	2000 Census	2019 Estimate*	2000 Census	2019 Estimate*
Total population	20,136	20,286	222,230	212,990	6,349,097	6,892,503
% < 20 years	30.3%	20.4%	22.1%	16.6%	26.4%	22.6%
% 20 to 34 years	12.3%	13.4%	13.2%	14.0%	21.0%	21.4%
% 35 to 44 years	9.3%	9.8%	15.3%	9.1%	16.7%	12.3%
% 45 to 54 years	15.8%	14.0%	14.8%	11.5%	13.8%	23.0%
% 55 to 64 years	9.6%	19.5%	11.5%	17.4%	8.6%	13.7%
% 65 years or more	13.7%	22.9%	23.1%	31.5%	13.5%	17.0%
Median age	39.5 years	50.2 years	44.6 years	54.1 years	36.5 years	39.7 years
% Family households	75.2%	72.2%	64.0%	64.1%	64.0%	62.8%
% Non-family Hhs.	24.8%	27.8%	36.0%	35.9%	36%	37.2%
Average household size	2.72 persons	2.57 Persons	2.28 persons	2.18 persons	2.51 persons	2.51 persons
Median income	\$61,250	\$98,827	\$45,933	\$74,336	\$50,502	\$85,843
Individuals in poverty	3.1%	3.6%	7.0%	5.2%	9.0%	9.4%
% income < \$25,000	14.4%	7.4%	24.6%	13.5%	24.6%	15.5%
% income > \$100,000	19.8%	49.5%	12.4%	35.6%	17.7%	43.5%

Housing Characteristics						
Total housing units	8,748	9,962	147,083	164,686	2,621,989	2,928,818
% Occupied housing	83.8%	78.5%	64.5%	58.6%	93.2%	90.5%
% Seasonal/occasional	13.4%	16.9%	32.0%	36.8%	3.6%	4.1%
% Owner-occupied	88.0%	90.9%	77.8%	80.0%	61.7%	62.2%
% Renter-occupied	12.0%	9.1%	22.2%	20.0%	38.3%	37.8%
% Single-family, detached structures	92.2%	92.4%	82.9%	83.3%	52.4%	51.8%
Median sales price Banker & Tradesman 2000 and 2020	\$178,000	\$450,000	\$178,800	\$475,000	\$185,000	\$445,950
Housing growth 2000 to 2019	13.9%		12.0%		11.7%	
Housing density 2000 to 2019	203.2 to 231.4 units per square mile		371.6 to 416.1 units per square mile		334.5 to 373.6 units per square mile	

Source: Data for the above table is largely derived from the 2000 decennial census and American Community Survey 5-Year Estimates for 2006–2010 and 2015–2019.

- *Limited Supply of Affordable Housing*

Of the 8,183 year-round housing units in the town of Sandwich, counted by the state based on 2010 census data, 314 or 3.84% have been determined to be affordable by the Commonwealth of Massachusetts. This is up from 272 units and 3.6% in 2009. Even if the Town reaches the 10% affordability threshold under Chapter 40B, it is unlikely that the number of affordable units produced will be sufficient to meet existing need and demand, much less potential future needs, based on the following indicators:

- This data suggests that 2,638 households or 34% of all households were spending too much on their housing. Of these, 1,300 households or 16% were experiencing severe cost burdens as they were spending more than half of their income on housing costs.
- More than 2,000 residents claimed a disability, representing 10% of the population and 20% of all those 65 years of age or older.
- According to 2019 census estimates, there were 728 individuals who were living below the poverty level; and
- The Sandwich Housing Authority has an extensive wait list with limited turnover, particularly for family rental units and those directed to the nonelderly disabled.

The impacts of COVID-19, that included losses of income for many households amidst rising housing prices, have widened affordability gaps and increased cost burdens.

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

C. Summary of Priority Housing Needs

Based on the Housing Needs Assessment (see Section III), there are a number of key indicators that suggest there are significant local needs for affordable housing that go well beyond what is required to meet the 10% state affordability goal including:

1. Households with Very Limited Incomes

Despite generally increasing household wealth, 578 or about 7.4% of all households had incomes of less than \$25,000, including 728 individuals living below the poverty level, substantially more than the 314 subsidized units available. Given Sandwich's tight housing market, it can be expected that many lower income residents are struggling to afford to remain in the community, made worse by the pandemic.

Priority Need #1: *Given the high costs of housing, more subsidized rental housing is necessary to make living in Sandwich more affordable, particularly for those with very limited financial means. The need for rentals is further demonstrated by a net loss of rentals over the past several decades. Some of this need is meant to be addressed by the Terrapin Ridge development and conversion of the Wing School into affordable apartments for seniors.*

2. Affordability Gaps

Housing prices have risen faster than incomes, making housing less affordable.⁵ For example, while incomes increased by 127% between 1990 and 2019, the median single-family house price increased by 193% based on *Banker & Tradesman* data. In 1990 the median income was 32% of the median house price but decreased to 25% by 2019. *Moreover, the gap between income and house value was \$92,500 in 1990 but more than tripled to \$300,173 by 2019.*

The declining numbers of younger residents, who are likely confronting problems associated with high living costs, suggests the need to further diversify the housing stock in order to better address their housing and financial needs.

Priority Need #2: *A wider range of affordable housing options is needed, including starter housing for younger households entering the job market and forming their own families as well as opportunities for empty nesters to downsize. This includes those who may not meet all state affordability requirements under Chapter 40B but are still priced out of Sandwich's housing market.*

3. Special Needs Households

The 2019 census estimates indicate that 2,023 residents or 10% of all residents claimed a disability. This level of disability, plus an increasingly aging population, point to significant special needs within the community. Additionally, there were only 41 units of special needs housing available through Department of Developmental Services (DDS) group homes and eight units for Department of Mental Health (DMH) clients at Hanson Village plus no assisted living units in the community.

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, 20% for seniors/single individuals.*

⁵ Very low interest rates have been a major driver of increasing house prices as well as the pandemic which drew some to relocate to Cape Cod in search of a safer retreat.

D. Summary of Housing Production Program Goals

The state administers the Housing Production Program that enables cities and towns to adopt an affordable housing plan that demonstrates production of 0.50% over one year or 1.0% over two years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory (SHI). Sandwich would have to produce at least 41 affordable units annually to meet the current annual production goal, a formidable challenge. If the state certifies that the locality has complied with its annual production goals, the Town's Zoning Board of Appeals may be able to deny comprehensive permit applications without the developer's ability to appeal.⁶

This Plan provides production goals over the next five years which include the creation of affordable and workforce units⁷ beyond the 41-unit annual goal as well as other units that are not eligible for inclusion in the SHI but still serve local housing needs. It is important to note that the annual housing goal of 41 units is based on the year-round housing total from the 2010 decennial census. When the 2020 census figures are released, this annual goal is likely to increase to 42 units.

The state's subsidizing agencies have entered into an Interagency Agreement that provides more guidance to localities concerning housing opportunities for families with children and require that at least 10% of the units in affordable housing developments that are funded, assisted, or approved by a state housing agency have three or more bedrooms with some exceptions (e.g., age-restricted housing, assisted living, supportive housing for individuals, SRO's, etc.).

E. Summary of Housing Strategies

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

⁶ If a community has achieved certification within 15 days of the opening of the local hearing for the comprehensive permit, the ZBA shall provide written notice to the applicant, with a copy to DHCD, that it considers that a denial of the permit or the imposition of conditions or requirements would be consistent with local needs, the grounds that it believes have been met, and the factual basis for that position, including any necessary supportive documentation. If the applicant wishes to challenge the ZBA's assertion, it must do so by providing written notice to DHCD, with a copy to the ZBA, within 15 days of its receipt of the ZBA's notice, including any documentation to support its position. DHCD shall review the materials provided by both parties and issue a decision within 30 days of its receipt of all materials. The ZBA shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be consistent local needs, provided, however, that any failure of the DHCD to issue a timely decision shall be deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days.

⁷ Workforce units are defined in this Plan as those earning between 80% and 120% of area median income who are still largely priced out of the existing housing market.

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

1. Planning and Regulatory Strategies

Assess and Amend Existing Zoning Bylaw

Zoning changes that are recommended for consideration include the following:

- ***Establish new mixed-use zoning in South Sandwich Village***
Sandwich has been working with the Cape Cod Commission and Union Studio to explore development opportunities in South Sandwich to develop model design approaches and a form-based code framework.
- ***Adopt town-wide inclusionary zoning***
Amend zoning to ensure that any residential or mixed-use development over a certain size includes a percentage of affordable units or mandates payments in-lieu of units.
- ***Allow development of nonconforming lots under certain conditions***
Allow nonconforming lots that do not meet minimum lot requirements by special permit from the Planning Board if they meet a number of conditions including the inclusion of some affordability;
- ***Modify the Conditional Density Affordable Housing Bylaw***
The Town might consider making further revisions to the Conditional Density Affordable Housing Bylaw to make it more effective.
- ***Enable the Transfer of Development Rights (TDR);***
TDR involves the conveyance of development rights by deed, easement, or other legal instrument from one parcel of land to another as a means of encouraging development in certain areas while preserving open space in others thus guiding development in line with “smart growth” principles.

Explore Property Tax Exemption for Affordable Year-Round Rental Housing

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

2. Strategies for Building Local Capacity to Promote Affordable Housing

Establish a Municipal Affordable Housing Trust Fund

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

Conduct Educational Campaign on Affordable Housing

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

Secure Professional Support

If the Town wants to effectively implement the range of actions included in this Housing Plan, it should consider augmenting its capacity to coordinate these activities and bring on some professional support by entering into a part-time professional services agreement with a housing professional or even potentially the Sandwich Housing Authority.

Ensure Adequate SHI Monitoring

Because affordable units take so much time, effort, and funding to produce and are a vital resource for enabling some residents to remain in Sandwich, it is essential that the Town have a structure in place to safeguard their continued affordability and inclusion in the SHI.

3. Housing Production Strategies

Make Publicly-Owned Property Available for Affordable Housing

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

Work Cooperatively with Developers on Privately-owned Property

The proposed Housing Trust and additional professional support (strategies VI.B.1 and 3) should bolster efforts to work with private developers, for-profit and non-profit, to increase affordable units through the "friendly" 40B process or other local regulations. Working cooperatively with developers will hopefully result in new development with more appropriate scale, better design, improved amenities, and greater sensitivity to the natural landscape and environment. Some preferred housing types include smaller infill development in existing neighborhoods, cluster development, mixed-use projects, the redevelopment of existing properties, and additional multi-family housing for example.

Convert Existing Housing Stock for Affordable Rental and For Sale

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

Encourage Mixed-use Development

Mixed-use zoning, or land use regulations that call for a concentrated mix of various uses in strategic locations (such as villages, town centers, transportation corridors and nodes), are a basic principle of “smart growth” development and sustainable design. Such development directs growth to appropriate locations and limits suburban sprawl. The Planning and Development Office is in the process of rezoning the South Sandwich Village Center (SSVC), also referred to as the Golden Triangle, along Route 130 to allow the development of mixed uses, including affordable housing. There is a Town-owned parcel in the area that has the potential for significant housing development, including affordable housing.

4. *Direct Housing Assistance Strategies*

Explore New Homebuyer Assistance Programs

This Plan recommends that the Town consider introducing programs to promote starter housing by subsidizing down payment and closing costs or the mortgages of qualifying first-time homebuyers.

Consider Introducing a Small Repair Grant Program

Sandwich should consider introducing a grant program to help qualifying homeowners make important health and safety improvements to their homes. Such a program would relate to two of the priority housing needs included in this Housing Plan including improving housing conditions and serving special needs populations.

II. INTRODUCTION

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

A. Goals and Objectives

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

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

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

This investment in affordable housing is in the short- and long-term interests of the community based on the following local and regional challenges:

- Due to the high costs of housing, including escalating costs associated with taxes, insurance,⁸ and utilities, some residents are finding it increasingly difficult to afford to remain in Sandwich.
- Children who grew up in the town are now facing the possibility that they may not be able to return to raise their own families locally.
- Long-term residents, especially the elderly, are finding themselves less able to maintain their homes and keep up with increased expenses, but are unable to find alternative housing that better meets their current lifestyles.
- Families are finding it more difficult to “buy up,” purchasing larger homes as their families grow or even afford their first home given prices.
- Town employees and employees of local businesses are increasingly hard pressed to find housing that is affordable in Sandwich and are confronted with longer commutes as the increasing affluence of the area squeezes them out of the housing market.

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

⁸ Following Hurricane Katrina, more insurance companies decided to no longer offer insurance in “high risk” areas, including Sandwich, and as a result insurance costs rose considerably.

The previous Housing Plans included the following housing objectives to serve as the basis for the recommended housing strategies, which this Plan is also embracing:

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

B. Definition of Affordable Housing

There are a number of definitions of affordable housing as federal and state programs offer various criteria. For example, the U.S. Department of Housing and Urban Development (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 gross income (with a small deduction for each dependent, for child care, for extraordinary medical expenses, etc.) or if the carrying costs of purchasing a home (mortgage, homeowners association fees, property taxes and insurance) is not more than typically 30% of gross income. If households are paying more than these amounts, they are described as experiencing housing affordability problems or cost burdens; and if they are paying 50% or more for housing, they have severe housing affordability problems and cost burdens. The state has embraced the definition of housing costing no more than 30% of gross household income whether for homeownership or rentals.

Affordable housing can also be defined according to percentages of median income for the area. Housing subsidy programs are targeted to particular income ranges depending upon programmatic goals. The 2021 income levels, provided annually by HUD, are summarized in Table II-1.

**Table II-1: 2021 INCOME LEVELS FOR
AFFORDABLE HOUSING IN THE BARNSTABLE AREA**

# in Household	30% AMI	50% AMI	80% AMI	100% AMI
1	\$20,450	\$34,050	\$54,450	\$62,510
2	\$23,350	\$38,900	\$62,200	\$71,440
3	\$26,250	\$43,750	\$70,000	\$80,370
4	\$29,150	\$48,600	\$77,750	\$89,300
5	\$31,500	\$52,500	\$84,000	\$96,444
6	\$33,850	\$56,400	\$90,200	\$103,588
7	\$36,150	\$60,300	\$96,450	\$110,732
8+	\$38,500	\$64,200	\$102,650	\$117,876

Source: U.S. Department of Housing and Urban Development (HUD), Effective Date June 1, 2021
2021 Median Household Income for the Barnstable Metropolitan Statistical Area (MSA) = \$89,300

Extremely low-income housing is directed to households with incomes at or below 30% of area median income (AMI) as defined by HUD (to \$26,250 for a family of three for the Barnstable County area) and very

low-income is defined as households with incomes of more than 30% AMI to 50% AMI (up to \$43,750 for a family of three). Low- and moderate-income generally refers to the range between 50% and 80% AMI (\$70,000 for a family of three at the 80% limit).

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).⁹ 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 (SHI) or has reached other statutory minima thresholds. In calculating a community's progress toward the 10% Chapter 40B goal, the state counts a housing unit as affordable if it meets a number of state requirements, as summarized below.

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

1. Targeted to households with incomes at or below 80% AMI.
2. Subsidized by an eligible state or federal program or approved by a subsidizing agency.
3. 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).
4. Subject to an Affirmative Fair Housing Marketing Plan.

Based on the Massachusetts Department of Housing and Community Development's most recent data on Sandwich's supply of affordable housing included in the state's Subsidized Housing Inventory (SHI), Sandwich had 8,183 year-round housing units, of which 314 were counted as affordable as of April 2021, representing 3.84% of the year-round housing stock. This is up from 272 units and 3.6% in 2009. Planned development should push Sandwich to 5.8%, but the town will still have a significant challenge to meet the 10% goal.

When the 2020 census figures are released, the year-round housing total will increase to reflect growth and Sandwich's SHI percentage is likely to dip to slightly to 5.7%. Moreover, some affordable units that are included in Sandwich's Subsidized Housing Inventory have affordability restrictions that are due to expire

⁹ 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.

at some point in the future that will decrease the level of existing affordable units. Examples include the 22 units that are part of Ryder Woods and a remaining unit that was assisted through a Housing Rehab Program sponsored by the Cape Cod Commission (CCC).

Most state-supported housing assistance programs are targeted to households with incomes at or below 80% AMI. For example, first-time homebuyer programs typically apply income limits of up to 80% AMI. Others, particularly rental programs, are directed to lower income thresholds. For example, the Low Income Housing Tax Credit Program, that subsidizes rental units, provides financing for households with incomes at or below 60% AMI with some for the 50% AMI and, in some cases, 30% AMI income ranges.

The Community Preservation Act (CPA) allows funding to be directed to those within a somewhat higher income range – up to 100% AMI – now commonly referred to as “community housing” units. Additionally, some housing developments incorporate even higher “workforce” housing units with limits up to 120% or even 150% AMI. It should be noted, however, that those units that involve occupants with incomes higher than 80% AMI, while still serving local housing needs, are not eligible for inclusion in the Subsidized Housing Inventory unless they are part of a 40B rental development where 100% of the units would qualify for inclusion in the SHI if at least 25% meet 40B requirements.

III. HOUSING NEEDS ASSESSMENT

This Housing Needs Assessment presents an overview of housing issues in Sandwich, providing details on demographic and housing characteristics and trends, market conditions, and priority housing needs.

A. Demographic Characteristics and Trends

Detailed information on Sandwich's population is summarized below showing relatively flat population growth with some demographic shifts including losses of younger residents and gains in older adults.

1. Population Growth – Small population loss since 2010

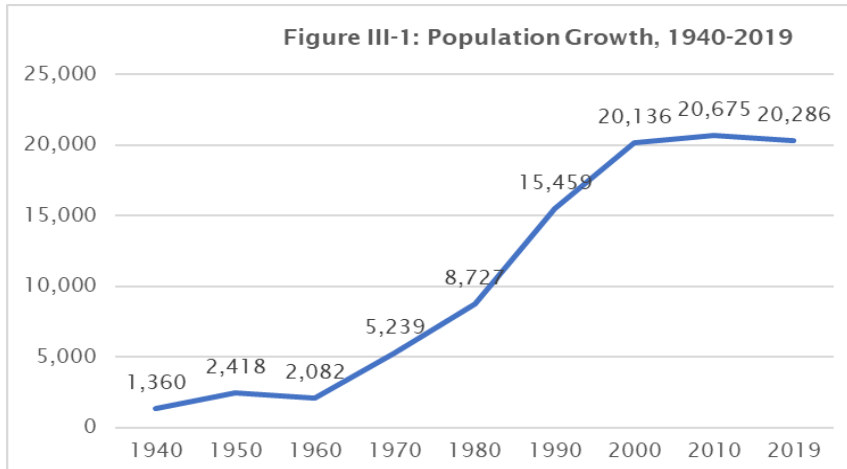
During World War II, the population in Sandwich included less than 1,400 residents, a point when the town was still primarily a fishing and agricultural village. After the war, Sandwich experienced some fluctuations in its population until about 1960. After that, there was a surge in population growth, particularly between 1970 and 2000 when the population almost quadrupled in size. Since then, there have been some additional population fluctuations that have resulted in a modest loss of population since 2010. This historic housing growth is presented in Table III-1 and Figure III-1.

Table III-1: Population Growth, 1930 to 2019

Year	Total Number of Residents	Change Over Previous Decade	Percentage Change Over Previous Decade
1930	1,437	--	--
1940	1,360	-77	-5.4%
1950	2,418	1,058	77.8%
1960	2,082	-336	-13.9%
1970	5,239	3,157	151.6%
1980	8,727	3,488	66.6%
1990	15,459	6,732	77.1%
2000	20,136	4,677	30.3%
2010	20,675	539	2.7%
2019	20,286	-389	-1.9%
2020	20,259	-27	-0.1%
Town Census	19,893 as of end of 2020	-393	-1.9%

Sources: U.S. Census Bureau decennial figures, American Community Survey (ACS) 5-Year Estimates, 2015–2019, and Town Clerk records.

Town records indicate that as of the end of 2020, the population was 19,893 and thus somewhat lower than the 2019 census estimate. This is somewhat surprising given population projections that suggest a rather flat or increasing population over the next decade or so. Additionally, while there is typically a disparity between the federal and local figures, the local figure is usually higher because the federal census counts students as living at their colleges and universities while the Town counts students as living at the home of their parents. Some of those counted are also inactive voters that might have moved but cannot be eliminated from the census for two biennial state elections if they do not return a confirmation notice. It is also important to note that these figures do not include seasonal visitors or second homeowners.



The Metropolitan Area Planning Council (MAPC) has calculated population growth projections, summarized by age range in Table III-4. These projections suggest that the population will increase to 21,420 residents by 2020, which certainly will not be the case given the 2020 census count of only 20,259 residents. Projections estimate a still further increase to 23,655

residents by 2030, likely significantly overestimating population growth.

Population projections from the State Data Center at the University of Massachusetts Donahue Institute (UMDI) suggest a somewhat more realistic projection of 20,918 residents in 2020, some increases to 21,121 by 2030, and then a population loss to 19,893 by 2040, as summarized in Table III-5.

The Cape Cod Commission (CCC) and Barnstable County commissioned a Regional Housing Market Analysis which was completed in June 2017.¹⁰ This report projected some population growth for the county in general and a very modest increase for Sandwich to an estimated population of 20,761 residents by 2025, representing only a 0.4% rate of growth between 2010 and 2025. This is somewhat higher than the 20,259 population total as part of the 2020 census.

The report, which was prepared by Crane Associates, Inc. and Economic & Policy Resources, relied largely on the forecasts from Moody's Analytics that relate to the structural economy in the county, forecasting the county's future economic performance and demographic changes within a larger prospective view of its economic, financial and demographic dynamic. A Cape Cod Commission economist suggests that the MAPC and State Data Center projections may not consider unique factors in typical retirement communities where the outpacing of births by deaths may be a less reliable measure for population trends than the ability of the community to attract new residents from outside the region.¹¹ These projections are not a significant departure from the UMDI forecast and a more reliable source for demographic forecasts than the MAPC figures.

2. Race – Small but increasing minority population

The population has remained predominantly White. In 2000, the census describes 97.8% of the population, or 19,683 persons, as White with all other races represented at 2.2%. The 2019 census estimates show some significant increase in minority residents to 1,005 or 5% of the population. About

¹⁰ Crane Associates, Inc. and Economic & Policy Resources, "Regional Housing Market Analysis and 10-year Forecast of Housing Supply and Demand for Barnstable County, Massachusetts", prepared for the Cape Cod Commission, June 30, 2017.

¹¹ Ramachandran, Mahesh, Environmental Economist for the Cape Cod Commission, "The Cape's Population Problem Isn't a Problem," from Banker & Tradesman, November 28, 2016.

one-third claimed Asian descent and another 20% were African-American. The remaining residents identified themselves as some other race or of two or more races. About 2% of residents indicated that they were Hispanic or Latino.

3. *Age Distribution*

As Table III-2 and Figure III-2 both demonstrate, Sandwich is continuing to experience the following demographic shifts:

- *Decreases in children*
While the overall population increased by 0.7% between 2000 and 2019, children under the age of 20 decreased by 32% according to census estimates, representing a decreasing portion of the population – from 30.3% in 2000 to 20.4% by 2019. Nevertheless, Sandwich had a higher proportion of this age group than the county level of 16.6%.
- *Declines in young adults*
Young adults between the ages of 20 and 34, who would be entering the labor market and forming their own families, increased by about 10% between 2000 and 2019, and even by 36% between 2000 and 2019. Sandwich still experienced a net loss in the number of these residents since 1990 had a bit lower percentage of those in this age range, at 13.4% compared to 14.0% and 21.4% for the county and state, respectively.

The lower level of young adults in Sandwich and throughout the Cape is largely a result of fewer job opportunities, particularly those outside of the retail and service sectors that pay well, in combination with high living expenses. Sandwich, being located in the Upper Cape and closer to employment centers in Plymouth and the southern coastal area is in a somewhat better position to attract younger adults than the more far-flung communities in the Lower and Outer Cape for example. Nevertheless, this trend suggests the need for not only workforce development efforts, but more first-time homebuyer opportunities as starter homes in the private housing market have virtually disappeared.

Table III-2: Age Distribution, 1980 to 2019

Age Range	1980		1990		2000		2010		2019	
	#	%	#	%	#	%	#	%	#	%
Less than 5	558	6.4	1,243	8.0	1,329	6.6	938	4.5	820	4.0
5 to 19	2,173	24.9	3,315	21.4	4,768	23.7	4,575	22.1	3,317	16.4
20 to 34	1,840	21.1	3,062	19.8	2,476	12.3	2,409	11.7	2,720	13.4
35 to 44	1,146	13.1	2,899	18.7	3,703	18.4	2,549	12.3	1,986	9.8
45 to 54	798	9.1	1,565	10.1	3,174	15.8	3,822	18.5	2,849	14.0
55 to 64	963	11.0	1,221	7.9	1,929	9.6	3,143	15.2	3,949	19.5
65 to 74	850	9.7	1,337	8.6	1,448	7.2	1,813	8.8	2,861	14.1
75 to 84	329	3.8	648	4.2	998	5.0	997	4.8	1,297	6.4
85 and over	70	0.8	199	1.3	311	1.5	429	2.1	487	2.4
Total	8,727	100.0	15,489	100.0	20,136	100.0	20,675	100.0	20,286	100.0
Less than 20	2,731	31.3	4,558	29.4	6,097	30.3	5,513	26.7	4,137	20.4
65 and over	1,249	14.3	2,184	14.1	2,757	13.7	3,239	15.7	4,645	22.9

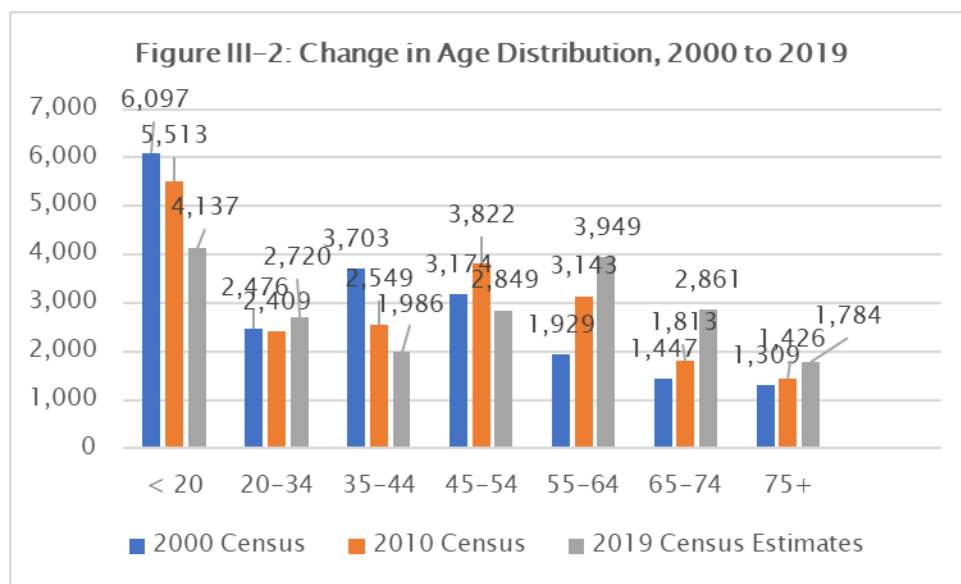
Source: U.S. Census Bureau, decennial figures and American Community Survey 5-Year Estimates for 2015-2019.

- *Additional losses of younger middle-age residents*

There have been significant fluctuations in the proportion of residents between the ages of 35 and 44, as they comprised 13.1% of Sandwich residents in 1980, up to 18.4% in 2000, and down to 9.8% by 2019. These residents totaled 3,703 in 2000 and fell to 1,986 by 2019, representing a 46% decline. In comparison, this age group involved an even lower level for the county at 9.1% while 12.3% of all residents statewide.

- *Declines in middle-age residents as well*

Residents between the ages of 45 and 54 decreased from 15.8% to 14.0% between 2000 and 2019, but the decline was greater for the county, from 14.8% to 11.5%. On the other hand, these residents increased significantly statewide, from 13.8% to 23.0% during this period. It is likely that job availability and high housing costs are affecting this age group as well.



- *Major increases in older adults*

The aging of the town's population is largely driven by the Baby Boom generation and the area's attraction as a retirement destination. For example, residents between the ages of 55 and 64 comprised 9.6% of the population in 2000 but increased to 19.5% by 2019. The population of those 65 years of age or older also increased substantially as they comprised 13.7% of the population in 2000, growing to 22.9% by 2019. Even those seniors 75 years and older increased as a percentage of the population from 6.5% in 2000 to 8.8% by 2019, or from 1,309 to 1,784 residents, despite little or no total population growth.

While the total population increased by less than 1% between 2000 and 2019, those age 65 or older increased by 68%.

The aging trend is also revealed in the increasing median age in Sandwich, from 39.5 years in 2000 to 50.2 years by 2019. This level is lower than the county at 54.1 years in 2019 but much higher than the state at 39.7 years. Based on 2019 census estimates, 42.4% of all residents are age 55 or older compared to 48.9% and 30.7% for the county and state, respectively.

The aging of residents also suggests that the Town should address the housing needs of this burgeoning population, offering more housing options for seniors, including options for downsizing with greater handicapped-accessibility and support services. It should be noted, however, that it is difficult to qualify long-term residents with substantial home equity for housing assistance given limits on financial assets.

Table III-3 provides comparative information for Barnstable County and the state, which highlights the trends described above with continued trends towards fewer children and a higher level of older adults. For example, Sandwich and Barnstable County had a significantly lower percentage of children than the state in 2019, 17.9% and 14.9%, respectively, compared to 19.6% for the state. On the other hand, Sandwich's percentage of those age 65 or older was 22.9%, higher than the state level of 17%.

Table III-3: Comparative Age Distribution Data, 2010 and 2019

Age Range	Sandwich		Barnstable County		Massachusetts	
	% 2010	% 2019	% 2010	% 2019	% 2010	% 2019
Under 18	26.2	17.9	17.3	14.9	21.7	19.6
18 to 34	13.3	15.9	14.8	15.7	23.1	24.4
35 to 44	12.3	9.8	10.6	9.1	13.6	12.4
45 to 54	18.5	14.0	15.9	11.4	15.5	13.0
55 to 64	15.2	19.5	16.6	17.3	12.3	13.6
Age 65+	15.7	22.9	25.0	31.5	13.8	17.0
Median Age	42.5/50.2 years		49.9/54.1 years		39.1/39.7 years	

Source: U.S. Census Bureau, 2010 and American Community Survey, 2015–2019 5-Year Estimates for Sandwich and 1-Year 2019 Estimates for the county and state.

Table III-4 presents population projections by age range through 2020 and 2030, prepared by the Metropolitan Area Planning Council (MAPC). These projections suggest a continuation of population trends with declines in younger residents and substantial increases in seniors. For example, those older adults aged 65 years or more are projected to double from about 16% to 31% of the population by 2030. There are reductions in all other age categories with those under age 20 dwindling to 21.0% of the population from 26.6% in 2010.

Table III-4: MAPC Population Projections for 2020 and 2030

Age Range	2010 Census		2020 Projections		2030 Projections	
	#	%	#	%	#	%
Less than 5 years	938	4.5	1,203	5.6	1,449	6.1
5 to 19 years	4,575	22.1	2,918	13.6	3,515	14.9
20 to 34 years	2,409	11.7	2,967	13.9	2,606	11.0
35 to 64 years	9,514	46.0	9,272	43.3	8,752	37.0
65+ years	3,239	15.7	5,060	23.6	7,333	31.0
Total	20,675	100.0	21,420	100.0	23,655	100.0

Source: Metropolitan Area Planning Council (MAPC), Massachusetts Housing Data Portal, January 2014. MAPC's Stronger Region scenario.

Table III-5 provides projections of the age distribution in Sandwich through 2040 from the State Data Center at the University of Massachusetts Donahue Institute (UMDI), forecasting decreases in all age groups with the exception of those 65 years of age or older.

Table III-5: UMDI Population Projections for 2020, 2030 and 2040

Age Range	2010 Census		2020 Projections		2030 Projections		2040 Projections	
	#	%	#	%	#	%	#	%
Less than 5	938	4.5	922	4.4	1,022	4.8	822	4.1
5 to 19 years	4,575	22.1	3,495	16.7	3,464	16.4	3,590	18.0
20 to 34 years	2,409	11.7	3,057	14.6	2,764	13.1	2,250	11.3
35 to 64 years	9,514	46.0	8,504	40.7	7,658	36.3	7,651	38.5
65+ years	3,239	15.7	4,940	23.6	6,213	29.4	5,580	28.1
Total	20,675	100.0	20,918	100.0	21,121	100.0	19,893	100.0

Source: University of Massachusetts, Donahue Institute, State Data Center.

4. Households – Increasing shifts to smaller, non-family households

As Table III-6 indicates, despite a less than 1% increase in population between 2000 and 2019, the percentage increase in households was 6.6% indicating that households are getting smaller. This decrease in household size is also reflected in declines in the average household size, from 2.72 persons in 2000 to 2.57 persons according to 2019 census estimates. This is the norm in communities that are retirement destinations and have a substantial population of older adults. Correspondingly, family households have been decreasing over time, also reflective of the demographic shift towards fewer children and more residents living alone. For example, the 2019 census estimates identify 1,656 residents living alone of which 921 were 65 years of age or older, up from 518 in 2010.

Table III-6: Demographic Characteristics, 1990 to 2019

Characteristics	1990		2000		2010		2019	
	#	%	#	%	#	%	#	%
Population	15,489	100	20,136	100	20,675	100.0	20,286	100.0
Minority Residents*	345	2.20	453	2.2	726	3.5	1,005	5.0
# Households	5,558	100.0	7,335	100.0	7,635	100.0	7,818	100.0
Family Households	4,322	77.8	5,515	75.2	5,779	75.7	5,642	72.2
Married couples/ with children < 18**	3,832/ 1,856	68.9/ 33.4	4,768/ 2,368	65.0/ 32.3	5,042/ 2,270	66.0/ 29.7	4,915/ 1,427	62.9/ 18.3
Female Heads of Households/with children**	397/216	7.1/3.8	595/ 337	8.1/4.6	569/ 326	7.5/ 4.3	461/ 171	5.9/ 2.2
Non-family Households**	1,236	22.2	1,820	24.8	1,856	24.3	2,176	27.8
Average household size	2.74 persons		2.72 persons		2.66 persons		2.57 persons	

Source: U.S. Census Bureau decennial figures and American Community Survey 5-Year Estimates for 2015–2019.

*Percent of total population ** Percent of all households

5. Incomes – Striking increases in higher-income households

Sandwich has gained increasingly more affluent residents over the past several decades with median household income levels almost doubling between 1989 and 2010 and then increasing by another 18.5%

between 2010 and 2019 to a median of \$98,827. This is somewhat higher than the rate of inflation of 17.2% between 2010 and 2019.

The median household income increased by 61.4% between 1999 and 2019, far more than the inflationary rate of 54%.

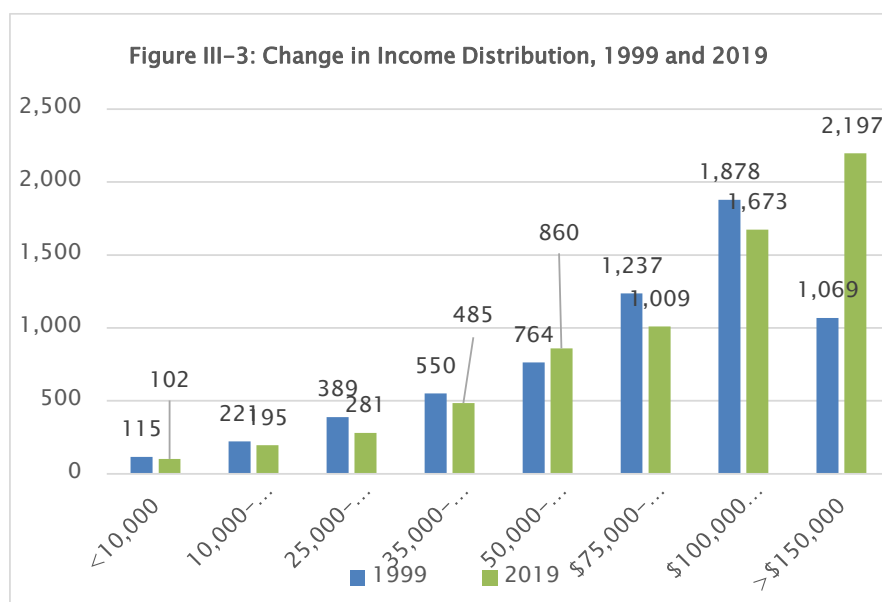
Table III-7 presents income data based on census estimates from 1989 to 2019, also visually presented in Figure III-3. Those with incomes of less than \$35,000 decreased from 36.4% of all households in 1989, to 16.7% in 2010, and then to 13.6% by 2019. On the other end of the income range, those with incomes of more than \$75,000 increased from 15.4% in 1989,

57.2% in 2010, and 62.5% in 2019. Of particular note is the rise in those with incomes of more than \$100,000, from 38.6% of all households in 1999 to about half according to 2019 census estimates as shown in Table III-8.

Table III-7: Income Distribution by Household, 1990-2019

Income Range	1989		1999		2010		2019	
	#	%	#	%	#	%	#	%
Under \$10,000	440	7.9	302	4.1	115	1.5	102	1.3
\$10,000-14,999	0	0	216	2.9	221	2.9	195	2.5
\$15,000-24,999	939	16.9	539	7.3	389	5.1	281	3.6
\$25,000-34,999	645	11.6	611	8.3	550	7.2	485	6.2
\$35,000-49,999	1,236	22.2	1,114	15.2	764	10.0	860	11.0
\$50,000-74,999	1,443	26.0	1,885	25.7	1,237	16.2	1,009	12.9
Over \$75,000	855	15.4	2,679	36.5	4,367	57.2	4,886	62.5
Median	\$43,500		\$61,250		\$83,325		\$98,827	

Sources: U.S. Census Bureau Summary File 3 for 1989 and 1999 and American Community Survey 5-Year Estimates for 2006-2010 and 2015-2019.



Despite this increasing household wealth, there were 578 households with incomes below \$25,000 representing 7.4% of all households. There are substantially more of these limited-income households

than subsidized units available (314 SHI units), and they are challenged to compete in Sandwich's 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. Options such as the creation of an Accessory Dwelling Units (ADU), a reverse mortgage, or some tax relief may help their situations somewhat. Nevertheless, continued increases in taxes, insurance and energy bills, as well as health-related issues, may drive at least some of these households out of the community given the limited supply of affordable units for seniors including service-enriched housing alternatives for both seniors and special needs individuals.

Incomes are also correlated to life-cycle changes, from the first job, to the prime of one's career, to retirement as shown in a Housing Affordability Ladder in Attachment 5.

It should be noted that some homeowners who have significant equity in their home may qualify for affordable housing based on their income but ultimately be determined ineligible because of their financial assets or age. For example, those under 55 years of age cannot have owned a home within the last three years of applying for affordable housing with some minor exceptions. Moreover, the asset limit for these households is \$75,000. For age-restricted housing targeted to those 55 years or older, up to \$200,000 in net equity from a previous house is allowed plus another \$75,000 in financial assets. Earned income from financial assets is also added to household income in determining eligibility.

As presented in Table III-8 there are considerable income disparities based on the type of household with significantly higher median income levels for families, homeowners, and households with middle-aged heads; a pattern that is typical in most communities.

Table III-8: Median Income by Household Type, 2019

Type of Household/Householder	Median Income
Individual/per capita	\$48,625
Households	\$98,827
Families	\$122,311
Nonfamilies	\$57,296
Renters	\$50,401
Homeowners	\$102,477
Householder less than age 25	*
Householder age 25 to 44	\$128,850
Householder age 45 to 64	\$124,028
Householder age 65 or more	\$69,375

* Figure not provided given an insufficient sample size.

Source: U.S. Census Bureau, 2015–2019 American Community Survey 5-Year Estimates

Table III-9 compares the income distributions and median incomes for Sandwich to those of Barnstable County for both 2010 and 2019, indicating higher incomes on average in Sandwich including a 33% higher median income level, \$98,827 in Sandwich versus \$74,336 for the county. Also, Sandwich had a lower proportion of households in all of the income ranges below \$100,000 and a higher level above that in comparison to the county.

Table III-9: Income Distribution for Barnstable County and Sandwich, 2010 and 2019

Income Range	Barnstable County				Sandwich			
	2010		2019		2010		2019	
	#	%	#	%	#	%	#	%
Under \$10,000	6,478	6.8	3,207	3.4	115	1.5	102	1.3
\$10,000–24,999	16,843	17.8	9,715	10.1	611	8.0	477	6.1
\$25,000–34,999	12,148	12.8	7,829	8.3	550	7.2	485	6.2
\$35,000–49,999	15,935	16.8	10,564	11.2	764	10.0	860	11.0
\$50,000–74,999	20,425	21.5	16,412	17.4	1,237	16.2	1,009	12.9
\$75,000–99,999	11,243	11.9	13,111	13.9	1,420	18.6	1,016	13.0
\$100,000–149,999	7,605	8.0	17,261	18.3	1,878	24.6	1,673	21.4
\$150,000 or more	4,168	4.4	16,318	17.3	1,069	14.0	2,197	28.1
Total	94,845	100.0	94,323	100.0	7,635	100.0	7,818	100.0
Median income	\$45,933		\$74,336		\$83,325		\$98,827	

Source: U.S. Census Bureau, 1999 Summary File 3 and 2015–2019 American Community Survey 5–Year Estimates. Census data provides percentages so there are some minor rounding errors.

Table III-10 presents a comparison of income levels for both owner and renter households. Almost half of renter households earned less than \$35,000 compared to about 14% of homeowners in 2010. By 2019, these levels decreased to 34% for renters and 11% for owners. On the other hand, about 41% of the homeowners earned more than \$100,000 compared to 16% of the renter households in 2010, but increased to 52% for owners and 21% for renters in 2019.

Table III-10: Income Distribution by Tenure, 2010 and 2019

Income Range	Homeowners				Renters			
	2010		2019		2010		2019	
	#	%	#	%	#	%	#	%
Under \$10,000	78	1.1	95	1.3	34	4.9	0	0.0
\$10,000–24,999	450	6.5	343	4.8	162	23.3	137	19.3
\$25,000–34,999	420	6.1	378	5.3	131	18.8	106	14.9
\$35,000–49,999	673	9.7	765	10.8	87	12.5	95	13.4
\$50,000–74,999	1,179	17.0	865	12.2	57	8.2	146	20.5
\$75,000–99,999	1,305	18.8	947	13.3	114	16.4	69	9.7
\$100,000–149,999	1,808	26.1	1,549	21.8	69	9.9	122	17.2
\$150,000 +	1,027	14.8	2,165	30.5	41	5.9	27	3.8
Total	6,940	100.0	7,107	100.0	695	100.0	711	100.0
Median Income	\$86,471		\$102,417		\$38,011		\$50,401	

Source: U.S. Census Bureau, American Community Survey 5–Year Estimates, 2006–2010 and 2015–2019

These income figures are also based on the Town’s year-round population, not those who live in town for only part of the year. Many in this group of occasional residents, who occupy about 16% of Sandwich’s housing units, likely have significantly higher average incomes in order to afford the high costs of seasonal units or second homes, thus further widening income disparities within the community.

6. *Poverty – Levels remain relatively low*

While poverty is relatively low, nevertheless, there remains a population within the town with substantial income limitations. Given COVID-19, it is likely that more individuals and families were added to the ranks of those living in poverty although the recent federal rescue plan and extension of the child tax credit are now lifting many families out of poverty.

Table III-11 presents poverty levels in Sandwich over the past several decades.¹² The more recent 2019 census estimates suggest a modest increase in the percentage of those in poverty to 3.6%, however, the number of individuals, while increasing since 2010, is about the same as the 1989 level at 728 residents. Numbers of children and families living below the poverty level have remained relatively the same, but there have been some reductions in poverty for those 65 years of age or older.

In comparison, the percentage of those living below the poverty level was 5.2% and 9.4% for the county and state, respectively.

Table III-11: Poverty Status, 1989–2019

Demographic Characteristics	1989		1999		2010		2019	
	#	%	#	%	#	%	#	%
Individuals *	729	4.8	611	3.1	461	2.3	728	3.6
Families **	151	3.5	120	2.2	81	1.4	118	2.1
Related Children Under 18 Years***	50	12.5	57	1.9	54	1.9	49	2.6
Individuals 65+****	133	6.4	109	4.1	34	1.0	48	1.1

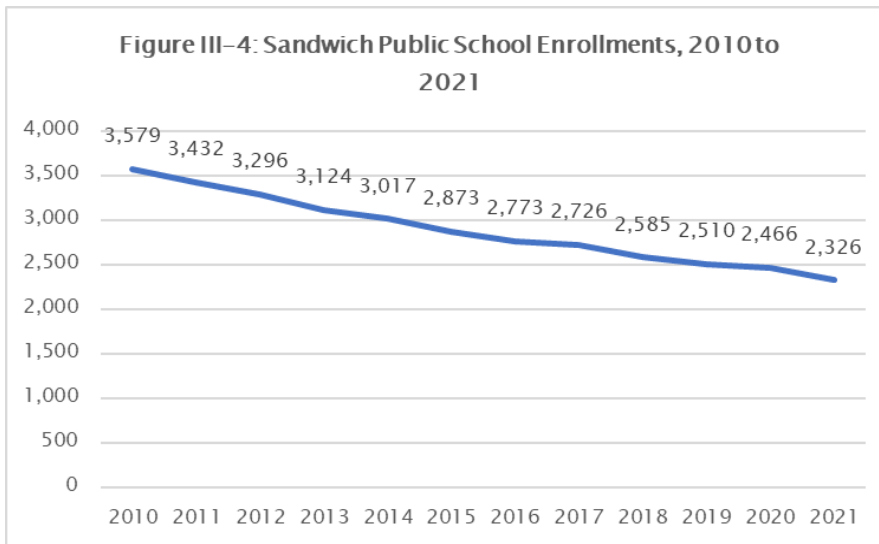
Source: U.S. Census Bureau, Census 1990 and 2000 Summary File 3; 2006–2010 and 2015–2019 American Community Survey 5-Year Estimates. * Percentage of total population ** Percentage of all families *** Percentage of all related children under 18 years **** Percentage of all individuals age 65+

7. *Education – Increasing educational attainment and declining school enrollments*

The educational attainment of Sandwich residents has improved over the last couple of decades. In 2000, 94.7% of those 25 years and older had a high school diploma or higher and 38.3% had a college degree or higher. Based on 2019 census estimates, these attainment levels have increased to 96.8% with at least a high school degree and 47.3% with a college degree or higher.

In 2000, those three years or older and enrolled in school (nursery through graduate school) totaled 5,780 or 29% of the population, and those enrolled in nursery school through high school totaled 4,966, 86% of the school-age population and 25% of the total population. By 2019, there were 4,481 residents enrolled in nursery school through graduate school, representing a lower percentage of the population at 22% of all residents. There were also decreases in those enrolled in nursery school through high school, down to 3,261 children or 16% of all residents.

¹² The 2020 federal poverty level from the U.S. Department of Health and Human Services was \$12,760 for an individual and \$21,720 for a three-person household.



Public school enrollments also reflect decreasing numbers of children. For example, those children enrolled in the Sandwich Public School District totaled 2,326 in the 2020–2021 school year, down steadily and considerably from 3,579 in 2010 as shown in Figure III-4. These declines are reflective of the substantial demographic shift towards fewer younger residents and families, a

trend that is occurring throughout the Cape.

8. *Employment – Significant service industry further impacted by COVID-19*

Sandwich is located on the Upper Cape, at the beginning of Cape Cod, closer to the major population and job centers of Boston and Providence than most other communities on Cape Cod. It is approximately 57 miles from Boston, 61 from Providence, and 15 miles away from Hyannis, considered to be viable commuting distances by some.

The 2019 census estimates indicate that 44% of Sandwich’s residents were involved in management, business or science occupations with the remaining employed in the largely retail and service-oriented jobs that support the local economy including construction and natural resources (7.4%), sales and office occupations (22.3%), production and transportation (7.6%), and service occupations (18.7%). While 74.6% of Sandwich workers were salaried and wage earners for private companies, 16.1% were government workers, and 9.1% were self-employed.

Sandwich’s average weekly wage of \$886 translates into an annual income of about \$46,250. This is significantly less than the median household income of \$98,827 for Sandwich residents, although many households will have more than one worker.

It should also be noted that most workers drove alone to work, 87.5%, and another 4% carpoolled. Almost 6% of workers worked at home, and about 1% used some form of public transportation. The average commuting time for those who did not work at home was 29.8 minutes suggesting that most employment was closer than the much longer commutes to Boston or Providence. About 6% had jobs in Sandwich, while 21.3% worked outside of Barnstable County.

Local Employment

Table III-12 provides 2019 data (latest available) about those who were employed in Sandwich from the state’s Department of Labor and Workforce Development. This information shows an average employment of 6,159 workers. The data also confirms the concentration of jobs in the construction, retail and service

sectors which is not surprising given Sandwich's significant tourist economy. Other important industries included education, health, and social services.

The average weekly wage for Sandwich of \$886 was about 43% of Boston's at \$2,051. Additionally, the 2019 average weekly wages were higher in the other Upper Cape communities of Bourne and Falmouth, at \$1,028 and \$1,061, respectively, as well as the off-Cape communities of New Bedford, Plymouth and Attleboro for example. at \$937, \$1,036 and \$1,043, respectively.

Table III-12: Average Employment and Wages by Industry in Sandwich, 2019

Industry	# Establishments	Total Wages	Average Employment	Average Weekly Wage
Agriculture, forestry, Fishing, hunting	5	\$770,014	12	\$1,234
Construction	111	\$27,511,954	431	\$1,228
Manufacturing	13	\$2,178,491	49	\$855
Utilities	6	\$7,511,897	75	\$1,926
Wholesale trade	29	\$9,262,632	112	\$1,590
Retail trade	76	\$21,952,979	641	\$659
Transportation and warehousing	12	\$3,335,730	70	\$916
Information	12	\$2,985,279	62	\$926
Finance & insurance	30	\$10,962,160	140	\$1,506
Real estate, rental and leasing	17	\$3,783,190	83	\$877
Professional and technical services	88	\$18,100,277	289	\$1,204
Administrative and waste services	51	\$10,493,644	234	\$862
Educational services	12	\$42,489,015	858	\$952
Health care and social assistance	111	\$60,059,948	1,195	\$967
Arts, entertainment and recreation	13	\$7,415,633	315	\$453
Accommodation and food services	58	\$26,098,745	1,081	\$464
Other services, Exec., Public administration	38	\$7,136,198	184	\$746
Public administration	9	\$19,647,664	302	\$1,251
TOTAL	693	\$283,748,096	6,159	\$886

Source: Massachusetts Executive Office of Labor and Workforce Development, 2019 (as of January 30, 2020). Shaded areas involve industries with more than 400 workers.

State labor statistics indicate an unemployment rate in Sandwich as of the end of 2020 of 8.6% during COVID-19, with 928 residents unemployed. This is up substantially from a rate of 3.1% for 2019. During 2021, the unemployment rate has steadily decreased from 7.3% in January, 6% in March, and 4.7% in May. Besides the continuing recovery from the pandemic, improvements in employment were also likely part of

preparations for the summer season.

9. Disability Status – High level of special needs

The 2019 census estimates identify 2,023 residents as claiming a disability, representing 10% of the population and somewhat lower than the statewide level of 11.6%. Nevertheless, Sandwich's level of special needs is down considerably from almost 3,000 residents or 14.4% of the population in 2000. The number and percentage of all residents who are disabled is presented in Table III-13. It is worth noting that 908 residents, or about 20% of those 65 years of age or older, claimed some type of disability.

These levels of disability, plus an increasingly aging population, indicate that there are significant special needs within the Sandwich community. They further suggest that the Town integrate special needs housing units that are handicapped accessible and/or include supportive services into future affordable housing development.

Table III-13: Residents with Disabilities by Age, 2019

Age Range	Number with a Disability	% Those with a Disability	% All Residents
Under 5 Years	9	0.4	1.1
5–17 Years	70	3.5	2.5
18–34 Years	264	13.0	8.2
35–64 Years	772	38.2	8.8
65–74 Years	377	18.6	13.2
Over 75 Years	531	26.2	29.8
Total	2,023	100.0	10.1

Because disabilities can compromise a person's ability to work, some with disabilities rely solely on federal SSI assistance and their limited incomes compromise housing choice. In fact, those with disabilities are often the most vulnerable residents in any community as they are so challenged in finding housing that is not only affordable but also accessible.

The 2019 census estimates also identify numbers of residents with particular disabilities, as summarized in Table III-14. It should be noted that some residents will have multiple challenges but almost 44% of the 2,023 residents who claimed a disability experience an ambulatory disability and 34.8% and 30.2% have a cognitive or independently living problem, respectively.

Table III-14: Types and Distribution of Disabilities, 2019

Type of Disability	# Residents	% Disabled	% All Residents
Hearing Difficulty	583	28.8	2.9
Vision Difficulty	209	10.3	1.0
Cognitive Difficulty	705	34.8	3.7
Ambulatory Difficulty	883	43.6	4.6
Self-care Difficulty	280	13.8	1.5
Independent Living Difficulty	611	30.2	3.7

Source: U.S. Census Bureau, Census American Community Survey 5-Year Estimates 2015–2019.

B. Housing Characteristics and Trends

1. *Housing Growth – Slowed down in growth since boom years between 1970 and 2000*

As shown in Table III–15, most of the housing growth occurred between 1970 and 2000 when almost two-thirds of the housing stock was built. Since then, housing growth has slowed considerably to 9,962 total units according to the 2019 census estimates. Recently released 2020 census data suggests a total of 9,689 units, representing the growth of 213 new units and 2.2% since 2010.

Table III–15: Housing Units by Year Structure Was Built, 2019

Time Period	#	%
2010 or later	140	1.4
2000 to 2009	876	8.8
1990 to 2000	1,646	16.5
1980 to 1989	2,826	28.4
1970 to 1979	2,075	20.8
1960 to 1969	766	7.7
1950 to 1959	737	7.4
1940 to 1949	162	1.6
1939 or earlier	734	7.4
Total	9,962	100.0

Source: U.S. Census Bureau, American Community Survey 5–Year Estimates, 2015–2019

Table III–16 also demonstrates the slowdown in residential building activity with an average of 22 units produced between 2010 and 2020, significantly lower than the average of 54 units per year between 2004 and 2009. This level of decline in housing growth is likely related not only to dramatic increases in the costs of property, but also to reductions in the amount of land most amenable to development. Building permit information from Table III–16 also shows the increase in housing costs over time with an average value of \$293,374 between 2010 and 2020 compared to \$248,898 between 2004 and 2009.

Building permit data indicates that 245 units were produced between 2010 and 2020, while the 2020 census suggests only a 213–unit increase instead. Some discrepancy between unit counts is relatively typical however.

It is also important to note that Sandwich has been experiencing some teardown activity involving the demolition of more modest homes and replacement of larger more expensive ones. This is occurring primarily near the beaches and estimated to involve about 10% of new residential building permits. This means that of the 197 new single-family homes built between 2010 and 2019, about 20 involved teardown activity with net new housing units of 177 single-family homes and six units in multi-family dwellings built for a total of 186 units during this period.

Table III-16: Residential Building Permits, 2004 – 2020

Year	# Building Permits for New Units*	Average Cost/Unit
2020	42	\$310,424
2019	19	\$354,116
2018	18	\$462,807
2017	19	\$375,969
2016	19	\$303,486
2015	17	\$237,779
2014	17	\$329,235
2013	14 + 3 MF	\$387,551 \$166,667
2012	29	\$196,202
2011	24	\$226,192
2010	21 +3 MF	\$189,855 \$166,667
<i>Subtotal</i>	<i>239 + 6 MF = 245 Average of 22 units/year</i>	<i>\$293,374</i>
2009	8 + 2 MF	\$205,600 \$199,950
2008	25	\$246,661
2007	43 + 6 MF	\$266,720 \$106,000
2006	45	\$268,578
2005	50 + 3 MF	\$361,957 \$100,000
2004	131	\$206,909
<i>Subtotal</i>	<i>302 + 11 MF = 313 Average of 52 units/year</i>	<i>\$248,898</i>
Total	541 + 17 MF = 558 Average of 33 units/year	

Source: University of Massachusetts, Donahue Institute, State Data Center (based largely on American Community Survey construction data) and Sandwich Building Dept.

*Figures do not reflect net new residential units as they do not document situations where a previous unit was demolished on site. Data for 2000 to 2003 not available.

2. *Housing Occupancy and Types of Dwellings – Limited housing diversity with a loss of rental units and gains in seasonal units or second homes*

Table III-17 presents census data on housing occupancy trends, showing changes between 1990 and 2019.

There was a 21% net loss of rental units between 1990 and 2019, likely involving conversion to owner-occupancy or seasonal use.

Seasonal units increased modestly between 1990 and 2010 in number, from 1,214 to 1,293 units, but decreased as a percentage of all units from 16.8% to 13.4%. The 2019 census estimates suggest a substantial increase to 1,686 units and

16.9% of the housing stock which is higher than what would be expected given past trends. If these figures are correct, they would indicate that 81% of the housing growth between 2010 and 2019 involved seasonal units or second homes.

It should be noted that the 10% affordability goal under Chapter 40B is based on the decennial census information. It involves subtracting the number of seasonal or occasional units from the total unit count to get the number of year-round units on which the 10% and annual housing production goals are also based. The current year-round figure from the 2010 census is 8,183 units. Recently released 2020 census data counted 9,689 total units and if the same level of year-round and occasional units is maintained (at 13.6% based on 2010 data) the number of year-round units would likely approximate 8,400 units. This would suggest that the current SHI affordability level of 3.8% would decrease to about 3.7%.

The Cape Cod Commission's Regional Housing Market Analysis suggested that for Barnstable County "over the next ten years seasonal housing units are expected to increase at more than twice the rate of year-round units. This continued growth in seasonal units will likely make it more difficult for year-round resident households to find year-round units at affordable prices".¹³

Table III-17: Housing Occupancy Characteristics, 1990 – 2019

Characteristics	1990		2000		2010		2019	
	#	%	#	%	#	%	#	%
Total # Units	7,236	100.0	8,748	100.0	9,476	100.0	9,962	100.0
Occupied units	5,557	77.0*	7,335	83.8*	7,635	80.6*	7,818	78.5*
Occupied owner units	4,653	84.0**	6,455	88.0**	6,940	90.9**	7,107	90.9**
Occupied rental units	904	16.0*	880	12.0*	695	9.1**	711	9.1**
Seasonal and occasional units	1,214	16.8*	1,174	13.4*	1,293	13.6*	1,686	16.9*
Owner vacancy	157	2.2*	70	0.8	114	1.2*	169	1.7*
Rental vacancy	308	4.3*	1,041	11.9	748	7.9*	1,176	11.8*

Source: U.S. Census Bureau 1990, 2000 and 2010 decennial figures and American Community Survey 5-Year Estimates, 2015–2019 * Percentage of total housing units ** Percentage of occupied housing units

Vacancy rates have remained low for homeownership units, at only 1.7%. The rental vacancy rate, however, has fluctuated from 4.3% in 1990, to 11.9% in 2000, down again to 7.9% in 2010, and up to almost the 2000 level at 11.8% for 2019. This higher vacancy rate might be related to some seasonal turnover of units.

Table III-18 shows changes in the distribution of units per structure from 1990 to 2019, which indicates that almost all new development involved single-family detached homes with some modest erosion of other housing types. For example, while housing growth included 2,726 new units between 1990 and

¹³ Crane Associates, Inc. and Economic & Policy Resources, "Regional Housing Market Analysis, Barnstable County, Massachusetts," prepared for the Cape Cod Commission and Barnstable County, June 30, 2017.

2019, 96% or 2,620 units were single-family detached homes with another 182 units in single-family attached dwellings. There were losses in the other types of properties with the exception of a modest increase in the number of units in five to nine-unit properties.

It is likely, however, that the 2019 figures overestimate housing growth as Assessor data indicates that there were 8,552 single-family homes as opposed to 9,200.

Table III-18: Units in Structure, 1990 – 2019

Type of Dwelling	1990		2000		2010		2019	
	#	%	#	%	#	%	#	%
1 Unit Detached	6,580	90.9	8,067	92.2	8,787	92.9	9,200	92.4
1 Unit Attached	82	1.2	154	1.8	96	1.0	264	2.7
2 Units	242	3.3	147	1.7	163	1.7	115	1.2
3 to 4 Units			71	0.8	94	1.4	55	0.6
5 to 9 Units	85	1.2	60	0.7	79	0.8	112	1.1
10 to 19 Units	172	2.4	18	0.2	79	0.8	59	0.6
20 or more			204	2.3	125	1.3	157	1.6
Mobile homes	75	1.0	27	0.3	0	0.0	0	0.0
Total	7,236	100.0	8,748	100.0	9,463	100.0	9,962	100.0

Source: U.S. Census Bureau, 1990 and 2000 Summary File 1 and American Community Survey 5-Year Estimates for 2006–2010 and 2015–2019.

Table III-19 presents the distribution of units by structure type according to tenure. Almost all of the owner-occupied units were in single-family detached structures, 95.6% in 2000 and 94.4% in 2019. Most of the rental units were also in these structures, 68% in 2000 and up to 73.3% in 2019. Because Sandwich has a very limited supply of multi-family housing, it is not surprising that only 10% of rental units were in small multi-family dwellings of two to four units and another 16% in larger multi-family properties. Only 2.7% of owner-occupied units were in multi-family structures, which demonstrates a limited supply of condos, however, units in single-family attached dwellings, typically townhouses or duplex condos, more than doubled in number to 3% of all units.

The median number of rooms per housing unit was 6.2, indicating that the average home had three bedrooms. The majority, 58.6%, were comprised of five to seven rooms with 6.8% having three rooms or less and 14.3% with nine rooms or more, up from 9.5% in 2000.

Of the 7,818 year-round, occupied housing units, 34% of the occupants moved into their units since 2010 with another 23.5% moving in between 2000 and 2009, indicating significant mobility in the housing market. More than 80% of the households had two or three vehicles representing significant reliance on the automobile as well as parking needs. All units had complete plumbing and kitchen facilities.

Table III-19: Units in Structure by Tenure, 2000 and 2019

Type of Dwelling	Renter-Occupied Units				Owner-Occupied Units			
	2000		2019		2000		2019	
	#	%	#	%	#	%	#	%
1 Unit Detached	598	68.0	521	73.3	6,169	95.6	6,711	94.4
1 Unit Attached	25	2.8	0	0.0	98	1.5	210	3.0
2 Units	72	8.2	42	5.9	51	0.8	49	0.7
3 to 4 Units	41	4.7	32	4.5	14	0.2	23	0.3
5 to 9 Units	13	1.5	39	5.5	19	0.3	26	0.4
10 to 19 Units	14	1.6	0	0.0	0	0.0	33	0.5
20 or more	117	13.3	77	10.8	77	1.2	55	0.8
Mobile homes	0	0.0	0	0.0	27	0.4	0	0.0
Total	880	100.0	711	100.0	6,455	100.0	7,107	100.0

Source: U.S. Census Bureau, 2000 Summary File 1; American Community Survey 5-Year Estimates 2015–2019

3. Housing Market Conditions

Escalating market prices for land and housing have not only reduced the supply of private market housing that is relatively affordable in Sandwich, but have also provided additional challenges to creating affordable housing.

Homeownership

Census data also provides information on housing values for homeownership units as summarized in Table III-20, showing sharp increases. For example, in 2000 more than half of owner-occupied units were valued at less than \$200,000, but the 2019 census estimates identify only 3.2% of such units, which are likely small and in poor condition. On the other end of the range, the 2000 census indicated that only 124 homes, or 2.1%, were valued at more than \$500,000 compared to 1,661 units and 23.4% in 2019. Additionally, the median price increased by 115% between 2000 and 2019, from \$178,000 to \$382,000, higher than the rate of inflation of 48%.

Table III-20: Housing Values for Owner-occupied Properties, 2000 and 2019

Value	2000		2019	
	#	%	#	%
Less than \$99,999	100	1.6	43	0.6
\$100,000 to \$149,999	1,568	26.4	41	0.6
\$150,000 to \$199,999	2,091	35.2	144	2.0
\$200,000 to \$299,999	1,379	23.2	1,098	15.4
\$300,000 to \$499,999	670	11.3	4,120	58.0
\$500,000 to \$999,999	113	1.9	1,561	22.0
\$1,000,000 or more	11	0.2	100	1.4
Total	5,932	100.0	7,107	100.0
Median (dollars)	\$178,000		\$382,000	

Source: U.S. Census Bureau 2000 Summary File 3 and American Community Survey 5-Year Estimates 2015–2019.

The impacts of COVID-19 have been felt throughout the Cape including a decline in available inventory and surge in prices as many sought a safer refuge from the pandemic. For example, the median single-family home price increased from \$399,000 to \$526,000 between 2019 and May 2021 in Sandwich.

Additional market data from Banker & Tradesman indicates that housing prices were lowest during the economic recession of the early 1990s, and the housing market did not fully recover to the late 1980 levels until 2000 and 1999 for single-family homes and condos, respectively. After 2000, housing values rose precipitously to their highest levels of \$370,000 for single-families in 2006 and \$259,900 for condos in 2005. The financial recession pushed housing values down considerably to \$284,000 in 2012, including \$175,000 for condos. The housing market then began to recover, surpassing pre-recession levels in 2018. This Banker & Tradesman information for 2010

through May 2021 is presented in Table III-21.

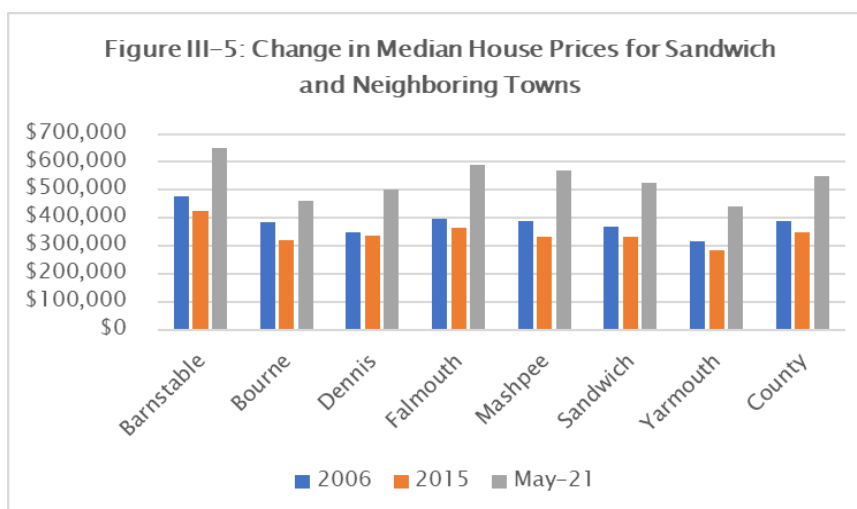
The volume of sales plummeted from a high of 521 single-family home sales in 1999 to 232 in 2008, less than half of the number of sales. After 2008, the market slowly recovered to 423 sales in 2016 then fell somewhat again to 381 in 2019. The effects of COVID-19 pushed sales volume to 462 homes in 2020. Similarly, the 15 condominium sales in 2013 was less than half of the volume at the height of the market of 59 and 64 in 1997 and 1987, respectively, likely when new units were coming on the market. The number of condos sales increased to 41 in 2019 and 37 in 2020.

Table III-21: Median Sales Prices, 2010 – May 2021

Year	Months	Single-family		Condo (#)	
		Median Value	# Sales	Median Value	# Sales
2021	Jan-May	\$526,000	153	\$282,500	14
2020	Jan-Dec	\$450,000	462	\$249,900	37
2019	Jan-Dec	\$399,000	381	\$239,000	41
2018	Jan-Dec	\$384,000	403	\$243,500	38
2017	Jan-Dec	\$353,750	384	\$226,000	33
2016	Jan-Dec	\$347,000	423	\$195,500	25
2015	Jan-Dec	\$331,500	338	\$206,000	20
2014	Jan-Dec	\$320,762	287	\$197,500	19
2013	Jan-Dec	\$320,000	315	\$167,500	15
2012	Jan-Dec	\$284,000	320	\$175,500	32
2011	Jan-Dec	\$296,500	270	\$149,900	17
2010	Jan-Dec	\$297,676	272	\$225,000	19

Source: The Warren Group, Banker & Tradesman, June 25, 2021.

A comparison of median single-family home prices for Sandwich and neighboring communities, as well as the county, is included in Figure III-5, clearly showing the decline in values following the recession, and the rebounding of the market after that. Barnstable has maintained the highest market values followed by Falmouth. Sandwich's median of \$526,000 is just a bit lower than the county at \$550,000.



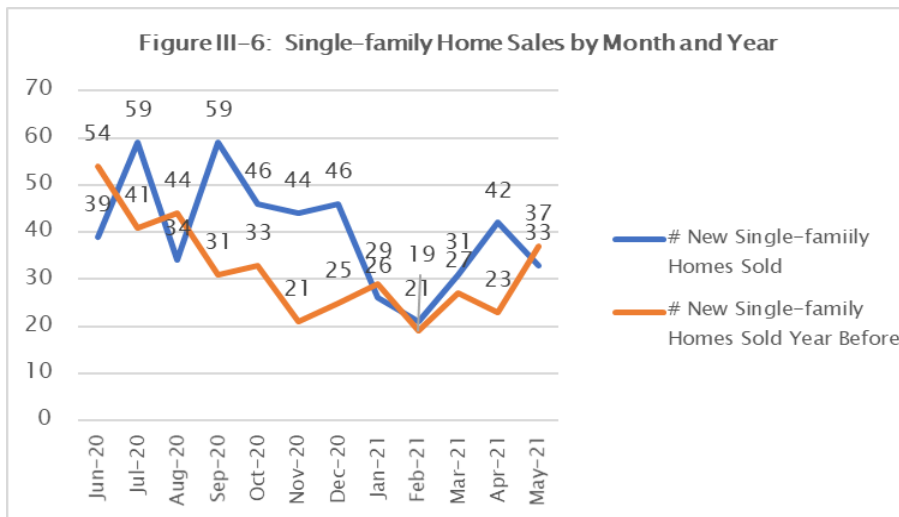
Another analysis of housing market data is presented in Table III-22, which breaks down sales data from the Multiple Listing Service, as compiled by The Warren Group in Banker & Tradesman, for single-family homes and condos between June 2020 and May 2021. This data indicates that there were only seven properties that were listed for less than \$200,000. Three of the only 36 condos in this price range were part of the Pine Grove project. An additional 40 properties sold between \$200,000 and \$299,999, still relatively affordable. About one-fifth or 99 units sold between \$300,000 and \$399,999 while one-quarter or 132 units sold in the \$400,000 to \$499,999 range. The luxury market in Sandwich is relatively small with 85 properties, or about 16% of all sales, priced at \$700,000 or more including 30 homes that sold for more than \$1 million, the most expensive at \$2.5 million. The median condo price was \$275,000, 57% the median single-family home price of \$486,000 during this period. There were also three 2-family homes that sold during this period (for \$500,000, \$729,000 and \$737,000) as well as five foreclosures.

Table III-22: Single-family Home and Condo Sales, June 2020 to May 2021

Price Range	Single-families		Condominiums		Total	
	#	%	#	%	#	%
< \$200,000	3	0.6	4	11.1	7	1.4
\$200,000–299,999	20	4.2	20	55.6	40	7.7
\$300,000–399,999	91	18.9	8	22.2	99	19.1
\$400,000–499,999	130	27.0	2	5.6	132	25.5
\$500,000–599,999	93	19.3	2	5.6	95	18.4
\$600,000–699,999	59	12.3	0	0.0	59	11.4
\$700,000–799,999	26	5.4	0	0.0	26	5.0
\$800,000–899,999	18	3.7	0	0.0	18	3.5
\$900,000–999,999	11	2.3	0	0.0	11	2.1
> \$1 million	30	6.2	0	0.0	30	5.8
Total	481	100.0	36	100.0	517	100.0

Source: The Warren Group, *Banker & Tradesman*, June 27, 2021

Figure III-6 tracks the number of single-family home sales between June 2020 and May 2021 in comparison to those sold the year before. For example, in both July and September of 2020, the number of sales was particularly high, at 59 homes for both, and remained high through the end of 2020. These were months when the demand for a safer retreat from the pandemic produced higher prices while lowering housing inventory throughout the Cape.



A local realtor confirmed that it has been a seller's market and a high percentage of sales involve prices well over asking with multiple offers. COVID has fed an already robust housing market producing an inventory of market listings that remain very low. For many years, Sandwich has been viewed as a very desirable place for commuters to live as those working in urban employment centers, including Boston, were searching for affordable communities to raise their families. These commuters have been forced further south along the coastline towards the Upper Cape, finding Sandwich more affordable than Duxbury or other coastal towns and putting pressure on the town's housing market. In fact, the realtor discovered Sandwich when looking for a place to live when her husband started working in Boston.

A local headline in The Boston Globe indicated in May 2021, "It's mind-boggling: On Cape Cod, soaring home prices create an unprecedented seller's market." The article adds, "With greater flexibility to work remotely brought on by the pandemic, low interest rates, and summer approaching, demand is intense for homes on Cape Cod, and with tight inventory, prices are soaring. In such as fierce market, house hunters are going to extraordinary lengths to make their offers competitive." Amanda Kaufman, Globe staff, May 20, 2021.

Information from the Town Assessor on the assessed values of residential property in Sandwich is presented in Table III-23. This data indicates that 2% of Sandwich's housing stock or 181 properties is valued at less than \$200,000, in the affordable range. However, most of the units in this price range are cottage condominiums or likely to be very small properties that require significant repairs.

Another 16% of the housing stock is valued between \$200,000 and \$299,999, still relatively affordable. In fact, about 80% of the properties in this range are single-family homes, mostly small Capes and ranches, totaling 3,261 properties. Another 36% of the housing stock is assessed between \$300,000 and \$399,999, 97% of which are single-family homes. In fact, the majority of residential properties, about 56% of all residential property in Sandwich, are assessed between \$300,000

and \$500,000. On the other end of the range, 499 properties are assessed above \$800,000, including 204 properties valued at more than \$1 million, demonstrating a small luxury market in Sandwich.

There are also 24 mixed-use properties in Sandwich that are primarily residential, ranging in value from \$184,600 to \$2,757,000 and with a median of \$495,300.

Table III-23: Assessed Values of Residential Properties

Assessment	Single-family Dwellings		Condominiums		Multi-unit Properties*		Total	
	#	%	#	%	#	%	#	%
Less than \$200,000	81	0.9	100	19.2	0	0.0	181	2.0
\$200,000–299,999	1,170	13.7	293	56.1	7	4.8	1,470	15.9
\$300,000–399,999	3,242	37.9	76	14.6	17	11.6	3,335	36.2
\$400,000–499,999	1,836	21.5	18	3.4	37	25.3	1,891	20.5
\$500,000–599,999	930	10.9	18	3.4	30	20.5	978	10.6
\$600,000–699,999	496	5.8	7	1.3	12	8.2	515	5.6
\$700,000–799,999	332	3.9	5	1.0	14	9.6	351	3.8
\$800,000–899,999	170	2.0	4	0.8	8	5.5	182	2.0
\$900,000–999,999	106	1.2	1	0.2	6	4.1	113	1.2
Over \$1 million	189	2.2	0	0.0	15	10.3	204	2.2
Total	8,552	100.0	522	100.0	146	100.0	9,220	100.0

Source: Sandwich Town Assessor, fiscal year 2021.

* Includes multiple dwellings on one lot, two-family, and three-family properties.

Rentals

Table III-24 includes census data on rental units for 1990 through 2019, showing changes in rent levels. The median rent, while relatively flat between 1990 and 2000, increased substantially to \$1,227 in 2010 and \$1,321 in 2019, representing an increase of 73% between 1990 and 2019 which was lower than the 96% rate of inflation. These rentals figures are likely to significantly underestimate market conditions as the census included subsidized rents which involves 27% of all rental units.

Table III-24: Rents, 1990, 2000, 2010, and 2019

Monthly Rent	1990		2000		2010		2019	
	#	%	#	%	#	%	#	%
Under \$200	29	3.3	39	4.5	62	8.9	26	3.7
\$200–299	57	6.5	43	5.0	39	5.6		
\$300–499	90	10.2	76	8.8	36	5.2		
\$500–749	212	24.1	200	23.1	26	3.7	146	20.5
\$750–999	268	30.4	222	25.7	28	4.0		
\$1,000–1,499	151	17.1	170	19.7	209	30.1	214	30.1
\$1,500 +			51	5.9	220	31.7	277	39.0
No cash rent	74	8.4	63	7.3	75	10.8	48	6.8
Total	881	100.0	864	100.0	695		711	100.0
Median rent	\$764		\$783		\$1,227		\$1,321	

Source: U.S. Census Bureau, 1990 and 2000 (Summary Table 3 – sample data) and American Community Survey 5–Year Estimates 2006–2010 and 2015–2019.

Of the 711 rental units identified in 2019, 26 units or 3.7% had gross rents of less than \$500, which are likely to be subsidized. At the other end of the range, 39% or 277 units were rented for more than \$1,500 per month. A total of 48 units were reported as having no cash rent. The 2019 median rent of \$1,321 was higher than the median rent of \$1,306 for Barnstable County.

Because almost 80% of the rentals involve single-family or two-family homes, information on rental opportunities is often passed by word of mouth and many units are not formally listed. While there were numerous listings for year-round rentals in previous years, the entry of short-term rental platforms, such as Airbnb, and a decline in inventory due to COVID-19, there were only three listings of rental units in Internet websites in late June 2021. These included a 150 square foot studio in a cottage colony near the Sagamore Bridge for \$1,000, a one-bedroom, one-bath apartment on Moody Drive for \$1,850, and a four-bedroom apartment with 1,345 square feet in a multi-family home on Town Neck Road for \$1,600.

Local housing stakeholders point to market rents of more than \$2,000 for two-bedroom units. Adding to the affordability challenges are the upfront cash requirements at lease-up requirements as landlords typically require first and last month's rent plus perhaps a security deposit.

These year-round market rents are generally higher than HUD Fair Market Rents (FMRs) at \$1,100 for an efficiency unit, \$1,265 for a one-bedroom unit, \$1,667 for a two-bedroom unit, \$2,089 for three bedrooms, and \$2,261 for four bedrooms based on 2021 limits. Fair Market Rents (FMRs) are the maximum rents allowed by HUD in the Section 8 Housing Choice Voucher Program. The maximum rents are updated and published annually and represent HUD's estimate of the actual market rent for an apartment in the conventional marketplace although they typically underestimate actual market conditions. HUD sets the FMRs by unit size (number of bedrooms) by region in each state, for Barnstable County in the case of Sandwich. Through the Housing Choice Voucher Program, HUD will pay the landlord the difference between a percentage of a household's income and the FMR, but these vouchers, including the state's relatively comparable Massachusetts Rental Voucher Program (MRVP), are very limited. For a discussion on the methodology for calculating the FMRs, go to www.huduser.org/datasets.

The Sandwich Housing Authority (SHA) administers 179 rental assistance vouchers from various state and federal programs, however, many who are fortunate to obtain these vouchers are unable to find qualifying units in Sandwich given rent levels beyond the FMR limits.

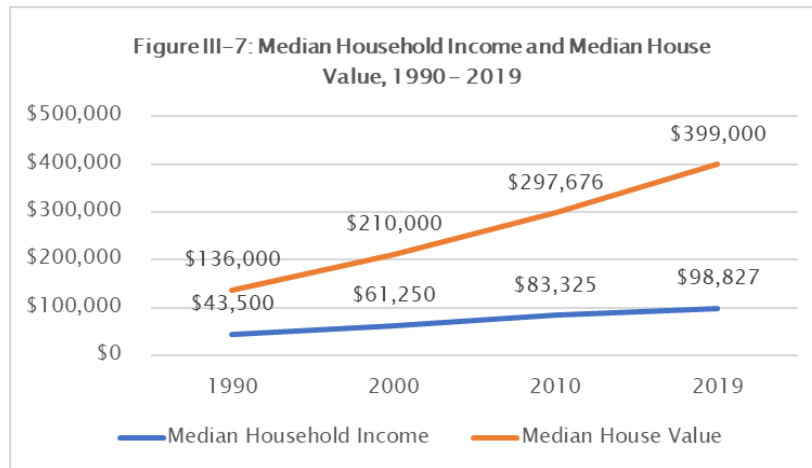
Summer rentals, like most of this part of the Cape, are very pricey, especially near the water. In fact, realtors indicate that some property owners can earn almost as much renting a unit in the summer as they can year-round, without as much wear and tear. Moreover, as mentioned above, some summer renters are opting to remain in their units as a retreat from the pandemic given the ability to work remotely.

C. Affordability Analysis of Existing Market Conditions

While it is useful to have an understanding of housing cost trends, it is also important to analyze the implications of these costs on residents' ability to afford them.

1. Homeownership

Housing prices have risen faster than incomes, making housing less affordable as demonstrated in Figure



III-7. As time went by, the gap between median household income and the median single-family house price widened. While incomes increased by 127% between 1990 and 2019, the median single-family house price increased by 193% based on *Banker & Tradesman* data. In 1990 the median income was 32% of the median house price but decreased to 25% by 2019. Moreover, the gap between income and house value was

\$92,500 in 1990 but more than tripled to \$300,173 by 2019.

Another way of calculating the affordability gap is to estimate the difference between the median priced house and what a median income earning household can afford to pay based on spending no more than 30% of income on housing costs, the traditional affordability threshold. To afford the median sales price of a single-family home of \$526,000, based on *Banker & Tradesman* data as of May 2021, a household would have to earn an estimated \$110,250 with 80% financing, \$124,400 with 95% financing.¹⁴ These incomes are much higher than the median household income for the Town per 2019 census estimates of \$98,827, and point to a sizable affordability gap.

The median income-earning household could likely afford a single-family home of about \$401,000 based on 95% financing. *The affordability gap is then about \$125,000* – the difference between the price of the median priced single-family home (\$526,000) and what a median income household can afford (\$401,000). In the case of 80% financing, requiring a 20% down payment, the affordability gap is \$54,500. It is also worth noting that while the affordability gap for the 80% financing option is lower, the 20% down payment and closing costs, close to \$100,000, can be a challenge for many purchasers, particularly first-time homebuyers without the benefit of equity from a former home. These up-front costs can then effectively add to the affordability gap.

¹⁴ Figures based on 80% financing, interest of 3.5%, 30-year term, annual property tax rate of \$13.77 per thousand, and insurance costs of \$6 per thousand for single-family homes. The calculations are also based on the purchaser spending no more than 30% of gross income on mortgage (principal and interest), taxes and insurance. It also assumes that in the case of 95% financing, the purchaser would need to pay Private Mortgage Insurance (PMI) of 0.3125% of the mortgage.

The affordability gaps would in fact be significantly greater if not for unprecedentedly low mortgage interest rates that have made housing more affordable in Sandwich and throughout the country.

For those earning at the 80% of area median income limit (\$70,000 for a family of three), this gap is \$230,000, the difference between the maximum they could afford of \$296,000 and the median single-family house price of \$526,000.¹⁵ These figures are based on 95% financing, which can still be found through first-time homebuyer programs such as the state's One Mortgage Program or MassHousing's mortgage offerings.¹⁶

2. Rentals

In regard to rentals, the gross median rent of \$1,321, based on 2019 census estimates, required an income of approximately \$60,840 which was not affordable to approximately 26% of Sandwich residents based on the extrapolation of 2019 income data.¹⁷ Market rents, however, are actually much higher and to afford the \$2,000 rent of a typical two-bedroom unit, a household should earn about \$88,000, assuming average utility costs of \$200 per month and that no more than 30% of income is spent on housing-related costs. This is considerably higher than the 2019 median renter household income of \$50,401.

Most rentals are therefore out of reach for lower wage earners. For example, a person earning the minimum wage of \$13.50 per hour would earn \$28,188 annually, assuming 40 hours of work per week without time off. Such workers could afford a unit renting no more than \$705 per month given this income level and without the additional costs of utilities, not even close to what is available in the Sandwich rental market without subsidies. It is not surprising, therefore, that many lower wage workers hold second jobs or are part of households with at least two wage earners, which still may be insufficient without subsidized housing.

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

3. Cost Burdens

The census also 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

¹⁵ Figures based on 80% financing, interest of 3.5%, 30-year term, annual property tax rate of \$13.77 per thousand, and insurance costs of \$6 per thousand for single-family homes. The calculations are also based on the purchaser spending no more than 30% of gross income on mortgage (principal and interest), taxes and insurance. It also assumes, that in the case of 95% financing, the purchaser could qualify for subsidized mortgage financing from the ONE Mortgage Program or MassHousing mortgage offerings and therefore pay no private mortgage insurance (PMI).

¹⁶ The affordable purchase price of \$296,000 for a single-family house is for those earning at the 80% AMI limit. Sales prices for actual affordable units that are marketed to new purchasers are calculated with some marketing window and for households earning at 70% AMI with some other assumptions based on state requirements.

¹⁷ Assumes average utility bills of \$200 per month and the occupant paying no more than 30% of income on housing costs.

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

Based on 2019 census estimates, 369 homeowners in Sandwich were spending between 30% and 34% of their income on housing and another 1,594 owners were spending more than 35% of their income on housing expenses. This suggests that 27.6% of homeowners were overspending on their housing. In regard to renters, 53 renters were spending between 30% and 34% of their income on housing and another 337 were spending at least 35% of their income on housing costs. Consequently, 55% of renter households were overspending or experiencing housing cost burdens.

This census data suggests that 2,353 households or 30% of all Sandwich's year-round households were living in housing that is by common definition beyond their means and unaffordable. This level of cost burdens is lower than the state level, at about one-third, but higher than the county at 28.5%.

HUD provides additional data on housing affordability through special tabulations of 2013–2017 census estimates (the latest report available) that identify cost burdens by household type and whether they are renters or owners, also offering a breakdown of households within specific income categories as summarized in Table III–25. For example, the first cell indicates that there were 95 elderly renters (62 years and older) with incomes at or below 30% AMI, and of these 15 were spending between 30% and 49% of their income on housing costs while 30 were spending at least half of their income on housing, referred to as experiencing severe cost burdens. It is likely that those without cost burdens were living in subsidized housing or not paying rent at all.

This report indicates that *2,638 households or 34% of all households were spending too much on their housing. Of these, 1,300 households or 16% were experiencing severe cost burdens as they were spending more than half of their income on housing costs.*

Of the 2,515 households with incomes at or below 80% of area median income, 1,759 or 70% were overspending and 1,155 or 46% had severe cost burdens.

This data is only a bit higher than the 2019 census estimates summarized above. Moreover, there were 575 households earning at or below 30% of area median income, referred to by HUD as extremely low-income households, 72% who were experiencing severe cost burdens, which included 80 renter households and 235 homeowners.

Other major findings for this report include the following:

Renters

- Almost 38% of all renter households, or 385 households, were spending more than 30% of their income on housing expenses with 110 spending more than half of their income on housing.
- The data suggests that 120 elderly renters had cost burdens, 40 with severe costs burdens. About 92% of those with cost burdens had incomes at or below 80% of median.
- There were 135, or 26% of the 515 small families, that were experiencing cost burdens, all with incomes at or below 100% AMI.
- There were only 10 large families that were renting, none with cost burdens.
- There were 200 single, non-elderly adults and 130 or 65% had incomes at or below 80% MFI. Of particular concern are the 50 extremely low-income households, all with severe cost burdens.

This suggests that new rental unit construction should consider smaller affordable units for this population such as studios or one-bedroom apartments, also requiring rental subsidies. It is also important to note that some of these individuals are likely to have a disability and rely solely on Social Security Disability income. These households are not only challenged in finding housing that is affordable, but also units that are accessible.

Table III-25: Type of Households by Income Category and Cost Burdens, 2017*

Type of Household	<30% MFI ¹⁸ / # with cost burdens **	>30% to < 50% MFI/ # with cost burdens	>50% to < 80% MFI/ # with cost burdens	>80% to < 100% MFI/ # with cost burdens	> 100% MFI/ # with cost burdens	Total/ # with cost burdens
Elderly Renters	95/15-30	75/45-10	25/10-0	50/0-0	50/10-0	295/80-40
Small Family Renters	30/0-0	40/30-10	60/35-0	70/60-0	315/0-0	515/125-10
Large Family Renters	0/0-0	0/0-0	0/0-0	0/0-0	10/0-0	10/0-0
Other Renters	50/0-50	45/35-10	35/25-0	10/10-0	60/0-0	200/70-60
Total Renters	175/15-80	160/110-30	120/70-0	130/70-0	435/10-0	1,020/275-110
Elderly Owners	195/30-160	340/44-195	680/180-180	210/105-50	1,195/100-35	2,620/449-620
Small Family Owners	90/0-85	145/20-115	290/110-135	360/140-0	2,145/130-10	3,030/400-345
Large Family Owners	25/0-10	0/0-0	120/0-45	25/4-10	310/25-0	480/29-65
Other Owners	90/10-80	10/0-10	75/25-30	80/45-30	385/105-10	640/185-160
Total Owners	400/30-335	495/64-320	1,165/315-390	675/294-90	4,035/360-55	6,770/1,063-1,190
Total	575/45-415	655/174-350	1,285/385-390	805/364-90	4,470/370-55	7,790/1,338-1,300

Source: U. S. Department of Housing and Urban Development (HUD), SOCDS CHAS Data, and American Community Survey, 2013-2017 (* latest report available). ** First number is total number of households in each category/second is the number of households paying more than 30% of their income on housing (with cost burdens) – and third number includes those that are paying more than half of their income on housing expenses (with severe cost burdens). Small families have four (4) or fewer family members while larger families include five (5) or more members. Elderly are 62 years of age or older. “Other” renters or owners are non-elderly and non-family households, largely single-person households.

Owners

- About one-third of all owner households, or 2,253 such households, were spending more than 30% of their income on housing; and of these, 1,190 or 17.6% had severe cost burdens.
- Elderly owners were experiencing considerable cost burdens as 779 or 64% of the 1,215 such owners earning at or below 80% AMI were overspending with 535 or 44% spending more than half of their income on housing. Also, owners over the age of 62 account for about 39% of all owners.

¹⁸ Median Family Income (MFI) is used in this data but is the same as Area Median Income (AMI).

Unfortunately, due to the build-up of equity for many of these owners, it is difficult for them to qualify for affordable housing.

- Of the 525 small families with incomes at or below 80% MFI, 465 or 89% had cost burdens, including 335 or 64% with severe cost burdens. Of particular concern are the 85 families earning at or below 30% MFI who were experiencing severe cost burdens. Clearly there is a need for more subsidized rental housing that would include units targeted to this extremely low-income level.
- There were only 145 large-family owners with incomes at or below 80% MFI, 55 or 38% with severe cost burdens.
- Of the 175 non-elderly, single individuals who earned at or below 80% MFI, all but 20 had cost burdens including 120 or 69% with severe cost burdens.

D. Subsidized Housing Inventory (SHI)

1. Current Inventory

Of the 8,183 year-round housing units in the town of Sandwich, counted by the state based on 2010 census data, 314 or 3.84% have been determined to be affordable by the Commonwealth of Massachusetts and included in the Town's Subsidized Housing Inventory (SHI). This is up from 272 units and 3.6% in 2009.

The state has ruled that if a municipality has less than 10% of its year-round housing stock set aside for low- and moderate-income residents, it is not meeting the regional and local need for affordable housing. Not meeting this affordability standard makes the locality vulnerable to an override of local zoning if a developer wants to build affordable housing through the comprehensive permit process.¹⁹ This means that Sandwich has a current gap of 504 affordable units to meet the 10% affordability goal.

As shown in Table III-26, most of the towns on Cape Cod also have affordable housing levels below the state target, many about half-way there at about 5%. Next to Orleans with 9%, Falmouth and Barnstable have the next highest percentages of 7.2%. These affordability levels do not take housing growth into consideration.

DHCD's SHI percentages will be revised with the 2020 census figure is released for year-round housing units. Given housing growth since 2010, the total year-round housing figure will likely grow to about 8,400 units. Therefore, the 314 units that are currently eligible to be counted as part of Sandwich's Subsidized Housing Inventory will probably decrease modestly to about 3.7% of the year-round housing stock, creating a gap of about 526 additional affordable units that will be required to meet the 10% state affordability goal. With the addition of the 38 units as part of Terrapin Ridge and 128 units from the redevelopment of the Wing School, the SHI will grow to 480 units or about 5.7% of the year-round housing stock.

¹⁹ 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.

Table III-26: Affordable Housing in Sandwich and Other Cape Towns, 2009 and 2020

Community	# SHI Units		% Year-round Units	
	2009	2020	2009	2020
Barnstable	1,362	1,487	6.9%	7.2%
Bourne	560	591	7.2%	6.9%
Brewster	252	268	5.8%	5.6%
Chatham	174	176	4.8%	5.1%
Dennis	329	390	4.1%	5.1%
Eastham	49	119	1.9%	4.5%
Falmouth	835	1,070	5.8%	7.2%
Harwich	278	333	4.7%	5.4%
Mashpee	222	343	4.0%	5.3%
Orleans	294	296	8.9%	9.0%
Sandwich	272	314	3.6%	3.8%
Yarmouth	400	599	3.3%	5.0%

Source: Massachusetts Department of Housing and Community Development, October 1, 2009 and December 21, 2020. The 2009 and 2021 figures are based on the 2000 and 2010 counts for year-round housing units, respectively.

The list of units included in Sandwich's Subsidized Housing Inventory (SHI) is summarized in Table III-27. The shaded figures and rows indicate updated information on changes since 2009.

Table III-27: Sandwich's Subsidized Housing Inventory

Project Name	# SHI Units	Project Type/ Subsidizing Agency	Use of a Comp Permit	Affordability Expiration Date
Hansen Village*	48	Rental/DHCD	Yes	Perpetuity
George Fernandez Way*	12	Rental/DHCD	Yes	Perpetuity
Bramblebush Drive*	1	Rental/DHCD	No	Perpetuity
Cranberry Village	5/4	Ownership/DHCD	Yes	Perpetuity
Shawme Heights	44	Rental/HUD and Rural Housing Service	Yes	Perpetuity
Osprey Lane Apts.*	36	Rental/DHCD, MHP, FHLBB	Yes	Perpetuity
Sherwood Forest	9	Ownership/DHCD	Yes	Perpetuity
Shawme Heights II	50	Rental/HUD	Yes	2043
Granite Ridge	8	Ownership/MassHousing	Yes	Perpetuity
Woodside Village	12	Ownership/HUD	Yes	Perpetuity
Beech Wood Grove	1	Ownership/MassHousing	Yes	Perpetuity
Ryder Woods	22	Ownership/DHCD	Yes	7/2031 – 8/2038
DDS Group Homes	21/41	Special Needs/DDS	No	Not Applicable
CCC HOR Program	3/1	Rehab-Ownership/DHCD	No	2021
Brightside Lane	7	Ownership/MassHousing	Yes	Perpetuity
Sea Shell Village	5	Ownership/DHCD	No	Perpetuity
Annie's Pasture	5	Ownership/MassHousing	Yes	Perpetuity

The Homesteads	8	Ownership/MassHousing	No	Perpetuity
Total	272 / 314	191 (60.8%) rentals 81 (25.8%) ownership 41 (13.1%) special needs 1 (0.3%) rehab		

Source: Massachusetts Department of Housing and Community Development, November 3, 2009 and April 2, 2021

The shaded figures and rows indicate updated information on unit changes since 2009.

* Sandwich Housing Authority units

Of the 314 units that are currently considered affordable by the State, 98 units are owned and managed by the Sandwich Housing Authority including the following:

- *Hansen Village*

This 48-unit project incorporates several different state programs and agencies at one site including Chapter 667 for elderly and disabled residents and Chapter 689 Special Needs funding through the Department of Department of Mental Health (DMH) and Department of Developmental Disabilities (DDS). The project is designed in a village community setting and incorporates an eight-bedroom, single-story house that provides congregate living for its elderly or disabled residents.



Hansen Village

- *George Fernandes Way*

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

SHA has been able to access state funding for a part-time Residential Services Coordinator who is available to help tenants make connections to employment and other services as well as to coordinate special events to foster a greater sense of community. SHA recently received additional funding to enable the Services Coordinator to also support the future tenants at Terrapin Ridge.



George Fernandez Way

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



Osprey Lane

It is important to note that the Sandwich Housing Authority has an extensive wait list for its units as summarized in Table III-28.

The Sandwich Housing Authority also manages rental assistance programs through the Section 8 Housing Choice Program and other federal and state voucher programs, many through the Mainstream Voucher Program that serves households that have a disabled adult member between the ages of 18 and 62. SHA also has a preference for households experiencing homelessness, coming from transitional housing or permanent supportive housing, and/or living in an institution. The number of federal vouchers has

increased considerably, going from 28 vouchers to a current count of 179. These programs subsidize the rents of qualifying households who locate units in privately-owned apartments. Because the rental housing supply is limited in Sandwich and becoming increasingly unaffordable, many rental voucher recipients are forced to look beyond Sandwich for a qualifying apartment. It is hoped that some of the voucher holders might find a home at the Terrapin Ridge project at some point when it is completed.

Table III-28: SHA Wait List Information

Development	# Units/Vouchers	Numbers on Wait List
Hansen Village	8 DMH; 4 DDS 8 Congregate Living 28 Elderly	91 elderly 46 nonelderly disabled For congregate units, 9 elderly and 6 disabled
George Fernandez Way/Bramblebush	4 2-bedroom units 8 3-bedroom units	102 (84 for 2-bedrooms and 18 for 3-bedrooms Units hardly ever turn over
Osprey Lane	9 1-bedrooms 18 2-bedrooms 9 3-bedrooms	
<i>Subtotal</i>	<i>96</i>	
MA Alternative Housing Voucher Program (AHVP)	32	15+ Waiting for info from DHCD
Massachusetts Rental Voucher Program (MRVP)	29	Waiting for info from DHCD
Section 8 Housing Choice Voucher Program	3	52
Mainstream Voucher Program	151	Only 4 allocated in last couple of years
Non-elderly Disabled (NED) Vouchers	25	
<i>Subtotal</i>	<i>240</i>	
Total	336	

Moreover, it should also be noted that SHA is administering a Rental Acquisition Program (RAP) that uses CPA funds to acquire properties that the Housing Authority continues to own and manage as rental units. The Community Preservation Committee has committed \$235,000 to this program as down payments for the acquisition of three homes. The balance of the acquisition cost would be mortgaged and repaid through the rental revenue generated by each property. The SHA is hoping to receive another \$100,000 to \$200,000 in CPA funding to acquire another home. Given the high costs of housing, SHA has had its best luck in acquiring homes that are already deed restricted and then converting them to rentals which they manage. These RAP units are not included on the SHI, but the Town might consider working with SHA to count these units in the future.

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

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

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

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

Since the 2009 Housing Production Plan was completed, the following projects include units that were added to the Subsidized Housing Inventory:

- *Brightside Lane*
Designed as starter homes or dwelling units for single householders, this project involves 28 modular townhouses including seven affordable ones. The project was permitted through the Chapter 40B comprehensive permit process.
- *Homesteads Project*
This project involves a parcel that was donated by a former Selectman for the purpose of creating affordable single-family homes for first-time homebuyers earning at or below 80% AMI. A total of eight new homes were built. A significant modification to the Osprey Lane comprehensive permit was required for road access. The project was developed through the Town's Conditional Density bylaw.
- *Seashell Village*
A local developer sponsored this development that includes ten single-family homes, five affordable and five at market. The project is located off of Asa Meigs Way and was permitted through the Town's Conditional Density bylaw.
- *Annie's Pasture*
This project includes 20 new homeownership units in the Forestdale section of Sandwich, five of which are affordable. The project was also developed through a comprehensive permit.
- *The Sandwich Home Ownership Program (SHOP)*
The Town of Sandwich secured about \$1 million as payments in-lieu of producing four actual affordable units via negotiations with a private developer on a residential development project in East Sandwich that was under Cape Cod Commission DRI review. The Town then selected the Housing Assistance Corporation (HAC) to coordinate an effort to invest this funding in a buy-down project involving the purchase of seven existing housing units, completion of necessary improvements, and the use of subsidies to enable first-time homebuyers earning at or below 80% AMI to purchase the units.

2. *Potential or Pipeline Projects*

The following developments represent pipeline projects or other potential additional opportunities to boost the supply of affordable units, also creating a greater diversity of housing types:

- *Expansion of George Fernandez Way/Terrapin Ridge*
The Sandwich Housing Authority (SHA) worked with a consultant to explore the feasibility of expanding its existing development at George Fernandez Way. The Town allocated \$40,000 in Community Preservation funding to support this predevelopment work in 2006. In 2009, the Town committed another \$1,850,000 in CPA funds to the SHA for the development of this project of which \$450,000 was used to preserve the existing 12 units. Town Meeting voted to bond this funding. Through a Town application, the project was also awarded a \$1.5 million MassWorks Infrastructure Grant in 2018 to support a new access road off of Quaker Meeting House Road and other infrastructure needs.

The SHA issued a Request for Proposals (RFP) and selected the non-profit organization, Women's Housing Institute, as developer. The project, now called Terrapin Ridge, was configured as 21 townhouse units and nine apartments as rentals for families as part of low-density, farmhouse-style buildings surrounding a common green space. Plans include a mix of unit sizes (6 one-bedroom units, 20 two-bedrooms, and 4 three-bedroom units) as well as incomes (8 units affordable to families with incomes at or below 30% AMI and 22 units for those at or below 60% AMI). Permitting was through the "friendly 40B" process under the state Local Initiative Program (LIP), approved in November 2017.

Development was completed Fall 2021 with 30 affordable units.



Terrapin Ridge

- *Henry T. Wing Elementary School*

In 2015, the Town commissioned a feasibility study to evaluate the re-use of the Henry T. Wing Elementary School which closed as a school in June of 2015. This study was conducted by Kaestle Boos Associates (KBA) design team which provided a number of redevelopment options with associated cost estimates. The Town subsequently determined to convert the property to affordable senior housing, issued a Request for Proposals (RFP), and selected the Stratford Capital Group (SCG) as developer. The developer has applied for the comprehensive permit through the Local Initiative Program (LIP) to ultimately build 128 total units, 108 of which will be affordable. The Town committed \$2,650,000 in CPA funding towards the development of this project.

The Town will convey the property to the developer which will build the project in three phases. The developer plans to form a separate limited partnership for each phase that will secure the necessary debt, equity and subsidies to develop and operate the applicable phase of the Property and to take best advantage of and maximize the Low Income Tax Credit Program/funding sources. The first phase will anchor the site with the historic rehabilitation of a portion of the Henry T. Wing school and new construction that will contain 43 senior housing units ("Henry T Wing School Residences I"). The second phase will contain up to 41 senior housing units in a 3-story multi-family structure ("Henry T Wing School Residences II"), and the

third phase will contain up to 44 senior housing units in another three-story multi-family structure (“Henry T Wing School Residences III”).

Of the project’s 128 units, 108 will be rented to households with annual incomes at or below 60% AMI, of which 29 will be rented to households with incomes no more than 30% AMI. The remaining 20 units will be rented at market rates. Additionally, the project will ultimately include 2 studios, 120 one-bedroom units, and 6 two-bedrooms.

- *Sandwich Scattered-site Community Housing*
Habit for Humanity of Cape Cod received two donated lots to build three homes for first-time homebuyers, two by subdividing the lot at 167 Cotuit Road and another home at 1 Nauset Street. The homes will be permitted through the Local Initiative Program (LIP), also commonly referred to as the “friendly 40B” Program, and will create two 2-bedroom ranches at Cotuit Road and a 3-bedroom ranch at Nauset Street. The three homes will be built with Habitat’s “sweat equity” model with the selected buyers investing 250 to 500 hours building their homes alongside volunteers. The homes will also meet or exceed LEED energy-efficiency standards. Habitat for Humanity expects that it might be able to obtain funding from the Federal Home Loan Bank of Boston’s Affordable Housing Program to help support project costs in addition to other donations. Affordable purchase prices are currently estimated at \$141,250 and \$158,000 for the two-bedroom and three-bedroom home, respectively, and targeted to those earning at or below 65% of area median income. These prices may be adjusted based on changes in income limits at the time of outreach and marketing.
- *Quaker Meetinghouse/Cotuit Road Parcel*
The Town owns a 59-acre parcel at Quaker Meetinghouse Road, near where it intersects with Cotuit Road. Development of this site was explored as part of the Town’s South Sandwich Community Design and Regulatory Framework Project, funded by the Cape Cod Commission. Working with the Cape Cod Commission and Union Studio design firm, the Town sponsored a number of public forums and a visual preference survey to obtain community input on design alternatives that included a number of illustrated examples of mixed-use development on this parcel adjacent to the roadway with moderate-density housing on the rest of the site.
- *Former Police Station*
The Town’s former Police Station is now surplus, and the property might be a consideration for future housing development, including affordable units.
- *Forestdale Village/Sandwich Green*
Developers of this project initially proposed a mixed-use development, including 80,000 square feet of commercial space and 148 housing homeownership units, through the “friendly” Chapter 40B process under the state’s Local Initiative Program (LIP). This would have required that at least 37 units be affordable to those earning at or below 80% AMI. Eighty percent of the units were to be age-restricted, targeted to those over age 55, with the remaining 20% for families.

The project was conceived as part of the rezoning of the South Sandwich Village Center (SSVC) including portions of Route 130 to allow mixed residential and commercial uses. The commercial District of Regional Impact (DRI) application for the rezoning required Cape Cod Commission

approval. The project subsequently went into receivership and is now in the hands of another developer.

The current developers requested a recession of the Forestdale Village comprehensive permit. The new project is identified as Sandwich Green, a 248-unit project with infrastructure tie-ins that include solar and wastewater components. The viability of the development is being reviewed by the state.

E. Priority Housing Needs

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

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

- This data suggests that 2,638 households or 34% of all households were spending too much on their housing. Of these, 1,300 households or 16% were experiencing severe cost burdens as they were spending more than half of their income on housing costs.
- More than 2,000 residents claimed a disability, representing 10% of the population and including 20% of all those 65 years of age or older.
- According to 2019 census estimates, there were 728 individuals who were living below the poverty level.
- The Sandwich Housing Authority has an extensive wait list with very little turnover, particularly for family rental units, and almost nonexistent turnover for units directed to the nonelderly disabled.

The impacts of COVID-19, that included losses of income for many households amidst rising housing prices, have widened affordability gaps and increased cost burdens.

In regard to seniors, the Council on Aging describes the current rental market as “a perfect storm” with the Baby Boomers looking to downsize and age in place in the community but finding no housing that is appropriate for their current lifestyles, accessible based on growing needs for home modifications, and affordable.

Not only are current older residents looking for new housing, but parents of existing residents are looking to move into the area to be closer to their families. This pent-up demand is not finding the housing that it needs, and there are hopes that the Wing School development might be able to satisfy some of this gap in supply. According to one source, “It can’t come soon enough.”

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

1. Rental Housing

The town of Sandwich has a substantial need for rental housing based on the data summarized in the above Housing Needs Assessment, but has been making some progress through the Sandwich Housing Authority and Chapter 40B comprehensive permit projects. For example, to afford an estimated \$2,000 rent of a typical two-bedroom unit, a household should earn about \$88,000, assuming average utility costs of \$200 per month and that no more than 30% of income is spent on housing-related costs. Such housing is therefore out-of-reach for most lower wage earners who are needed to bolster Sandwich's significant service and tourist economy. More subsidized rental housing is required. The Local Comprehensive Plan echoed this need when it stated that the Town should "promote equal opportunity in housing and give special consideration to meeting the housing needs of the most vulnerable segments of the Town's population". **New units at Terrapin Ridge and the Wing School will help address this important need.**

Most new units produced will be rentals based on the above indicators of need as well as the following considerations:

- Target the needs of the community's most vulnerable residents with very limited financial means as rental housing is typically more affordable and requires less up-front cash.
- Promote greater housing diversity as more than 90% of Sandwich's housing stock is comprised of homeownership units and single-family detached homes. More housing options are necessary to meet the needs of local workers who are priced out of the housing market, people who grew up in Sandwich and want to raise their own families locally, and empty nesters for example.
- Offer greater local control over affordable housing development as all units in a Chapter 40B rental development count towards the Town's 10% affordability goal and annual housing production goals as opposed to only the affordable units in homeownership developments. Meeting these goals will enable the Town to obtain a safe harbor against what it might consider to be inappropriate 40B applications that do not meet local housing needs.
- Invest local subsidy funds in support of greater numbers of households/occupants over time as rentals turnover more regularly than ownership units.
- Provide more appropriately sized units for increasing numbers of smaller households.
- Provide opportunities for some seniors who are "over-housed" and spending far too much of their fixed incomes on housing to relocate to more affordable and less isolated settings, opening up their homes to families requiring more space.
- Leverage other funds as state and federal resources are almost exclusively directed to rental housing development, family rentals in particular.
- Enhance the ability to qualify occupants for housing subsidies as state requirements for including units on the SHI make it very difficult for long-term homeowners to be eligible for subsidized or assisted housing based on asset limitations.
- Provide opportunities for mixed-income housing where several different income tiers can be accommodated within the same project, particularly for the lower income ranges.

2. Homeownership

In addition to rental housing, there remains a need and demand for new homeownership opportunities for income-eligible, first-time homebuyers. While mortgage interest rates have remained low over the last few years, making housing more affordable, other challenges have maintained a wide housing gap including more stringent lending requirements, rising prices, and large up-front cash requirements for

financing, making homeownership extremely challenging for those without equity in a former home or substantial savings. Sandwich has also been losing young families, and should invest in ways to make living in town more affordable which would ultimately contribute to the social and economic diversity and vitality of the community. Some towns are implementing first-time homebuyer initiatives and the state is also providing mortgage financing for affordable new ownership.²⁰

The three new Habitat homes at Cotuit Road and Nauset Street will help address this need.

It should also be noted that about one-third of all owner households, or 2,253 such households, were spending more than 30% of their income on housing; and of these, 1,190 or 17.6% had severe cost burdens as they were spending more than half of their income on housing costs. While state requirements with respect to asset limits make it very difficult to provide assistance to long-term owners with substantial home equity, there are other measures that the Town could make to reduce their cost burdens including some tax relief.

3. *Special Needs Housing*

As mentioned above, almost 2,000 or 10% of Sandwich's population claimed a disability. Moreover, the Sandwich Housing Authority's wait list for its Hansen Village development had 46 nonelderly disabled applicants, of which none have been offered a unit for the last few years because the project has already met the 13% threshold for housing such individuals. While Sandwich has 41 units in group homes for Department of Developmental Services (DDS) clients and eight units for Massachusetts Department of Mental Health (DMH) clients as well as four units for DDS clients at Hansen Village, more housing that is directed to serving the special needs of the disabled are required.

The Council on Aging suggests that it is important to incorporate support services into new development for seniors to help them live independently and remain connected to the community, addressing their special needs for aging in place. The Town currently has only one assisted living facility with 32 units which is not affordable to most residents with an entrance fee of \$100,000 and costs of \$6,000 to \$7,000 per month.

4. *Summary Housing Needs*

Table III-29 presents targeted affordable housing development goals based on priority housing needs over the next five years. The total figure of 250 is largely based on the annual housing production goal of 42 units, which is likely when 2020 census figures are released.

As noted in the opening parts of this section, given a list of considerations, rental housing should be the Town's top priority. This table suggests a breakdown of 90% to 10% of rental to homeownership units or 189 to 21 affordable units, respectively. All of the ownership units that are included in the SHI are small-scale projects, and it is therefore likely that such future units will be produced on this basis as well through Habitat for Humanity or other private developers.

On the other hand, projects that involve some significant scale and can reach households earning at or below 50%-60% AMI, also with some potential inclusion of units for households with incomes of less than

²⁰ Up to 70% of the affordable units in Chapter 40B developments can typically be reserved for those who live or work in the community, referred to as local preference units.

30% AMI, can be pursued through a mix of state and local financing, including the Low Income Housing Tax Credit Program, to produce higher numbers of units towards meeting housing goals.

These priorities also address another priority housing need related to providing barrier-free units and supportive services where feasible, representing 20% of the one-bedroom units and 10% of the two- and three-bedroom units.

It should also be noted that while the focus of Sandwich's housing agenda is providing housing for those most in need, the Town will also explore opportunities to integrate "workforce housing units" for those earning above 80% AMI but still priced out of the community's high-priced housing market.

Table III-29: Summary of Priority Housing Needs and Targeted Development Goals

Rental Units	Seniors + Single Persons/ One Bedroom Units @ 40%	Small Families/2 Bedrooms @ 50%	Large Families/3+ Bedrooms @ 10%	Total 5-Year Goal
Rental @ 90%	75	95	19	189
Ownership Units	Seniors + Single Persons/ One Bedroom Units @ 25%	Small Families/2 Bedrooms @ 25%	Large Families/3+ Bedrooms @ 50%	Total/5-Year Goals
Ownership @ 10%	5	5	11	21
Total	80	100	30	210
Special Needs* (% of total units)	(16)	(10)	(3)	(29)

Source: Karen Sunnarborg Consulting

* Represents at least 10% of all units created in family housing and 20% in senior and single-person housing. For example, of the total 80 projected total one-bedroom units produced, largely directed to seniors, individuals, or those with disabilities, 20% or 16 would involve handicapped accessibility and/or supportive services.

IV. CHALLENGES TO PRODUCING AFFORDABLE HOUSING

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

- ***Zoning***

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

The Town has added several provisions in its Protective Zoning By-law to allow higher densities through accessory apartments or density bonuses based on specific regulations and requirements. While these bylaws have not resulted in significant numbers of affordable units to date, the Town approved a revision to the Affordable Housing Conditional Density Bylaw to make it less complicated and provide greater incentives to encourage its use. The Town also approved revisions to the accessory apartment bylaw to allow them by-right if constructed within a single-family dwelling and also approved new inclusionary zoning provisions for cottage colonies. This Housing Plan also includes a number of strategies for reforming zoning (see Section VI.A).

- ***Environmental Concerns***

Sandwich has an abundant amount of open space and recreational resources, and the Town understands the importance of preserving wildlife habitats and indigenous vegetation. As a result, the Town has made a significant commitment to land conservation with approximately 4,135 acres, or 14.5% of the community's land area, owned by the Town. The Sandwich Water District owns an additional 518 acres of protected open space, and there are also an estimated 9,568 acres of state land that includes the Shawme-Crowell State Park and the Massachusetts Military Reservation. In total, these open space holdings amount to an estimated 50% of all land in Sandwich.

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

Any new development, including affordable housing initiatives offered in this Plan, will have to be sensitive to environmental constraints and regulations.

- ***Infrastructure***

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

The Town prepared a Comprehensive Wastewater Management Plan in December 2017 that provides the necessary next steps towards providing municipal sewer services, targeted at least initially to the strategic planning areas. Additionally, at the November 3, 2018 Special Town Meeting, Town Meeting voted to create the Municipal Water Infrastructure Investment Fund (WIIF) through a 2% property tax surcharge and reduce the CPA property tax surcharge from 3% to 2%.

- ***Availability of Subsidy Funds***

Financial resources to subsidize affordable housing preservation and production as well as rental assistance are limited and extremely competitive. Communities are finding it increasingly challenging to secure necessary funding and developers often encounter multiple funding rounds before the necessary financing is secured to begin construction.

Sandwich, like other communities on Cape Cod, does have Community Preservation funding as well as some housing subsidies from the Barnstable County HOME Consortium to help fill funding gaps and leverage additional state and federal resources, which will be required to implement this Housing Plan, many of which are highlighted in this document.

- ***Community Perceptions***

Affordable housing, subsidized housing, low-income housing, projects, Section 8, etc. – these terms often carry a stigma and produce negative reactions from residents about what changes might occur to upset the status quo and undermine neighborhoods and property values. On the other hand, high real estate prices have caused many residents to realize that affordable and workforce housing is indeed needed in the community. More people are recognizing that the new kindergarten teacher, the waitress at the favorite restaurant, grown children, or the elderly neighbor may not be able to afford to live or remain in the community. The pandemic has also stirred greater concerns about community health and stability. It is this growing awareness and potential 40B developments, which are spurring communities to take a more proactive stance and sponsor or support affordable housing projects.

The community education strategy described in Section VI.B.2 will be important in providing important information to local leaders and residents concerning new housing initiatives and affordable housing issues in general to foster greater community support.

V. AFFORDABLE HOUSING PRODUCTION GOALS

The Massachusetts Department of Housing and Community Development (DHCD) is administering the Housing Production Program²¹ in accordance with regulations that enable cities and towns to prepare and adopt an affordable housing plan that demonstrates production of an increase of 0.50% over one year, 41 units for Sandwich, or 1.0% over two-years, 82 units, of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory SHI). It is likely that these goals will increase to 42 and 84 units given housing growth over the past decade. If DHCD certifies that the locality has complied with its annual production goals, the Town may, through its Zoning Board of Appeals, deny comprehensive permit applications.

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

- At least fifty percent (50%) of the units that are developed on publicly-owned parcels will be affordable to households earning at or below 80% of area median income and at least 10% affordable to those earning up to 120% of area median income, depending on project feasibility.
- Unit projections are responsive to nitrogen sensitive areas that restrict density to no more than four (4) units per acre unless water treatment facilities are built on site, an expensive proposition that has limited applicability on smaller sites.
- Because many of the sites identified for development are privately owned, production will involve projects sponsored by private developers through the “friendly” comprehensive permit process, the Affordable Housing Conditional Density bylaw, possibly inclusionary zoning (see strategy VI.A.1) or other available regulatory approaches. The Town will continue to work with these private developers to fine-tune proposals to maximize their responsiveness to community interests.
- The numbers of affordable units are projected based largely on the criteria included in the town’s Affordable Housing Conditional Density bylaw and between 50% to 100% of the new units will be available as affordable depending also upon the project location, objectives, and feasibility. However, another housing goal is to provide housing for those along the full range of incomes, and whenever a project is not 100% affordable, on average approximately 10% of the units will be targeted to more moderate-income households that will enable the Town to provide housing for those households earning above 80% of area median income but priced out of the current housing market. Additionally, market rate units will provide internal subsidies to help support project feasibility.
- The projections involve a mix of rental and ownership opportunities, with rental units comprising about 85% of the new unit production and targeting rental development closer to Town commercial centers and homeownership towards the more outlying areas. The Town will work with private developers to promote a diversity of housing types directed to different populations with housing needs including families, seniors, those with special needs, and other individuals to offer a wider range of housing options for residents.

²¹ Massachusetts General Law, Chapter 40B, 760 CMR 56.03(4).

Table V-1: Sandwich Housing Production Program

Strategies by Year	Units < 80% AMI	Workforce Units 80% to 120% AMI, Market Units or Ineligible for SHI	Total # units
Year 1 – 2022			
Convert existing housing to affordability/ Rental Acquisition Program	2 rentals	0	2
<i>Subtotal</i>	<i>2</i>	<i>0</i>	<i>2</i>
Year 2 – 2023			
Encourage mixed-use development/40B Golden Triangle*	40 rentals	0	40
Work cooperatively with private developers on private property/40B/small clustered infill project	3 ownership	3 workforce 6 market	12
Convert existing housing to affordability – Rental Acquisition Program	2 rentals	0	2
Explore new housing assistance program/ Mortgage Assistance Program	3 ownership	0	3
<i>Subtotal</i>	<i>48</i>	<i>9</i>	<i>57</i>
Year 3 – 2024			
Work with private developers on privately- owned properties – 40B*	40 rentals	0	40
Work cooperatively with private developers/Inclusionary zoning	2 ownership	18	20
<i>Subtotal</i>	<i>42</i>	<i>18</i>	<i>60</i>
Year 4 – 2025			
Development of publicly-owned property – former Police Station	16 rentals	0	16
Encourage mixed-use development/ Golden Triangle – Phase II	30 rentals	10 workforce units	40
<i>Subtotal</i>	<i>46</i>	<i>10</i>	<i>56</i>
Year 5 – 2026			
Work with private developers on privately- owned properties – 40B	10 ownership	30	40
Work with private developers on privately- owned property/40B*	20 rentals	0	20
Convert existing housing to affordability – Rental Acquisition Program	2 rentals	0	2
Convert existing housing to affordability- SHOP II or other infill ownership development	6 ownership	2 workforce	8
Work cooperatively with developers on	4 special needs	0	4

privately-owned properties/Special needs housing – group home	rentals		
Explore new housing assistance program/ Mortgage Assistance Program	3 ownership	0	3
<i>Subtotal</i>	<i>45</i>	<i>32</i>	<i>77</i>
Total	183	69	252

***All units count as part of the SHI in 40B rental developments.**

VI. HOUSING STRATEGIES

The information summarized in the preceding sections provides the foundation upon which the actual housing strategies are based including the priority housing needs identified in Section III.E as well as the development goals and objectives that are listed in Section II.B that should serve as guiding principles in selecting project sites, determining the type of development, and identifying priorities. These goals were based on the understanding that the Town should be promoting affordable housing to satisfy the full range of local needs – not just to meet the 10% Chapter 40B standard – and that it was important for local residents to understand this commitment and, to the greatest extent possible, be involved.

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

The strategies also reflect state requirements that ask communities to address all of the following major categories of strategies to the greatest extent applicable:²²

- *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;*
 - Assess and amend existing zoning – (strategy VI.A.1)
 - Promote mixed-use development (strategy VI.C.4)
- *Identification of specific sites for which the municipality will encourage the filing of comprehensive permit projects;*
 - Continue to make suitable public property available for affordable housing (strategy VI.C.1)
 - Promote mixed-use development (strategy VI.C.4)
 - Work cooperatively with private developers on privately-owned properties (strategy VI.C.2)
 - See “friendly” 40B projects listed in production goals (Section V)
- *Characteristics of proposed residential or mixed-use developments that would be preferred by the municipality;*
 - Adopt town-wide inclusionary zoning (strategy VI.A.1)
 - Convert existing housing to affordability (strategy VI.C.3)
 - As indicated in strategy VI.C.2, the Town should continue to work with developers to create affordable housing on privately-owned properties in line with smart growth principles including:

²² Massachusetts General Law Chapter 40B, 760 CMR 56.03.4.

- Mixed-use development in appropriate locations,
 - Redevelopment of nonresidential properties into housing,
 - Multi-family housing in areas where somewhat greater density is appropriate such as village centers and commercial corridors,
 - Smaller infill housing in existing neighborhoods, and
 - Cluster development.
- *Municipally owned parcels for which the municipality commits to issue requests for proposals to develop affordable housing.*
 - Continue to make suitable public property available for affordable housing (strategy VI.C.1)
 - *Participation in regional collaborations addressing housing development*
 - Promote homebuyer counseling and other regional programs and services (strategy VI.B.2)
 - Participation in the Barnstable County HOME Consortium, Community Action Committee of Cape Cod and the Islands, Inc., and Cape Community Housing Partnership

It will also be important to ensure 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 involved.

In addition to being used for "friendly 40B" projects, LIP can be used for counting those affordable units as part of a Town's Subsidized Housing Inventory that are being developed through some local action including:

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

In order to qualify 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 no more than 80% of area median income; and
- Long-term affordability is enforced through affordability restrictions, approved by DHCD.

Within the context of these compliance issues, local needs, existing resources, affordability requirements and the goals listed in Section II of this Plan, the following housing strategies are offered for consideration. ***It is important to note that these strategies are presented as a package for the Town to consider, prioritize, and process, each through the appropriate regulatory channels.*** Moreover, the

proposed actions present opportunities to judiciously invest CPA funds to subsidize actual unit production (predevelopment funding and/or subsidies to fill the gap between total development costs and the affordable rent or purchase prices) and leverage additional resources. They also recommend modifications to local zoning provisions and development policies and build local capacity to better promote greater housing affordability, diversity and sustainability.

A. Planning and Regulatory Strategies

As housing values are high and rising, it is still difficult for many individuals and families to find affordable housing in the private market. Moreover, the private market, without subsidies, is neither able nor interested in producing housing for low- and moderate-income households given existing regulations and costs. As a result, it becomes necessary to increasingly rely on regulatory relief and housing subsidies in some form to preserve affordable housing and to produce enough housing to meet the pressing affordable housing needs and demands.

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

- *Local Comprehensive Plan*
Town Meeting approved the Sandwich Local Comprehensive Plan (LCP) at its May 2009 Town Meeting, and the Plan was subsequently approved by the Cape Cod Commission. As noted earlier, the Town is now embarking on an update of the LCP.
- *Accessory Dwelling Unit Bylaw²³*
The Town amended the accessory dwelling unit bylaw to allow these units by-right if built within a single-family dwelling. It therefore made it easier to create accessory units that diversify the housing stock without necessitating new construction.
- *Inclusionary Zoning for Cottage Colonies²⁴*
The Town approved changes to zoning that allows the conversion of existing cottage colonies to residential or mixed-use rentals, condominiums, cooperatives, or time-sharing condos based on certain requirements including the mandate that 10% of the converted cottages be made affordable to households with incomes at or below 80% of area median income and comply with other state conditions for including the units as part of the Subsidized Housing Inventory (SHI). The Planning Board is also allowed, at its discretion, to approve off-site affordable units for an equivalent number of affordable units or approve a fee in-lieu of constructing the affordable units to be made to the Sandwich Housing Authority. The cash payment per unit is calculated by multiplying the most recent and appropriate median income figure (the Base Income Number) by the Maximum Resale Price Multiplier which is the price at the initial sale divided by the Base Income Number.

²³ Sandwich Zoning Bylaw, Section 4130.

²⁴ Sandwich Zoning Bylaw, Section 4710.

- *Route 130 Preliminary Rezoning Study*



The Town received a District Local Technical Assistance (DLTA) grant from the Cape Cod Commission and worked further with the Commission on the South Sandwich Community Design and Regulatory Framework project. This project evolved from state funding that enabled the Commission to develop model designs for compact development in four Cape communities including a form-based code framework referred to as Community Resiliency by Design. The project included further support from the architectural and community design firm, Union Studio.

One of the four communities included Sandwich where the project focused on the South Sandwich area along Route 130. This area included three subareas as noted on the map, sometimes referred to as the Golden Triangle. This area will be served by a new wastewater treatment facility and corresponding infrastructure and is likely to be the focus of new growth and development.

Through public workshops and an online visual preference survey, Union Studio identified the building forms that were most likely to receive

community support including cottages, duplexes, townhouses, double-deckers, manor houses, walk-ups, and accessory dwelling units. Union Studio further illustrated how these forms could be incorporated into the development of the 59-acre Town-owned parcel off Quaker Meetinghouse Road near the intersection with Cotuit Road.



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

1. *Assess and Amend the Zoning Bylaw*

Responsible Party: Planning Board

Priority 1 /2

Current Status: Throughout the United States, zoning is the greatest constraint to affordable housing development. Given minimum lot sizes ranging from 40,000 to 60,000 square feet in residential districts without any by-right zoning for multi-family housing with the exception of accessory dwelling units within existing single-family homes, it is very difficult to build affordable housing without substantial subsidies and zoning relief in Sandwich.

A number of years ago, the Town established a Bylaw Committee, that, with the Planning and Development Office, reviewed the Zoning Bylaw and appropriate changes to meet a number of public policy objectives, including the promotion of smart growth development and affordable housing. Those bylaws that are still under consideration that relate to housing include:

- *Mixed-use zoning in South Sandwich Village*

The Local Comprehensive Plan established 15 strategic planning areas in which the town is divided, including four (4) where mixed-uses and economic development are targeted including Route 6A/Tupper Road/Marina Area, Sandwich Industrial Park and District, South Sandwich Village Center, and Historic Village/Route 6A Areas. This work was also coordinated with the development of a Comprehensive Wastewater Management Plan that is now complete.

As noted earlier, Sandwich has been working with the Cape Cod Commission and Union Studio to explore development opportunities in South Sandwich to develop model design approaches and a form-based code framework. A report on this work was completed and recommended the following zoning revisions:

- Allow ADUs by right and remove the affordability restriction, which has been accomplished.
- Revise bulk and dimensional standards related to multiple buildings on a single lot.
- Encourage mixed-use centers by allowing mixed-use development by right in certain areas.
- Allow types of multi-family development by right.
- Develop maximum parking standards.

- *Inclusionary Zoning*

Inclusionary zoning has been adopted by more than one-third of all communities in the state to ensure that any new development project over a certain size would include a set-aside in numbers of affordable units or funding to support the creation of affordable housing. Sandwich recently approved inclusionary zoning provisions related to the conversion of cottage colonies if 10% of the units were affordable and eligible for inclusion in the SHI. This zoning also allowed off-site development of affordable units and payments in-lieu of the units for investment in future affordable housing production. The Town should consider extending these measures on a Town-wide basis to promote housing affordability in future residential development to address local needs.

- *Nonconforming Lots*

Towns such as Dennis, Bourne and Yarmouth are allowing nonconforming lots that do not meet minimum lot requirements to be built by special permit from the Planning Board if they meet a number of conditions including the inclusion of deed restrictions for affordable housing.

- *Affordable Housing Conditional Density Bylaw*

In 2003, the Town approved changes to this bylaw to make it less complicated and to increase density bonuses to promote its use. While this was a step in the right direction, it has produced only 21 units. Local developers have claimed that the revised density bonus provisions are still inadequate to make the required level of affordability feasible and should be increased, while affordability requirements should be decreased.

- *Transfer of Development Rights (TDR)*

TDR involves the conveyance of development rights by deed, easement, or other legal instrument from one parcel of land to another as a means of encouraging development in certain areas while preserving open space in others. Zoning provisions allow this transfer to take place and, in some cases, can identify “receiving zones” or growth incentive areas such as village centers or transportation nodes where more concentrated development is promoted as opposed to “sending zones” where development is discouraged. This strategy is particularly effective when the community has valuable resources that need protection such as scenic views, historic buildings, critical wildlife habitats, and water resources; while other parts of town are suitable for development at densities greater than those currently allowed under zoning. Sandwich has identified strategic growth areas in its Local Comprehensive Plan that will help provide the groundwork for implementing TDR.

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

Next Steps: The Bylaw Committee of the Planning Board should review these provisions and make recommendations to the full Planning Board and other Town officials to develop useful amendments that will help support the growth of commercial areas and promote greater housing diversity and affordability. The appropriate amendments will require approval by Town Meeting, albeit by only a simple majority if the zoning change will bolster housing production due to recent state Housing Choice legislation,

Resources Required: Staff time from the Planning and Development Office as well as donated time of members of the Bylaw Committee and full Planning Board.

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

Responsible Party: Board of Selectmen and Board of Assessors
Priority 2 or Longer Term

Current Status: The Housing Needs Assessment included in this Housing Plan indicates a critical need for additional rental housing. Provincetown, recognizing a similar shortage, approved a property tax exemption for affordable year-round rental units. This involved a home rule petition that required state approval, signed in 2002. The tax exemption has been made available to owners of housing units that are rented on a year-round basis to low-income households at rents (including utilities) not exceeding HUD limits and that also place appropriate affordability restrictions on the property through the Local Initiative Program. The Provincetown program currently has twelve participants.

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

Implementation and ongoing administration would involve local oversight. The Board of Assessors provides this coordination for Provincetown's program.

Resources Required: Staff time from the Planning and Development Office and/or the proposed housing professional (see strategy VI.B.3) to work with local officials in determining the feasibility of implementing this strategy in Sandwich and in coordinating the necessary approvals towards implementation. There will also be some administrative costs associated with ongoing management to include and maintain units in the Town's Subsidized Housing Inventory. Additional resources will involve the foregone taxes associated with the exemption.

B. Strategies for Building Local Capacity to Promote Affordable Housing

The following strategies involve opportunities for Sandwich to increase its capacity to promote more diverse housing options and address a wide range of local housing needs including enhanced local organizational support and more focused community outreach to better educate the public, local leaders, and real estate professionals on the issue:

1. Establish a Municipal Affordable Housing Trust Fund

Responsible Party: Board of Selectmen
Priority 1

Current Status: It is often critical to have accessible funds available to respond effectively to housing opportunities as they arise. Also, many of the state subsidy sources require local contributions either through local funds, donation of Town-owned property, or private donations to be competitive. Additionally, having funds readily available, as opposed to waiting for Town Meeting approval, can make a meaningful difference in housing production efforts.

On June 7, 2005, the Governor signed the Municipal Affordable Housing Trust Fund Act,²⁵ which simplified the process of establishing such funds. Previously, cities could create trusts through their own resolution, but Towns had to get approval from the state legislature through a home rule petition. Almost all communities on the Cape have adopted these funds.

The law provides guidelines on what trusts can do and allows communities to collect funds for housing, segregate them out of the general budget into an affordable housing trust fund, and use these funds without going back to Town Meeting for approval on individual projects. It also enables trusts to own and manage real estate, not just receive and disburse funds. The law further requires that local housing trusts be governed by at least a five-member board of trustees, appointed and confirmed by the Board of Selectmen in the case of towns, and including a member of the Board of Selectmen or the Town Administrator.

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

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

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

It will also be important to explore a wide range of possible fundraising options to capitalize the Trust Fund. In addition to CPA funding and other public sector resources, the Town should consider private sector donations. This process of securing private support not only provides financial benefits to support local housing efforts, but it is also a vehicle for raising awareness of affordable housing and generating interest and political support for new housing initiatives.

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

²⁵ Massachusetts General Laws, Chapter 44, Section 55C.

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

Another source is the District of Regional Impact (DRI) Program. DRI projects involve Cape Cod Commission review because of their size, location, or character affect more than one community. To be approved, a project must be consistent with the Cape Cod Regional Policy Plan, the Local Comprehensive Plan, local development bylaws, and any designated Districts of Critical Planning Concern (areas that have been designated for special protection of important resources). To be approved, a project may be required to meet certain conditions, such as contributing a fair share of funds towards traffic improvements or providing affordable housing in new residential developments, or funds in lieu of actual units that can be contributed to the Housing Trust Fund.

Resources Required: The process of creating the Municipal Affordable Housing Trust Fund is relatively straightforward and can be coordinated by the Planning and Development Office in concert with the Board of Selectmen. Once established, it will be incumbent upon the Town to support efforts to capitalize the Fund including the commitment of CPA funding for affordable housing initiatives. Other resources include the donated time of volunteers to coordinate fundraising activities with support at some point in the future to staff the proposed Housing Trust, potentially the proposed housing professional (strategies VI.B.1 and 3).

2. Conduct an Educational Campaign on Affordable Housing

Responsible Party: Sponsoring Entities or Proposed Housing Trust
Priority 1 and Ongoing

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

During the process of preparing the Community Affordable Housing Plan in 2003 and Housing Production Plan in 2010, renewed interest arose on the need for significant community outreach on the issue of affordable housing. This outreach would focus on activities to better inform local residents on the benefits associated with the development of affordable housing and to increase local participation and support, both political and financial, for housing production. In fact, one of the two major housing goals as part of the Housing Production Plan is to maximize local interest and investment in affordable housing.

Given the dissolution of the Local Housing Committee, only limited attention has been paid to community outreach, however this Housing Production Plan, in tandem with the update of the Local Comprehensive Plan, will help focus community efforts on the issue of affordable housing. For example, the Town held a joint meeting of the Board of Selectmen and Planning Board on November 4, 2021 to showcase the issue of affordable housing, including this Housing Production Plan, also including the Affordable Housing Trust.

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

- *Public information on existing programs and services*

The use of social media is an effective outreach tool for the communication of important housing-related information and events, particularly for younger residents.

The Town should get the word out about existing programs and services that support the housing needs of both homeowners and renters. The Town should consider enhancements of its current website and the use of social media.

- *Solicitation of donations*

The Town, through the proposed Housing Trust (strategy VI.B.1), might also consider reaching out to residents and businesses to request funding or property donations to support existing and future affordable housing projects, explaining the tax advantages involved in such contributions. Local businesses might recognize a vested interest in supporting housing that could potentially serve their employees.

- *Special housing forums*

Other public education opportunities could be coordinated by the proposed Housing Trust (see strategy VI.B.1) such as having representatives from other towns speak in public forums on particular housing-related topics to spark greater interest and understanding on the issue. Some of this work has already been conducted through Cape Community Housing Partnership activities.

- *Community meetings on new housing initiatives*

When new housing initiatives are proposed, that require local approvals, the sponsoring entity should hold special meetings, beyond the required public hearings, to present the proposal and obtain feedback. Approvals for affordable housing efforts should proceed through a transparent and inclusive process to adequately address local concerns and garner support.

- *Annual housing summits*

Most communities lack an effective mechanism for promoting regular communication among relevant Town boards and committees on issues related to affordable housing. This coordination is particularly important in Sandwich where housing-related responsibilities are shared among a

number of local entities including the Board of Selectmen, Housing Authority, Community Preservation Committee, Building Department, ZBA, Planning Board, etc. Having a forum to share information on current housing issues would help foster greater communication and coordination among these entities. Additionally, inviting community residents can help build community interest, improve communication, and increase support.

- *Educational opportunities for board and committee members*

Local boards such as the Board of Selectmen, Community Preservation Committee, Zoning Board of Appeals, Planning Board, proposed Housing Trust, and other interested local leaders should receive ongoing training on affordable housing issues. Well advised and prepared board and committee members are likely to conduct Town business in a more effective and efficient manner. New members without significant housing experience would benefit substantially from some training and orientation regarding their responsibilities. Moreover, requirements keep changing and local leaders must keep up-to-date. Funding for the professional development of staff, including the Director of Planning and Economic Development, Town Planner, and any designated housing professional (see strategy VI.B.3), Town Administrator, etc. would also help keep key professionals informed and up-to-date on important new developments, best practices, and regulations.

There are significant opportunities, both on and off the Cape, to access such training. For example, the Housing Assistance Corporation (HAC) and Community Development Partnership worked together with Cape communities and support from the Massachusetts Housing Partnership (MHP) to establish a Cape Community Housing Partnership that has sponsored annual Housing Institutes. This Cape-wide effort was modeled on MHP's annual Housing Institute which is a free educational program to support municipalities and local participants in better understanding the affordable housing development process and play more effective roles in initiating and implementing local solutions to increasing housing choices. The Partnership has also sponsored advocacy training for interested residents and a social media campaign on the need for greater housing diversity in the region.

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. 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 and model bylaws, MHP has many technical guides for localities, and CHAPA has a wide variety of reports on many issues related to affordable housing as well.

Resources Required: Reliance on support from the Planning and Community Development Office, the proposed Housing Trust, and other local leaders with the potential of hiring a housing professional to coordinate activities would provide major boosts to these efforts. The costs could likely be covered by CPA funding.

3. *Secure Professional Support*

**Responsible Party: Board of Selectmen
Priority 2**

Current Status: If the Town of Sandwich wants to assume a more proactive role in promoting affordable housing and effectively implement actions included in this Housing Plan, it will have to augment its capacity to coordinate these activities. For example, both neighboring Bourne and Falmouth have Housing Coordinators. Sandwich should consider adding this position at least on a part-time basis to start.

Most of the strategies that are included in this Plan do not by themselves involve substantial amounts of staff time. However, when several are implemented simultaneously, they require a greater time commitment and some specialized expertise in housing programs, policy, regulation, and development. Just the responsibilities of ensuring that all affordable units get counted as part of the SHI and remain eligible for inclusion require significant time and oversight. While the Town has a Director of Planning and Economic Development as well as a Town Planner, these positions already involve full-time responsibilities without consideration of many of the additional work entailed in the implementation of this Housing Plan. Additionally, if the Town establishes an Affordable Housing Trust, as proposed in strategy VI.B.1, it would require staffing which would be a natural fit for this part-time housing professional.

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

Resources Required: A part-time position would require approximately \$40,000 annually depending upon the scope of services.

4. *Ensure Adequate SHI Monitoring*

**Responsible Party: Board of Selectmen or Proposed Housing Trust
Priority 2**

Current Status: Like many communities throughout the state, Sandwich has confronted challenges in monitoring and enforcing affordability restrictions that are attached to its affordable units on the Subsidized Housing Inventory (SHI). This has been complicated by multiple numbers of assigned Monitoring Agents (Sandwich Housing Authority, Housing Assistance Corporation, state Subsidizing Agencies, among others) as well as differences in the restrictions themselves that have changed over the years.

The annual monitoring of SHI units is meant to ensure that the units meet all state affordability requirements including the following:

- *For homeownership units*
Must be sold to income-eligible homebuyers based on an Affirmative Fair Housing Marketing Plan approved by the Subsidizing Agency;
Must be occupied as a principal residence;
Must be purchased by another income-eligible homebuyer in the case of resales based on the prescribed formula included in the deed rider;²⁶ and
Any refinancing requests must be approved by the Monitoring Agent.
- *For rental units*
The initial leasing process must be in conformance with an Affirmative Fair Housing Marketing Plan approved by the Subsidizing Agency; and
The units must remain occupied by an income-eligible tenant (incomes can increase to 140% of the 80% AMI level at the time and still remain eligible).

Next Steps: Because affordable units take so much time, effort, and funding to produce and are a vital resource for enabling some residents to remain in Sandwich, it is essential that the Town have a structure in place to safeguard their continued affordability and inclusion in the SHI. To do this, the Town should consider adopting the following approaches:

- *Create an affordable housing database*
The Town should identify the Monitoring Agents assigned to each project and work with them to prepare Program Summaries for all projects for easy reference when questions arise regarding specific project requirements and affordability restrictions. Having a handle on the differences in affordability requirements will be key in ongoing monitoring and enforcement activities. This work will also ensure that annual monitoring compliance reports are obtained to effectively monitor the monitors and identify any problems that require follow-up regarding enforcement.
- *Enforce requirements*
Whenever problems of noncompliance are identified, the Town should work in partnership with the assigned Monitoring Agent to enforce requirements. The Monitoring Agent should send an initial letter to the owner of the property that cites the problem and requires that it be corrected by a certain date. If the owner fails to respond, another letter from Sandwich Town Counsel should be sent that states that the Town will take legal action if the problem is not remedied within a specific timeframe. If the violation continues, the Town should make good on its claim to seek a legal resolution in court. While this may involve some funding, this investment is far less than what would be lost if a unit becomes ineligible for the SHI. It should also serve as a deterrent to others contemplating any violations to the affordability restrictions.

²⁶ The current universal deed rider allows units to be resold to an over-income homebuyer if the seller cannot find an income-eligible one within a specified period. Nevertheless, the provisions of the deed rider still survive this transaction as the new purchaser must accept the limited equity constraints and sell to an income-eligible purchaser, to the greatest extent possible based on the requirements in the deed rider, thus preserving the affordability of the unit.

- *Consider introducing annual monitoring fees*

One of the problems associated with providing ongoing monitoring services is the lack of compensation to do such work with the exception of fees from resales. Monitoring Services Agreements include an upfront fee for the monitoring work but nothing to support annual reviews. The costs of such work can add up, particularly for Monitoring Agents with significant numbers of units to oversee. It might be worthwhile for the Town to explore the option of providing an annual fee for this work to ensure compliance with Monitoring Services Agreements and affordability restrictions. Such a fee would be an eligible activity under CPA and would be considerably more cost-effective than potential alternatives such as losing SHI units, creating situations where occupants of affordable units do not perceive any downside to ignoring requirements, and potentially spurring others to do the same.

There is a precedent for doing this in Sandwich. In 2007, HAC received \$5,000 in CPA funding in support of its Cape Affordable Monitoring Program (CAMP) in order to monitor and locate eligible buyers for affordable deed-restricted homes. This funding request was in recognition that some deed-restricted units were being sold outside of the restriction. Funding was expended and such program activity ended.

- *Ensure eligible units are included on the SHI*

As soon as units are eligible for inclusion in the SHI, appropriate documentation must be submitted to DHCD's General Counsel's Office to have the units counted towards the 10% state affordability threshold or annual housing production goals. The staff assisting each of the permitting boards, the Planning Board or Zoning Board of Appeals in the case of affordable units, should be responsible for pulling together these packages, working in concert with the Building Department in obtaining required documentation.

Units are eligible for inclusion in the SHI at the earliest of the following:

1. When the comprehensive permit is filed with the municipal clerk, notwithstanding any appeal by a party other than the ZBA.
2. When the building permit is issued.
3. When the occupancy permit is issued.
4. When the unit is occupied by an income-eligible household and no comp permit, building permit or occupancy permit is required.

Resources Required: Ideally, the Town would have a municipal entity in place to oversee this work, such as the proposed Housing Trust, as well as a dedicated housing professional (strategies VI.B.1 and VI.B.3). Otherwise, time would be required from the Planning and Development Office or perhaps might be coordinated by the Sandwich Housing Authority on a fee for service basis.

C. Housing Production Strategies

New affordable housing development is important to the town of Sandwich not only in order to strive towards the 10% state affordability threshold in the Chapter 40B regulations and annual Housing Production goals, but to meet pressing local housing needs as well. With modifications to the Zoning Bylaw, greater flexibility can be created that would enable more focused new development in business centers, along transportation and commercial corridors, and through mixed uses to avoid environmentally

sensitive areas while maintaining the small village and historic character of Sandwich – by promoting “smart growth” objectives. More scattered approaches to new development can be achieved as well through accessory apartments, purchase/rehab development of existing structures, new infill development, and adaptive re-use. Additionally, it will be important to create mixed-income developments, extending some housing opportunities to those households earning up to 100% or 120% of area median income who are also largely priced out of the current housing market.

Chapter 40B allows communities to deny comprehensive permit applications if the town has a state-approved affordable housing plan in place and is making progress towards its production goals of at least 0.50% new units produced per year, referred to as a Housing Production Program. These guidelines suggest that Town-sponsored development of on average about 42 units per year, including “friendly Chapter 40B” developments and other supported development projects, would enable the Town to have greater local control over housing development. The Town has in fact made considerable progress in producing affordable housing through its Terrapin Ridge and Wing School developments, however, because the units were permitted without an approved Housing Production Plan in place, they cannot be included as part of this Plan’s annual production goals although they will boost the SHI numbers.

In order to meet the range of local housing needs and maintain better control over affordable housing development, the Town of Sandwich should strive to reach housing production goals and plan for new development as strategically as possible to best leverage the investment of its limited resources and guide new development for the benefit of existing residents and future generations.

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

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

**Responsible Entity: Board of Selectmen
Priority 2**

Current Status: There are precedents in Sandwich for making Town-owned property available for affordable housing. Most recently, the Town selected a developer, Stratford Capital Group (SCG)), to convert the Wing School into 128 apartments including 108 affordable units. Additionally, the Sandwich Housing Authority was able to expand its property at George Fernandez Way to accommodate the development of 30 rental units as part of the Terrapin Ridge Project.

Many localities that are interested in sponsoring affordable housing focus initially on Town-owned property, conveying the property at some discounted or nominal value to a builder/developer that has been selected by a local committee to undertake the development. Because of the high costs of real estate, this commitment of property can represent a significant project subsidy that contributes to project affordability.

This Plan includes several publicly-owned properties that have been discussed as possible locations for affordable housing including:

- *Quaker Meetinghouse Road/Cotuit Road Property*

The Town owns a 59-acre parcel at Quaker Meetinghouse Road, near where it intersects with Cotuit Road. Development of this site was explored as part of the Town's South Sandwich Community Design and Regulatory Framework Project, funded by the Cape Cod Commission. Working with the Cape Cod Commission and the Union Studio design firm, the Town sponsored a number of public forums and a visual preference survey to obtain community input on design alternatives that included a number of illustrated examples of mixed-use development on this parcel adjacent to the roadway with moderate-density housing on the rest of the site.

- *Former Police Station*

The Town's former Police Station is now surplus, and the property might be a consideration for future housing development, including affordable units. The Town of Norwell recently redeveloped their former Police Station into 16 units of affordable housing for seniors.

Next Steps: The Planning and Development Office and/or the proposed Housing Trust (see strategy VI.B.1) should make a recommendation to the Board of Selectmen on the conveyance of Town-owned parcels for the development of affordable housing. Town Meeting approval will also be required, but because of recent state Housing Choice legislation, only a simple majority vote will be required.

In addition to sites listed above, coordinated efforts should be made with the Board of Selectmen and Open Space Committee to secure appropriate portions of open space parcels for affordable housing as opportunities might arise.

As Town-owned parcels are made available for affordable housing, the Director of Planning and Economic Development, Town Planner, or the proposed housing professional (see strategy VI.B.3) should work with the Town's Chief Procurement Officer on drafting a Request for Proposals (RFP's) that includes the criteria established by the Town for the development of the parcel(s) such as rental vs. homeownership, density, design guidelines and levels of affordability. The Town would then select the most qualified builder/developer to undertake the project based on the criteria included in the RFP. If the Town acquires additional property, such as through tax foreclosure or CPA funds, consideration should be made for conveyance towards affordable housing development or a combination of appropriate uses including housing.

As was the case with the Wing School, permitting will occur through the "friendly 40B" process as part of the state Local Initiative Program (LIP) if the project requires too many zoning waivers based on existing zoning.

Resources Required: The value of the donated or discounted property represents a major Town commitment to the project, which is typically required in some form by funding agencies. It will also be likely that CPA funding will be needed to fill any gaps in financing to make the project feasible and leverage other public resources. CPA funds could also prove useful in supporting predevelopment costs for the Town to better determine site conditions and financial feasibility.

Beyond the traditional subsidy programs (e.g., Low Income Housing Tax Credits, HOME Program, state Affordable Housing Trust funding — see Attachment 4), the state has introduced several new programs

that could also be explored in support of future developments that might be considered in Sandwich including:

- *Workforce Housing Fund*
The state is investing in a Workforce Housing Fund to provide rental housing for those households earning 61% to 120% AML. It was envisioned that the Fund, when coupled with strategic capital investments by the state, will promote additional private investment in tandem with critical support for middle-income residents.
- *Community Scale Housing Initiative (CSHI)*
The state has developed a small-scale production program to address non-metro community need for smaller-scale housing that responds to local housing needs and density requirements. These projects, because of their small size, are not a good fit for the Low Income Housing Tax Credit program. Generally, projects that can leverage some debt by having a few higher income units and a gap filler like the Community Preservation Act funding (CPA) are in the best position to utilize such a program.
- *Starter Home Program*
State legislation was enacted to implement a Starter Home Program as part of the Governor's Economic Development Bill. This was accomplished by modifying the existing Smart Growth Zoning and Housing Production law of Chapter 40R to include \$25 million in new funding for cities and towns that create new starter home zoning districts. The new districts must be a minimum of three acres, restrict primary dwelling size to 1,850 square feet of heated living area, require that 50% of the primary dwelling units contain three bedrooms, allow a minimum of four units per acre by right, and provide 20% affordability up to 100% AML.

See Attachment 4 for more details on these programs.

Other resources include the donated time of members of Town boards and committees (such as Assessing, ZBA, and Community Preservation Committee) which will likely be involved as well as coordination from Town's staff including the Director of Economic Development, Town Planner, and potentially the proposed Housing Coordinator.

Affordable Units Produced: 16 units (plus 70 units included as part of the Golden Triangle project under strategy VI. C.4 – encourage mixed-use development)

2. Work Cooperatively with Private Non-profit and For-profit Developers on Privately-owned Properties

Responsible Entity: Board of Selectmen and Permitting Entities
Priority 1

Current Status: This Housing Plan includes an ambitious Housing Production Program that will require continued efforts to produce affordable housing. It is hoped that the Affordable Housing Conditional Density Development Bylaw and other zoning provisions will spur new development of affordable housing, but it is also likely that the comprehensive permit process will continue to be used as a regulatory vehicle

for new affordable housing production. The Planning and Development Office's continued role in guiding these projects towards more acceptable and effective outcomes will be pivotal. Certainly, properties that are in "smarter locations" and will not disrupt undeveloped "greenfields" or environmentally-sensitive areas will receive particular attention and greater support.

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

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

The proposed Housing Trust and additional professional support (strategies VI.B.1 and 3) should bolster efforts to increase affordable units through the "friendly" 40B process or under alternative regulations to realize new development that will benefit the town with more appropriate scale, better design, improved amenities, and with sensitivity to the natural landscape and environment. Some of the types of development preferred by the Town include the following:

- Smaller infill housing in existing neighborhoods such as the Habitat for Humanity model,
- Mixed-use development in appropriate locations,
- Redevelopment of nonresidential properties into housing,
- Multi-family housing in areas where somewhat greater density is appropriate such as village centers and commercial corridors, and
- Cluster development.

The Town also has a preference for the production of housing that incorporates energy efficiencies, smart growth and sustainability principles, as well as innovative technologies related to septic issues.

Resources Required: Considerable staff time from the Planning and Development Office with potential additional support from the proposed housing professional (see strategy VI.B.3).

Affordable Units Produced: 85 units

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

Responsible Entity: Board of Selectmen and Community Preservation Committee
Priority 1

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

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

- *The Rental Acquisition Program (RAP)*
The Sandwich Housing Authority (SHA) administers the Rental Acquisition Program (RAP) to acquire properties and subsidize them so they are affordable to low- and moderate-income households, the SHA owning and managing the properties as rentals. They have acquired two properties to date with \$235,000 in CPA funding. Because the units do not meet all current requirements of the state's Local Initiative Program (LIP), they are not now counted as part of the SHI. However, as units' turnover, the SHA could work with the Town to prepare a Ready Renters List, through the implementation of an Affirmative Fair Housing Marketing Plan and lottery, approved by DHCD, and also ensure other state affordability requirements. It could also participate in Yarmouth's Ready Renters Program, providing a fee to the Town to access their list.

The Town of Sandwich should provide SHA with additional CPA funding so it can acquire more property as rentals through this program. The SHA is hoping to receive another \$100,000 to \$200,000 in such funding to acquire another home. Given the high costs of housing, SHA has had its best luck in acquiring homes that are already deed restricted and then converting them to rentals which they manage. In addition to small properties, the Authority might want to also look at larger properties that could be divided into multiple apartments like the Barnstable Housing Authority did for their Aunt Sarah's Harbor View House and 71 Pleasant Street.²⁷

²⁷ The acquisition of a former rooming house, Aunt Sarah's Harbor View House, was converted into 12 affordable rental units through a "friendly" comprehensive permit. Compass Bank provided the construction financing to renovate the property, and the Massachusetts Housing Partnership financed the permanent loan through its Perm Plus Program, which unfortunately is no longer available. The BHA was also able to use Section 8 project-based financing for this development.

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

- *The Sandwich Home Ownership Program (SHOP)*

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

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

Using this buy-down method of converting existing housing to long-term affordability results in a number of positive local outcomes including:

- There is no additional land development or infrastructure involved.
- There is no requirement of building ratios of three (3) market units to get one (1) affordable one and no comprehensive permitting.
- The Town realizes an increase in its inventory of affordable workforce housing in months not years.
- All housing units through this program can be deed restricted in perpetuity and use a resale price multiplier dependent upon the area median income to determine the resale price, not fluctuations in market value.

This is a prototype that could be used by Sandwich once again, with subsidies from the Community Preservation Fund and/or HOME funding.

The Town should provide CPA funding to implement both the rental and ownership models and work with for-profit or non-profit developers to identify existing opportunities for conversion to affordable housing. Rental properties could be managed by the SHA, and under the ownership model, homes would be sold by the selected project sponsor to income-eligible first-time homebuyers with the necessary resale restrictions. Additional funding could come from a variety of sources such as the HOME Program through the Barnstable HOME Consortium, Section 8 program (for rental projects), and other resources available from the state. The Town could choose to work on the homeownership component with a non-profit organization such as Habitat for Humanity or a local builder, etc., using an RFP process. Alternatively, if the proposed Housing Trust was approved; it could acquire, improve, and resell homes to first-time homebuyers as is being done in other communities such as Hingham and Scituate for example.

Resources Required: CPA and other potential sources of subsidy, such as HOME Program funding, as well as staff time from the Sandwich Housing Authority and selected sponsor of the homeownership

component would be needed. Staff time from the Planning and Development Office and/or the proposed housing professional (see strategy VII.B.3) would also be required.

Affordable Units Produced: 12 units

4. Encourage Mixed-Use Development

Responsible Entity: Planning Board
Priority 2

Current Status: Mixed-use zoning, or land use regulations that allow for a concentrated mix of various uses in strategic locations (such as villages, town centers, transportation corridors and nodes), are a basic principle of “smart growth” development and sustainable design. Such development directs growth to appropriate locations and limits suburban sprawl. In fact, the Local Comprehensive Plan (LCP) established 15 strategic planning areas in which the town is divided, including four where mixed-uses and economic development are targeted including Route 6A/Tupper Road/Marina Area, Sandwich Industrial Park and District, South Sandwich Village Center, and Historic Village/Route 6A Areas. This work will be revisited in the update of the LCP, also in line with the implementation of Comprehensive Wastewater Management Plan approved in 2017.

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

The Town received a District Local Technical Assistance (DLTA) grant from the Cape Cod Commission and worked further with the Commission on the South Sandwich Community Design and Regulatory Framework project. This project evolved from state funding that enabled the Commission to prepare model designs for compact development in four Cape communities including a form-based code framework referred to as Community Resiliency by Design. The project received further support from the architectural and community design firm, Union Studio.

Next Steps: The Planning Board, with staff support from the Planning and Development Office, needs to complete the rezoning of the South Sandwich Village Center, and then begin work on development plans. There is a Town-owned parcel in the area on Quaker Meetinghouse Road that has the potential for significant mixed-use development, including affordable housing.

The developer for the Town-owned parcel would be selected through a Request for Proposals after Town Meeting has voted to convey the property for housing. Because of recent Housing Choice legislation, Town Meeting approval would require only a simple majority vote.

Resources Required: The strategy would also involve significant staff time of the Planning and Development Office and/proposed housing professional (see strategy VI.B.3). CPA funding could be used for predevelopment work to move project planning forward. Numerous sources of financing will be ultimately being required for a large project (see Attachment 4 for funding source information).

Projected Number Affordable Units Produced: 70 units

D. Direct Housing Assistance Strategies

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

1. Explore New Homebuyer Program Assistance

**Responsible Entity: Board of Selectmen, Community Preservation Committee and Proposed Housing Trust
Priority 2**

Current Status: While the production of rental housing is identified as the major focus of this Housing Plan, the Plan also documents that there is an insufficient supply of affordably-priced ownership units to meet the existing need of those earning at or below 80% AMI as well as potentially somewhat higher income earners who are still priced-out of Sandwich's housing market. In an effort to reduce the exodus of young families from the area and to promote an adequate workforce, this Plan recommends that the Town consider introducing a program to promote starter housing by subsidizing down payment and closing costs or the mortgages of qualifying first-time homebuyers. Communities can provide such assistance in a variety of ways including:

- *Down Payment and Closing Cost Assistance Programs*
Some communities have established programs to make homeownership more accessible by providing funds to pay for a portion of the down payment and closing costs for first-time homebuyers. While these programs do not in and of themselves boost the Town's SHI, they can still serve as an important resource to help first-time homebuyers purchase a home.

In fact, Sandwich approved \$48,500 in CPA funding in 2011 for the Housing Assistance Corporation to provide down payment and closing cost assistance to the purchasers of units at Annie's Pasture, enabling the units to be included on the SHI. While HAC has managed down payment and closing cost assistance for first-time homebuyers using HOME funding, because such funding does not allow the use of state universal deed rider, HOME-funded units are not eligible for inclusion on the SHI. This continues to be the case.

The Town of Wellfleet, through its Housing Authority and Housing Partnership, initially hired consultants and then brought on the regional non-profit housing organization to administer their Down Payment and Closing Cost Assistance Program and Mortgage Assistance Program which are good models for consideration.

A good model is Wellfleet's Program which offers zero-interest, deferred payment loans of up to \$20,000 to qualified moderate-income applicants. The amount is based on the down payment and closing cost amounts documented in the mortgage loan commitment from a recognized commercial lender minus the buyer's contribution of at least 1.5% of the purchase price in their own funds.

This funding is not in the form of a grant or forgivable loan but provided as a "second mortgage" and recorded as a subordinate lien by the closing attorney. This loan does not have to be repaid until the property is sold or the title

of the property is transferred, whichever comes first. Repayment may also be required if the primary loan is refinanced. Other Program requirements include:

- Applicants must be first-time homebuyers based on state LIP definitions.
- Annual household income must not exceed 100% of the HUD annual area median household income.
- There is a limit of no more than \$75,000 in financial assets.
- The purchased property must be intended for and maintained as a principal year-round residence, not a second home.
- An approved homebuyer training course must be completed, documented by a certification of completion.
- A mortgage must be issued from a recognized commercial lender in compliance with specific state requirements.

It should be noted that Program participants must sign a Promissory Note, Mortgage and Loan Agreement that provide the necessary enforcement of Program requirements and repayments.

- *Mortgage Assistance Programs*

Mortgage Assistance Programs provide 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). Such programs have been adopted in a number of towns and cities in the state. These programs require deeper subsidies but the units typically qualify for inclusion on the SHI if state requirements are met.

Wellfleet also has implemented such a program through a number of funding rounds, providing grants to qualifying first-time homebuyers that bridge the gap between what is available in the lower price ranges in the open market and what is affordable to moderate-income households. Participating buyers only receive the subsidy necessary to fill the gap between the purchase price minus the mortgage amount and the down payment, not to exceed \$175,000 per unit (this amount has changed over time with market conditions), also enabling necessary home repairs to be included as part of the subsidy. The program calculates maximum affordable home prices by home size (number of bedrooms). This is the price at which the home will be deed restricted and is calculated at the maximum affordable prices based on the state LIP formula plus the subsidy. Affordable home prices may be below these, but cannot be higher.

To qualify, purchasers must be first-time homebuyers and have incomes at or below 80% AMI with no more than \$75,000 in assets. The subsidy is in the form of a grant and does not need to be repaid.

Next Steps: Both programs would involve the following process with the exceptions also noted:

- Establish Program parameters including the administrative framework.
- Obtain funding (this could come from CPA or proposed Housing Trust Fund).
- Select administrative entity through a Request for Proposals (RFP) if it is determined that Program oversight will be outside of municipal government. In this case, the selected contractor would perform most of the following tasks below

- Prepare Program materials and update annually (DHCD would have to approve all program materials in the case of the Mortgage Assistance Program option):
 - Detailed Program Description that will include specific procedures
 - Program Application
 - Affirmative Fair Housing and Marketing Plan
 - Flyer
 - Press release
 - Advertisement
- Undertake Program marketing/outreach.
- Review applications and process on a first-come, first-served basis. (The Mortgage Assistance Program involves a lottery based on specific state requirements. See <https://www.mass.gov/files/documents/2016/07/oj/afhmp.pdf>.)
- Communicate eligibility determination and request additional information such as a copy of the loan commitment, documentation of at least 1.5% of the purchase price will be provided as part of the down payment from the applicant's own funds, closing attorney contact info, certificate of completion of approved homebuyer training course, etc. (For the Mortgage Assistance Program option, DHCD would have to approve the eligibility of all participants.)
- Notify those determined to be ineligible with opportunities for appeal.
- Provide formal award letter.
- Obtain an inspection report for the Mortgage Assistance Program to determine any necessary repair costs. DHCD will want to review this to ensure the new owner is not burdened with significant repair problems during the first few years of occupancy.
- Provide closing documents including the Promissory Note, Mortgage, and Loan Agreement for execution at closing. The closing attorney needs to record these documents and send copies of the recorded documents to the sponsoring entity. (This is only for the Down Payment and Closing Cost Program as the Mortgage Assistance Program is a grant program, however, a Grant Agreement would still need to be prepared as well as the state-prepared Affordable Housing Restriction and Disclosure Statement.)
- Review mortgage commitment prior to the closing to make sure it complies with Program requirements.
- Make payment.

The proposed Housing Trust would be the likely party to review these approaches to determine which makes the most sense in Sandwich with support from the Planning and Development Office and potentially the proposed housing professional (strategies VI.B.1 and VI.B.3). It will then prepare an implementation plan that includes program procedures and the respective roles and responsibilities of various municipal staff persons, boards and committees, and outside consultants as appropriate. In the absence of the Housing Trust, the Sandwich Housing Authority or another non-profit might be willing to assume these responsibilities on a fee for service basis if it is determined that the program is beyond the capacity of Town staff.

Resources Required: The Town can use CPA funding in support of these programs although the amount of subsidy required depends on which approach is pursued, the targeted number of participants, amount of subsidy, and administrative costs. Necessary program resources will also include staff time from the Planning and Development Office, an outside organization, or a consultant to oversee the implementation

process and ongoing program operations in the absence of the proposed Housing Trust and housing professional (strategies VI.B.1 and VI.B.3) or other Town oversight.

Projected Number of Affordable Units Produced: 6 units for Mortgage Assistance Program

2. Consider Introducing a Small Repair Grant Program

Responsible Parties: Board of Selectmen or Proposed Housing Trust
Timeframe: Years 3–5

Current Status: Many communities have introduced grant programs to help qualifying homeowners make important health and safety improvements to their homes. Such a program would relate to two of the priority housing needs included in this Housing Plan including improving housing conditions and serving special needs populations.

Most programs provide grants of up to \$5,000 for such repairs. Because the use of CPA funding for home improvements or housing rehab is limited to projects that were acquired and/or built with CPA funding, programs must rely on other sources of funding. For example, Sudbury's program is funded through the marketing/lottery fees of its Housing Trust, Norwell's program involves sale proceeds from an affordable unit as part of a local development, and Needham received funding from the Town's general budget.

There are a number of program models that have been implemented in other communities that can be adapted to a Sandwich initiative. For example, the Sudbury Small Grant Program is administered by the Sudbury Housing Trust and provides up to \$5,000 for home repairs with no obligation to repay. Examples of repair work include minor plumbing or electrical work, light carpentry, window and door repairs or replacement, tiling, touch-up painting, smoke or CO2 detectors, weather stripping, bathroom grab bars, among many others. Eligibility requirements include:

- The property must be located in Sudbury and be the owner's primary residence.
- Participating owners must plan to stay in Sudbury for the next 12 months after receiving payment.
- Income cannot be higher than the Boston area median income limit.
- The home's assessed value must be lower than the median single-family home assessment.
- Participating owners must inform the Sudbury Housing Trust before they list their home for sale.

Grants are awarded twice a year and prioritized based on health and safety considerations and financial need. Sudbury has found that about 2/3 of the participants are seniors and the average subsidy was less than \$3,000. Similar programs are being administered in several other Metro West Boston communities, managed by the Regional Housing Services Office (RHSO)

Next Steps: The Housing Trust should consider undertaking the following process towards the implementation of a Small Repair Grant Program:

- Conduct further research of such programs.

- Prepare a Program Summary that includes information on eligibility criteria, allowed improvements, maximum grant amount, payment or repayment requirements, application procedures, etc.
- Ideally, the Town would approve the proposed Housing Trust (strategy VI.B.1) which would be responsible for overseeing operations or choose another entity to run the program, potentially the Housing Authority on a fee for service basis.
- Determine funding source(s) and amount and apply for funds.
- Prepare application and outreach materials.
- Prepare and implement an outreach strategy to get the word out on the availability of funding.

Resources Required: Program grant funding, perhaps starting with an allocation in the range of \$25,000 to \$50,000. Donated time of the proposed Housing Trust, other entity, or staff time from a designated municipal staff-person or consultant.

ATTACHMENT 1

Summary of Housing Strategies

Strategies	Priority for Implementation		# Affordable Units	Responsible Party**
	Years 1–2	Years 3–5		
A. Planning and Regulatory Strategies				
Assess/amend existing zoning	X		*	PB
Explore property tax exemption for year-round rental properties		X	*	BOS
B. Local Capacity Building Strategies				
Create a Housing Trust Fund	X		*	BOS
Conduct an educational campaign for affordable housing	X		*	Sponsoring entities proposed HT
Secure professional support		X	*	BOS
Ensure adequate SHI monitoring		X	*	BOS, proposed HT
C. Housing Production Strategies				
Make publicly-owned property available for affordable housing		X	16 (see 70 Units under VI.C.4 too)	BOS
Work cooperatively with developers on privately-owned properties	X		85	BOS, PB and ZBA
Convert existing housing to affordability	X		12	BOS, CPC, proposed HT
Encourage mixed-use development	X		70 (see above)	PB
D. Direct Housing Assistance Strategies				
Explore new homebuyer assistance programs		X	6	BOS, CPC. proposed HT
Consider introducing a Small Repair Grant Program		X	*	BOS or proposed HT

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

****Abbreviations**

Board of Selectmen = BOS

Planning Board = PB

ZBA = Zoning Board of Appeals

Proposed Housing Trust = HT

ATTACHMENT 2

Local and Regional Housing Organizations

Sandwich has a number of local and regional housing entities available to help support the production of affordable housing including the following:

Sandwich Housing Authority (SHA)

The Sandwich Housing Authority (SHA) was incorporated in 1960 to produce housing for low-income residents. Of the 314 units that are currently considered affordable by the state, 98 units are owned and managed by the Sandwich Housing Authority including the following:

- *Hansen Village*
This 48-unit project incorporates several different state programs at one site including Chapter 667 for elderly and disabled residents and Chapter 689 Special Needs funding through the Department of Department of Mental Health (DMH) and Department of Developmental Disabilities (DDS).
- *George Fernandes Way*
This family development provides housing for 12 low-income families in a small neighborhood community with rent based on 27% of monthly income. The project was developed in 1989 through state Chapter 705 funding and includes a combination of two- and three-bedroom units in four buildings.
- *Bramblebush Drive*
In 1974, the Housing Authority purchased a single-family home on Bramblebush Drive in the Forestdale section of Sandwich, which provides rental housing for a low-income family.

SHA also dedicated some of its property at George Fernandez Way for the development of 30 rental units as part of the new Terrapin Ridge project, also providing property for the development of 36 rental units as part of the Osprey Lane development. It also manages rental vouchers that subsidize qualified renters in privately-owned housing. Moreover, SHA administers the Rental Acquisition Program that converts housing to affordable units that it then rents and manages.

Sandwich Community Preservation Committee

In September of 2000, the Community Preservation Act (CPA) was enacted to provide Massachusetts cities and towns with another tool to conserve open space, preserve historic properties and provide affordable housing. This enabling statute established the authority for municipalities in the Commonwealth to create a Community Preservation Fund derived from a surcharge of up to 3% of the property tax with a corresponding state match 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/recreation, historic preservation and affordable housing), allowing flexibility in distributing the majority of the money to any of the 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 Town Meeting how to spend the Community Preservation Fund.

Sandwich adopted the CPA in May 2005, with support of 81% of all voters. The Town approved a 3% surcharge without any exemptions. Like the other communities on Cape Cod, Sandwich voted to convert the 3% property tax surcharge that had been committed to the Land Bank for the purchase and conservation of open space into funding to support the Community Preservation Fund. As a result, the Town was able to continue to receive state matching funds, as state support for the Land Bank had run out, without raising additional taxes. The Town recently approved a reduction of the CPA surcharge to 2%, committing a 2% surcharge to a Municipal Water Infrastructure Investment Fund (WIIF).

The Community Preservation Committee includes four (4) members at-large, appointed by the Board of Selectmen and representatives of the Housing Authority, Conservation Commission, Historical Commission, Planning Board, and Recreation Committee. Since CPA was approved in 2005, a total of \$22.6 million has been raised through the local surcharge with another \$9.7 million in state match funding for a total of \$32.3 million through 2020.

Cape Cod Commission (CCC)

The Cape Cod Commission (CCC) was created as the regional planning and regulatory agency for the Cape, supporting the 15 towns of Barnstable County, regional and sub-regional housing agencies, and other partners seeking to improve the availability and diversity of housing affordable on Cape Cod. This role includes the development of information to support local decision making, including presentations; coordination with state and other regional agencies; meeting facilitation; zoning analysis and support; and specific project development upon request of the community.

The Commission also supports the advancement of regional efforts to create affordable housing and support housing where appropriate by drafting model zoning (such as the ADU model bylaw) supporting the Regional Housing Market Analysis, and drafting a framework for Form-Based Code.

Barnstable County HOME Consortium

This Consortium includes all municipalities in Barnstable County and provides federal HOME Program funding to support the financing of a wide variety of housing activities. These funds are available to all towns participating in the Consortium, including Sandwich, and are administered by Barnstable County. HOME Program funding has supported a Down Payment and Closing Cost Program and Tenant Based Rental Assistance administered by the Housing Assistance Corporation (HAC).

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 and has a wide range of financial and educational resources available for renters and first-time homebuyers.

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. Habitat has completed 81 homes on Cape Cod.

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

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

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

- Oversees the submission of annual funding applications to HUD (the SuperNOFA/Vento Homeless Assistance grant application process);
- Oversees the implementation and monitoring of the Council's Ten Year Plan to End Homelessness;
- Conducts the annual "point in time" count of the number of homeless; and
- Facilitates monthly meetings and the coordination of various subcommittees.

ATTACHMENT 3

Glossary of Housing Terms

Affordable Housing

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

Area Median Income (AMI)

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

Chapter 40B

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

Chapter 44B

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

Comprehensive Permit

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

Department of Housing and Community Development (DHCD)

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

Fair Housing Act

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

Inclusionary Zoning

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

Infill Development

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

Local Initiative Program (LIP)

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

MassHousing (formerly the Massachusetts Housing Finance Agency, MHFA)

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

Metropolitan Statistical Area (MSA)

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

Mixed-Income Housing Development

Mixed-income development includes housing for various income levels.

Mixed-Use Development

Mixed-use projects combine different types of development such as residential, commercial, office, industrial and institutional into one project.

Overlay Zoning

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

Public Housing Agency (PHA)

A public entity that operates housing programs: includes state housing agencies (including DHCD), housing finance agencies and local housing authorities. This is a HUD definition that is used to describe

the entities that are permitted to receive funds or administer a wide range of HUD programs including public housing and Section 8 rental assistance.

Regional Non-profit Housing Organizations

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

Regional Planning Agencies (RPAs)

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

Request for Proposals (RFP)

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

Section 8

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

Smart Growth

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

Subsidy

Typically refers to financial assistance that fills the gap between the costs of any affordable housing development and what the occupants can afford based on program eligibility requirements. Many times multiple subsidies from various funding sources are required, often referred to as the “layering” of subsidies, in order to make a project feasible. In the state's Local Initiative Program (LIP), DHCD's technical assistance qualifies as a subsidy and enables locally supported developments that do not require

other financial subsidies to use the comprehensive permit process. Also, “internal subsidies” refers to those developments that do not have an external source(s) of funding for affordable housing, but use the value of the market units to “cross subsidize” the affordable ones.

Subsidized Housing Inventory (SHI)

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

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

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

ATTACHMENT 4

Summary of Housing Regulations and Resources

I. SUMMARY OF HOUSING REGULATIONS

A. Chapter 40B Comprehensive Permits

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 met²⁸:

- 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.

²⁸ Section 56.03 of the new Chapter 40B regulations.

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

If a municipality does not meet any of the above thresholds, it is susceptible to appeals by comprehensive permit applicants of the ZBA’s decision to the state’s Housing Appeals Committee (HAC). This makes the Town susceptible to a state override of local zoning if a developer chooses to create affordable housing through the Chapter 40B comprehensive permit process.²⁹ 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.

Chapter 40B also addresses when a community can count a unit as eligible for inclusion in the SHI including:

- *Chapter 40R Smart Growth Zoning*
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.

²⁹ 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.

- *Large Phased Projects*
If the comprehensive permit approval or zoning approval allows a project to be built in phases and each phase includes at least 150 units and average time between the start of each phase is 15 months or less, then the entire project remains eligible for the SHI as long as the phasing schedule set forth in the permit approval continues to be met.
- *Projects with Expired Use Restrictions*
Units become ineligible for inclusion in the SHI upon expiration or termination of the initial use restriction unless a subsequent use restriction is imposed.
- *Biennial Municipal Reporting*
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 under state guidelines including current residents, municipal employees, or employees of businesses located in town. It is also worth noting that the Town, through its Affirmative Fair Housing Marketing Plan, must demonstrate the associated local need for the community preference and insure that there will be no discriminatory impacts with the use of community preference.³⁰

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 at or below 80% of area 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

³⁰ If a municipality wishes to implement a local selection preference it must:

- Demonstrate the need for local preference in an Affirmative Fair Housing Marketing Plan that must be approved by the subsidizing agency.
- Justify the extent of the local preference (the percentage of the units proposed to be set-aside for local preference), that is how the documented local need, in the context of the size of the community, the size of the project and the regional need, justifies the proposed size of the local preference for a given project. In no case can the percentage exceed 70% of the affordable units in a project.
- Demonstrate that the proposed local preference will not have a disparate or discriminatory impact on protected classes.
- Provide the developer with the documentation required to support a local preference within three (3) months of final issuance of the comprehensive permit. Failure to comply with this requirement will be deemed to demonstrate that there is not a need for a local preference and it will not be approved as part of any Affirmative Fair Housing Marketing Plan or use restriction.

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 Select Board for a 30-day comment period. The Select Board 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 Select Board 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).

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.

Chapter 40B regulations also include the following requirements related to the hearing process:

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

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

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

requirements. New Chapter 40B regulations set forth the basic parameters for ensuring 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 (41 units and 82 units, respectively, for Sandwich until the new census figures are available) for *approval* by DHCD.³¹
- Request *certification* of compliance with the plan by demonstrating production of at least the number of units indicated above.
- Through local ZBA action, potentially deny a comprehensive permit application during the period of certified compliance, which is a period of 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

³¹ Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

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 Select Board 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”.³²

The statute defines 40R as “a principle of land development that emphasizes mixing land uses, increases the availability of affordable housing by creating a range of housing opportunities in neighborhoods, takes advantage of compact design, fosters distinctive and attractive communities, preserves opens space, farmland, natural beauty and critical environmental areas, strengthens existing communities, provides a variety of transportation choices, makes development decisions predictable, fair and cost effective and encourages community and stakeholder collaboration in development decisions.”³³ 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:

³² 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.

³³ Massachusetts General Law, Chapter 40R, Section 11.

Incentive Payments	
Incentive Units	Payments
Up to 20	\$10,000
21–100	\$75,000
101–200	\$200,000
210–500	\$350,000
501 or more	\$600,000

There are also density bonus payments of \$3,000 for each residential unit issued a building permit. To be eligible for these incentives the Overlay Districts need to allow mixed-use development and densities of 20 units per acre for apartment buildings, 12 units per acre for two and three-family homes, and at least eight units per acre for single-family homes. Communities with populations of less than 10,000 residents are eligible for a waiver of these density requirements, however significant hardship must be demonstrated. The Zoning Districts would also encourage housing development on vacant infill lots and in underutilized nonresidential buildings. The Task Force emphasizes that Planning Boards, which would 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.”³⁴

The principal benefits of 40R include:

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

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

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

The state also 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

³⁴ “A Housing Strategy for Smart Growth and Economic Development: Executive Summary,” p. 4.

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 Rents³⁵

- 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

³⁵ DHCD has an electronic mechanism for calculating maximum sales prices on its website at www.mass.gov/dhcd.

interest on a 30-year fixed term mortgage at 95% of purchase price, property taxes, condo fees³⁶, 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 Select Board where the applicant for the LIP comprehensive permit submits satisfactory evidence of value.
- Profits are limited to no more than 20% of total allowable development costs in homeownership projects.
- In regard to rental developments, payment of fees and profits are limited to no more than 10% of total development costs net of profits and fees and any working capital or reserves intended for property operations. Beginning upon initial occupancy and then proceeding on an annual basis, annual dividend distributions will be limited to no more than 10% of the owner’s equity in the project. Owner’s equity is the difference between the appraised as-built value and the sum of any public equity and secured debt on the property.
- For LIP comprehensive permit projects, DHCD requires all developers to post a bond (or a letter of credit) with the municipality to guarantee the developer’s obligations to provide a satisfactory cost certification upon completion of construction and to have any excess profits, beyond what is allowed, revert back to the municipality. The bond is discharged after DHCD has determined that the developer has appropriately complied with the profit limitations.
- No third-party mortgages are allowed for homeownership units.

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

- Marketing and outreach, including lottery administration in adherence with all Fair Housing laws.
- LIP requires that the lottery draw and rank households by size.
- If there are proportionately less minority applicants in the community preference pool than the proportion in the region, a preliminary lottery must be held to boost, if possible, the proportion of minority applicants to this regional level.

³⁶ 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.

- A maximum of 70% of the units may be local preference units for those who have a connection to the community as defined under state guidelines (Section C: Local Preference section of the Affirmative Fair Housing Marketing Plan Guidelines (dated June 25, 2008).
- The Marketing Plan must affirmatively provide outreach to area minority communities to notify them about availability of the unit(s).
- Marketing materials must be available/application process open for a period of at least 60 days.
- Marketing should begin about six (6) months before occupancy.
- Lottery must be held unless there are no more qualified applicants than units available.

Regulatory Requirements

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

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

1. Written support of the municipality's chief elected official, the Select Board 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 criterion.
 - 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 Rieko Hayashi of the LIP staff (phone: 617-573-1309; fax: 617-573-1330; email: rieko.hayashi@state.ma.us).

E. MassWorks Infrastructure Program

The MassWorks Infrastructure Program provides a one-stop shop for municipalities and other eligible public entities seeking public infrastructure funding to support economic development and job creation. The Program represents an administrative consolidation of six former grant programs:

- Public Works Economic Development (PWED)
- Community Development Action Grant (CDAG)
- Growth Districts Initiative (GDI) Grant Program
- Massachusetts Opportunity Relocation and Expansion Program (MORE)
- Small Town Rural Assistance Program (STRAP)
- Transit Oriented Development (TOD) Program

The MassWorks Infrastructure Program provides a one-stop shop for municipalities and other eligible public entities seeking public infrastructure funding to support:

- Economic development and job creation and retention
- Housing development at density of at least 4 units to the acre (both market and affordable units)
- Transportation improvements to enhancing safety in small, rural communities

The MassWorks Infrastructure Program is administered by the Executive Office of Housing and Economic Development, in cooperation with the Department of Transportation and Executive Office for Administration & Finance.

II. SUMMARY OF HOUSING RESOURCES

Those programs that may be most appropriate to development activity in Sandwich are described below.

A. Technical Assistance

1. Community Planning Grant Program

Community Planning grants may be used for a variety of activities related to land use including development. Activities may include the development of a Master Plan, Housing Production Plan, zoning review and updates, Urban Renewal Plans, Downtown Plans, Parking Management Plans, Feasibility Studies, or other Strategic Plans. Grants will likely be in the \$25,000 to \$75,000 range.

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. (Contact is Karl McLaurin at DHCD.)

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 Select Board 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. (Contact MHP's Community Housing Initiatives Team at 617-330-9944 ext. 227.)

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.

(Contact MHP's Community Housing Initiatives Team at 617-330-9944 ext. 227.)

5. *Community Planning Grant Program*

The Community Planning Grant Program provides funding for technical assistance that can be used for a variety of community planning activities related to land use including the development of a Master Plan or Housing Production Plan, Zoning review and updates, Urban Renewal Plans, Downtown Plan, Feasibility Studies, etc. Grants are likely to be in the \$25,000 to \$75,000 range. Applications were being processed through the new Community One Stop for Growth Program which is a single application portal involving a collaborative review process for a number of state grant programs making targeted investments in housing and economic development.

(The online application portal can be accessed at <https://eohed.intelligrants.com>.)

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 (Sandwich participates in the Barnstable County HOME Consortium) to do the following:

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

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

HOME Program specifies the need for deed restrictions, resale requirements, and maximum sales prices or rentals.

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

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 non-entitlement 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.

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. 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, now the ONE Mortgage 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 either through mobile vouchers that recipients use in the private market (Section 8 Housing Choice vouchers) or project-based assistance that are attached to specific units. In addition to the federal Section 8 Housing Choice 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. *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.

12. *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.

13. *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.

14. Compact Neighborhoods Program

DHCD recently announced “Compact Neighborhoods” that provides additional incentives to municipalities that adopt zoning districts for working families of all incomes as well as smart growth development. Similar to 40R, the program requires new zoning that must:

- Allow a minimum number of “future zoned units” in the Compact Neighborhood, which is generally 1% of the year-round housing in the community;
- Allow one or more densities as-of-right in the zone of at least eight (8) units per acre on developable land for multi-family housing and at least four (4) units per acre for single-family use;
- Provide not less than 10% of units be affordable within projects of more than 12 units; and
- Not impose any restrictions to age or other occupancy limitations within the Compact Neighborhood zone although projects within the zone may be targeted to the elderly, persons with disabilities, etc.

Financial assistance through the Priority Development Fund is available to communities that are adopting Compact Neighborhoods zoning, giving priority to the creation of mixed-use development beyond the bounds of a single project. The state also promotes projects that meet the definition of smart growth under 40R, encourage housing that is priced to meet the needs of households across a broad range of incomes and needs.

The process for implementing a Compact Neighborhoods Zone includes:

- Identify an “as-of-right” base or overlay district (the Compact Neighborhood);
- Request and receive a Letter of Eligibility from DHCD; and
- Adopt the Compact Neighborhood Zoning.

15. DHCD Project-Based Homeownership Program

DHCD recently announced a first round of funding for its Project-Based Homeownership Program with two (2) funding categories:

- *Areas of Opportunity*
Funds are being awarded for new construction of family housing projects for first-time homebuyers in neighborhoods or communities that provide access to opportunities that include but are not limited to jobs, transportation, education, and public amenities. The minimum project size is ten (10 units) for up to \$500,000 in funding for a single project and no more than \$75,000 per affordable unit. The maximum total development cost for affordable units is \$300,000 and the maximum developer overhead and fee is 15% of total development costs. Localities must provide matching funds at least equal to the amount of the DHCD subsidy request.
- *Gateway Cities*
A limited amount of funding will be made available to Gateway Cities or other smaller communities with well-defined Neighborhood Redevelopment Plans for the acquisition and rehabilitation or new construction of single-family or duplex units or triple deckers (rehab only). The development of single sites is preferred but scattered-site projects are

permissible. The minimum project size is six (6 units) for up to \$500,000 in funding for a single project and no more than \$75,000 per affordable unit. The maximum total development cost for affordable units is \$250,000 and the maximum developer overhead and fee is 15% of total development costs. Localities must provide matching funds at least equal to one-half the amount of the DHCD subsidy request.

Sponsors/developers must have hard letters of interest from construction lenders and mortgage loan originators, follow prescribed design/scope guidelines, submit sound market data at the time of pre-application, and have zoning approvals in place. Interested sponsors/developers must submit a pre-application for funding and following its review, DHCD review will invite certain sponsor/developers to submit full applications.

16. *Workforce Housing Fund*

The state is investing in a Workforce Housing Fund to provide rental housing for those households earning 61% to 120% AMI. It was envisioned that the Fund, when coupled with strategic capital investments by the state, will promote additional private investment in tandem with critical support for middle-income residents. Other components of the Fund include:

- Provides up to \$100,000 per workforce housing unit to create 1,000 new units statewide.
- Leverages resources in development opportunities on state-owned land.
- Ensures that in addition to the workforce housing tier at least 20% of the units will be affordable to those earning at or below 80% AMI.
- Requires deed restrictions for units targeted to those earning between 61% and 120% AMI for generally 30 years or longer.
- Offers support for newly-created units as well as the refinancing of existing developments that incorporate new workforce housing units.

17. *Community Scale Housing Initiative (CSHI)*

The state has developed a small-scale production program to address non-metro community need for smaller-scale housing that responds to local housing needs and density requirements. These projects, because of their small size, are not a good fit for the Low Income Housing Tax Credit program. Generally, projects that can leverage some debt by having a few higher income units and a gap filler like the Community Preservation Act funding (CPA) are in the best position to utilize such a program. This initiative includes the following eligibility criteria:

- Community must have a population not to exceed 200,000.
- Program sponsors can be both non-profit and for-profit entities with a demonstrated ability to undertake the project.
- The proposed project must include at least five rental units but no more than 20 rental units.
- Project must involve new construction or adaptive reuse.
- A minimum of 20% of the units must be affordable but it is anticipated that most proposed projects will have a minimum of 50% affordable units.
- The host community must provide a financial commitment in support of the project.
- The CSHI subsidy may not exceed \$200,000 per unit unless the developer intends to seek DHCD project-based rental assistance in which case the subsidy may not exceed \$150,000 per unit.
- The total development cost per unit may not exceed \$350,000.

- Projects will receive no more funding than is necessary to make the project feasible.
- Projects must be financially feasible without state or federal Low Income Housing Tax Credits. Projects are expected to close and proceed to construction within 12 months of the date of the award letter.

18. Starter Home Program

State legislation was enacted to implement a Starter Home Program as part of the Governor's Economic Development Bill. This was accomplished by modifying the existing Smart Growth Zoning and Housing Production law of Chapter 40R to include \$25 million in new funding over five years for cities and towns that create new starter home zoning districts. The new districts must be a minimum of three acres, restrict primary dwelling size to 1,850 square feet of heated living area, require that 50% of the primary dwelling units contain three bedrooms, allow a minimum of four units per acre by right, and provide 20% affordability up to 100% AMI.

C. Homebuyer Financing and Counseling

1. ONE Mortgage Program

The Massachusetts Housing Partnership Fund, in coordination with the state's Department of Housing and Community Development, has recently introduced the ONE Mortgage Program, a new simplified version of the successful Soft Second Loan Program, which from 1991 to 2013 helped over 17,000 families purchase their first home. Like the Soft Second Program, ONE features low, fixed-rate financing and state-backed reserve that relieves homebuyers of the cost of purchasing private mortgage insurance.

2. Homebuyer Counseling

There are a number of programs, including the Soft Second Loan Program and MassHousing's Home Improvement Loan Program, as well as Chapter 40B homeownership projects that require purchasers to attend homebuyer workshops sponsored by organizations that are approved by the state, Citizens Housing and Planning Association (CHAPA) and/or HUD as a condition of occupancy. These sessions provide first-time homebuyers with a wide range of important information on homeownership finance and requirements. The organization that offers these workshops in closest proximity to Sandwich is the Housing Assistance Corporation.

3. 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.

1. State Down Payment Assistance

While state financing has largely focused on multi-family rental development, particularly for families, the state now offers an expanded program to assist first-time homebuyers with their down payments under the following conditions:

2. Increased assistance of up to 5% of the purchase price or \$15,000, whichever is less.

3. More property types are eligible for assistance including single-family homes, condominiums and 2-, 3-, and 4-family properties.
4. Higher income limits of up to 135% of the area median income (AMI) in Boston and the Commonwealth's 26 Gateway Cities and up to 100% AMI in other communities, including Sandwich.
5. The assistance is in the form of a 15-year, fixed rate loan at 2%. (Example: \$15,000 down payment assistance loan = 180 payments of \$96.53; 2.011% APR)
6. Repayment of the down payment assistance is due upon the sale or refinance of the property prior to the end of the 15-year term and otherwise forgiven.

D. State 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 has been offering financing for lead paint removal on excellent terms. Based on uncertain future legislative appropriations, some changes in program requirements were made to ensure that eligible homeowners with lead poisoned children would have funding available for a longer period. All income eligible families who are under court order to de-lead or who have a child under case management with the Commonwealth's Lead Paint Prevention Program, will continue to receive 0% deferred loans. Owners wanting to de-lead their homes for preventive purposes must qualify for an amortizing loan with a 3% interest rate if earning within 80% of area median income, 5% interest if earning over 80% AMI and up to the program maximum. 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.

4. *Home Modification Program*

This state-funded program provides financial and technical assistance to those who require modifications to their homes to make them handicapped accessible. The Southern Middlesex Opportunity Council (SMOC), with an office located in Buzzards Bay, administers this program for the Cape.

ATTACHMENT 5

THE HOUSING AFFORDABILITY LADDER

PEAK EARNINGS FAMILY	HIGH COST *	RICH FAMILY
UPWARDLY MOBILE PROFESSIONALS	UPPER RANGE	RETIRED COUPLE
YOUNG COUPLE	MODERATE COST	AGING COUPLE
YOUNG FAMILY	LOW TO MODERATE COST	SENIOR CITIZEN
YOUNG PERSON IN FIRST JOB	LOW COST	FIXED INCOME SENIOR

*RENT AND IMPUTED RENT OF \$1500 TO \$6000 PER MONTH

Source: David L. Darling, Sandwich Planning Board member, November 9, 2021