TOWN OF WELLFLEET
Housing Needs Assessment and Action Plan

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I. EXECUTIVE SUMMARY

This Housing Needs Assessment and Action Plan provides updated information on demographic, economic and housing characteristics and trends. This document further recommends strategies for the Town to implement to meet local housing goals and fulfill a vision for a safe and healthy community where a wide range of individuals and families can call home.

DEMOGRAPHIC PROFILE

Key findings from this Housing Needs Assessment include the following **demographic changes**:

Population Growth

Between 1990 and 2010, Wellfleet's net population increased by 10% to 2,750 residents compared to 20% and 76% increases in total housing units and seasonal units, respectively, during the same period. Clearly the seasonal and occasional housing markets have fueled new development.

Population projections estimate declines in the year-round population from 2,750 residents in 2010 to 2,675 or 2,421 residents by 2030 according to Metropolitan Area Planning Council (MAPC) and State Data Center calculations, respectively. It is important to emphasize that projections are not always borne out in fact, but at a minimum the trend toward seasonality of the population is expected to continue.

Age Distribution

All age categories below 45 years have experienced population losses while all those above involved considerable gains. For example, those between the ages of 25 and 34 declined by 49% between 1990 and 2015. Children under 18 decreased by 13% while those 65 years or older increased by 113%. In fact, Wellfleet's seniors are not only growing in number but are living longer and becoming frailer and therefore more reliant on the community's network of services.

Those in the 25 to 44 age range, raising their own families and establishing community roots, decreased by 62% between 1990 and 2015.

These population changes are much more extreme than for the Cape as a whole and state. While children comprised about 14% of Wellfleet's population in 2015, they were 16% and 21% of the county and state populations, respectively, while seniors were 34% of all residents in Wellfleet but 27% in the county and 15% statewide.

These demographic shifts are expected to continue with those below the age of 20 decreasing by 30% between 2010 and 2030 and those 65 years or older increasing by 74% to comprise 48% of all residents according to MAPC figures. State Data Center estimates are less extreme with projected decreases in those up to age 19 of 11% and a 46% increase in seniors to represent 44% of the total population.

Households

T**he number of households increased by 37%** between 1990 and 2010, higher than the net population growth of 25% and reflecting growing numbers of smaller households and an aging population. Average household size was 1.99 persons in Wellfleet compared to 2.24 and 2.53 persons for the county and state, respectively.

25% of all households had heads 65 years of age or older who were living alone.

ECONOMIC PROFILE

There have also been considerable **economic changes** including:

Income Distribution and Poverty

The 2015 census estimates suggest a median household income of $45,735, down from $66,109 in 2010, running counter to increasing income levels in other Cape communities with the exception of Truro and Provincetown. Such a substantial decrease is questionable however. It is interesting to note that almost 26% of Wellfleet residents in the labor market were self-employed.

28% of households earned more than $100,000 in 2010, while 17% had incomes below $25,000. In 2010.

Substantial income disparities are clear from the median income of homeowner and renter households of $53,611 and $22,045, respectively, in 2015. These income levels are based on the Town's year-round residents, not the occasional residents who occupy 63% of the housing stock and likely have significantly higher incomes to compete in the housing market.

The median income of senior households at $43,675 is lower than the county's at $47,464.

Poverty increased from 4.2% in 2010 to 11.7% according to 2015 census estimates, higher than the county at 8.7% but comparable to the state at 11.6%. **The 4.2% level of poverty in the 2010 census data may be more accurate however, given the 2015 census estimates steep declines in income levels.**

Employment

As a resort community, Wellfleet experiences **seasonal shifts in its labor force.** For example, the unemployment rate was 12.1% as of February 2017, up from 8.5% for 2016 as a whole. The seasonality of the job market also has some workers living on limited incomes during the winter.

The average weekly wage of $756 for those who work in Wellfleet translates into an annual income of about $39,500 and reflects the concentration of jobs in the lower-paying service sector that supports local tourism.

A key question arises regarding the community's capacity to meet the service needs of its residents and in fact the expanding needs of its seniors.

Projected decreases in younger adults will continue to erode the workforce and require older workers to fill in on lower-paying retail and service jobs and employees to come from places further and further away.

Special Needs

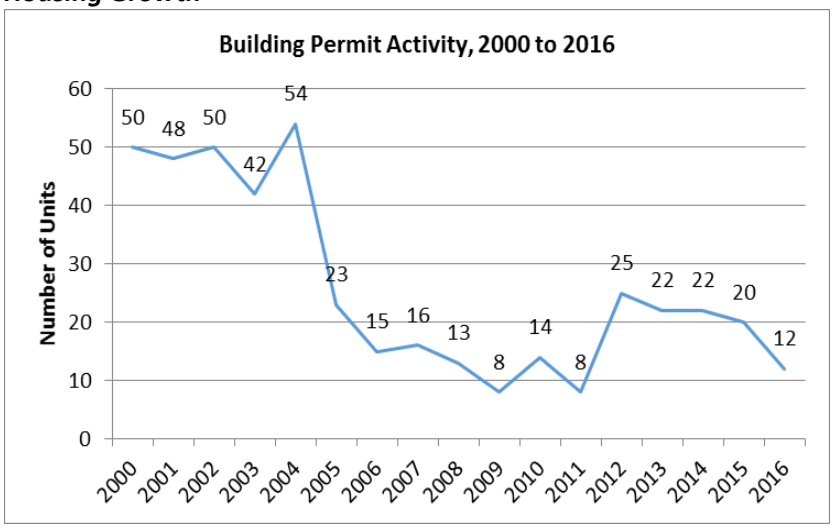
16.1% of residents claimed some type of disability, much higher than county and state levels of 13.4% and 11.5%,

respectively. Also, 26% of those 65 years of age or older indicated they had some type of disability, which will likely increase as this population continues to age.

HOUSING PROFILE

Wellfleet has also experienced the following **major shifts in housing characteristics and trends**:

Housing Growth



Residential building activity has slowed down with the average annual number of permits for new single-family residential units between 2011 and 2016 of 16 units compared to 49 between 2000 and 2004.

The average per unit valuation was $201,106 between 2000 and 2004 and then increased to $377,095 between 2011 and 2016.

A total of 14 units were built in small multi-family properties between 2012 and 2013. The surge in unit numbers included in the above figure largely reflects these multi-family units.

There has been a significant amount of teardown activity where typically smaller older homes are demolished and replaced by somewhat larger and more modern ones, involving half of new residential permits in 2016. This would imply that net new housing growth is less than what is being reported in the census and building permit data.

Increases in seasonal or occasional units from 1,566 units in 1990 to 2,824 by 2015, representing an 80% increase, more than double the 37% growth rate for the year-round housing stock. Seasonal or second homes comprised 63% of all housing units according to 2015 census estimates.

There has been a loss of year-round rentals, declining by 42 units or by 13.5% during the 1990 to 2015 period, likely related to the conversion to owner-occupancy and/or seasonal or occasional use.

Housing Market Conditions

Wellfleet is experiencing very tight market conditions with vacancy rates of zero percent for both owner-occupied and renter-occupied properties according to 2015 census estimates. Realtors indicate that there was little inventory available in all price ranges during the spring when there is usually a surge of units coming on to the market. Homes are selling quickly when priced appropriately.

In 2000 there were 287 units or 36% of the owner-occupied, year-round housing stock valued below $200,000. This relatively affordable housing dwindled to 104 units or 8% as of 2015. On the other hand, those higher-end properties of $500,000 or more involved about 10% of the housing stock in 2000, increasing to 48% of all owner-occupied, year-round units as of 2015.

The single-family home market was at its peak in 2004 when the median house price was $650,000. Home values fluctuated considerably after that, declining to a low of $460,000 in 2015 and up a bit to $468,000 in 2016.

There is little remaining affordability in Wellfleet's single-family inventory but considerable affordability in the condominium market with 4.5% and 62.5% of units valued below $300,000, respectively. Most condos are seasonal however.

Real estate agents confirm that they typically see very few year-round or winter rental listings. The rental market in Wellfleet is complicated by decreasing numbers of these units in the context of seasonal shifts. Given the limited supply of year-round rentals, housing costs are high and it is difficult to find a two-bedroom year-round market rental for less than $1,400. Additionally, property owners can earn more in renting their homes for only a short period of time in the summer than renting year-round. Owners also want to be able to use their homes off and on during the year. Another constraint to year-round rentals is the income of year-round residents that puts going rents to no more than the $1,400 to $1,600 range.

Affordability Gaps

The gap between median household income and the median single-family house price has widened. The median income earning household could likely afford a single-family home of about $185,000 based on 95% financing. **The affordability gap is about $310,000** - the difference between the price of the median priced single-family home ($468,000) and what a median income household ($45,735) can afford ($185,000).[1]

For those earning at 80% of area median income limit ($61,150 for a family of three), this gap is $217,500, the difference between the maximum they could afford of approximately $250,500 and the median single-family house price of $468,000.

There are also significant affordability gaps for condos as the median condo price of $232,000, as of the end of 2016, would require an income of about $65,721, which is considerably more than Wellfleet's median household income of $45,735 and the HUD area median income for Barnstable County of $61,150 for a household of three.[2] **The gap would be $83,000 for condos**, the difference between the median condo price ($232,000) and what a median income earning household could likely afford ($149,000).

The condo affordability gap for those households earning at the 80% AMI limit ($61,150 for a household of three) increases to an estimated $44,500 or the difference between the median condo price ($259,000) and what a household earning at $61,150 could probably afford ($214,500).

[1] Figures based on 95% financing, interest of 5.0%, 30-year term, annual property tax rate of $6.83 per thousand, $250 monthly condo fee, and insurance costs of $4 per $1,000 for condominiums and $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 is also assumes that the purchaser would be eligible for a subsidized mortgage program such as the ONE Mortgage Program or a MassHousing mortgage that would not require Private Mortgage Insurance.

[2] Ibid.

According to Assessor's data, only 18 homes or 0.6% of all *single-family homes* were affordable to households earning below the town's median income ($45,735) based on 2015 census estimates.
A lower-priced market rental of $1,400 for a two-bedroom unit would require an income of about $64,000 (assuming $200 in average utility bills and not paying more than 30% of income on housing costs). On the other hand, the median income earning renter ($22,045 based on 2015 census estimates) could afford a rent of only about $351 under the same assumptions. Consequently, the affordability gap would be more than $1,000, the difference between the market rental and what a median-income earning renter could afford. It is consequently not surprising that so many renters are paying far too much for their housing.

It is important to note that landlords often require first and last month's rent and a security deposit on monthly rentals, also creating **substantial up-front cash requirements for renters.**

Cost Burdens
A HUD report indicates that of the 1,682 year-round households included in this analysis, 718 or 43% were reported with cost burdens as they were paying more than 30% of their income on housing costs. Moreover, of these households **414 or 25% were spending more than half of their income on housing.**

494 households or 43% of households earning at or below 80% AMI were spending more than half of their income on housing costs.

There were 809 households, or 48% of all households, who were earning at or below 80% AMI. Of these, 728 households or about 90% were experiencing cost burdens.

Almost one-third of Wellfleet's renter households are 62 years of age or older, 86% with cost burdens, while two-thirds of owner households were in this age range, 29% with cost burdens.

There were 568 renter households spending too much of their income on their existing housing. Reviewing the proportionate need of seniors, families, and single individuals, seniors comprise about 44% of those with cost burdens, families make-up about 21%, and non-elderly/non-family individuals 35%.

There were also 513 owner households spending too much of their income on their housing and about half of these households were seniors with families at 18% and non-elderly/non-family individuals 31%.

Subsidized Housing Inventory (SHI)
Wellfleet has 34 units in its Subsidized Housing Inventory (as of August 17, 2016), 13 (38.2%) of which are rental, 15 (44.0%) that involve homeownership units, and the remaining 7 (20.6%) through a Housing Rehab Loan Program. These units count towards the state's 10% state affordability goal with Wellfleet currently at 2.2%. Another 53 affordable units are in the development pipeline that will bring the percentage to 3.4%.

A combination of information on demographic shifts, cost burdens, affordability gaps, and the community's housing mix suggest the following targeted housing goals:

- 60 affordable units over 10 years
- 75% or 45 units projected as affordable rentals
  50% of rentals or 22 units for seniors and single persons/one-bedroom units
  40% or 18 units for small families/two-bedroom units

10% or 5 units for large families/at least three-bedrooms

- 25% or 15 units projected as affordable ownership units

20% or 3 units for seniors and single persons/one-bedroom units
40% or 6 units for small families/two-bedroom units
40% or 6 units for large families/at least three-bedroom units

- Handicapped accessibility and/or supportive services in at least 10% of all affordable units created in family housing and 20% of all units in affordable senior/single-person housing

SUMMARY OF HOUSING PRODUCTION GOALS

The state administers the Housing Production Program that enables cities and towns to adopt an affordable housing plan that demonstrates production of .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). If this is accomplished in any calendar year, the town will have 12 months or 24 months, respectively, when it will have the likely ability to deny Chapter 40B comprehensive permit applications that it deems do not meet local needs.[3] Wellfleet would have to produce at least eight (8) affordable units annually to meet these annual production goals.

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 are now requiring that at least 10% of the units in affordable production developments that are funded, assisted or approved by a state housing agency have three (3) or more bedrooms with some exceptions (e.g., age-restricted housing, assisted living, supportive housing for individuals, SRO's. etc.).

SUMMARY OF HOUSING STRATEGIES

The strategies summarized below are based on previous plans, the Housing Needs Assessment, local housing goals, local housing surveys and other community input (the May 27, 2017 Community-wide Housing Workshop in particular), and the experience of comparable communities in the area and throughout the Commonwealth. Some of the strategies reflect a continuation of efforts that have already proven effective in promoting affordable housing in Wellfleet. The strategies are grouped according to the type of action proposed – Building Local Capacity, Zoning, as well as Housing Development and Assistance – and categorized according to priority as those to be implemented within Years 1 and 2, those within Years 3 to 5, and longer term approaches. The strategies also reflect state requirements that ask communities to address a number of major categories of strategies to the greatest extent applicable:[4]

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[3] 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.

[4] Massachusetts General Law Chapter 40B, 760 CMR 56.03.4.

It is also 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.

Capacity Building Strategies

Specific actions to help build local capacity to address local housing needs are listed below. While these strategies do not directly produce affordable units, they provide the necessary support to implement a proactive housing agenda and build local support for new affordable housing initiatives.

- *Continue to conduct ongoing community outreach and education*
  The Town will continue to engage the community in discussions on affordable housing to present information on the issue needed to dispel myths and negative stereotypes and to help galvanize local support, political and financial, for new housing initiatives.

- *Hire a part-time Housing Coordinator*
  The Town will consider bringing on the necessary expertise to provide ongoing support to effectively coordinate the implementation of various components of the Housing Plan. The recently-introduced Cape Community Housing Partnership has surfaced the prospect of establishing a regional collaboration of communities to share the expertise of housing professionals which might be explored.

- *Provide sustainable funding sources and incentives*
  While Wellfleet is fortunate to have CPA funding and an Affordable Housing Trust Fund to support affordable housing, additional resources are needed to address the range of local needs and meet production goals. The Town recently approved a real estate transfer tax and room occupancy tax to create potential new funding for some amount of affordable housing but state legislative approval is still required. This Plan also includes other potential resources for consideration as investments or incentives for affordable housing production and preservation.

Zoning Strategies

Greater flexibility will be needed in the Town's Zoning By-law and new tools will be required to capture more affordable units and better guide new development to "smarter" locations.

- *Better promote affordable accessory dwelling units (AADU's)*
  The Town has made the promotion of affordable accessory dwelling units a priority since 2004 as such units represent effective and well-supported options for increasing community housing opportunities without resorting to new housing units. The Housing Plan recommends a number of provisions to better promote AADU's in the community.

- *Amend inclusionary zoning*
  Another potential zoning change would be to adopt inclusionary zoning with mandates of integrating affordable housing into new development coupled with incentives that include density bonuses and a formula for providing cash in-lieu of units that can be invested in other Town housing activities.

- *Integrate affordable housing into the Cluster Residential Development Bylaw*
  The Town will investigate amending its zoning to provide mandates and incentives for including affordable housing in its Cluster Residential Development by-law that promotes a smarter way of developing land besides the traditional subdivision and suburban sprawl.

- *Allow more diverse housing types in more areas*
  The Town should consider where somewhat denser housing development might be added, scrutinizing its zoning districts for opportunities to weave more diverse housing types, including multi-family housing, into neighborhoods.

- *Allow year-round use of condominiums*
  Since cottage colonies contain units that are comparable to condominiums and may offer some smaller and more affordable housing alternatives, the Town might consider creating greater flexibility in the zoning by-laws to enable these units to be converted to year-round use and to create other condos for year-round occupancy. At this point only one unit can be available for year-round occupancy in each existing colony.

Housing Development Strategies

To implement this Housing Plan, the Town will need to continue partnering with developers, non-profit and for profit, in the creation of additional affordable units as well as funding local housing initiatives.

- *Continue to partner with developers on privately owned sites*
  Continuing to work cooperatively with private developers, non-profit and for profit, has been a major thrust of Wellfleet's housing efforts and is a major component of this Housing Production Plan. With incentives created in the Zoning By-law to promote affordable housing and with the availability of the local and state "friendly 40B" options, the Town will continue to partner with developers to guide new development that incorporates affordable units and smart growth principles.

- *Continue to fund local housing programs*
  The Town should continue working with Bailey Boyd Associates and CDP on the funding and administration of the Housing Rehabilitation Program, also continuing to fund the BuyDown and Rental Assistance Programs, potentially tweaking program requirements as appropriate.

- *Continue to make suitable publicly-owned property available for affordable housing*
  While Town-owned property is limited, the Town should convey suitable, surplus publicly-owned properties to selected developers through a Request for Proposals (RFP) process that requires a significant amount of affordable housing.

- *Develop a Regional/Lower Cape housing development strategy*
  There are regional precedents for providing housing units and services, and the Town should continue to actively engage in the regional initiatives that are emerging as part of the Cape Community Housing Partnership and further discuss and invest in regional solutions to the Lower Cape's housing challenges.

- *Develop seasonal workforce housing*
  Cape Cod has experienced summer labor shortages for decades. Efforts to modify zoning are needed to enable employers to build housing for seasonal workers. As suggested at the May 2017 Housing Workshop, the Town should pursue creative ways of providing seasonal workforce housing in appropriate locations and under reasonable conditions. Seasonal worker housing might also provide an opportunity for the Lower Cape communities to work together in support of such development.

Table I-1 provides a summary of these housing strategies.

Table I-1: Summary of Housing Strategies

Strategies	Years 1-2	Years 3-5	Year 5+	# Affordable Units	Responsible Parties***
A. Capacity Building Strategies					
1. Continue to conduct ongoing community outreach	X			*	LHP, WHA + other sponsors
2. Hire a Part-time Housing Coordinator	X			*	BOS with LHP + WHA support
3. Provide sustainable funding sources and incentives for affordable housing	X			*	BOS with LHP + WHA support
B. Zoning Strategies					
1. Better promote AADU's	X			*	PB with LHP + WHA support
2. Adopt inclusionary zoning		X		*	PB with LHP + WHA support
3. Integrate affordable housing in the Cluster Residential Development bylaw		X		*	PB with LHP + WHA support
4. Allow more diverse housing types in more areas		X		*	PB with LHP + WHA support
5. Allow year-round use of condos			X	*	PB with LHP + WHA support

C. Development and Assistance Strategies					
1. Continue to partner with developers on private properties	X			6	PB/ZBA with LHP + WHA support
2. Continue to fund local programs	X			13	BOS/CPC with LHP + WHA support
3. Continue to make suitable public property available for affordable housing	X			26	BOS with LHP + WHA support
4. Develop a regional/Lower Cape housing development strategy		X		**	BOS with LHP + WHA support
5. Develop seasonal workforce housing			X	*	BOS with LHP + WHA support

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

*** Units can only potentially be counted if located in Wellfleet.*

*****Abbreviations**
Board of Selectmen = BOS
Local Housing Partnership = LHP
Wellfleet Housing Authority = WHA
Planning Board = PB
CPC = Community Preservation Committee
Zoning Board of Appeals = ZBA

II. INTRODUCTION

A. Background and Purpose

Wellfleet is primarily a resort and residential community that "is blessed with an abundance of natural resources: our harbor, our burgeoning shellfish commerce, our ocean beaches, the acres of unspoiled natural habitat, our proud history, and leadership status in marine activities of all sorts."[5] These "natural wonders" and important sense of community have prompted a series of planning efforts to protect the town's future, focused on the following four major local goals:

1. *Protect Natural Resources*
   While providing a great boost to the local economy, tourism in tandem with a growing number of second home owners and retirees, also comes with a host of challenges including the protection of the Town's opens spaces, beaches, waterways, and fragile ecosystem.

2. *Protect Historic Resources*
   Efforts to protect the Town's very character, including its historic artifacts as well as historic commercial industries such as fishing, are becoming increasingly important given continuing development and tourism.

3. *Guide Economic Development and Growth*
   While residents wish to avoid the economic development of malls and industries that may negatively impact the environment and community character, they recognize the need for better-paying, year-round, job opportunities for younger workers in particular as well as "green enterprises".

4. *Provide Affordable Community Housing*
   In light of demographic and economic trends, Town leaders and residents are concerned about whether Wellfleet will be able to sustain a reasonable diversity of ages, occupations, and incomes in light of escalating land and home values.

In addition to preparing the Local Comprehensive Plan in 1995, the Town has engaged in the following additional planning activities related to affordable community housing:

- Planning Wellfleet's Future Survey in 2005
- The updated of the Local Comprehensive Plan in 2008
- Wellfleet Housing Needs Assessment in 2008
- Community Housing Action Plan in 2008
- Wellfleet Senior Housing Survey in 2015

This Housing Needs Assessment and Action Plan update and augment the planning work that has been done to date. It revisits the issue of housing in Wellfleet, particularly housing affordability, to present a documented snapshot of current conditions and trends. It also looks at existing gaps between what housing is available to serve local residents and what is required to meet local needs, including a review of local, regional and state resources. This Plan also identifies housing goals and strategies to address identified priority needs based on input from a wide variety of sources including interviews with local

[5] Wellfleet Local Comprehensive Plan, 2008 update.

and regional stakeholders, public meetings, prior planning efforts, the priority housing needs identified in Section III.C, and the experience of Wellfleet to date as well as other comparable localities in the area and throughout the Commonwealth.

B. Definition of Affordable Housing

Affordable housing, sometimes referred to as subsidized housing or community housing, is generally defined by the income of the household in comparison to housing costs. For example, HUD generally identifies units as affordable if gross rent and the carrying costs of owning a home (mortgage, homeowner association fees, property taxes and insurance) is not more than 30% of total income. If households are paying more than these amounts, they are described as experiencing housing cost burdens; and if they are paying 50% or more for housing, they have severe cost burdens.

Affordable housing can also be defined according to percentages of median income for the area. Housing subsidy programs are typically targeted to particular income ranges depending upon programmatic goals. Based on 2017 HUD area income limits, extremely low-income housing is directed to households with incomes at or below 30% of area median income as defined by the U.S. Department of Housing and Urban Development ($24,350 for a family of three for the Barnstable County area) and very low-income is defined as households with incomes over 30% but less than 50% of area median income ($40,600 for a family of three). Low- and moderate-income generally refers to the range between 51% and 80% of area median income ($61,200 for a family of three at the 80% level – up from $61,150 in 2016). These income levels are summarized in Table II-1.

The Cape Cod Commission has defined affordable housing as that costs no more than 30% of total gross income for households earning at or below 80% of the median income for Barnstable County, referred to as area median income (AMI).

Table II-1: 2016/2017 Income Levels for Affordable Housing in the Barnstable County Area

# in Household	30% AMI/extremely Low-income	50% AMI/ Very Low-income	60% AMI	80% Median Income/ Low-income
1	$17,850/$18,950	$29,750/$31,600	$35,700/$37,920	$47,550/$47,600
2	20,400/21,650	34,000/36,100	40,800/43,320	54,350/54,400
3	22,950/24,350	38,250/40,600	45,900/48,720	61,150/61,200
4	25,450/27,050	42,450/45,100	50,940/54,120	67,900/68,000
5	27,500/29,250	45,850/48,750	55,020/58,500	73,350/73,450
6	29,550/31,400	49,250/52,350	59,100/62,820	78,800/78,900
7	31,600/33,550	52,650/55,950	63,180/67,140	84,200/84,350
8+	33,600/35,750	56,050/59,550	67,260/71,460	89,650/89,800

2017 median household income for the Barnstable County Metropolitan Statistical Area (MSA) = $90,200 (for 4-person household) up significantly from $77,100 in 2016 although there was very little change in the 80% AMI levels.

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

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

1. Subsidized by an eligible state or federal program or a subsidizing agency
2. Subject to a long-term deed restriction limiting occupancy to income eligible households for a specified period of time
3. Subject to an Affirmative Fair Housing Marketing Plan

Based on the Massachusetts Department of Housing and Community Development's most recent data on Wellfleet's supply of affordable housing included in the state's Subsidized Housing Inventory, Wellfleet had 1,550 year-round housing units of which 34 are currently counted by the state as affordable, representing 2.2% of the year-round housing stock. Assuming future housing growth however, the 10% figure is a moving target as ultimately the required minimum number of year-round units will increase over time.

Most state-supported housing assistance programs are targeted to households earning at or below 80% of area median income (AMI), however, others, particularly rental programs, are directed to those earning at lower income thresholds. For example, the Low Income Housing Tax Credit Program that subsidizes rental units is targeted to households earning less than 60% AMI, $45,900 for a family of three in Wellfleet. First-time homebuyer programs typically apply income limits of up to 80% AMI. It is worth noting that according to a special HUD report, an estimated 809 households or about 48% of Wellfleet's total households <u>might</u> have been income-eligible for affordable housing using the 80% AMI <u>income criterion alone</u> without consideration of financial assets.

The Community Preservation Act (CPA) allows Community Preservation funding to be directed to those within a somewhat higher income range – 100% AMI – now commonly referred to as "community housing". Additionally, some housing developments incorporate several income tiers. For example, one project could combine units for those earning at or below 80% AMI, moderate-income "workforce" units for those earning between 80% and 120% of median income, and even some market rate units to help cross-subsidize the more affordable ones. Rental projects often include a couple of tiers below the 60% level to reach some of the most financially vulnerable residents in a community. It should be noted, however, that those units that involve occupants with incomes higher than 80% AMI, while still serving local housing needs, will not count as part of the Subsidized Housing Inventory (SHI) and help the Town reach its 10% affordability goal unless they are part of a rental development where 100% of the units could qualify for inclusion in the SHI.

III. DEMOGRAPHIC PROFILE[6]

It is important to closely examine demographic characteristics and trends to understand the composition of the population and how it relates to current and future housing and service needs. The following key questions will be addressed in this section:

- What have been the historical growth trends in the community and how has this growth contributed to unmet housing needs?
- What are the ramifications of increases and decreases of various age groups in regard to housing needs?
- What are the variations in household size and types of households that suggest unmet or greater housing needs?

These and other issues will be discussed in this section.

A. Population Growth – Steady growth and then some slowdown after 2000 with a recent upsurge

Wellfleet's population grew steadily after World War II at a rate of about 25% per decade and then decreased to about half that level after 1980 through 2000. Population growth then declined to no real net growth between 2000 and 2010 before increasing again by 13% between 2010 and 2015, up to 3,109 residents. These population changes are summarized in Table III-1 and Figure III-1.

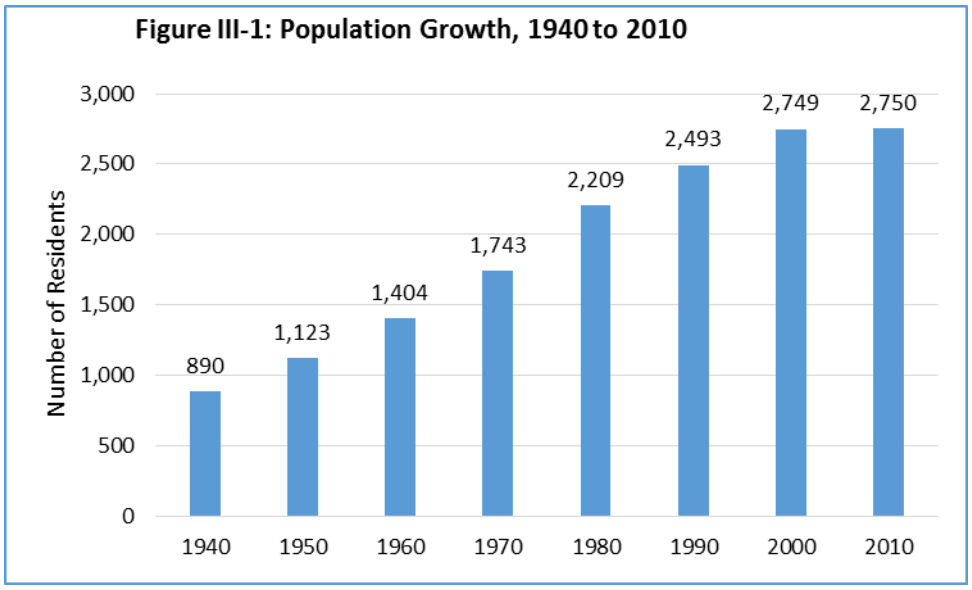
Table III-1: Population Change, 1930-2015

Year	Population	Increase in # Residents	Percentage Change
1930	823	--	--
1940	890	67	8.1
1950	1,123	233	26.2
1960	1,404	281	25.0
1970	1,743	339	24.1
1980	2,209	466	26.7
1990	2,493	284	12.9
2000	2,749	256	10.3
2010	2,750	1	0.04
2015	3,109	359	13.1

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2011-2015 and MassBenchmarks, State Data Center at the University of Massachusetts' Donahue Institute.

[6] It should be noted that this Housing Study includes the most up-to-date data available. The decennial census data is typically provided as this data reflects actual counts. The most recent issue of the Census Bureau's American Community Survey (ACS) is also shown for some data not covered by the decennial counts and for more up-to-date information. Because the ACS is based on sample information, it is subject to sampling error and variation.

The seasonal or second home population has also grown considerably. According to U.S. census data, the year-round population increased by 10% between 1990 and 2010, from 2,493 to 2,750 residents, while the number of housing units increased by 20%, from 3,576 to 4,305 units, and seasonal units increased an estimated 76%, from 1,566 to 2,755 units (see Table V-4).



Town census figures from the Town Clerk's office indicate that the total population included 3,184 residents as of April 7, 2017, higher by 75 residents in comparison to the 2015 census estimates.

Population projections from the Metropolitan Area Planning Council (MAPC) estimate small future population losses to 2,792 residents by 2020 and 2,675 by 2030, a 4% decline from the 2010 census count of 2,790 residents. The State Data Center at the University of Massachusetts' Donahue Institute projects even greater population losses to 2,594 residents by 2020 and 2,421 by 2030, representing a 12% population decrease since 2010. It is important to emphasize that projections are not always borne out in fact, but at a minimum the trend toward seasonality of the population is expected to continue.

A Cape Cod Commission economist suggests that these projections may not involve such significant population declines based on a number of factors. For example, the outpacing of births by deaths in a typical retirement community may be a less reliable measure for population trends than the ability of the community to attract new population from outside the region.[7]

B. Population Density – Lower population size and density

Table III-2 provides comparative data on population size and density for communities on the Cape as well as Barnstable County and the state. Communities on the Lower Cape tended to have smaller land areas, smaller populations and lower population density. For example, the lowest population size and

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

densities were in Truro and Wellfleet with Provincetown, Eastham, Chatham and Orleans following next in order.

Significant drivers of these relatively low density figures include the substantial population of occasional residents, large amount of land area dedicated to the Cape Cod National Seashore with considerable development limitations, and longer commutes from employment centers.

Table III-2: Population Size and Density for Cape Communities, 2010

Place	Land Area (Square Miles)	Population	Population Density
Barnstable	60.0	45,193	752.8
Bourne	40.9	19,754	482.8
Brewster	23.0	9,820	427.2
Chatham	16.2	6,125	377.6
Dennis	20.6	14,207	689.8
Eastham	14.0	4,956	354.2
Falmouth	44.2	31,531	712.7
Harwich	21.0	12,243	581.8
Mashpee	23.5	14,006	596.5
Orleans	14.2	5,890	415.5
Provincetown	9.7	2,942	304.5
Sandwich	43.0	20,675	480.4
Truro	21.1	2,003	95.1
Wellfleet	19.8	2,740	138.7
Yarmouth	24.2	23,793	981.2
Barnstable County	395.5	215,888	545.8
Massachusetts	1,840	6,547,629	835,2

Source: MassBenchmarks, State Data Center at the University of Massachusetts Donahue Institute

C. Age Distribution – Continued decreases in younger residents and significant increases in older ones with projected continuations of these trends

All age categories below age 45 experienced significant losses between 1990 and 2010 while all those above involved considerable gains.

As Table III-3 demonstrates, Wellfleet has experienced significant demographic shifts over the past several decades including:

Declining population of children: While the overall population grew by 10% between 1990 and 2010, those **under age 18** decreased by 28% with a net loss of 143 children. This represented a declining portion of the population – from 20.5% in 1990 to 14.3% by 2010. The 2015 census estimates suggest an increase to 444 children under age 18 and 10.4% of all residents, representing a reversal of past trends and surprising as well as questionable.

- *Little change in the numbers of those **18 to 24**:* Between 1990 and 2010, those between the ages of 18 and 24 changed very little, from 127 residents to 123. Once again the 2015 census estimates suggest a reversal of this trend with an increase to 227 residents and 7.3% of the population.

Table III-3: Age Distribution, 1990-2015

Age Range	1990		2000		2010		2015*	
	#	%	#	%	#	%	#	%
Under 5 Years	153	6.1	118	4.3	82	3.0	96	3.1
5 – 17 Years	359	14.4	372	13.5	287	10.4	348	11.2
18 – 20 Years	127	5.1	60	2.2	33	1.2	227	7.3
21 – 24 Years			74	2.7	90	3.3		
25 – 34 Years	354	14.2	228	8.3	222	8.1	180	5.8
35 – 44 Years	464	18.6	413	15.0	269	9.8	127	4.1
45 – 54 Years	248	9.9	535	19.5	461	16.8	416	13.4
55 – 64 Years	290	11.6	351	12.8	574	20.9	653	21.0
65 – 74 Years	278	11.2	334	12.1	405	14.7	628	20.2
75 – 84 Years	182	7.3	195	7.1	243	8.8	298	9.6
85+ Years	38	1.5	69	2.5	84	3.1	136	4.4
Total	2,493	100.0	2,749	100.0	2,750	100.0	3,109	100.0
Under 18	512	20.5	490	17.8	369	13.4	444	14.3
Age 65+	498	20.0	597	21.7	732	26.6	1,062	34.2
Median Age	40.7 years		47.0 years		53.5 years		58.0 years	

Source: U.S. Census Bureau, 1990, 2000 and 2010 and 2011-2015 American Community Survey 5-Year Estimates. *Data only available as percentages and therefore some rounding error occurs. ** Data not broken down any further.

- *Losses in younger adults:* There was a very significant drop in those between the **ages of 25 and 34** who are entering the labor market and beginning to form their own families. In 1990 this group comprised about 14% of Wellfleet's residents, but by 2010 the percentage dropped to 8%. There was a net loss of 132 residents between 1990 and 2010, representing a 37% decline. The 2015 census estimates indicate even further declines to 180 residents and about 6% of the population.

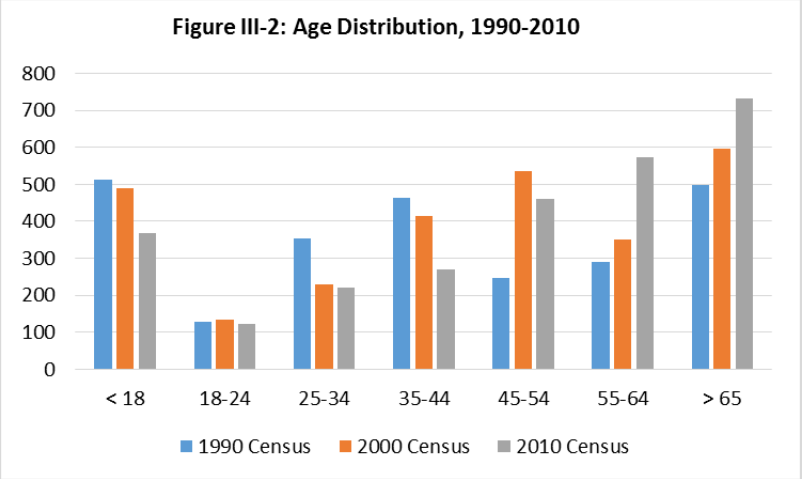
Those in the 25 to 44 age range, raising their own families and establishing community roots, decreased by 40% between 1990 and 2010.

There were also significant losses in those in the **35 to 44 age range**, from 18.6% of the population in 1990 to 9.8% by 2010, or from 464 to 269 residents, representing a loss of 195 residents or 42%. The 2015 estimates suggest a continued decline in this age group, down to 127 residents and only 4.1% of the population.

The trend towards declining numbers of young adults is occurring throughout most communities of the Cape, particularly the Lower Cape, where the combination of fewer job opportunities, particularly those outside of the retail and service sectors that pay well, and escalating living expenses are increasingly forcing this group to relocate further away. While challenging, the Town should consider strategies to enable young people to remain in the community. The BuyDown Program that provides subsidies for first-time homebuyers, while limited in the number of participants, is an example of an approach for enabling younger families to establish roots in the community.

- *Substantial increases in middle-aged residents:* Another significant population shift is reflected in those between the **ages of 45 and 54**, who comprised 10% of Wellfleet residents in 1990 but 16.8 by 2010, growing from 248 to 461 residents or by about 86% after an increase to 535 resident according to the 2000 census. The 2015 census estimates suggest some decline to 416 residents in this age range, from almost 17% of all residents in 2010 to 13.4%.

- *Older middle-aged residents doubled in number:* Those in the **55 to 64 age category** increased from 290 residents in 1990, or almost 12% of the population, to 574 by 2010 or 21% of all residents. **This represents a net increase of 284 residents and a growth rate of 98%.**



Besides the effects of the aging baby boom generation, this growth is largely correlated to the costs of living, where older residents in the height of their earning potential are better able to afford to live in town. **This trend is also reflected in increases in the median age, from 40.7 years in 1990 to 58.0% by 2015. This median age is much higher than 51.3 years Cape-wide and 39.3 for the state.**

- *Significant increases in older adults:* The percentage of **those 65 years of age or older** increased from 20% in 1990 to about 27% by 2010, and an estimated 34% by 2015. The numbers of residents in this age group increased by 234 residents between 1990 and 2010 or by 47%. The 2015 census estimates suggest even further increases to 1,062 residents and 34% of the population, more than doubling in number since 1990. Figure III-2 clearly shows the predominance of older adults in the community and their continuing growth.

Table III-4 provides comparative information for Barnstable County and the state, which highlights the trends described above. Wellfleet continues to have proportionately fewer younger residents and greater numbers of older ones, although the percentage of those in the 18 to 34 age range is higher than the county level based on the 2015 census estimates.

The level of those under age 18 is lower in Wellfleet, at 14.3% in 2015 compared to 16.2% and 20.9% for the county and state, respectively. On the other end of the age range, those age 65 and older includes 34% of all Wellfleet residents in 2015, significantly higher than 27.1% for Barnstable County and 14.7% for the state.

Table III-4: Comparative Demographic Data, 2000 and 2015

	Wellfleet		Barnstable County		Massachusetts	
	% 2000	% 2015	% 2000	% 2015	% 2000	% 2015
Under 18	17.8	14.3	20.4	16.2	23.6	20.9
Age 18 to 34	13.2	17.2	14.9	15.6	17.8	24.0
Age 35 to 44	15.0	4.1	15.3	9.5	14.6	12.7
Age 45 to 54	19.5	13.4	14.8	14.6	16.7	14.9
Age 55 to 64	12.8	21.0	11.5	17.1	13.8	13.0
Age 65 +	21.7	34.2	23.1	27.1	13.5	14.7
Median Age	47.0 years	58.0 years	44.6 years	51.3 years	36.5 years	39.3 years

Source: U.S. Census Bureau, 2000 and 2011-2015 American Community Survey 5-Year Estimates.

While those age 65 or older increased by 47% between 1990 and 2010, they are expected to increase by another 74% by 2030, coinciding with the aging of the baby boomers. The housing needs of this expanding population of seniors will need to be addressed in the Town's housing agenda.

Table III-5 presents population projections by age range through 2020 and 2030 in comparison to 2010 census figures, prepared by the Metropolitan Area Planning Council (MAPC). These projections suggest some modest population loss to 2,675 residents by 2030, or by 2.7% since 2010. During this time of projected population decline, the percentage of those 65 years of age or more is estimated to increase to about 40% of all residents by 2020 and up to 48% by 2030. This represents a net gain of 541 seniors. On the other hand, those under the age of 20 are estimated to decline from 393 residents in 1990 to 275 in 2030 or by 30%.

Table III-5: MAPC Population Projections for 2020 and 2030

Age Range	2010 Census		2020 Projections		2030 Projections	
	#	%	#	%	#	%
Less than 5 years	82	3.0	80	2.9	60	2.2
5 to 19 years	311	11.3	235	8.4	215	8.0
20 to 34 years	321	11.7	221	7.9	161	6.0
35 to 64 years	1,304	47.4	1,149	41.1	966	36.1
65+ years	732	26.6	1,107	39.6	1,273	47.6
Total	2,750	100.0	2,792	100.0	2,675	100.0

Source: Metropolitan Area Planning Council (MAPC), Massachusetts Housing Data Portal, January 2014.

Table III-6 provides projections of the age distribution in Wellfleet through 2030 from the State Data Center at the University of Massachusetts' Donahue Institute. This data suggests a greater population loss, down to 2,594 residents by 2020 and 2,421 in 2030. It also provides additional confirmation of the substantial increases in those 65 years of age or older, growing from 27% to 44% of the population in the context of a 12% overall population loss, but lower than the almost 48% level in the MAPC projections.

Younger residents under age 20 are estimated to decline in number, from 393 to 349 residents, but are projected to remain relatively stable proportionately to the total population at about 14%. Those in the 20 to 64 age categories are projected to decrease substantially.

Table III-6: State Data Center Population Projections for 2020 and 2030

Age Range	2010 Census		2020 Projections		2030 Projections	
	#	%	#	%	#	%
Less than 5	82	3.0	82	3.2	74	3.1
5 to 19 years	311	11.3	292	11.3	275	11.4
20 to 34 years	321	11.7	201	7.7	146	6.0
35 to 64 years	1,304	47.4	1,032	39.8	857	35.4
65+ years	732	26.6	987	38.0	1,069	44.2
Total	2,750	100.0	2,594	100.0	2,421	100.0

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

These demographic changes would significantly change the character of the community given substantial losses of population diversity, significant losses of younger workers, and an extended retirement focus. This situation is not unique to Wellfleet as it is a trend throughout the Mid and Lower Cape.

D. Race – Limited racial diversity

The population has remained predominately white but minority residents have steadily increased in number from 30 residents in 1990 to 84 or 3% in 2010 as shown in Table III-7. The 2015 census estimates suggest an increase to 133 minority residents or to 4.3% in 2015 with 35 identifying themselves as Black or African American and 46 as Asian. Another 51 claimed they were of two races and 6 identified themselves of having Hispanic or Latino heritage.

E. Household Characteristics – Relative stability in the mix of household types over the past several decades

25% of all Wellfleet households involved individuals 65 years of age or older who lived alone based on 2015 census estimates, considerably higher than 17.4% and 11.3%, for the county and state, respectively, and correlated with Wellfleet's significant population of older adults.

As shown in Table III-7, the number of households has increased over the past several decades, as with population growth, from 1,129 to 1,366 between 1990 and 2010. This represented a net growth rate of 21%, double the population growth during this period and reflective of some growth in smaller households. This growth in smaller households is further reflected in declines in the average household size from 2.21 persons in 1990 to 2.01 in 2010. The 2015 census estimates suggest an increase in the number of households to 1,548 but a continuing decrease in average household size to 1.99.

Over the years, the number of family households has increased somewhat but has decreased proportionately from 61.5% in 1990 to 53% in 2010. The 2015 census estimates suggest an increase to 55% which is relatively comparable to the 2000 level. Non-family households have correspondingly increased to 47% and 45% in 2010 and 2015, respectively, higher than the 2015 Barnstable County and the state levels of 38.5% and 36.4%, respectively.

While the number of female-headed households with children under age 18 is small, they decreased a bit over the decades from 59 in 1990 to 47 in 2010 but went up substantially to 134 households according to 2015 census estimates, once again somewhat questionable. Because these households

typically are among the most financially vulnerable in any community, any increase represents a troubling trend.

Table III-7: Demographic Characteristics, 1990-2015

Characteristics	1990		2000		2010		2015	
	#	%	#	%	#	%	#	%
Total Population	2,493	100.0	2,749	100.0	2,750	100.0	3,109	100.0
Minority residents*	30	1.2	94	3.4	84	3.1	133	4.3
Total # Households	1,129	100.0	1,301	100.0	1,366	100.0	1,548	100.0
Family Households**	694	61.5	725	55.7	724	53.0	848	54.8
Female Heads of Households with Children < 18 **	59	5.2	54	4.2	47	3.4	134	8.7
Non-family Households **	435	38.5	576	44.3	642	47.0	700	45.2
Householder living Alone/65 years +	360/ 152	31.9/ 13.5	453/ 172	34.8/ 13.2	509/ 226	37.3/ 16.5	628/387	40.6/ 25.0
Average Household Size/Family Size	2.21/2.82 persons		2.11/2.75 persons		2.01/2.60 persons		1.99/2.51 persons	

Sources: U.S. Census Bureau, 1990, 2000 and 2010 and American Community Survey 5-Year Estimates, 2011-2015.
*All non-white classifications
** Percent of all households

Table III-8 provides a breakdown of household size by household type, comparing 2015 census estimates for Wellfleet to Barnstable County and the state. This information indicates that there were proportionately more persons living alone in Wellfleet at 40.6% of all households compared to 32.9% countywide and 28.7% for the state.

The level of two-person households was comparable to the county at 40% but higher than the state at 33%. On the other hand, Wellfleet had a lower level of larger households in comparison to the Cape and the state as a whole, and proportionately fewer families. It is therefore not surprising that Wellfleet's average household size of 1.99 persons was significantly lower than those of the county and state at 2.24 and 2.53, respectively.

Table III-8: Types of Households by Size for Wellfleet, Barnstable County, and Massachusetts 2015

Households by Type and Size	Wellfleet		County	MA
	#	%	%	%
Family Households	**848**	**54.8**	**61.5**	**63.6**
2-person household	547	35.3	35.3	26.5
3-person household	134	8.7	11.9	15.4
4-person household	119	7.7	9.3	13.7
5-person household	39	2.5	3.3	5.4
6-person household	0	0.0	1.1	1.7
7 or more person household	9	0.6	0.7	0.8
Non-family Households	**700**	**45.2**	**38.5**	**36.4**
1-person household	628	40.6	32.9	28.7
2-person household	72	4.7	4.8	6.2
3-person household	0	0.0	0.5	1.0
4-person household	0	0.0	0.2	0.4
5-person household	0	0.0	0.03	0.1
6-person household	0	0.0	0.04	0.03
7 or more person household	0	0.0	0.0	0.01
Total	**1,548**	**100.0**	**100.0**	**100.0**

Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates.

IV. ECONOMIC PROFILE

This section examines income, employment and educational information as well as disability data to address the following questions:

- What changes in income levels have occurred and how does this relate to housing affordability?
- Are there growing income disparities among residents?
- What are the employment trends related to the mix of employers and workforce (year-round and seasonal)?
- How do population projections affect workforce needs and demands?
- What are the trends toward educational attainment that can affect employment opportunities and housing affordability?
- What proportion of the population is disabled or has other special needs that limit their employment options and income?

These and other economic issues will be discussed in this section.

A. Income – Increasing incomes for many based on 2010 census data but considerable decreases based on 2015 census estimates

Table IV-1 presents census income data from 1999 through 2015, which is also visually presented in the chart in Figure IV-1.[8] There are surprising discrepancies between the 2010 and 2015 data as incomes are estimated to have dropped considerably with the 2015 median household income of $45,735 down from $66,109 in 2010 and comparable to the 1999 level. Such a decline runs counter to what has been occurring in most Cape communities with the exception of Provincetown and Truro (see Table IV-3).

Despite some increasing household wealth, there are substantial numbers of households with incomes below $25,000, including 286 households or 21% of all households based on 2010 census estimates, almost 30% of all households based on 2015 figures. There are substantially more of these households than the 34 SHI units, and they are challenged to compete in Wellfleet's housing market.

Those earning more than $75,000 increased from 24% of all households in 1999 to 42% as of 2010, **including 28% earning above $100,000**. The 2015 census estimates identify those earning more than $75,000 falling to 25%. In 1999, 19% of households were earning between $50,000 and $74,999, increasing to about 25% in 2010, and then down to almost 21% in 2015.

It is likely that some of the households in the lower income ranges may in fact be long-term residents who own their homes, which have risen in value over the years. Nevertheless, continued increases in the cost of living as well as health-related issues may drive some of these households out of the community.

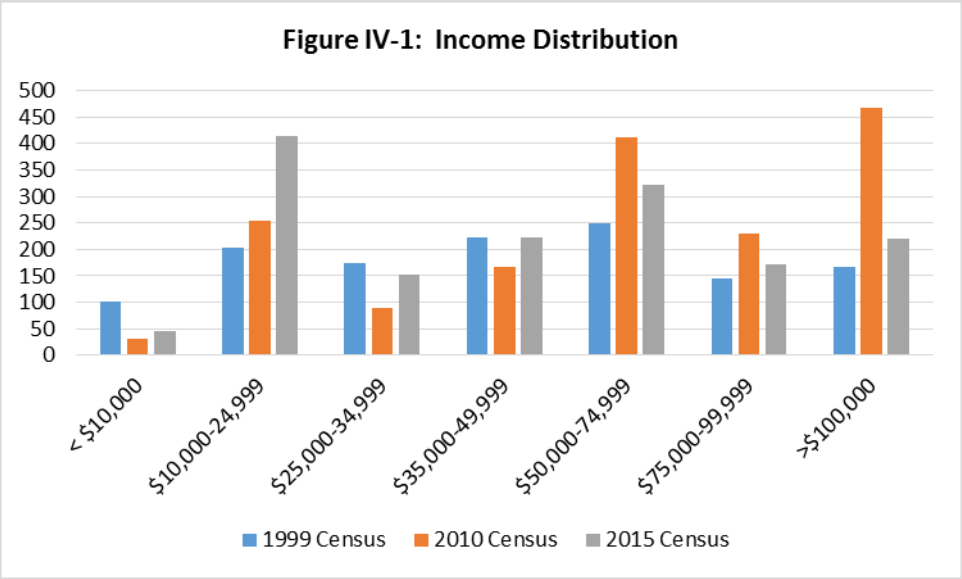
Given the seasonal nature of a significant segment of Wellfleet's economic base, many residents who are employed are reliant on seasonal jobs which are sometimes supplemented by forming their own businesses and unemployment compensation.

[8] Some 1990 census data is not available given Wellfleet's population of less than 2,500 residents at the time and resulting small sample sizes.

Table IV-1: Income Distribution, 1989-2015

Income Range	1999		2010		2015	
	#	%	#	%	#	%
Under $10,000	101	7.8	32	1.9	45	2.9
$10,000-24,999	203	17.8	254	15.4	415	26.8
$25,000-34,999	174	13.5	89	5.4	153	9.9
$35,000-49,999	222	17.2	167	10.0	222	14.3
$50,000-74,999	249	19.3	411	24.9	321	20.7
$75,000-99,999	145	11.3	230	13.9	172	11.1
$100,000-149,999	115	8.9	165	10.0	127	8.2
$150,000 or more	51	4.0	303	18.3	93	6.0
Total	1,287	100.0	1,651	100.0	1,548	100.0
Median Household Income	$43,558		$66,109		$45,735	

Source: U.S. Census Bureau, 2000 and 2010 and 2011-2015 ACS 5-Year Estimates.



As shown in Table IV-2, incomes for Wellfleet residents were on average somewhat lower than the Cape as a whole in 1999 with median household income levels of $43,558 and $45,933, respectively, for example. In 1999, the county had a relatively comparable income distribution to Wellfleet's, but income levels were higher by 2010 with 28% of Wellfleet households earning more than $100,000 compared to 22% for the county and about 23% of Wellfleet households earned less than $35,000, lower than the county level of 31%. As noted earlier, the 2015 income distribution for Wellfleet showed a substantial decrease in income levels with the median down to $45,735 and well below $63,251 for the county. There were also significant increases in lower income households and decreases in high income earners in comparison to the county. **These 2015 census estimates show such a significant decrease over 2010 levels and are therefore very questionable.**

Table IV-2: Income Distribution by Household: Wellfleet and Barnstable County 1999, 2010 and 2015

Income Range	Wellfleet			Barnstable County		
	1999 %	2010 %	2015 %	1999 %	2010 %	2015 %
Under $10,000	7.8	1.9	2.9	6.8	6.2	4.5
10,000-24,999	17.8	15.4	26.8	17.8	13.8	14.9
25,000-34,999	13.5	5.4	9.9	12.8	10.8	8.4
35,000-49,999	17.2	10.0	14.3	16.8	13.6	12.2
50,000-74,999	19.3	24.9	20.7	21.5	19.9	18.4
75,000-99,999	11.3	13.9	11.1	11.9	13.5	13.8
100,000-149,999	8.9	10.0	8.2	8.0	13.0	16.3
150,000 or more	4.0	18.3	6.0	4.4	9.2	11.6
Total	100.0	100.0	100.0	100.0	100.0	100.0
Median income	$43,558	$66,109	$45,735	$45,933	$55,294	$63,251

Source: U.S. Census Bureau, 2000 and 2011-2015 American Community Survey 5-Year Estimates

Table IV-3 compares median household income over time to neighboring communities as well as the county and state. Most communities had median income levels in the $60,000 to $68,000 range, lower than the state at $68,563 however. The communities of Dennis, Provincetown and Wellfleet had medians below $60,000 based on 2015 data but are more in line with the other communities in the case of the 2010 census figures which are likely more accurate.

Table IV-3: Comparison of Median Household Incomes for Wellfleet and Neighboring Communities, 1999, 2010 and 2015

Community	1999 Median Income	2010 Median Income	2015 Median Income
Brewster	$49,276	$58,374	$66,220
Chatham	$45,519	$65,990	$67,587
Dennis	$41,598	$50,642	$53,381
Eastham	$42,618	$58,750	$60,760
Harwich	$41,552	$54,958	$68,267
Orleans	$42,594	$56,313	$64,861
Provincetown	$32,716	$44,646	$36,958
Truro	$42,981	$80,425	$60,432
Wellfleet	$43,558	$66,109	$45,735
Barnstable County	$45,933	$60,317	$63,251
Massachusetts	$50,502	$64,509	$68,563

Source: U.S. Census Bureau, 2000 and 2010 Census, Summary File 3, and 2011-2015 ACS 5-Year Estimates.

As presented in Table IV-4, there are considerable income disparities based on the type of household with higher median income levels for families, homeowners, and households with middle-aged heads. One surprising outcome was the higher income level for full-time workers who are female, a pattern that is atypical in most communities. Here again, the substantial discrepancies between the 2010 and 2015 income figures is prominent and such declines make the 2015 data questionable.

Table IV-4: Median Income by Household Type, 2015

Type of Household/Householder	Median Household Income	
	2010	2015
Individual/per capita	$47,269	$33,876
Households	$66,109	$45,735
Families	$90,099	$46,517
Nonfamilies	$50,702	$25,815
Renters	$44,783	$22,045
Homeowners	$73,125	$53,611
Householder less than age 25*	--	--
Householder age 25 to 44	$49,952	$40,278
Householder age 45 to 64	$79,122	$52,222
Householder age 65 or more	$59,018	$43,675
Male full-time, year-round workers	$51,786	$42,292
Female full-time, year-round workers	$54,306	$55,353

Source: U.S. Census Bureau, 2006-2011 and 2011-2015 American Community Survey 5-Year Estimates
* Indicates data not available as sample size too small.

These income figures are also based on Wellfleet'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 63% of Wellfleet'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.

Table IV-5 presents a comparison of income levels for owners and renters. More than three-quarters of renters earned less than $35,000 in 2015 compared to almost one-third of homeowners. On the other hand, 17% of the homeowners earned more than $100,000 and none of the renters earned more than $75,000. **The income disparity is also reflected in median income levels of $53,611 and $22,045 for owners and renters, respectively, based on 2015 census estimates**. Once again, the 2010 figures suggest much higher income levels with medians of $73,125 and $44,783, respectively, with much greater percentages of homeowners earning more than $100,000 and fewer earning less than $25,000. There was also a drop in the number and percentage of renters earning less than $25,000.

Table IV-5: Income Distribution by Tenure, 2010 and 2015

Income Range	Homeowners				Renters			
	2010		2015		2010		2015	
	#	%	#	%	#	%	#	%
Under $10,000	32	2.4	24	1.9	0	0.0	21	7.8
$10,000-24,999	128	9.6	286	22.4	126	39.1	129	47.8
$25,000-34,999	75	5.6	99	7.7	14	4.3	54	20.0
$35,000-49,999	136	10.2	204	16.0	31	9.6	18	6.7
$50,000-74,999	307	23.1	273	21.4	104	32.3	48	17.8
$75,000-99,999	183	13.8	172	13.5	47	14.6	0	0.0
$100,000-149,999	165	12.4	127	9.9	0	0.0	0	0.0
$150,000 +	303	22.8	93	7.3	0	0.0	0	0.0
Total	1,329	100.0	1,278	100.0	322	100.0	270	100.0

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2006-2010 and 2011-2015

Table IV-6 summarizes the income distribution by the age of the head of the household, indicating that younger households tended to have lower incomes with all those under age 25 (only 33 households) and about 46% of those in the age 25 to 44 age range earning less than $35,000 compared to 39% and 38% in the age 45 to 64 and over 65 age categories, respectively. On the other end of the income range, those earning more than $100,000 did not include anyone under the age of 44 and about 20% of those households in the age 44 to 64 and 13% of those 65 years and over.

The disparity of incomes by age is also reflected in the median income levels that included $40,278 for younger households in the age 25 to 44 range, $52,222 for those age 45 and 64 in the prime of their earning potential, and down to $43,675 for households with heads who were 65 years of age or older, many who have retired and live on fixed incomes.

This data is based on 2015 census information and the 2010 census provides a higher income distribution among age ranges with higher median income levels as shown in Table IV-4.

Table IV-6: Income Distribution by Age of Householder, 2015

Income Range	Less than Age 25		Age 25 to 44		Age 45 to 64		Age 65 or Over	
	#	%	#	%	#	%	#	%
Under $10,000	0	0.0	0	0.0	21	3.4	24	3.1
$10,000-24,999	33	100.0	24	19.0	155	24.8	213	27.9
$25,000-34,999	0	0.0	31	24.6	68	10.9	54	7.1
$35,000-49,999	0	0.0	16	12.7	71	11.3	135	17.7
$50,000-74,999	0	0.0	48	38.1	96	15.3	177	23.2
$75,000-99,999	0	0.0	7	5.6	102	16.3	63	8.3
$100,000-149,999	0	0.0	0	0.0	88	14.1	39	5.1
$150,000 or more	0	0.0	0	0.0	35	5.6	58	7.6
Total	33	100.0	126	100.0	626	100.0	763	100.0

Source: U.S. Census Bureau, 2011-2015 ACS 5-Year Estimates

B. Poverty – Relatively low but increasing according to 2015 census estimates

Table IV-7 presents poverty levels in Wellfleet over the past couple of decades.[9] Once again the data reflects the disparity between the relatively higher income data included in the 2010 census and the on average lower income figures in the 2015 census estimates. For example, the 2010 census identifies a total of 115 residents living in poverty, or 4.2% of the population, while the 2015 figures indicates a three-fold increase to 364 residents or 11.7%. More notably, the 2010 census indicates that there were no children under age 18 living in poverty, which then increased to 114 children and 25.6% in the 2015 figures. These deviations in census figures continue to be difficult to reconcile.

These 2015 poverty levels are still a bit below the county census figure of 8.7% and comparable to the 11.6% state rate for individuals in 2015.

[9] The federal poverty levels for 2016 were $11,880 for a single individual and $20,160 for a family of three (3).

Table IV-7: Poverty Status, 1999-2015

Types of Residents/ Households	1999		2010		2015	
	#	%	#	%	#	%
Individuals Below Poverty *	205	7.5	115	4.2	364	11.7
Families **	42	5.7	14	1.9	65	7.7
Related Children Under 18 Years ***	47	9.7	0	0.0	114	25.6
Individuals 65 and Over ****	35	6.0	12	1.6	99	9.3

Source: U.S. Census Bureau, 2000 and American Community Survey 5-Year Estimates 2006-2010 and 2011-2015.
*Percentage of total population for whom poverty status was determined
**Percentage of all families for whom poverty status was determined
***Percentage of all related children under 18 years
****Percentage of all individuals age 65+

C. Employment – Half of jobs are in the lower-paying service sector

Wellfleet is located well into the Lower Cape and a fair distance from the major population and job centers of Boston and Providence. The 2015 census estimates indicated that almost 43% of Wellfleet's 1,461 employed residents were involved in management or professional occupations and 34% were employed in the lesser paying retail and service oriented jobs that supported the local economy including sales and office occupations (13.1%), and service occupations (21.0%). Another 18.5% were involved in natural resources, construction and maintenance occupations and about 5% were in production, transportation and material moving jobs. While 64% were wage or salaried workers, another 10.8% were government workers, and **25.7% were self-employed**. This level of self-employment is considerably higher than other areas with countywide and statewide figures at 12.0% and 6.1%, respectively, for example.

Wellfleet's resort economy causes fluctuations in the job force that increases in the summer months to serve seasonal needs. At this point, there are increasingly limited housing options in Wellfleet to house lower paid seasonal workers. The seasonality of the job market also has some workers living on limited incomes during the winter.

Labor and workforce data from the state's Office of Labor and Workforce Development is presented in Table IV-8, which project an unemployment rate in Wellfleet as of February 2017 of 12.1%, with 192 residents unemployed, up from the average annual unemployment rate of 8.5% for 2016 and indicative of some seasonal fluctuations of the workforce during the winter. These unemployment levels are considerably higher than those for Chatham at 7.2%, Barnstable at 6.3%, and 3.4% for Boston as of February 2017, but much lower than 24.8% for Provincetown for example.

Additional labor and workforce data from the state's Office of Labor and Workforce Development shows an average employment of 1,220 workers and 184 businesses. All industries with an average of more than 100 employees are highlighted in the table.

The data also confirms the concentration of jobs in the retail and service sectors and further demonstrates the corresponding lower wage levels with an average weekly wage of $756 that translates into an annual income of about $39,500 for year-round employment. Of particular note are the 372 jobs in the accommodation and food services businesses, many likely to be seasonal.

Table IV-8: Average Employment and Wages by Industry in Wellfleet, 2015

Industry	# Establishments	Total Wages	Average Employment	Average Weekly Wage
Construction	25	$5,186,271	105	$950
Retail trade	35	$4,819,020	157	$590
Information	4	$1,010,122	34	$571
Finance & insurance	3	$819,919	16	$985
Real estate/rental	9	$1,207,751	30	$774
Professional/technical services	11	$706,751	14	$971
Management of companies/enterprises	3	$2,915,162	32	$1,752
Administrative and waste services	13	$1,329,676	42	$609
Health care and social assistance	13	$3,057,867	76	$774
Arts, entertainment and recreation	8	$4,305,517	108	$767
Accommodation and food services	31	$11,879,236	372	$614
Other services, Exec. public administration	7	$1,036,224	43	$463
TOTAL	**184**	**$47,929,464**	**1,220**	**$756**

Source: Massachusetts Executive Office of Labor and Workforce Development, April 3, 2017
Shaded rows indicate industries with 300 or more employees.

While Wellfleet's $756 weekly wage level was less than half of Boston's at $1,770, it was higher than Dennis' at $753 as well as other the Lower Cape communities including Eastham ($713) and Provincetown ($720). Only Truro had a higher average weekly wage at $803. Wage levels are higher in the Upper Cape with average weekly wages of $908 and $970 for Bourne and Falmouth, respectively, and $869, $926 and $936 for the off-Cape communities of New Bedford, Plymouth and Attleborough, respectively, for example.

It should also be noted that 71% of workers drove alone to work, another 4% carpooled, and 25 workers, or 1.8%, used public transportation. Another 4% walked to work and 14.5% of workers worked at home. The average commuting time was 21.7 minutes according to 2015 census estimates. The reliance on the car can be a major financial challenge for lower income residents.

D. Education – More college-educated residents and declining school enrollments

According to the U.S. census, the educational attainment of Wellfleet residents is high and has improved. Based on 2010 census figures, 99.2% of those 25 years and older had a high school diploma or higher and 61.7% had a Bachelor's degree or higher, up from the 2000 figure of 40.3% with a college degree and higher than the 2000 figure of 33.6% for the county. As of 2015, educational attainment decreased to 95.1% with at least a high school degree and 51.8% with a college degree or higher. These

levels still remain much higher than county and state figures which included 40% of all those 25 years of age or older and signal the higher earning potential of Wellfleet residents.

Census estimates also indicate declining school enrollments related to demographic shifts to fewer children. Those enrolled in school (nursery through graduate school) in 2000 totaled 538 residents or 19.6% of the population, and then decreases to 452 and 14.5% of all residents as of 2015. Additionally, those enrolled in kindergarten through high school totaled 388 students in 2000, declining to 356 as of 2015 and representing 79% of those who were enrolled in school.

Public school enrollments also reflect decreasing numbers of children. For example, those children enrolled at the Wellfleet Elementary School decreased from 141 students in the 2000-2001 school year to 113 by 2016-17. Comparably, enrollments at the Nauset Regional Schools (Middle School and High School) – that include students from Brewster, Orleans, Wellfleet and Eastham – decreased from 1,790 in 2000-2001 to 1,464 by 2016-2017. These declines are reflective of the substantial demographic shift towards fewer younger residents and increasing numbers and proportions of older ones that is occurring throughout the Cape but is particularly worrisome for the Lower Cape. Population projections suggest continuing decreases in children.

E. Disability Status – Higher level of special needs

Of the 2015 noninstitutionalized population of 3,109, 499 or 16.1% claimed some type of disability, down considerably from 19.6% in 2000, but still higher than county and state levels of 13.4% and 11.5%, respectively. Of those under 18 years of age, 35 or 7.8% had a disability with another 168 in the 18 to 64 age range claiming a disability or about 11% of those in this age range. In regard to the population 65 years of age or older, 296 seniors or 26.4% of those in the age group claimed some type of disability. These levels of disability, particularly those of seniors, represent significant special needs within the Wellfleet community and are likely to increase as the older population continues to grow.

Additional information on the types of disabilities for local seniors is summarized in Table IV-9, comparing Wellfleet estimates to those of the state based on Tufts Health Plan Foundation's Healthy Aging Community Profile. This report indicates that older residents in Wellfleet have lower levels of the listed disabilities than state levels with the exception of vision impairments for those age 65 to 74 and cognition problems in the 75 plus age category. This report further indicates that older residents of Wellfleet have lower rates of Alzheimer's disease, diabetes, asthma, hypertension, ischemic heart disease, congestive heart failure, and obesity among other medical issues. They also have fewer annual hospital stays, emergency room visits, and prescription medication use.

As the population continues to age, services from the Council on Aging and other area service providers will become increasingly important, including the potential need for more assisted living options.

Table IV-9: Types of Disabilities

Population Characteristics	Wellfleet Estimates	State Estimates
% Disabled for a year or more	27.3%	31.0%
Hearing impairment % 65-74/% 75+	2.4%/6.7%	7.4%/21.2%
Vision impairment % 65-74/% 75+	4.6%/7.4%	3.2%/9.3%
Cognition impairment % 65-74/% 75+	2.7%/14.1%	4.7%/12.1%
Ambulatory impairment % 65-74/% 75+	9.3%/11.8%	12.9%/29.4%
Self-care impairment % 65-74/% 75+	0.0%/6.7%	3.7%/12.2%
Independent living impairment % 65-74/% 75+	4.6%/16.6%	7.2%/24.3%

Source: Tufts Health Plan Foundation, Massachusetts Health Aging

V. HOUSING PROFILE

This section of the Housing Needs Assessment summarizes housing characteristics and trends, analyzes the housing market from a number of different data sources and perspectives, and compares what housing is available to what residents can afford addressing the following major questions:

- How has recent housing growth compared to historic trends?
- What do population projections suggest are future housing priorities?
- What is the mix of housing types and how does this relate to year-round and seasonal housing demand?
- How do housing vacancy rates affect the current housing dynamic?
- What has been the impact of the recent financial recession on the housing market?
- What are the current affordability gaps for homeownership and rentals?
- How much can households earning at various income levels afford to pay for their housing whether for purchase or rent?
- What housing is affordable in the community including state-approved Subsidized Housing Inventory (SHI) units (often referred to as big "A" affordable units) as well as any private housing that is still relatively affordable (referred to as little "a" affordable)?
- What mix of housing needs should be considered priorities for local support and investment?

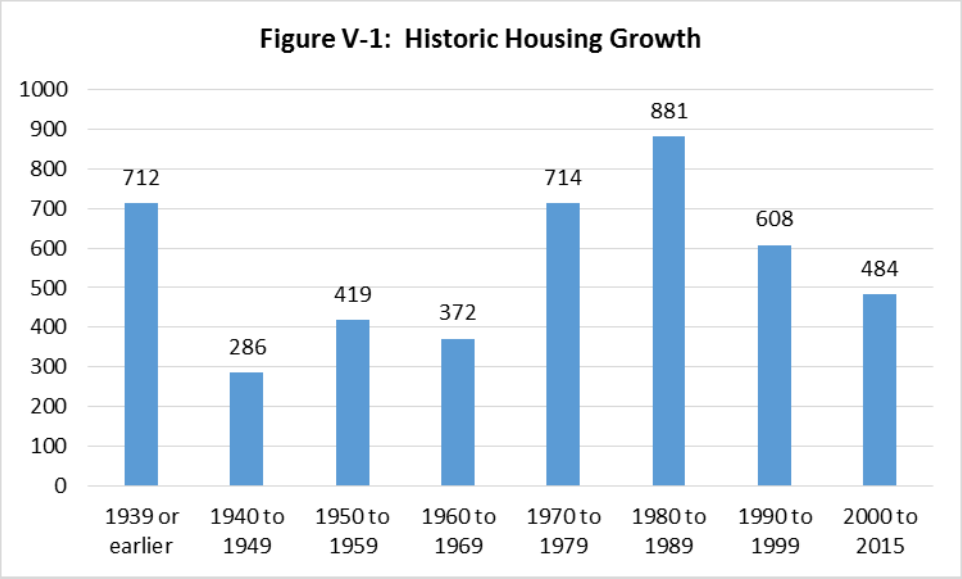
Housing in Wellfleet involves two distinct markets, the year-round housing stock and the seasonal or second home market which comprises 63% of all dwellings. This seasonal usage, the burgeoning interest in second homes by affluent baby boomers, and the attractiveness of the Cape for retirement, in addition to regional market pressures, have translated into rising housing prices that are no longer affordable to many long-term, year-round residents.

A. Housing Growth – Slowdown in recent housing growth

Table V-1 and Figure V-1 chart housing growth based on 2015 census estimates, showing relatively steady growth from 1940 through 1990 to a high of 881 units built in the 1980s and then a decline after that to about half the amount since 2000 of 484 units.

While Wellfleet's population grew by 10% between 1990 and 2010, housing units increased by 20%, which was largely fueled by the seasonal and second home markets that increased by 76%.

Since 2000, residential building activity has slowed down considerably to a growth rate of 11% between 2000 and 2015 compared to 13.6% in the 1990s and 19.7% in the 1980s. This data also suggests only an additional seven units were built from 2010 to 2015, while building permit data indicates that a total of about 111 units were built during this period instead while additional census data in Table V-4 indicates that 171 units were built during this period. Disparities in data, particularly census estimates, are not unusual given sample error, however the building permit data is probably the most reliable in this circumstance.



Actual housing counts from the U.S. Census from 1990 to 2010 are included in Table V-4. The 478 units that are identified as being built between 2000 and 2015 are very close to the 484 units counted as part of the 2015 census estimates. The 422 units included in Table V-4 as being built in the 1990s are significantly lower than the 608 included in the 2015 census estimates in Figure V-1 however.

The data further indicates that housing growth has been higher than population growth. Between 1990 and 2010, the Town experienced a 20.4% rate of housing growth, from 3,576 units in 1990 to 4,305 by 2010, about double the total year-round population growth of 10.3% during this period. An additional 198 units were added through 2016 based on building permit activity for a total of 4,503 units as of the end of 2016. The 2015 census estimates suggest a somewhat lower housing figure of 4,476 units which likely does not reflect teardown activity.

Table V-1: Housing Units in 2015 by Year Structure Was Built

Time Period	# Units	% Units
2010 or later	7	0.2
2000 to 2009	477	10.7
1990 to 1999	608	13.6
1980 to 1989	881	19.7
1970 to 1979	714	16.0
1960 to 1969	372	8.3
1950 to 1959	419	9.4
1940 to 1949	286	6.4
1939 or earlier	712	15.9
Total	4,476	100.0

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2011-2015

Building permit data from 2000 to 2016 is summarized in Table V-2. This data indicates that building activity has slowed down in recent years with 244 new single-family units permitted between 2000 and 2004, down considerably to 89 permits between 2005 and 2010, and 95 between 2011 and 2016. There were 14 new units permitted in small multi-family structures between 2012 and 2013 as well. Another major trend is the increase in the average per unit valuation, from an average of $201,106 between

2000 and 2004, $358,394 between 2005 and 2010, and $377,095 between 2011 and 2016 for new single-family homes.

Table V-2: Building Permit Activity for New Residential Units, 2000 through 2016

Year	# Permits	Total Valuation	Average Valuation
2000	50	$7,794,374	$155,887
2001	48	$8,784,200	$183,004
2002	50	$8,415,250	$168,305
2003	42	$11,319,681	$269,516
2004	54	$12,756,332	$236,228
2005	23	$9,036,000	$392,870
2006	15	$3,952,883	$263,526
2007	16	$5,104,000	$319,000
2008	13	$5,958,444	$458,342
2009	8	$2,639,600	$329,950
2010	14	$5,206,140	$371,867
2011	8	$2,088,005	$261,000
2012	17 2 3/4F = 8 units	$6,727,740 $800,000	$401,632 $100,000
2013	16 2 3/4F = 6 units	$6,331,990 $600,000	$395,749 $100,000
2014	22	$8,317,571	$378,071
2015	20	$8,995,097	$449,755
2016**	12	$3,403,000	$283,583
Total/Average Per Year (2000-2004)	**244/49**	**$49,069,837**	**$201,106**
Total/Average Per Year (2005-2010)	**89/15**	**$31,897,067**	**$358,394**
Total/Average Per Year (2011-2016)	**95 Single-family/ 14 Multi-family**	**$35,863,403 $1,400,000**	**$377,095 $100,000**

Source: Wellfleet Building Department and MassBenchmarks from the State Data Center at the University of Massachusetts ** Figures do not include two new mobile homes that were permitted in 2016.

There has also been a significant level of teardown activity however, where typically smaller older homes are demolished and replaced by somewhat larger and more modern ones. For example, half of the 2016 new residential units involved demolition/replacement activity. This would imply that net new housing growth is less than what is being reported in the census and building permit data.

Buildout projections that were prepared by the Town in 2008 as part of the update of its Local Comprehensive Plan, suggest that the Town is approaching buildout. As more than 60% of the Town is permanently-protected open space, new development is significantly constrained. The Town Assessor indicates that there are 270 vacant buildable parcels and that about one-quarter of them are actually unbuildable given wetlands, septic requirements, insufficient frontage, etc., reducing buildable parcels to about 200. It is likely that some of these parcels are not in residential zones and others might accommodate more than a single unit if allowed by zoning, which causes additional shifts in the number of potential development opportunities remaining in town. As the Town approaches buildout, redevelopment will become more of an issue and some large parcels that are currently used for other purposes, such as campgrounds for example, may become targets for new development and thus change the buildout figures still more.

Table V-3 compares Wellfleet's housing growth from 1970 through 2000 and then between 2001 and 2015 to that of its neighbors as well as the Cape as a whole and state. Wellfleet's housing growth rate between 1970 and 2000, at 49.2% of all units, was comparable to the 49.6% level for the county and quite a few nearby communities but much higher than 29.8% statewide. Growth rates during this period ranged from 23.4% for Provincetown to a high of 64.8% in Brewster when that community built the large Ocean Edge condominium complex.

While housing growth has slowed, this data suggests that since 2001 Wellfleet had a somewhat higher rate of growth than those of the county and state at 9.8% as opposed to 8.9% and 8.6%, respectively. Wellfleet's relatively recent housing growth is significantly lower than Provincetown's and Truro's but the same as Brewster and Chatham at 10.9%.

Table V-3: More Recent Housing Development, 1970 to 2015
Wellfleet and Neighboring Communities, Barnstable County and Massachusetts

Community	# Units Built 1970-2000	% Units Built 1970-2000	# Units Built 2001-2015	# Units Built 2001-2015
Brewster	5,003	64.8	843	10.9
Chatham	2,712	38.1	772	10.9
Dennis	6,863	42.8	721	4.5
Eastham	3,030	51.3	610	10.3
Harwich	4,628	46.0	914	9.1
Orleans	2,738	51.7	519	9.8
Provincetown	1,059	23.4	595	13.2
Truro	1,324	40.4	467	14.3
Wellfleet	2,203	49.2	484	10.9
Barnstable County	79,931	49.6	14,266	8.9
Massachusetts	843,361	29.8	240,035	8.6

Source: U.S. Census Bureau, 5-Year Estimates from the American Community Survey, 2011-2015

B. Types of Units and Structures – Continued increases in seasonal/second home units

Table V-4 includes a summary of housing occupancy characteristics from 1990 through 2015. Out of 5,344 total housing units in 2010, Wellfleet had 3,290 year-round units[10] of which 2,950 were occupied. The 2015 census estimates suggest that the Town lost 46 housing units despite building permit activity that involved 99 units (116 new units as of the end of 2016). This loss might be explained by multi-unit properties being converted to fewer units or single-family use and teardown activity where some reconstruction lagged behind demolition activity. Also, because the 2015 figures rely on sample data as opposed to actual counts in the 2010 data, the 2010 figures may be more reliable. Nevertheless, this Housing Needs Assessment will also include 2015 census estimates in the analysis when the 2010 census figures also rely on sample data for some types of information in addition to providing some updated data for comparative purposes.

In reviewing changes in the housing stock since 1990, the following trends become apparent:

- *Increases in seasonal or occasional units:* **The absolute numbers of seasonal units or second homes increased from an estimated 1,566 units in 1990 to 2,824 by 2015, representing an 80%**

[10] Year-round units are defined as total units minus those for seasonal, occasional or recreational use and is used as the figure for determining the percentage of affordable units under Chapter 40B.

rate of growth, more than double the 37% growth rate for the year-round occupied housing stock. The comparison of total housing units to seasonal or occasional units is visually presented in Figure V-2. While total housing units increased by 900 units between 1990 and 2015, the number of seasonal units grew by 1,258 units indicating that almost all new construction was for seasonal or occasional residents and some year-round units were converted to seasonal or second home use.

- *Owner-occupied units increased by 64% during the 1990 to 2015 period:* Out of the total occupied housing units in 2015, 1,278 or about 80% were owner-occupied, only modestly higher than Barnstable County's level of 79%.

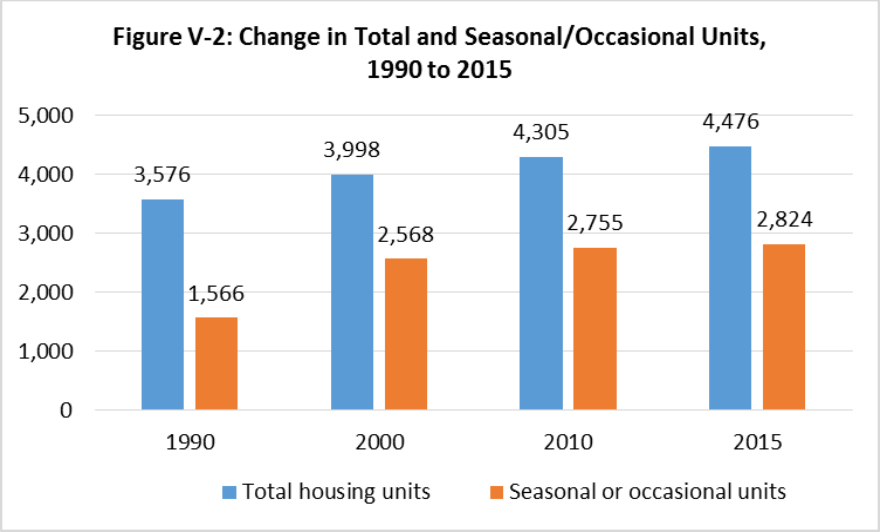
- *There has been a loss of rental units, declining by 42 units or by 13.5% during the 1990 to 2015 period:* Rental units decreased in number and as a percentage of all units to 270 units or 17.4% of all occupied units in 2015. This loss is likely explained by the conversion of rentals to owner-occupancy and/or seasonal or occasional use.

Table V-4: Housing Occupancy, 1990-2015

Housing Characteristics	1990		2000		2010		2015	
	#	%	#	%	#	%	#	%
Total # Units	3,576	100.0	3,998	100.0	4,305	100.0	4,476	100.0
Occupied Units*	1,129	31.6	1,301	32.5	1,366	31.7	1,548	34.6
Total Vacant/ Seasonal, Recreational or Occasional Use*	2,447/ 1,566 ***	68.4/ 64.0 ***	2,597/ 2,568	67.5/ 64.2	2,939/ 2,755	68.3/ 64.0	2,928/ 2,824	65.4/ 63.1
Occupied Owner Units **	817	72.4	996	76.6	1,090	79.8	1,278	82.6
Occupied Rental Units **	312	27.6	305	23.4	276	20.2	270	17.4
Average House-Hold Size of Owner-Occupied Unit	--		2.20 persons		2.04 persons		1.98 persons	
Average House-Hold Size of Renter-Occupied Unit	--		1.83 persons		1.88 persons		2.06 persons	

Source: U.S. Census Bureau, 1990 (limited data available for towns with less than 2,500 residents with Wellfleet's 1990 population at 2,493), 2000 and 2010 and 2011-2015 American Community Survey 5-Year Estimates.
* Percentage of total housing units
** Percentage of occupied housing units
*** Data not available for 1990 but estimated at 64% based on other census counts.

Due to this very high level of seasonal housing and second homes, at about 64% of all units, Wellfleet's population increases substantially during the summer months. These temporary residents put high demands on local services but bolster the town's economy. However, having such a substantial portion of homes unavailable for year-round occupancy further limits the supply of affordable housing for year-round residents.



- *Shifts in average persons per unit:* The average number of persons per unit declined between 2000 and 2015, from 2.20 persons to 1.98 persons for owner-occupied units, but increased for rental units from 1.83 persons to 2.06 persons. These relatively low average occupancy levels reflect local, regional and national trends towards smaller households.

- *Consistently low homeownership vacancy rates:* The vacancy rate for owner-occupied units was 4.2% in 1990 and decreased to 2.9% by 2010 and then was zero percent in 2015 as shown in Table V-5.

- *Substantial fluctuations in rental vacancy levels:* The rental vacancy rate went from 14.5% in 1990, to 5.6% in 2000, and then up as high as 23% by 2010, significantly higher than state and national levels. The 2015 census estimates suggest that the vacancy rate plummeted to zero percent, a marked change in just five years. Some significant decrease in the rental vacancy rate is not altogether surprising given that Section 8 voucher holders are finding it very challenging to find qualifying rental housing in the community.

Table V-5: Vacancy Rates, 2000, 2010 and 2015

Tenure	Wellfleet 1990	Wellfleet 2000	Wellfleet 2010	Wellfleet 2015	MA 2010/ 2015	Nation 2010/2015
Rental	14.5%	5.6%	23.0%	0.0%	3.5%/4.2%	5%/6.4%
Homeowner	4.2%	2.1%	2.9%	0.0%	0.7%/1.2%	3%/1.9%

Source: U.S. Census Bureau, 2000 and 2010 and American Community Survey 5-Year Estimates, 2011-2015

- *Predominance of single-family homes:* As shown in Table V-6, **89% of Wellfleet's housing units were single-family detached homes** based on 2015 census estimates, significantly higher than the county's level at 81.5% and much higher than the state where somewhat more than half of all units were in such dwellings. The data indicates that there was an increase of 453 of these units between 2000 and 2015, 94% of the total 483 units added to the housing stock during that period according to census figures. The 3,977 figure for single-family detached homes in 2015 is substantially higher however than the Wellfleet Assessor's total for single-family homes of

3,077. Some of this discrepancy is likely based on Assessor's data tracking multiple houses on a single lot separately.

The data further demonstrates that there were losses in attached single-family units, primarily townhouses, as well as some modest losses of units in multi-family structures with the exception of the doubling in two-unit dwellings from 85 to 191 units. Census data also suggests fluctuations in mobile homes. Table V-6 identifies 234 homes in 2015, up from 176 in 2010, and Assessor's data confirms that there are two mobile home parks remaining in Wellfleet but does not include numbers of units. Assessor's records further indicate that there are 56 two-family properties, representing a total of 112 units, which is considerably less than the 191 units indicated in the 2015 census estimates but much higher than the 2010 census figure of 14 such units.

Table V-6: Units in Structure, 2000 to 2015

	2000		2010		2015	
Type of Structure	**#**	**%**	**#**	**%**	**#**	**%**
1 Unit Detached	3,524	88.3	4,237	91.6	3,977	88.9
1 Unit Attached	82	2.1	38	0.8	23	0.5
2 Units	85	2.1	14	0.3	191	4.3
3 or 4 Units	34	0.9	70	1.5	32	0.7
5 to 9 Units	36	0.9	58	1.3	19	0.4
10 or More Units	13	0.3	20	0.4	0	0.0
Mobile Homes	213	5.3	176	3.5	234	5.2
Other	5	0.1	0	0.0	0	0.0
Total	3,993	100.0	4,613	100.0	4,476	100.0

Sources: U.S. Census Bureau, 2000, and American Community Survey 5-Year Estimates, 2006-2010 and 2011-2015

Table V-7 examines units by type of structure for renters versus homeowners. About 64% of all rental units were in single-family detached units, likely indistinguishable from owner-occupied ones. The remaining portion of rental units were dispersed primarily in smaller multi-family dwellings of two to four units with only 3.7% in in larger multi-family buildings of five to nine units. Not surprisingly, almost all of the owner-occupied units were in single-family units with some owner-occupancy in single-family attached units, two-unit structures, a nine-unit condominium, and a limited number of owner-occupied mobile homes.

Table V-7: Tenure by Units in Structure, 2015

	Owner-occupied Units		Renter-occupied Units	
Type of Structure	**#**	**%**	**#**	**%**
1 Unit Detached	1,205	94.3	172	63.7
1 Unit Attached	23	1.8	0	0.0
2 Units	17	1.3	37	13.7
3 or 4 Units	0	0.0	30	11.1
5 to 9 Units	9	0.7	10	3.7
10 or More Units	0	0.0	0	0.0
Mobile Homes	24	1.9	21	7.8
Total	1,278	100.0	270	100.0

Source: U.S. Census Bureau, Ameri0can Community Survey 5-Year Estimates, 2011-2015

- *Moderately-sized housing stock on average:* The median number of rooms per housing unit was 5.6 and 5.5 in 2010 and 2015, respectively according to census data, indicating that the average home was medium-sized with three bedrooms. The 2015 census estimates suggest that the number of rooms per dwelling ranged from three rooms or less in 835 units (18.7%) to nine rooms or more in 183 dwellings (4.1%), representing a relatively small portion of very large residential units, about half the 8.3% for the county about one-third of the 11.5% statewide level.

C. Housing Market Conditions – Very limited affordability remaining in the private housing stock with the exception of condos

Ownership

Census data also provides information on housing values as summarized in Table V-8. In 1990 there were 209 units or one-quarter of the owner-occupied, year-round housing stock valued below $200,000. This relatively affordable housing dwindled to 55 units or 4.2% as of 2010, and then doubled to 104 units by 2015. While approximately 55% of this housing was valued between $200,000 and $500,000 in 2000, as of 2010 the percentage had dropped to about 34% of all units and then up to almost 44% according to 2015 census estimates. Those higher-end properties of $500,000 or more involved about 10% of the housing stock in 2000 but comprised almost 62% of all owner-occupied, year-round units in 2010, and declining to 48% in 2015. The increased value of Wellfleet's housing stock is also reflected in median values that more than doubled between 2000 and 2015, from $242,700 to $494,000 according to census figures, much higher than the rate of inflation during this period of 27%.

Table V-8: Housing Values of Owner-occupied Properties
1990 to 2015

	1990		2000		2010		2015	
Value	**#**	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Less than $50,000	4	0.5	0	0.0	0	0.0	46	3.6
$50,000 to $99,000	30	3.7	17	2.1	29	2.2	16	1.3
$100,000 to $149,000	175	21.4	74	9.2	0	0.0	24	1.9
$150,000 to $199,000	474	58.0	196	24.3	26	2.0	18	1.4
$200,000 to $299,999			251	31.1	113	8.5	51	4.0
$300,000 to $499,999			191	23.6	343	25.8	506	39.6
$500,000 to $999,999			71	8.8	713	53.6	467	36.5
$1 million or more			8	1.0	105	7.9	150	11.7
Total	817	100.0	808	100.0	1,329	100.0	1,278	100.0
Median	--		$242,700		$586,400		$494,000	

Source: U.S. Census Bureau, 1990 and 2000 Summary File 3 and American Community Survey 5-Year Estimates, 2006-2010 and 2011-2015.

More updated and historic market data is tracked by The Warren Group from Multiple Listing Service information based on actual sales. This market information from 2000 through 2016 is summarized in Table V-9, demonstrating some significant market fluctuations.

The single-family home market was at its peak in 2004 when the median house price was $650,000. Home values were up and down considerably after that, declining to a low of $460,000 in 2015 and up a bit to $468,000 in 2016.

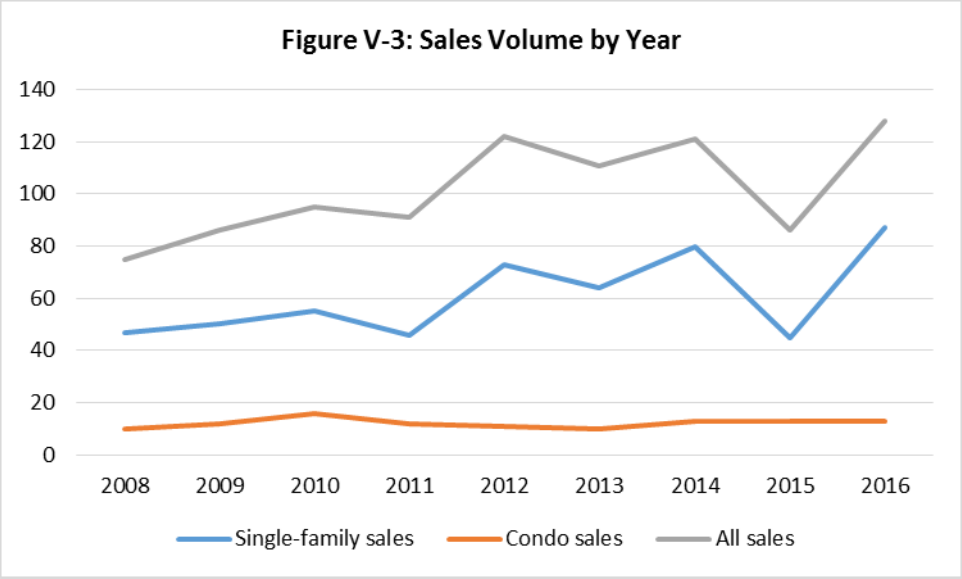
The condo market has also experienced substantial volatility with a high median price of $415,437 in 2005, down to a low of $195,500 in 2014, and rebounding somewhat to $232,000 by 2016.

Table V-9: Median Sales Prices, 2000 to 2016

Year	Months	Single-family Values	# Single-Family Sales	Condo Values	# Condo Sales
2016	Jan - Dec	$468,000	87	$232,000	13
2015	Jan – Dec	460,000	45	220,000	13
2014	Jan – Dec	494,000	80	195,500	13
2013	Jan – Dec	480,000	64	222,500	10
2012	Jan – Dec	482,500	73	216,000	11
2011	Jan – Dec	527,950	46	325,000	12
2010	Jan – Dec	475,000	55	231,500	16
2009	Jan – Dec	482,950	50	264,750	12
2008	Jan – Dec	580,500	47	285,500	10
2007	Jan – Dec	539,000	63	265,000	20
2006	Jan – Dec	600,000	47	250,000	15
2005	Jan – Dec	565,000	68	415,437	31
2004	Jan – Dec	650,000	51	278,000	19
2003	Jan – Dec	416,000	67	165,000	25
2002	Jan – Dec	390,000	75	129,900	26
2001	Jan – Dec	307,500	58	90,000	17
2000	Jan – Dec	255,000	83	81,750	15

Source: The Warren Group, April 7, 2017

The volume of sales – including single-family homes, condos and all sales – by year since 2008 is presented in Figure V-3, clearly showing the fluctuations in the housing market with the highest volume in 2016. A local realtor suggests that listings and sales were down somewhat in early 2017 however.



A comparison of median values for Wellfleet and neighboring communities, as well as the Cape and state as a whole, is presented in Table V-10. This table includes the median single-family house price at

pre-recession levels in 2006, post-recession levels in 2009, and as of the end of 2016. The table also shows the percentage changes between these periods, demonstrating where prices have been the most volatile and which communities have best recovered from the recession. This data is also visually presented in Figure V-4 for the 2006 and 2016 timeframes. This analysis indicates the following market trends:

- While the median values of all neighboring communities fell between 2006 and 2009, the medians rebounded somewhat after that with the exception of Wellfleet.

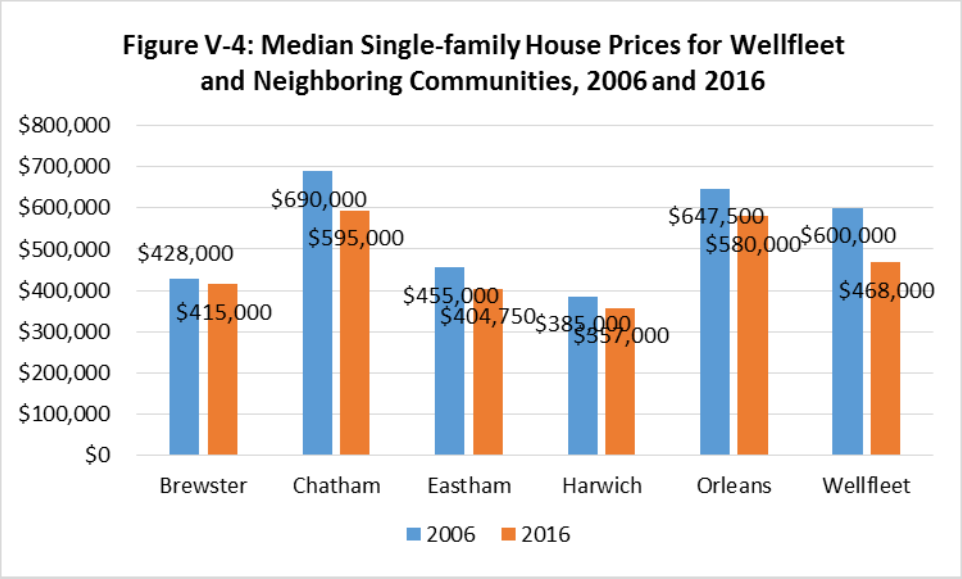
- None of the communities' 2016 median prices have surpassed pre-recession levels with the exception of Provincetown which is a clear outlier with a median house value of $990,000, up from $813,750 in October 2016. Values in the other communities ranged from the lowest percentage change between 2006 and 2016 of -3% in Brewster to a high of -22% in Wellfleet. This is not the case in other parts of the state, particularly those in the Metro West area of Greater Boston, where median prices surpassed pre-recession ones several years ago. This is also reflected in the relatively small but positive percentage change between 2006 and 2016 of 2.9% for the state.

- The median sales values in Wellfleet have been in the middle of the price ranges, at $468,000 as of the end of 2016, between a low of $283,750 in Yarmouth and a high of $622,500 for Truro besides the $990,000 median in Provincetown.

Table V-10: Median Single-family House Price for Wellfleet and Neighboring Communities as of 2006, 2009, and 2016

Place	**Median Single-family House Price**			**% Change 2006 to 2009**	**% Change 2009 to 2016**	**% Change 2006 to 2016**
	2006	**2009**	**2016**			
Barnstable	$476,500	$405,000	$430,000	-15.0%	6.2%	-9.8%
Brewster	$428,000	$364,000	$415,000	-15.0%	14.0%	-3.0%
Chatham	$690,000	$511,250	$595,000	-29.3%	16.4%	-13.8%
Dennis	$350,000	$288,700	$330,000	-17.5%	14.3%	-5.7%
Eastham	$455,000	$385,000	$404,750	-15.4%	5.1%	-11.0%
Harwich	$385,000	$324,400	$357,000	-15.7%	10.0%	-7.3%
Orleans	$647,500	$525,000	$580,000	-18.9%	10.5%	-10.4%
Provincetown	$727,000	$600,000	$990,000	-18.9%	65.0%	36.2%
Truro	$717,000	$517,750	$622,500	-27.8%	20.2%	-13.2%
Wellfleet	$600,000	$482,950	$468,000	-19.5%	-3.1%	-22.0%
Yarmouth	$315,000	$256,250	$283,750	-18.6%	10.7%	-9.9%
County	$387,000	$315,000	$358,000	-18.8%	13.7%	-7.5%
State	$345,000	$285,000	$346,000	-17.4%	21.4%	2.9%

Source: The Warren Group, Banker & Tradesman, April 7, 2017
Data based on single-family home sales of $1,000 plus, excluding foreclosure deeds.



Another analysis of housing market data is presented in Table V-11, which breaks down sales data from the Multiple Listing Service for single-family homes and condominiums between April 2016 and March 2017. The distribution of these sales prices is visually presented in Figure V-5.

This data indicates that about 20% of Wellfleet's housing stock sold below $300,000 during this period, including 133 single-family homes and seven condos. Only three single-family homes and three condos sold for less than $200,000 and were likely to be small and in poor condition, perhaps not winterized. **Many of the units that sold for less than $300,000 would potentially be affordable to low- and moderate-income households and the median price for condos of $232,000 demonstrates the relative affordability of this type of housing in the community. Many of these units are seasonal however, located in old cottage colonies.** There were only twelve total condo sales, none selling above $600,000.

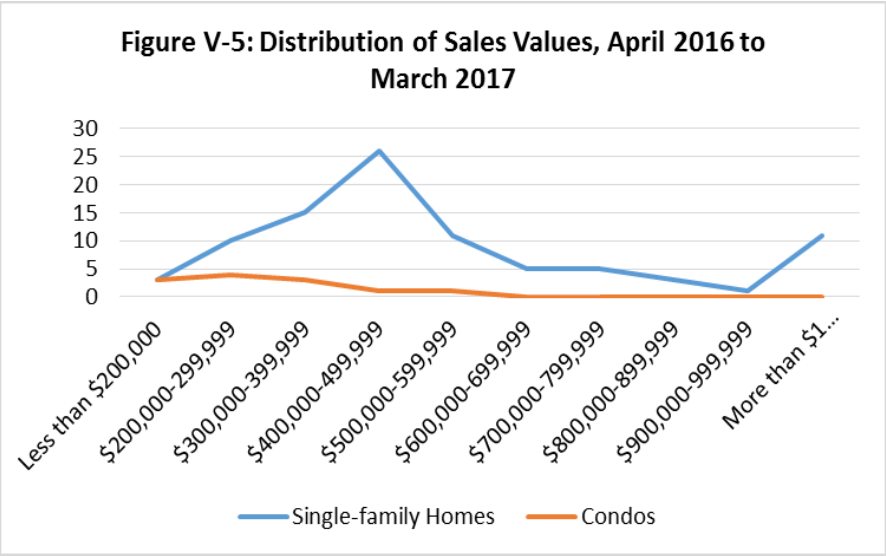
The median single-family home price during this period was $462,500. There is also a small luxury market in Wellfleet, with eleven homes selling for more than $1 million, the highest at $3.4 million.

Table V-11: Single-family House and Condo Sales, April 2016 to March 2017

	Single-family Units		Condos		Total	
Price Range	**#**	**%**	**#**	**%**	**#**	**%**
Less than $200,000	3	3.3	3	25.0	6	5.9
$200,000-299,999	10	11.1	4	33.3	14	13.7
$300,000-399,999	15	16.7	3	25.0	18	17.6
$400,000-499,999	26	28.9	1	8.3	27	26.5
$500,000-599,999	11	12.2	1	8.3	12	11.8
$600,000-699,999	5	5.6	0	0.0	5	4.9
$700,000-799,999	5	5.6	0	0.0	5	4.9
$800,000-899,999	3	3.3	0	0.0	3	2.9
$900,000-999,999	1	1.1	0	0.0	1	1.0
Over $1 million	11	12.2	0	0.0	11	10.8
Total	90	100.0	12	100.0	102	100.0
Median	$462,500		$232,000		--	

Source: The Warren Group, *Banker & Tradesman*, April 15, 2017.

A local realtor indicates that in the spring of 2017, when one would expect a pick-up in home listings, there has been a lack of inventory of homes for sale in every price range. While there is typically an average of 70 properties on the market, listings only averaged about 45 as of April 2017. Once listed, properties sell quickly if appropriately priced.



Information from the Town Assessor on the assessed values of residential property in Wellfleet is presented in Table V-12.[11] Table V-12 and Figure V-6 present the range of values for single-family homes and condominiums and confirms that there is little remaining affordability in Wellfleet's single-family inventory but considerable affordability in the condominium market with 4.5% and 62.5% of units valued below $300,000, respectively. Condominiums in fact are a significant part of Wellfleet's housing stock, totaling 339 units, and the most affordable component of the community's private housing although, once again, most involve only seasonal use.

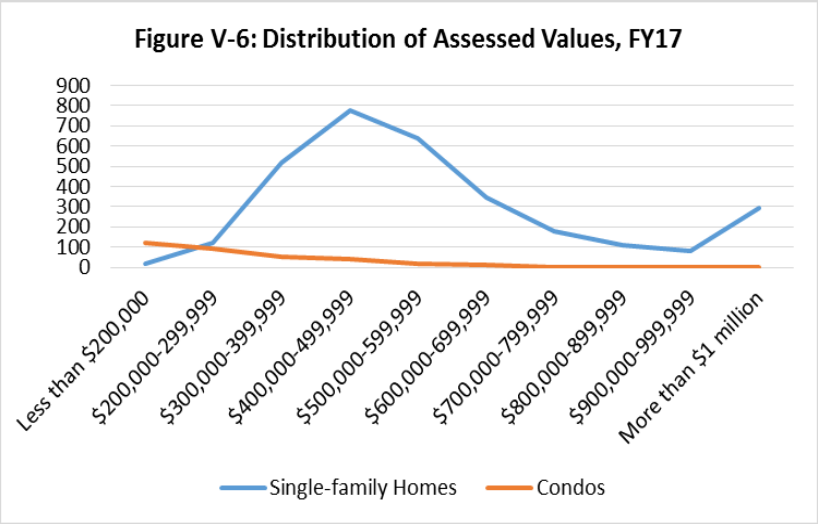
Table V-12: Assessed Values of Single-family Homes and Condos

Assessment	Single-family Dwellings		Condos		Total Properties	
	#	%	#	%	#	%
$0-199,999	20	0.6	120	35.4	140	4.1
$200,000-299,999	119	3.9	92	27.1	211	6.2
$300,000-399,999	516	16.8	53	15.6	569	16.7
$400,000-499,999	775	25.2	43	12.7	818	23.9
$500,000-599,999	639	20.8	18	5.3	657	19.2
$600,000-699,999	345	11.2	12	3.5	357	10.4
$700,000-799,999	178	5.8	1	0.3	179	5.2
$800,000-899,999	112	3.6	0	0.0	112	3.3
$900,000-999,999	80	2.6	0	0.0	80	2.3
Over $1 million	293	9.5	0	0.0	293	8.6
Total	3,077	100.0	339	100.0	3,416	100.0
Median Value	$512,600		$245,200		--	

Source: Wellfleet Town Assessor, Fiscal Year 2017.

[11] It should be noted that assessments typically lag behind market values, particularly in a rising housing market.

A total of 42% of the *single-family homes*, or 1,291 units, were valued in the $300,000 to $500,000 range, with about 516 units in the $300,000 to $399,999 range and potential targets for the Town's BuyDown Program upon resale. On the other hand, 370 homes or 12% were assessed between $700,000 and $1 million and another 293 homes were valued at more than $1 million, indicating that Wellfleet has a significant high-end luxury market. This market is visually clear in Figure V-6, which shows declining numbers of units valued at less than $500,000 and then a pronounced uptick in properties assessed at more than $1 million. The median assessed single-family home was $512,600.



Assessor's data indicates that there are also 239 *small multi-family properties* including 56 two-family properties (112 units), only 3 three-family dwellings (9 units) as well as 180 properties with more than one house on the lot. Once again, very few of these properties were valued affordably with only 22 properties assessed at less than $400,000. Of particular note are the multiple houses on a single lot with 25 properties valued beyond $1 million.

In regard to *mixed-use properties*, there were 59 such properties with values ranging from $201,300 to $1,177,600. Assessor's data also indicates that there are *two mobile home parks* in Wellfleet but does not include the number of units. The data further identifies *eight 4 to 8-unit structures*, assessed at $265,800 to $757,700 in value.

Rentals

Table V-13 summarizes census data for rental unit costs from 2000 to 2015. Medan rents doubled between 2000 and 2010, from $667 to $1,310, although 2015 census estimates indicate a downtown to $916. Wellfleet's 2000 median of $1,310 was considerably higher than gross rent of $723 for the county, but its 2015 median of $916 was well below the Cape-wide rent of $1,104, and the decrease in median rent in 2015 is surprising and questionable, particularly given extremely low vacancy rates.

There are very few listings of market rentals. For example, in March 2017 there were only two listings including a three-bedroom, year-round house with 2,500 square feet of living space for $3,000 per month and a temporary rental of a trailer with 500 square feet for $200 per week during renovations. The sell date for the trailer was estimated to be mid to late summer.

A local realtor confirms that very few year-round or winter rentals typically come onto the market. The rental market in Wellfleet is complicated by decreasing numbers of these units in the context of seasonal shifts. It makes economic sense for property owners to only rent their units in the summer season when rent levels are very high and can realize a substantial profit without the wear and tear associated with a winter rental. Owners of second homes also want to be able to use their units off and on during the year, further restricting the supply of year-round rentals. Given this limited supply, housing costs are high, and it is difficult to find a two-bedroom, two-bath, year-round, market rental for

less than $1,400. A realtor further suggested that given the incomes of year-round residents, rents that they can afford are typically tapped out between the $1,400 and $1,600 range.

Table V-13: Rental Costs, 2000-2015

	2000		2010		2015	
Rent	**#**	**%**	**#**	**%**	**#**	**%**
Under $200	5	1.6	0	0.0	12	4.4
200-299	0	0.0	23	7.1		
300-499	40	13.1	62	19.3		
500-749	126	41.3	0	0.0	164	60.7
750-999	67	22.0	14	4.3		
1,000-1,499	16	5.2	100	31.1	30	11.1
1,500 +	0	0.0	59	18.3	47	17.4
No cash rent	51	16.7	64	19.9	17	6.3
Total	305	100.0	322	100.0	270	100.0
Median rent	$667		$1,310		$916	

Source: U.S. Census Bureau, 1990 and 2000 and American Community Survey 5-Year Estimates for 2006-2010 and 2011-2015. * Percentage of total housing units

Summer rentals, like most of this part of the Cape, continue to be very pricey, especially near the water. For example, summer rentals typically range for about $800 per week for a small seasonal cottage to $10,000 per week for large homes on the water with amenities. Wellfleet does have a supply of cottage communities that are clustered near the water, many of which have even been converted to condos and rented out during the summer but where year-round occupancy is not allowed.

D. Affordability Analysis

While it is useful to understand past and current housing costs, it is also important to analyze the implications of these costs on residents' ability to afford them for both homeownership and rentals.

Affordability Gaps - Homeownership

A traditional rough rule of thumb is that housing is affordable if it costs no more than 2.5 times the buyer's household income. By this measure, the median income household earning $45,735 in Wellfleet (according to 2015 census estimates) could afford a house of approximately $114,338, 28% the median house price of $468,000 as of the end of 2016 according to The Warren Group that tracks all sales. *This implies that the household in the middle of the town's income range faced an "affordability gap" of $353,662.*

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.[12] To afford the median sales price of a single-family home of $468,000, based on The Warren Group's *Banker & Tradesman* data as of the end of 2016, a household would have to earn an estimated $100,400 with 80% financing.[13] This income is more than double the median

[12] Based on the 2015 census estimate of $45,735 for median household income for Wellfleet.

[13] Figures based on 80% financing, interest of 5.0%, 30-year term, annual property tax rate of $6.83 per thousand, $250 in monthly condo fees, and insurance costs of $4 per $1,000 for condominiums and $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 the purchaser would be

household income for the town per 2015 census estimates of $45,735 and consequently there is a considerable affordability gap. This 80% mortgage financing would also require the purchaser to come up with at least $100,000 in upfront cash, certainly a substantial challenge for a first-time homebuyer!

The median income earning household could likely afford a single-family home of about $185,000 based on 95% financing. *The affordability gap is then about $283,000* - the difference between the price of the median priced single-family home ($468,000) and what a median income household can afford ($185,000).[14] This assumes that the purchaser could qualify for a subsidized mortgage that requires much lower down payments and no Private Mortgage Insurance (PMI).

There is very little affordability remaining in Wellfleet's housing market and even what could be considered a "starter home" of $293,000 requires an income of about $72,000. There are only an estimated 121 single-family homes available to those earning at or below this income.

For those earning at 80% of area median income limit ($61,150 for a family of three), this gap is $217,500, the difference between the maximum they could afford of approximately $250,500 and the median single-family house price of $468,000. These figures are once again based on 95% financing, assuming that the purchasers could qualify for homebuyer programs such as the state's One Mortgage Program or MassHousing's mortgage offerings for example. It should also be noted that this price is based on the 80% of area median income (AMI) limit for Barnstable County, and purchase prices for deed-restricted units are calculated for a household earning at 70% AMI to allow for some marketing window in addition to other prescribed requirements.

There are also affordability gaps for condos as the median condo price of $232,000, as of the end of 2016 from The Warren Group's Banker & Tradesman, would require an income of about $65,721, which is more than Wellfleet's median household income of $45,735 and the HUD area median income for Barnstable County of $61,150 for a household of three.[15] The gap would be $83,000, the difference between the median condo price ($232,000) and what a median income earning household could likely afford ($149,000). The affordability gap for those households earning at the 80% of area median income ($61,150 for a household of three) decreases to an estimated $17,000 or the difference between the median condo price ($232,000) and what a household earning at $61,150 could probably afford ($215,000).

Table V-14 provides a breakdown of the number of units existing within various affordability ranges and demonstrates how little affordability exists within the community's housing stock.

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eligible for a subsidized mortgage program such as the ONE Mortgage Program or a MassHousing mortgage that would not require Private Mortgage Insurance.

[14] Ibid.

[15] Figures based on 95% financing, interest of 5.0%, 30-year term, annual property tax rate of $6.83 per thousand, $250 monthly condo fee, insurance costs of $4 per $1,000 for condominiums, and the purchaser spending no more than 30% of gross income on mortgage (principal and interest), taxes and insurance. It is also assumes that the purchaser would be eligible for a subsidized mortgage program such as the ONE Mortgage Program on a MassHousing mortgage that would not require private mortgage insurance.

Table V-14: Distribution of Single-family Home and Condo Values by Income Range

Price Range Single-family/ Condo*	Income Range (based on HUD Area Median Income (AMI) Limits	Single-family Homes Available in Price Range		Condominiums Available in Price Range	
		#	%	#	%
$185,000/$149,000	Wellfleet's Median Household ($45,735)	18	0.6	61	18.0
$250,500/$215,000	At 80% AMI ($61,150)**	44	1.4	134	39.5
$250,501-293,000/ $215,001-$260,000	80% - 100% AMI** ($61,150 - $72,270)***	77	2.5	47	13.9
$293,001-405,000/ $260,001-$370,000	100% - 120% AMI ($72,271 - $86,725)^	568	18.5	70	20.6
More than $405,000/ more than $370,000	More than 120% AMI (More than $86,725)^	2,388	77.6	88	26.0
Total		**3,077**	**100.0**	**339**	**100.0**

Source: Town Assessor's Database for Fiscal Year 2017. Please note that as a standard practice, assessed value is assumed to be at least 93% below actual value or potential sale price with some assessments even lower. Figures based on a three-person household.
* Includes estimated condo fee of $250 per month.
** Based on 95% financing given potential eligibility for subsidized mortgage programs such as the ONE Mortgage Program and MassHousing offerings. All other income ranges assume 80% financing. *** Based on Community Preservation Act income limits for a household of 3.
^ Based on 80% financing.

According to Assessor's data, only 18 homes or 0.6% of all *single-family homes* were affordable to households earning below the town's median income ($45,735) based on 2015 census estimates. Using percentages of area median income for Barnstable County, only 44 or 1.4% were likely affordable to those earning at or below 80% of area median income ($61,150 for a household of three) in 2016. Another 77 units or 2.5% of all single-family homes were likely affordable to those earning between 80% and 100% of area median income ($72,270). It should also be noted that it is likely that many of these units were probably small and in poor condition.

Condominiums are largely valued much more affordably with 61 units or almost 18% of condos likely affordable to households earning at or below the Wellfleet $45,735 median household income using the 2015 census estimate. Those units affordable to households earning at or below 80% of area median income, based on a household size of three, include 134 units or about 40% of all condos. Another 47 condos or about 14% were also assessed within a relatively affordable range, likely affordable to those earning between 80% and 100% of area median income. Some condos, however, are not available on a year-round basis as they involved the conversion of small cottages to ownership that are used seasonally from about April through October.

About 54% of condos were potentially affordable to those earning at or below 100% AMI, 40% below 80% AMI, which demonstrates considerable affordability in this segment of Wellfleet's housing market.

It should also be noted that Assessor's data indicated that Wellfleet had 239 small multi-family dwellings including 56 two-family properties (96 units), 3 three-family dwellings (15 units) as well as 180

properties with more than one house on the lot. Such housing is frequently more affordable as it often generates rental income. For example, the median valued two-family home in Wellfleet, based on Assessor's data, was $602,900. While high, this price if involving owner-occupancy with one rental unit would be affordable to a purchaser earning approximately $118,800 based on 95% financing and $99,400 with 80% financing (conservatively assuming rental income of $1,000 of which 75% or $750 is likely to be included in mortgage underwriting computations). This is low in comparison to a condo at the same price that would require incomes of about $158,800 and $139,400 for 95% and 80% financing, respectively, given the additional computation of the condo fee (assuming $250) and lack of rental income.

Affordability Gaps - Rentals

In regard to rentals, a year-round market rental priced in the lower range of the market would be about $1,400 and require an income of about $56,000 without consideration for utilities that would boost the required income closer to $64,000 (assuming $200 in average utility bills and not paying more than 30% of income on housing costs). The median income earning renter ($22,045 based on 2015 census estimates) could afford a rent of only about $351 under the same assumptions. Consequently, the affordability gap would be more than $1,000, the difference between market rental and what a median-income earning renter could afford. The higher 2010 median renter income of $44,743 would translate into a rent of $919, still well below market rents, and an affordability gap of almost $500. It is consequently not surprising that so many renters are paying far too much for their housing.

It is important to note that landlords often require first and last month's rent and a security deposit on monthly rentals, also creating substantial up-front cash requirements for renters.

Cost Burdens

It is also useful to identify numbers of residents living beyond their means based on their housing costs. The U.S. census provides data on how much households spent on housing whether for ownership or rental. Such information is helpful in assessing how many households are overspending on housing, defined as spending more than 30% of their income on housing.

Based on 2015 census estimates, 124 homeowners in Wellfleet were spending between 30% and 34% of their income on housing and another 433 were spending more than 35% of their income on housing expenses, totaling 557 or **44% of all year-round owner households**.

In regard to renters, 9 renters were spending between 30% and 34% of their income on housing and another 187 were allocating 35% or more of their income for housing for a total of 196 renter households or **73% of all renters**.

This census data suggests that 753 households in 49% of all Wellfleet's year-round, occupied, housing units were living in housing that was by common definition unaffordable.

HUD provides additional data on housing affordability problems through its CHAS report that identifies cost burdens by household type and whether they were renters or owners, offering a breakdown of households within specific income categories as summarized in Table V-15. For example, the first cell indicates that of the 80 elderly renters earning at or below 30% of area income, 50 were spending between 30% and 50% of their income on housing costs with another 30 spending more than half of their income on housing.

This report, based on 2013 census data for Wellfleet (the latest report available), indicates that o*f the 1,682 year-round households included in this analysis, 718 or 43% were reported with cost burdens as they were paying more than 30% of their income on housing costs. Moreover, of these households, 414 or 25% of all households were spending more than 50% of their income on housing, referred to as being severely cost burdened.*

414 households or 51% of households earning at or below 80% of area median income were spending more than half of their income on housing costs and thus were experiencing severe cost burdens.

There were 809 households, or 48% of all households in this analysis, who were earning at or below 80% of median income for the Barnstable County area. Of these, 728 households or about 90% were experiencing cost burdens.

A total of 83 households earning more than 80% of area median income, or 5% of all households, were also overspending.

Table V-15: Cost Burdens by Tenure, Income and Type of Household, 2013

Type of Household	Households Earning < 30% AMI/ # with cost burdens **	Households Earning > 30% to <50% AMI/ # with cost burdens**	Households Earning > 50% to < 80% AMI/ # with cost burdens**	Households Earning > 80% and < 100% AMI /# with cost burdens**	Households Earning > 100% AMI/ # with cost burdens**	Total
Elderly Renters	80/50-30	15/0-0	15/15-0	0/0-0	0/0-0	110/65-30
Small Family Renters	4/0-0	45/30-15	0/0-0	35/0-0	0/0-0	84/30-15
Large Family Renters	0/0-0	0/0-0	0/0-0	0/0-0	0/0-0	0/0-0
Other Renters	50/0-50	25/15-10	15/0-0	0/0-0	50/0-0	140/15-60
Total Renters	**134/50-80**	**85/45-25**	**30/15-0**	**35/0-0**	**50/0-0**	**334/110-105**
Elderly Owners	75/0-60	95/10-35	175/95-25	105/15-0	440/10-10	890/130-130
Small Family Owners	15/0-15	20/10-10	45/15-20	4/0-4	175/15-0	259/40-49
Large Family Owners	0/0-0	0/0-0	0/0-0	0/0-0	4/4-0	4/4-0
Other Owners	45/0-45	90/30-60	0/0-0	20/0-10	40/0-15	195/30-130
Total Owners	**135/0-120**	**205/50-105**	**220/110-45**	**129/15-14**	**659/29-25**	**1,348/204-309**
Total	**269/50-200**	**290/95-130**	**250/125-45**	**164/15-14**	**709/29-25**	**1,682/314-414**

Source: U.S. Department of Housing and Urban Development (HUD), SO200/75-35CDS CHAS Data, and American Community Survey, 2013. **First number is total number of households in each category/second is the number of households paying between 30% and 50% of their income on housing (with cost burdens) – and third number includes those 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.

More specific findings from this report include the following:

Renters

- There were 334 year-round, renter households included in this report with 249 or 75% having incomes at or below 80% of median for Barnstable County.[16] Of these, 215 or 86% were spending too much on their housing including 60 or 24% with severe cost burdens.

[16] The 334 total renter household figure in this analysis is significantly more than the total number of year-round rental units included in the 2015 census estimates of 270.

- **None of the 85 renter households earning above 80% AMI were overspending.**

- Of the 110 elderly renters 62 years of age or older, only 15 were not overspending, all earning between 30% and 50% AMI. Of particular concern are the 30 elderly renters who were spending more than half their income on housing, all earning at or below 30% AMI.

- Of the 84 small families, almost half had cost burdens, all with incomes between 30% and 50% AMI including 15 with severe cost burdens.

- *There were no large families (5 members or more) renting in Wellfleet*. Large families are likely to encounter difficulty finding larger units to rent in the community and rents for homes are steep.

- *The greatest number of renters included non-family and non-elderly households*, largely single individuals, who represented 42% of all renters compared to 33% of seniors and 25% of small families. Half of these households were overspending, all earning at or below 50% of median. Of particular concern are the 60 such households with severe cost burdens, some who may likely be relying on Social Security Disability Income.

Owners

- There were 1,348 year-round homeowner households[17] identified in this report of which 513 or 38% were experiencing cost burdens including 309 or 23% with severe cost burdens.

- Of the 560 or 42% of owners earning at or below 80% of area median income, 430 or 77% were overspending and 270 or 48% were spending more than half of their income on housing costs.

- Even 83 owner households earning above 80% AMI were overspending.

- *Almost two-thirds of Wellfleet's homeowners are 62 years of age or older.* Of these elderly households, 345 or 39% were earning at or below 80% of median income that included 225 with cost burdens and 120 with severe cost burdens.

- Families also had considerable cost burdens. Of the 259 small families who owned homes, 89 or 34% were overspending on their housing. There were 80 small families earning at or below 80% AMI, all but ten with cost burdens and 45 with severe cost burdens.

- ***There were only four large families* (five or more household members) who owned their homes, in fact only four such households living in Wellfleet, all earning above area median income.**

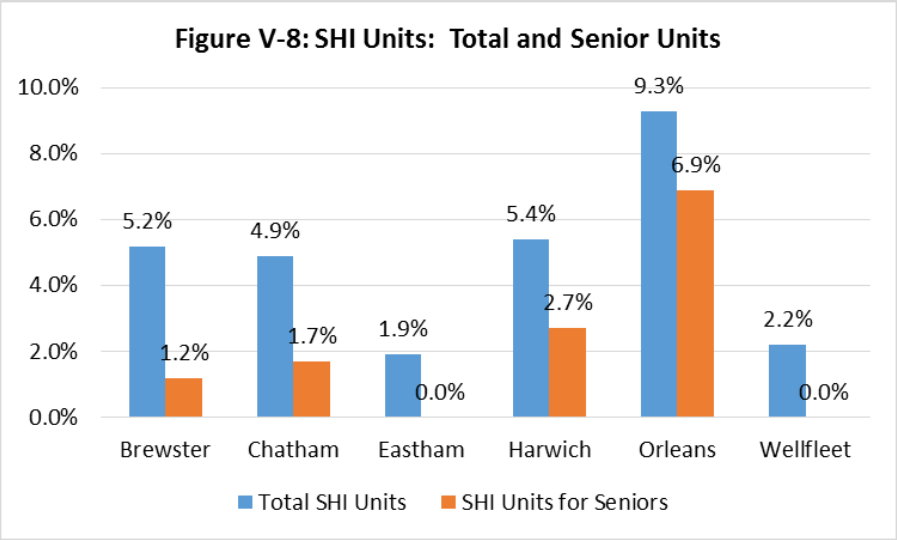
- There were 195 non-family, non-elderly homeowners, mostly single individuals, of which 160 or 82% were experiencing cost burdens. Of these, 135 or 69% were earning at or below 80% of area median, all experiencing cost burdens including 105 or 78% with severe cost burdens.

[17] This figure is considerably more than the 1,278 total year-round homeowners included in the 2015 census estimates.

E. Subsidized Housing Inventory (SHI)

As of August 17, 2016, the state listed 34 affordable housing units in Wellfleet's state-approved Subsidized Housing Inventory (SHI), representing 2.19% of the total year-round housing stock of 1,550 units. This means that the Town has a gap of 121 more affordable units to reach the state's affordability threshold of 10% under Chapter 40B and remains susceptible to comprehensive permit applications that can override local zoning. Because the number of year-round units is based on the decennial census figure, it will change when the 2020 census figures are released and thus the 10% state threshold is a moving target.

Most communities in the state are confronting challenges in boosting their supply of affordable housing. All of Wellfleet's neighbors have affordable housing levels below the 10% state target, as visually presented in Figure V-8, but Orleans is well ahead of the pack in terms of the level of affordable units and senior housing.



To be counted as affordable under Chapter 40B, housing must be dedicated to long-term occupancy of income-eligible households through deed restrictions. Occupants of the affordable units must have incomes at or below 80% of area median income (AMI) limits that are provided annually by the U.S. Department of Housing and Urban Development (HUD) for the Barnstable County area (see Table II-1 for these 2016 levels, adjusted by household size, and Section II.B for more details).

Current Inventory

As noted above, Wellfleet had 34 units in its Subsidized Housing Inventory, 13 (38.2%) of which are rental, 15 (44.0%) that involve homeownership units, and the remaining 7 (20.6%) through a Housing Rehab Loan Program. Table V-17 summarizes SHI units that were eligible for counting towards the state's 10% state affordability goal. The Housing Rehab units will be coming off of the SHI during the next few years that will leave only 27 SHI units for an affordability level of 1.7%.

The Housing Assistance Corporation (HAC) manages state rental vouchers including three for Wellfleet. A major problem has been the lack of rental units available with some voucher holders searching for units for well over three months.

Table V-16: Wellfleet's Subsidized Housing Inventory (SHI)

Project Name	# Affordable Units	Project Type/ Financing	Use of a Comp Permit	Affordability Expiration Date
Oyster Lane	6	Ownership/DHCD	Yes	3/31/2041
Habitat for Humanity/ Spring Valley Road	4	Ownership/DHCD	No	Perpetuity
Wellfleet HOR Program /Way Road	1	Ownership	No	12/21/2014?
Wellfleet Apartments/ Fred Bell Way	12	Rental/DHCD, HUD, USDA	Yes	2041
Old Wharf Road	4	Ownership/MHP	No	Perpetuity
LCCCDC/CDP HOR Program	1 5	Rental/DHCD Ownership/DHCD	No	12/18/16 to 2023
Habitat for Humanity/ Atwood Avenue	1	Ownership/DHCD	No	Perpetuity
Total	34			

Source: Massachusetts Department of Housing and Community Development, August 17, 2016.

Pipeline Projects

The Town has 19 additional affordable units in the pipeline through the following projects:

- *Wellfleet BuyDown Program*
  The Wellfleet Housing BuyDown Program provides up to $150,000 in CPA subsidy towards purchasing a Wellfleet home, lowering the price to first-time homebuyers earning at or below 80% AMI and thus making a lower-end, market-rate, Wellfleet home affordable. In exchange for the subsidy, the purchase will be deed restricted and affordable in perpetuity. The Program is administered by the Town of Wellfleet in partnership with the Wellfleet Housing Authority. There have been several earlier rounds of Program funding, however these units were not eligible for inclusion on the SHI. In this round, two applicants have been selected and the units will be SHI eligible.

- *Old King's Highway*
  Habitat for Humanity of Cape Cod is in the process of obtaining the necessary permitting through a comprehensive permit to build three new homes on a formerly Town-owned property on Old King's Highway.

- *2082 Route 6 State Highway*
  The Town of Wellfleet and Wellfleet Housing Authority are also working together to bring on a developer to create an estimated three affordable homeownership units on a 1.72-acre area of land located on State Highway Route 6. The Wellfleet Housing Authority acquired the property with CPA funds and issued a Request for Proposals (RFP) to select a developer in April 2017, selecting Habitat for Humanity of Cape Cod. The existing house on the site will be converted to a rental, and an additional two ownership units will be built.

- *Paine Hollow Rental Homes*
  Eight affordable rental units are planned on Paine Hollow Road to be developed by Community Housing Resource, Inc. The project involves a mix of one, two and three-bedroom units. The Town of Wellfleet approved $175,000 in funding in 2001, but based on an abutter legal challenge the project has been delayed and another vote in support of funding was put before

the April 2017 Town Meeting and approved. The developer applied for state funding under the relatively new Community Scale Housing Initiative Program.

- *Gull Pond Road Condominiums*
  Community Housing Resource, Inc. is also building six one and two-bedroom rental units on a 2.2-acre site that should be available for occupancy in September 2017.

The development of these units will bring the total SHI unit count to 53 or about 3.4% of the year-round housing stock.

F. Targeted Housing Goals

This Housing Needs Assessment and Action Plan provides a roadmap to guide the Town of Wellfleet in promoting affordable housing over the short and longer term, directing such development to appropriate target populations and locations in the context of the following local and regional housing issues:

- Due to the rising costs of both homeownership and rentals, including escalating costs associated with taxes, insurance (including flood insurance) and utilities; some residents are finding it increasingly difficult to afford to remain in Wellfleet.
- Decent paying jobs are limited in a predominantly tourist economy and thus children who grew up in town face the likelihood 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 other costs but unable to find alternative housing that better meets their current lifestyles and pocket-books.
- Seniors are living longer and more residents are becoming frailer and increasingly reliant on a home care industry in which workers are harder to find given relatively low wages and high costs of living in the area.
- Families are finding it more difficult to “buy into” the private housing market and “buy up,” purchasing larger homes as their families grow.
- Town employees and employees of local businesses are increasingly hard pressed to find housing that is affordable in Wellfleet and face long commutes.
- Some residents need to rent out their homes in the summer months and camp or move in with relatives during this period in order to afford to stay in the community. Alternatively, others are at the mercy of landlords who raise rents well beyond their means in the summer months, forcing them to relocate.

As the affordability analysis indicates in Section V.D, significant gaps remain between what many current year-round residents can afford and the cost of housing that is available. Based on the demographic, economic and housing characteristics and trends documented in this and previous sections, the following priority housing needs have been identified:

1. Rental Housing Need -- Goal of 75% of all affordable units produced

Both rental and ownership housing are needed to encourage a mix of housing types in response to diverse populations and household needs. There is, however, a more compelling case for year-round rental units based on the following important 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 recent development has exclusively involved single-family homes that are primarily directed to those who can afford market prices, retirees and second home owners in particular. 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 Wellfleet and want to raise their own families locally, and empty nesters, for example.
- Invest local subsidy funds, such as CPA funding, 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 small households.
- Provide opportunities for some seniors who are "overhoused" and spending far too much on their housing to relocate to more affordable and less isolated settings, opening up their homes to families requiring more space.
- Make up for some of the loss of rental units over the past several decades.
- 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 housing.
- Provide opportunities for mixed-income housing where several different income tiers can be accommodated within the same project.
- Offer more affordable housing options to some of the 86% of renter households who have been paying too much for their housing.
- Support the housing needs of the lower-wage earning seasonal workforce.
- Stabilize individuals and families who are at risk of homelessness which is particularly acute during the summer months when some are forced to double-up with friends and family or even camp while their winter rental is occupied by other during the summer season.[18]

The analysis included in Table V-17 projects a shortage of 220 rental units for low- and moderate-income renters. This data, however, was based only on existing renters in 2013 and does not reflect pent-up regional need for additional rental opportunities, particularly in the context of such a costly housing market. If Wellfleet wants to attract more young adults and families and maintain an adequate workforce, it will have to provide additional affordable rental opportunities to enable them to live in town as the current subsidized rental stock is inadequate to meet these needs.

[18] The HUD annual Point-in-Time count of the homeless which took place on January 27, 2016, indicated that there were 394 homeless persons living on the Cape and Martha's Vineyard, up from 356 in 2015. Of these, there were 54 unsheltered adults on Cape Cod.

Table V-17: Rental Unit Gap Analysis

Income Group	Income Range*	Affordable Rent**	# Renter Households	# Existing Affordable Units***	Deficit/ Surplus
Less than 30% AMI	$20,400 and l	Less than $310	134	4	-130
Between 30% and 50% of AMI	$20,401 to $34,000	$310 to $650	85	10	-75
Between 50% and 80% of AMI	$34,401 to $54,350	$651 to $1,159	30	15	-15
Above 80% AMI	Above $54,350	Above $1,159	85	85	0
Total			334	114	-220

Source: 2013 HUD SOCDS CHAS Data *Based on 2016 HUD Income Levels for average household size of two persons.** Includes an average monthly utility cost of $200 and renters not spending more than 30% of their income on housing costs. *** Assumes those renters that are not cost burdened.

A further analysis of the rental needs of different types of households is included in Table V-18. This table indicates that in 2013 there were 568 renter households spending too much of their income on their housing. Reviewing the proportionate need of seniors, families, and single individuals, seniors comprise about 44% of those with cost burdens, families make-up about 21%, and non-elderly/non-family individuals 35%. This table also clearly shows the need for housing that those with extremely low incomes can afford.

Table V-18: Cost Burdens by Type of Renter Household

Income	Elderly	Small Families	Large Families	Other Renters	Total
< 30% AMI	80	0	0	50	130
30-50% AMI	0	45	0	25	70
50-80% AMI	15	0	0	0	15
> 80% AMI	0	0	0	0	0
Total	95 (44%)	45 (21%)	0 (0%)	75 (35%)	215 (100%)

Source: 2013 HUD SOCDS CHAS Data

This Housing Needs Assessment recommends that rental housing be distributed as follows in Table V-19 largely based on the deficit in Table V-17, the distribution indicated in Table V-18, and the relative lack of subsidized family housing in the community within a context of an eroding population of younger individuals and families. This distribution is also based on the production of 60 affordable units over the next ten years, 75% of which would be targeted as rentals.

Table V-19: Projected Distribution of Affordable Rental Units, 2017 to 2027

Target Renter Households	Target Unit Size	Proportion of Need	# Affordable Rental Units
Seniors/Individuals	One bedroom	50%	22
Small Families	Two bedrooms	40%	18
Large Families	Three+ bedrooms	10%[19]	5
Total		100%	45

Source: 2013 HUD SOCDS CHAS Data

2. Homeownership Need – Goal of 25% of all affordable units produced

Provide opportunities for families who want to invest in Wellfleet but are shut-out of the current housing market.

- Lend additional stability to neighborhoods as homeowners tend to become more rooted and invested in the community.
- Enable children who were raised in the community to return to raise their own families locally;
- Provide housing options for municipal employees.
- Provide smaller homes for increasingly smaller families.
- Boost the small number of subsidized ownership units in the community.
- Offer more affordable housing alternatives to empty nesters who want to downsize, thus opening their existing homes to families.
- Offer more affordable housing options to some of the 38% of owner households who have been paying too much for their housing.

The continuation of the BuyDown Program as well as potential small clustered cottage-style housing in pocket neighborhoods could be pursued in addition to other infill development, including mixed-uses that include mixed-income condo projects, offer good options for increasing affordable homeownership opportunities in Wellfleet.

Table V-20 is based on the HUD CHAS report summarized in Table V-15, comparing numbers of households earning within income categories to units that are affordable to them. These calculations suggest that there is an approximately 500-unit deficit in homeownership units, largely needed for those earning below 80% AMI.

[19] 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 are now requiring that at least 10% of the units in affordable production developments that are funded, assisted or approved by a state housing agency have three (3) or more bedrooms with some exceptions (e.g., age-restricted housing, assisted living, supportive housing for individuals, SRO's. etc.).

Table V-20: Homeownership Affordability Analysis

Income Group	Income Range*	Affordable Sales Prices for Single-family/Condo[20]	# Households **	# Existing Affordable Units**	Deficit or Surplus
Less than 80% AMI	Less than $61,150	Less than $250,500/ 215,000	560	130	-430
Between 80% and 100% AMI	$61,150 to $72,270	$250,501 to $293,000/$215,000 to $260,000	129	100	-29
Above 100% AMI	Above $72,270	Above $293,000/ $260,000	659	605	-54
Total			1,348	835	-513

Sources: Wellfleet Assessor's Office
*Based on 2013 HUD Income Levels for household size of three persons.
**** Based on 2013 HUD SOCDS CHAS data**

It should be noted that it is difficult for existing homeowners to qualify for new affordable housing opportunities as there are limits on financial assets and current ownership in state requirements. For example, state requirements regarding assets limit qualifying purchasers of age-restricted housing to no more than $200,000 in net equity from a previous house owned within the last three years and an additional $75,000 in financial assets. This puts many seniors out of the running for affordable housing that can be counted as part of the Subsidized Housing Inventory, particularly in communities with high property values where long-term owners are likely to have earned substantial amounts of equity in their homes. Nevertheless, such housing does serve an important need for local seniors who want to afford to live independently in Wellfleet but in less isolated settings that better meet their current lifestyles and without the hassles of home maintenance.

A further analysis of the needs of different types of owner households is included in Table V-21. This table indicates that in 2013 there were 513 owner households spending too much of their income on their housing. Reviewing the proportionate need of seniors, families, and single individuals, seniors comprise about half of those with cost burdens, families make-up about 18%, and non-elderly/non-family individuals 31%.

Table V-21: Cost Burdens by Type of Owner Household

Income	Elderly	Small Families	Large Families	Other Owners	Total
< 30% AMI	60	15	0	45	120
30-50% AMI	45	20	0	90	155
50-80% AMI	120	35	0	0	155
> 80% AMI	35	19	4	25	83
Total	260 (51%)	89 (17%)	4 (0.8%)	160 (31%)	513 (100%)

Source: 2013 HUD SOCDS CHAS Data

[20] Figures based on 95% financing, interest of 5.0%, 30-year term, annual property tax rate of $6.83 per thousand, insurance costs of $6 per $1,000 for single-family homes and $4 per thousand for condos, estimated monthly condo fees of $250, and a household paying 30% of income on housing costs. The analysis also assumes that purchasers within these income limits can qualify for a subsidized mortgage program such as the ONE Mortgage Program or MassHousing offerings.

This Housing Needs Assessment recommends that owner housing be distributed as follows in Table V-22 largely based on the deficit in Table V-17, the distribution indicated in Table V-18, and the relative lack of subsidized family housing in the community within a context of an eroding population of younger individuals and families. This distribution is also based on the production of 60 affordable units over the next ten years, 25% of which would be targeted for homeownership.

Table V-22: Projected Distribution of Affordable Ownership Units, 2017 to 2027

Target Renter Households	Target Unit Size	Proportion of Need	# Affordable Ownership Units
Seniors/Individuals	One bedroom	20%	3
Small Families	Two bedrooms	40%	6
Large Families	Three+ bedrooms	40%[21]	6
Total		100%	15

Source: 2013 HUD SOCDS CHAS Data

3. Integrate handicapped accessibility and supportive services into new development – Goal of at least 20% of all units produced for seniors and persons with disabilities and 10% for families

Handicapped accessibility and supportive services (such as those offered by the Council on Aging or through assisted living options as well as transportation, home maintenance and other service-related programs) should be integrated into new housing production efforts. This is particularly important in Wellfleet given the relatively high proportion of residents who claim a disability and the growing population of older residents. Moreover, the high costs of housing has a profound effect on those with disabilities who may be unable to work full-time or rely on Social Security Disability Income as they have some of the greatest challenges in finding stable, decent and affordable housing that meets their special needs. **A local Senior Housing Survey, conducted in 2015, indicated strong support for more affordable housing options for seniors including assisted living units.**

4. Residents Production of Affordable Units – Goal of 25% of Total Affordable Units Produced

The Town anticipates that about 25% of the affordable units produced will involve units that are created directly by Wellfleet residents through the Accessory Apartment Dwelling Unit bylaw or the Town's local 40B bylaw for example.

5. Summary of Housing Needs

Table V-23 presents targeted affordable housing development goals over the next ten years based on a combination of information on demographic shifts, cost burdens, affordability gaps, and the community's housing mix.

[21] 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 are now requiring that at least 10% of the units in affordable production developments that are funded, assisted or approved by a state housing agency have three (3) or more bedrooms with some exceptions (e.g., age-restricted housing, assisted living, supportive housing for individuals, SRO's. etc.).

Table V-23: Summary of Priority Housing Needs and Targeted Development Goals

Rental Units	**Seniors + Single Persons/ One Bedroom Units @ 50%**	**Small Families/ 2 Bedrooms @ 40%**	**Large Families/3+ Bedrooms @ 10%**	**Total/10-Year Goals**
Rental @ 75%	22	18	5	45
Ownership Units	**Seniors + Single Persons/ One Bedroom Units @ 20%**	**Small Families/ 2 Bedrooms @ 40%**	**Large Families/3+ Bedrooms @ 40%**	**Total/10-Year Goals**
Ownership @ 25%	3	6	6	15
Total	25	24	11	60
Special Needs* (% of total units)	(5)	(3)	(2)	(10)

Source: 2013 HUD SOCDS CHAS and Karen Sunnarborg Consulting

* Represents 10% of all units created in family housing and 20% in senior and single-person housing, rounding up. For example, of the total 25 projected total one-bedroom units produced, largely directed to seniors or those with disabilities, 20% would involve handicapped accessibility and/or supportive services.

Table V-23 suggests the following targeted housing goals:

- 60 affordable units over 10 years
- 75% or 45 units projected as affordable rentals
  50% of rentals or 22 units for seniors and single persons/one-bedroom units
  40% or 18 units for small families/two-bedroom units
  10% or 5 units for large families/at least three-bedrooms
- 25% or 15 units projected as affordable ownership units
  20% or 3 units for seniors and single persons/one-bedroom units
  40% or 6 units for small families/two-bedroom units
  40% or 6 units for large families/at least three-bedroom units

- Handicapped accessibility and/or supportive services in at least 10% of all affordable units created in family housing and 20% of all units in affordable senior/single-person housing

VI. HOUSING CHALLENGES

The Town of Wellfleet is committed to encouraging sustainable growth and development, including the production and preservation of affordable housing. It is also cognizant of the importance of promoting such growth within the context of preserving natural resources, economic health, and quality of life. It will continue to be a great challenge for the community to create enough housing choices to address the wide range of housing needs in light of the following constraints:

A. Environmental Constraints

Wellfleet is located on a narrow arm of land on the Lower Cape with 44 miles of saltwater coastline along the Atlantic Ocean and Cape Cod Bay that attracts thousands of visitors annually. Wellfleet's beaches along with other highly valued natural amenities provide opportunities for a wide range of recreational activities and important habitats that need to be protected to the greatest extent possible.

Some of the natural assets that are of particular concern and/or a constraint to development include:

- Perhaps the Town's greatest tourist attraction is the Ocean beach area set below a dramatic sea cliff which is protected from development by the Cape Cod National Seashore. Nevertheless, these areas are in danger of overuse which is difficult to control within the context of increasing tourism.
- The Wellfleet Harbor Area of Critical Environmental Concern (ACECs)[22] is shared with Truro and includes the northern portions of the Herring River flood plain that is also an important run for herring and eels. The Harbor's many inlets, bays and islands represent one of the largest estuarine systems on the Cape.
- Wellfleet's large areas of wetlands and marshes contribute to the town's scenic beauty but are also essential to its largest year-round industry, the shell fishing industry. Wellfleet is blessed with a diversity of wetland types and sizes scattered throughout town which provide food and important habitats for a wide range of plants and animals.
- Conservation land, protected by public and private entities, is scattered throughout town with some concentrations around coastal and inland wetland areas. These lands comprise about 60% of Wellfleet's total land area.
- Local soil composition and topology also pose problems for development with about 24% of land with wetness problems and about another quarter steeply sloped. The remaining land, about 3,445 acres or 55%, consists of sand deposits that might be appropriate for septic systems under Title 5, but with extremely high permeability also enables nitrates to percolate freely, potentially causing groundwater problems.
- The Town's freshwater resources include 13 kettle ponds totaling over 284 acres of surface area. These areas are all located within the National Seashore, five ponds with public access. These ponds are dependent solely on the fluctuations of the Monomoy Aquifer's (the Cape's sole source aquifer) water table and may be low in the summer. They also provide unique habitats for rare and endangered plants (Plymouth Gentian, Long-beaked Bald Rush) and rare animals

[22] Areas of Critical Environmental Concern (ACECs) as those that are specially recognized because of their uniqueness, significance and quality of their natural and cultural resources. These areas are nominated by the locality and reviewed and designated by the state's Secretary of Energy and Environmental Affairs. Designation as an ACEC creates a framework of local and regional stewardship.

(Comet Darner, New England Bluet Damselfly).[23] Seven of these ponds are more than ten acres in size and classified as Great Ponds.

- Flooding events from storms continue to be a local challenge both along the coast and inland river areas. Moreover, in the coming decades, flooding and erosion will be increasingly exacerbated by climate change and sea level rise. The Federal Emergency Management Agency (FEMA) recently adjusted the Flood Insurance Rate Maps (FIRMS), which has had implications on insurance costs for many property owners.
- The Indian Neck Ossuary is an archaeologically important burial ground on the Indian Neck peninsula, arguably the most important archaeological find on Cape Cod.

Mitigation Measures:

The Town continues to be proactive in preserving its natural amenities, including important erosion control measures. The Town and other conservation organizations have been active in acquiring and preserving open space over the years that includes about 60% of the Town's total land area as noted above. These conservation entities include the Wellfleet Conservation Trust, which has been particularly active in areas around the harbor, as well as the Wellfleet Bay Wildlife Sanctuary as part of Mass Audubon's efforts, the National Seashore, in addition to the Town's Conservation Commission.

In addition to acquiring open space, the Town is also promoting "smart growth" development by adopting special zoning including the establishment the Floodplain Overlay District, two Wellhead Protection Districts, and the National Seashore Park District for example to protect property and the water supply as well as vegetation, fish and wildlife and preserve natural and scenic areas. The Town also adopted a Main Street Overlay District to support mixed-use development in the downtown.

B. Regulatory Constraints

As is the case in most American communities, a zoning by-law or ordinance is enacted to control the use of land including the patterns of housing development. Wellfleet is divided into six different Zoning Districts[24], including the following two Residential Districts:

- Residential 1 (R1) – Allows somewhat more moderate density in areas generally serviced by public utilities that includes most of the town including areas west of Route 6.
- Residential 2 (R2) – Allows a variety and choice more in keeping with a rural environment and includes the area to the north of the Eastham line up to the northern boundaries of properties on Freedjum Road and to the east of Route 6.

Zoning in the Residential Districts requires a minimum of 30,000 square feet of land area per buildable lot, 135 feet of frontage and a lot coverage of 15%. Because affordable housing typically relies on economies of scale that comes with greater density, this large-lot zoning, while protecting the environment, makes it extremely challenging to build such housing without waivers of existing requirements through the Chapter 40B process or other special local zoning provisions.

[23] Other notable rare species in Wellfleet include the Diamondback Terrapin, Box Turtle, Spadefoot Toad, Four-toed Salamander, Least Tern, Piping Plover, Barrens Black Moth, Broom Crowberry, and Prickly Pear.
[24] Wellfleet Zoning By-laws, Section 3.1, Establishment of Districts, and Section 3.2, District Objectives.

Table VI-1: Intensity of Use Schedule

	CD	R1	R2	NSP	C	C2
Minimum Lot Requirements						
Area, square feet	20,000	30,000	40,000	3 acres	40,000	30,000
Frontage, feet	125	135	135*	200	200	135
Minimum Yard Requirements						
Front, feet	25	30	30**	50	100***	50
Side, feet	20	25	25	35	35	35
Rear, feet	25	30	30	35	35	35
Maximum Building Coverage	15%	15%	15%	5%	25%	15%
Maximum Height						
Stories	2	2	2	2	2	2
Feet	28	28	28	28	28	28

Source: Wellfleet Zoning Bylaw, Section 5.4. * Increases to 200 on Route 6 ** Increases to 300 on Route 6
*** Of which not less than 25% of the required front yard must be maintained with vegetative cover.

Zoning also includes a Central District (CD), two Commercial Districts (C and C2), and the area of the National Seashore Park (NSP) with an Intensity of Use Schedule included in Table VI-1. Commercial development is only allowed along an extended portion of Route 6, the downtown Central District, and in scattered areas in the northeast of town.

The following provisions promote affordable housing, smart growth development, and a greater diversity of housing types:

- *Provisions to Encourage the Development of Affordable Dwellings* – These provisions were adopted "to further the goal of encouraging various lot sizes and housing types for persons of various income levels in accordance with Massachusetts General Laws, Chapter 40A, Section 9 which allows municipalities to adopt 'incentive' ordinances for the creation of affordable year-round dwellings, and for the purpose of helping people who, because of rising land prices, have been unable to obtain suitable housing at an affordable price and maintaining a stable economy by preventing out-migration of residents who provide essential services."[25] Zoning defines an affordable dwelling development as having at least 50,000 square feet of land with at least 25% of the units created as affordable and eligible for inclusion in the Subsidized Housing Inventory (SHI). Permitting is by Special Permit of the Planning Board in both residential and commercial districts. Additional requirements include:

    - Minimum lot size of 20,000 square feet although the Planning Board has the discretion to reduce or suspend the minimum area and frontage requirements that are otherwise applicable in the Zoning By-law, provided that there is at least 10,000 square feet of lot area for each bedroom in the development and setbacks of at least ten feet. The minimum lot size must be 20,000 square feet however, if the development involves a subdivision of the parcel. Moreover, the Planning Board has the further discretion to permit a density of less than 10,000 square feet for each bedroom if the applicant can demonstrate that the sewage disposal system will result in nitrogen loading of less than ten parts per million.

[25] Wellfleet Zoning By-laws, Section 6.28.

- The proposed development is suitable for the proposed location with other features that provide a stable and desirable character that is complementary to the site's natural features.
- That the development, density increase or relaxation of zoning standards has no material, detrimental effect on the character of the neighborhood.

- *Affordable Accessory Dwelling Units* – The Town has made the promotion of affordable accessory dwelling units a priority for quite some time in an effort to promote affordable, year-round rental units.[26]

The Town has established the following process for approving Affordable Accessory Dwelling Units:

- Property owner applies for a Special Permit.
- Building Inspector and Board of Health visit and inspect the unit to determine if there are any health and safety violations that must be corrected prior to the owner obtaining the Special Permit.
- The ZBA reviews the application and the reports submitted by the Building Inspector and Board of Health, holds a public hearing, and grants the Special Permit.
- The Building Inspector issues a Certificate of Occupancy.
- A list of qualified tenants is available to property owners or owners may be able to select their own tenant.
- Prospective tenants must submit income information to the Assistant Town Administrator who documents that they qualify for the units. Once qualified, property owners will be officially notified of the monthly rent they are able to charge based on HUD Fair Market Rents (FMRs).
- The Town Assessor issues a tax abatement to the property owner based on a specified formula, without the need for the owner to submit to a separate application process.[27]
- The property owner annually submits forms that document the continued eligibility of the tenant and use of HUD Fair Market Rents.
- They leave the marketing of the units and parking issues up to the owners.
- The program does not involve any fees.

If a property owner decides at some point to opt out of the special permit, they must inform the Building Inspector and remove the kitchen in the accessory unit. They are allowed to convert the space to other uses such as a "private guest house" or office.

The number of permitted accessory units varies between 12 and 16.

- *Cluster Residential Developments* – The Zoning By-law includes provisions related to cluster development "to allow intensive use of land while at the same time maintaining existing character; preserve open space for conservation and recreation; introduce variety and choice into residential development; meet housing needs; and facilitate economical and efficient

[26] Wellfleet Zoning By-laws, Section 6.21.

[27] The property tax exemption is based on the assessed value of the property multiplied by the square footage of the accessory unit divided by the total square footage of the property.

provision of public services." [28] Such developments respond to "smart growth" principles by promoting more compact development and preserving open space. These developments are processed through a Special Permit of the Planning Board that needs to determine that the proposed design is preferable to a conventional grid-type subdivision. Major requirements include:

- A minimum of at least 15 contiguous acres.
- Open space must be at least 25% of the upland located in the parcel, the space to be conveyed to an entity that will insure its continued preservation.
- Minimum lot size of 10,000 square feet and maximum lot coverage of 15%.
- Drinking water and wastewater provisions must meet all state and local Board of Health requirements and no sewerage treatment facility or advanced wastewater treatment equipment can be used.
- Projects are encouraged to incorporate recommendations for Compact Residential Developments that are included in the Cape Cod Commission's "A Design Guideline Manual for Sustainable Development on Cape Cod".

- *Main Street Overlay District* – This by-law "enables the development and redevelopment of Wellfleet's Village Center (a portion of Main Street) in keeping with its historic development patterns, including the size and spacing of structures and open spaces".[29] The area extends along Main Street from Bank Street to Holbrook Avenue. The zoning promotes mixed-uses and more compact development in keeping with "smart growth" principles. A Special Permit of the Zoning Board of Appeals is required under the following provisions:

  - Safe and convenient pedestrian access must be incorporated into all plans for new construction.
  - Professionally-prepared landscape plans that provide a landscaped buffer strip and appropriate screening plus assurances that such space will be properly maintained.
  - Maximum height of any new or expanded structure of 28 feet.
  - Front yard setbacks that may be reduced to zero, side yard setback of at least six feet, and rear yard setbacks of at least 15 feet, thus allowing more compact development.
  - Maximum lot coverage of 33%, significantly higher than the 15% requirement in other districts.
  - Ability to reduce or waive the parking requirements in the underlying zoning.
  - Allowance of a mix of residential and non-residential uses.

Mitigation Measures: This Housing Plan recommends several additional zoning changes that will further promote affordable housing, a greater diversity of housing types, and smart growth development including the continued promotion of accessory dwelling units, inclusionary zoning, modifying the Cluster Residential Development bylaw, and the year-round use of condos (see Section VII.B).

[28] Wellfleet Zoning By-laws, Section 6.6.1.
[29] Wellfleet Zoning By-law, Section 9.2.1.

C. Limited Community Infrastructure

Major factors that limit growth in Wellfleet are related to on-site septic systems and concerns about the contamination of the community's fragile water supply. Wellfleet has no public sewer services at this time. Wastewater disposal is almost solely reliant on septic systems, raising concerns about the impacts of any new development on the environment, water supply and quality in particular. For example, the nitrogen load from the watershed exceeds the threshold for Wellfleet Harbor, resulting in impaired water quality. There are currently 126 innovative/alternative nitrogen reducing treatment systems serving residential and commercial properties. These systems are generally only installed when required by the Board of Health. The development of the downtown has certainly been constrained by Title 5 requirements as has the development of affordable housing which typically relies on some amount of density to be financially feasible.

Town water service extends to 275 buildings in town leaving much of the community reliant on private wells. Public wells are located off Grist Mill Road, near the pier, and at Cole's Neck. The Town did expand its public water system in response to an Administrative Consent Order, extending the water main from Cole's Neck Road and Pole Dike Road to West Main Street, Bank Street, Commercial Street and Kendrick Avenue, serving a combination of municipal facilities and commercial properties.

Public transportation is also limited to bus service from Hyannis to Provincetown and regular service to Boston and other areas of the Cape by the Plymouth and Brockton line. The Regional Transit Authority provides B-Bus and Dial-a-Ride with services targeted to the elderly and those with disabilities. Public transportation also includes the Flex Bus. Demand for these services has and will continue to increase as those over 65 grow in number over the next couple of decades. Another issue is that these services are not extended to unpaved roadways and so have further limitations. The Council on Aging also operates a free van service to local stores and services for seniors.

Mitigation Measures: While there are no plans to extend water services at this time, there were serious discussions about extending water down Route 6 to the Outer Cape Health Services facility, however an adequate supply of water was found and it was determined that the expansion was unnecessary. The Town will continue to make sure that any new development complies with Title 5 and other environmental regulations.

D. High Property Values

As detailed in Section V.C and V.D of this Plan, both housing costs and affordability gaps are very high and thus substantial amounts of subsidies are required to make affordable housing financially feasible. These market conditions are summarized below.

Ownership Housing

The single-family home market has fluctuated but the median price was $468,000 by the end of 2016. There is in fact very little affordability remaining in Wellfleet's single-family home market but considerable affordability in the condominium market with 4.5% and 62.5% of units valued below $300,000, respectively. Condominiums in fact are a significant part of Wellfleet's housing stock, totaling 339 units, and the most affordable component of the community's private housing although <u>most involve only seasonal use</u>. On the other hand, 370 homes or 12% were assessed between $700,000 and $1 million and another 293 homes were valued at more than $1 million, indicating that Wellfleet has a significant high-end luxury market.

A local realtor indicated that in the spring of 2017, when one would expect a pick-up in home listings, there was a lack of inventory of homes for sale in every price range. While there is typically an average of 70 properties on the market, listings only averaged about 45 as of April 2017. Once listed, properties sell quickly if appropriately priced.

This imbalance between supply and demand has been the driving force behind high housing prices and affordability gaps. The affordability gap is now about $283,000 - the difference between the price of the median priced single-family home ($468,000) and what a median income household can afford ($185,000).[30] This assumes that the purchaser could qualify for a subsidized mortgage that requires much lower down payments and no Private Mortgage Insurance (PMI).
For those earning at 80% of the area median income limit ($61,150 for a family of three), this gap is $217,500, the difference between the maximum they could afford of approximately $250,500 and the median single-family house price of $468,000. These figures are once again based on 95% financing, assuming that the purchasers could qualify for homebuyer programs such as the state's One Mortgage Program or MassHousing's mortgage offerings for example.[31]

There are also affordability gaps for condos as the median condo price of $232,000, as of the end of 2016 from The Warren Group's Banker & Tradesman, would require an income of about $65,721, which is more than Wellfleet's median household income of $45,735 and the HUD area median income for Barnstable County of $61,150 for a household of three.[32] The gap would be $83,000, the difference between the median condo price ($232,000) and what a median income earning household could likely afford ($149,000). The affordability gap for those households earning at the 80% of area median income ($61,150 for a household of three) decreases to an estimated $17,000 or the difference between the median condo price ($232,000) and what a household earning at $61,150 could probably afford ($215,000).

Rental Housing
Rents are also high as it is difficult to find a two-bedroom, year-round, market rental for less than $1,400. Real estate agents confirm that they typically see very few year-round or winter rentals coming on to the market. The rental market in Wellfleet is complicated by decreasing numbers of year-round rental units in the context of seasonal shifts.

In regard to affordability, a year-round, market rental priced at about $1,400 would require an income of about $56,000 without consideration for utilities that would boost the required income closer to $64,000 (assuming $200 in average utility bills and not paying more than 30% of income on housing costs). The median income earning renter ($22,045 based on 2015 census estimates) could afford a rent of only about $351 under the same assumptions. Consequently, the affordability gap would be more than $1,000, the difference between the market rental and what a median-income earning renter could afford. The higher 2010 median renter income of $44,743 would translate into a rent of $919, still well below market rents, and an affordability gap of almost $500. It is consequently not surprising that so

[30] Ibid.
[31] Ibid.
[32] Figures based on 95% financing, interest of 5.0%, 30-year term, annual property tax rate of $6.83 per thousand, $250 monthly condo fee, insurance costs of $4 per $1,000 for condominiums, and the purchaser spending no more than 30% of gross income on mortgage (principal and interest), taxes and insurance. It is also assumes that the purchaser would be eligible for a subsidized mortgage program such as the ONE Mortgage Program on a MassHousing mortgage that would not require private mortgage insurance.

many renters are paying far too much for their housing. A realtor further suggested that given the incomes of year-round residents, rents that they can afford are typically tapped out between the $1,400 and $1,600 range.

It is also important to note that landlords often require first and last month's rent and a security deposit on rentals, also creating substantial up-front cash requirements.

Summer rentals, like most of this part of the Cape, continue to be very pricey, especially near the water. For example, summer rentals typically range for about $800 per week for a small two-bedroom bungalow away from the water to $10,000 per week for homes on the water.

Vacant Property
Assessor's data suggests that there are about 270 vacant developable parcels remaining in town. The median valued vacant parcel was assessed at $218,100. Conservatively assuming $200 per square foot in total development costs, a 2,000 square foot house would cost about $400,000 before acquisition costs and about $618,100 in total costs, significantly higher than the median single-family house price of $468,000 and well beyond the means of most year-round residents.

Mitigation Measures: Given high property costs and resulting affordability gaps, it will be important for the Town to provide subsidies and leverage additional public and private resources to make units more affordable to households earning a wide range of incomes who are priced out of the private housing market. Section VIII of this Plan provides strategies for subsidizing these units.

It should also be noted that Wellfleet has a considerable supply of mobile homes in two separate parks that are among the most affordable units in the unsubsidized housing market and are considered to be assets in the community. The 2015 census estimates identify 234 such units. While these units sell at affordable prices, lenders have not been willing to provide mortgages for such purchases.

E. Limited Developable Property

The Town includes 20.47 total square miles of which 61% is under the administration of the National Park Service as part of the Cape Cod National Seashore. While one can still buy private land and erect a house within the Seashore, such property can be subject to acquisition by the National Park Service at some point with the exception of 600 improved properties that can remain in private ownership in perpetuity as they were built before the National Seashore was established in September of 1959. Other issues that limit development opportunities for year-round residents include:

- *Wellfleet is approaching buildout* – Buildout projections that were prepared by the Town in 2008 as part of the update of its Local Comprehensive Plan, suggest that the Town is approaching buildout. As more than 60% of the Town is permanently-protected open space, new development is significantly constrained. The Town Assessor indicates that there are 270 vacant buildable parcels and that about one-quarter of them are actually unbuildable given wetlands, septic requirements, insufficient frontage, etc., reducing buildable parcels to about 200. It is likely that some of these parcels are not in residential zones while others might accommodate more than a single unit if allowed by zoning, causing additional shifts in the number of potential development opportunities remaining in town. As the Town approaches buildout, redevelopment will become more of an issue and some large parcels that are currently used for other purposes, such as campgrounds for example, may become targets for new development and thus change the buildout figures still more.

- *Increases in seasonal or occasional units* – The absolute numbers of seasonal units or second homes increased from an estimated 1,566 units in 1990 to 2,824 by 2015, representing an 80% rate of growth, more than double the 37% growth rate for the year-round occupied housing stock. Based on 2015 census estimates, seasonal or occasional units comprise 63% of all Wellfleet's housing units. While such housing bolsters the town's economy, having such a substantial portion of homes unavailable for year-round occupancy further limits the supply of housing for year-round residents. Additionally, Wellfleet's zoning restricts condominiums to seasonal use.

- *There has been a loss of rental units,:* Rental units decreased in number and as a percentage of all units to 270 units or 17.4% of all occupied units in 2015, representing a loss of 42 units or by 13.5% during the 1990 to 2015 period. This loss is likely explained by the conversion of rentals to owner-occupancy and/or seasonal or occasional use.

- *Decline in building activity* – Since 2000, residential building activity has slowed down considerably to a growth rate of 11% between 2000 and 2015 compared to 13.6% in the 1990s and 19.7% in the 1980s. Additionally, most of the new building activity was for seasonal or second home use. For example, while Wellfleet's population grew by 10% between 1990 and 2010, seasonal or second home units increased by 76%.

- *Extremely low vacancy rates* – The homeowner and rental vacancy rates were reported as zero in the US Census Bureau's 2015 census estimates. While an actual zero percent level is impossible given natural turnover, it nevertheless signals the existence of extremely tight market conditions.

- *Significant teardown activity* – There has also been a significant level of teardown activity where typically smaller older homes are demolished and replaced by larger and more expensive ones. For example, half of the 2016 new residential units involved demolition/replacement activity. This would imply that net new housing growth is less than what is being reported in the census and building permit data.

- *Development is substantially constrained by environmental considerations* – As noted above in Section VI.A, the combination of a high level of preserved open space, the prevalence of environmentally sensitive areas distributed throughout town, as well as the substantial amount of property included in the National Seashore make developable property increasingly more difficult to come by, a situation that is exacerbated by high acquisition costs. Additionally, while some nearby communities have wooded areas of upland that can be more readily developed, this is not the case for Wellfleet where the coastal shoreline is such a predominant feature of the landscape.

- *Limited municipally-owned property* – Many communities have relied on Town-owned property on which to build affordable housing, establishing the terms and conditions for the development through a Request for Proposals and a Regulatory Agreement. About a decade ago, the Town conducted a formal review of all Town-owned properties to identify any that might be suitable for some amount of affordable housing and identified ten properties, some of which have been recently developed. Consequently, the Town of Wellfleet owns very

limited developable property and property costs are so high that tax-foreclosed property is a rarity.

Mitigation Measures: Given these limitations, it will be important for the Town to revisit its identified inventory of municipally-owned properties and make the best use of existing development opportunities through redevelopment activities. The potential inclusion of special wastewater treatment facilities or even the sewering of the downtown or other areas to facilitate somewhat higher density development in appropriate locations should also be explored at some point. These and other rezoning measures are further discussed in Section VIII.

F. Limited Subsidies

The Town of Wellfleet is fortunate to have some important local resources available for affordable housing including the Community Preservation Fund and the Wellfleet Affordable Housing Trust Fund. Such funding has been essential in creating important affordable housing opportunities including support for the Rental Assistance Program (at about $50,000 per year for the past 10 years) and the BuyDown Program. It also has access to HOME Program funding that is administered by Barnstable County Department of Human Services.

This funding is limited however, with $650,000 in CPA funding available in 2016 for all use categories and a balance of about $200,000 in the Wellfleet Affordable Housing Trust Fund. In addition to supporting local programs, these funds can also be very important in leveraging other sources of financing however, although state and federal subsidies for affordable housing preservation and production as well as rental assistance have been prone to budget cuts over the years making funding extremely competitive. A representative from the Cape's regional housing non-profit housing agency, the Housing Assistance Corporation (HAC), even suggested that while obtaining site control for new projects might have been the major challenge in the past, it is now obtaining the necessary financing.

Mitigation Measures: This Housing Plan provides guidance on the use of Community Preservation Funds and the Wellfleet Affordable Housing Trust Fund for affordable housing initiatives that will enable the Town to support the production of new affordable units and leverage other public and private funding sources. Numbers of participants in the first public meeting on this Housing Plan suggested that the Town should make a greater commitment to providing CPA funds for affordable housing initiatives. This Plan also identifies other of revenue sources that have the potential for significantly increasing subsidies for affordable housing.

G. Community Opposition

Residents in most communities are concerned about the impacts that any new development will have on local services and the quality of life, and many may also have negative impressions of affordable housing in general. It is not unusual for the very term "affordable housing" to carry with it a negative connotation or stigma. Therefore, local opposition to new affordable developments is more the norm than the exception in most communities. Residents often prefer the status quo to the uncertain implications of new development and Not in My Backyard (NIMBY) push-back from neighbors can block positive developments, for years in the event of litigation.

There is also strong resident acknowledgement that rising housing prices are compromising their sense of community and that more workforce housing is needed. More people are recognizing that the new kindergarten teacher, their grown children, an elderly neighbor may not be able to afford to live or

remain in the community. Housing for seasonal workers is also a serious concern of local employers. Residents are increasingly aware that those who provide local services, whether they are municipal workers, a waitress in a nearby restaurant, or the local handyman, need an affordable place to live.

Mitigation Measures: Wellfleet will pursue ongoing community education to inform local leaders and residents on the issue of affordable housing, to help dispel negative stereotypes, provide up-to-date information on new opportunities, and to garner political support (see details in Section VIII). It will be important to continue to be sensitive to community concerns and provide opportunities for residents to not only obtain accurate information on housing issues, whether they relate to zoning or new development, but have opportunities for real input.

Of particular importance to these outreach efforts are two major Cape-wide initiatives. First, the Cape Cod Commission and Barnstable County HOME Program have been engaged in a Cape-wide Housing Market Analysis that has included presentations to the public as well as Town officials and committees and projected housing needs and demand. Second, the Community Development Partnership (CDP) and Housing Assistance Corporation (HAC) are in the process of developing a Cape Community Housing Partnership to promote a better understanding of housing needs and opportunities on a regional basis. This Partnership will sponsor training and advocacy activities including a six-part series of workshops as part of a Cape Housing Institute, advocacy training for interest residents, and a social media campaign on the need for greater housing diversity in the region.

H. Demographic Shifts

An additional challenge to meeting local housing needs involves demographic changes that have been taking place over the past several decades and are projected to continue. For example, all age categories below age 45 experienced significant losses between 1990 and 2010 while all those above involved considerable gains. While the overall population grew by 10% between 1990 and 2010, those under age 18 decreased by 28% with a net loss of 143 children. This represented a declining portion of the population – from 20.5% to 14.3%. Those in the 25 to 44 age range, raising their own families and establishing community roots, decreased by 40% between 1990 and 2010.

On the other hand, older adults between age 55 and 64 doubled in number during this period. Also, while those age 65 or older increased by 47% between 1990 and 2010, they are expected to increase by another 74% by 2030, coinciding with the aging of the baby boomers. The housing needs of this expanding population of seniors will need to be addressed in the Town's housing agenda. This need, however, must also be balanced with efforts to try to attract and retain younger residents which lend such important vitality to any community in addition to an important workforce.

An additional part of the challenge is to create housing opportunities that are more in line with various "lifestages", providing housing options beyond the more isolating single-family homes for seniors as well as starter homes for families. Such options are likely to require regulatory relief given potential need for increased density to make development feasible.

Mitigation Measures: Continued funding of the BuyDown Program with some reasonable tweaks will enable the Town to continue to respond to the housing needs of families looking for starter housing. This Plan also suggests some additional opportunities for creating different types of housing to better match the current lifestyles of seniors and those with special need (see Section VIII.C).

VII. HOUSING DEVELOPMENT GOALS

This Housing Needs Assessment and Action Plan is being prepared to meet state requirements under Housing Production. The Massachusetts Department of Housing and Community Development (DHCD) administers the Housing Production Program in accordance with regulations that are meant to provide municipalities with greater local control over housing development. Cities and towns are required to prepare and adopt a Housing Production Plan that demonstrates the production of an increase of at least 0.5% of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory, the equivalent of eight (8) units in the case of Wellfleet.[33] If DHCD certifies that the locality has complied with its annual goal or that it has produced at least 1.0% of its year-round housing (the equivalent of 16 units for Wellfleet), the Town could, through its Zoning Board of Appeals, potentially deny what it considered inappropriate comprehensive permit applications for one or two years, respectively, without the developer's ability to appeal the decision to the state.[34]

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

- At a minimum, at least fifty percent (50%) of the units that are developed on publicly-owned parcels should be affordable to households earning at or below 80% of area median income. The rental projects will also target some households earning at or below 60% of area median income with lower income tiers as well depending upon subsidy program requirements. It should also be noted that the Town can provide CPA assistance to subsidize units for those earning between 80% and 100% of area median income, commonly referred to as "community housing" units, however these units cannot count as part of the Subsidized Housing Inventory or towards annual housing production goals. Some local housing initiatives, such as the Affordable Accessory Dwelling Unit Program, targets workforce housing units to the 120% AMI level, although these units are not eligible for inclusion in the SHI but serve a pressing local need for smaller, year-round rental units.
- Projections are based on no fewer than four (4) units per acre, averaging about eight (8) total bedrooms. However, given specific site conditions and financial feasibility, it may be appropriate to decrease or increase density as long as projects are in compliance with state Title

[33] Massachusetts General Law Chapter 40B, 760 CMR 56.00.

[34] 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.

5 and wetlands regulations. Because development opportunities are limited, the Town should make sure that new development makes good use of designated development parcels.

- Because housing strategies include development on privately owned parcels, production will involve projects sponsored by private developers through the standard regulatory process or possibly the "friendly" comprehensive permit process. The Town will continue to work with these private developers to fine-tune proposals to maximize their responsiveness to community interests and to increase affordability to the greatest extent feasible, potentially infusing funding from the Wellfleet Affordable Housing Trust Fund or CPA where appropriate.
- The projections involve a mix of rental and ownership opportunities that reflect the targeted housing goals included in the Housing Needs Assessment (see Section V.F) where at least 75% of the units are directed to rentals. The Town will work with developers to promote a diversity of housing types directed to different populations with housing needs including families, seniors, single occupants and individuals with special needs to offer a wider range of housing options for residents.
- Handicapped accessibility and/or supportive services in at least 10% of all affordable units created in family housing and 20% of all units in affordable senior/single-person housing.

Table VII-1: Wellfleet Housing Production Program

Strategies by Year	Affordable Units @ < 80% AMI	Workforce Units @ 80%-120% AMI or Ineligible for SHI	Total Units*
Year 1 – 2018			
Development of publicly-owned property/ Old King's Highway Homes/"friendly 40B" (ownership)	3	0	3
Development of publicly-owned property/ 2082 State Highway/"friendly 40B" (ownership and rental)	3	0	3
BuyDown Program (ownership)	2	0	2
Rental Assistance Program (new participants)	0	8	8
Accessory Dwelling Units	0	2	2
Subtotal	*8*	*10*	*18*
Year 2 – 2019			
Certified/Covered under Year 1			
Public property development/"friendly 40B"/Paine Hollow Apartments (rental)	8	0	8
BuyDown Program (ownership)	2	0	2
Rental Assistance Program (new participants)	0	8	8
Accessory Dwelling Units	0	2	2
Subtotal	*10*	*10*	*20*
Year 3 – 2020			
Certified/Covered under Year 2			
BuyDown Program (ownership)	3	0	3
Rental Assistance Program (new participants)	0	8	8
Accessory Dwelling Units	0	2	2
Subtotal	*3*	*10*	*13*
Year 4 – 2021			
Public property development/"friendly 40B"/Land adjacent to Senior Center (rental)	12	0	12
BuyDown Program (ownership)	3	0	3

Rental Assistance Program (new participants)	0	8	8
Accessory Dwelling Units	0	2	2
Subtotal	*15*	*10*	*25*
Year 5 – 2022			
Private property development/cluster development bylaw – pocket neighborhood with bungalow-style units (ownership)	2	8	10
Private property development/special needs housing (rental)	4	0	4
BuyDown Program (ownership)	3	0	3
Rental Assistance Program (new participants)	0	8	8
Accessory Dwelling Units	0	2	2
Subtotal	*9*	*18*	*27*
TOTAL	**45**	**58**	**103**

* The totals include market rate units in addition to the affordable and workforce units.

VIII. HOUSING STRATEGIES TO ADDRESS NEEDS AND GOALS

The strategies outlined below are based on previous plans, studies, a survey of seniors, the Housing Needs Assessment, local housing goals, community input and the experience of other comparable localities in the area and throughout the Commonwealth. Of particular importance was the Community-wide Housing Workshop that was held on May 24, 2017 that included breakout group brainstorming on priority actions for the Town to pursue as part of this Plan. A summary of this Workshop is included as Appendix 4.

The strategies are categorized according to those that will build the community's capacity to promote or preserve affordable housing as well as those related to zoning and direct development or assistance projects. Moreover, the strategies are prioritized with "High" priority actions estimated for immediate attention and implementation during the first two years of this Plan, "Medium" for Years 3 to 4, and "Lower" for longer-term implementation. A summary of these actions is included in Table I-1.

The actions also reflect state requirements that ask communities to address all of the following major categories of strategies to the greatest extent applicable:[35]

- *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;*
    - Integrate affordable housing in the Cluster Residential Development Bylaw (see strategy VIII.B.3)
    - Continue to partner with developers on privately owned sites (strategy VIII.C.1 – includes some locations)

- *Identification of specific sites for which the municipality will encourage the filing of comprehensive permit projects;*
    - Continue to make suitable public land available for affordable housing (strategy VIII.C.3)
    - Continue to partner with developers on privately owned sites (strategy VIII.C.1)

- *Characteristics of proposed residential or mixed-use developments that would be preferred by the municipality;*
    - Integrate affordable housing in the Cluster Residential Development Bylaw (see strategy VIII.B.3)
    - Better promote Affordable Accessory Dwelling Units (VIII.B.1)
    - Continue to partner with private developers on privately owned sites (see strategy VIII.A.1) As indicated in strategy VIII.A.1, the Town should continue to work with developers to create affordable housing in line with smart growth principles including:
        - Mixed-use development in appropriate locations
        - Motel or cottage colony conversions to year-round use
        - Accessory apartments
        - Redevelopment of underutilized, nonresidential properties into housing
        - Smaller infill housing in existing neighborhoods

[35] Massachusetts General Law Chapter 40B, 760 CMR 56.03.4.

- Cluster development
- Group homes or other congregate living options for older residents or special needs populations
- Some multi-generational, multi-family housing
- Transit-oriented development along Route 6

- *Municipally owned parcels for which the municipality commits to issue requests for proposals to develop affordable housing.*
    - Continue to make suitable public land available for affordable housing (see strategy VIII.C.3)

- *Participation in regional collaborations addressing housing development*
    - Develop a regional/Lower Cape housing development strategy (strategy VIII.C.4)
    - Participate in Barnstable County HOME Consortium (referenced in strategy VIII.C.4)

It will also be important to insure that affordable units produced through this Plan get counted, to the greatest extent possible, as part of the Subsidized Housing Inventory (SHI), applied through the Local Initiative Program (LIP) administered by the state's Department of Housing and Community Development (DHCD) if another state or federal housing subsidy is not involved. In order to be counted as part of the Subsidized Housing Inventory the units must meet the following major criteria:

- Subsidized or approved by a state subsidizing agency;
- Sold or rented based on procedures articulated in an affirmative fair housing marketing and resident selection plan approved by DHCD;
- Sales prices and rents must be affordable to households earning at or below 80% of area median income; and
- Long-term affordability is enforced through affordability restrictions, approved by DHCD.

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 municipality; and/or
- Provision of land or buildings that are owned or acquired by the municipality and conveyed at a substantial discount from their fair market value.

Affordable units created as part of the Town's BuyDown Program fall into this Local Action Unit (LAU) category. Additionally, a Requesting New Units Form must be submitted to DHCD with other required materials to insure that these units get counted.

It should be noted however, that a major goal of this Plan is not only to strive to meet the state's 10% goal under Chapter 40B, but to also serve local needs. Consequently, there are instances where housing initiatives might be promoted to meet these needs that will not necessarily result in the inclusion of units in the Subsidized Housing Inventory; examples potentially include the promotion of

mixed-income housing that includes income tiers above 80% of area median income, the town's Rental Assistance Program, and the promotion of accessory dwelling units.

Within the context of compliance issues, identified local needs, existing resources, community input and the other 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 prioritize and process, each through the appropriate regulatory channels.*

A. Capacity Building Strategies

The May 24, 2017 Community Housing Workshop surfaced a number of comments related to the importance of affordable housing to the community, some participants even suggesting that housing should become the Town's #1 priority issue. The following strategies relate to this expanded commitment to building the Town's capacity to promote and preserve community housing opportunities through *increased education, professional support and financial resources:*

1. Continue to Conduct Ongoing Community Education

Priority: Years 1 to 2
Responsible Parties: Local Housing Partnership and Wellfleet Housing Authority as well as other entities involved in affordable housing-related initiatives such as the Planning Board, Zoning Board of Appeals and Community Preservation Committee

As suggested in the May 2017 Community Workshop, the Town should "find a way to better tell the story about the need for affordable housing to broaden the base of support" and "put a face on those in need".

Current Status: Because most of the housing strategies in this Action Plan rely on local approvals, including those of Town Meeting, community support for new initiatives has and will continue to be essential. Strategic efforts to better inform residents on the issue of affordable housing and specific new initiatives can build local support by generating a greater understanding of the benefits of affordable housing while reducing misinformation, dispelling negative stereotypes, generally promoting greater community acceptance. These outreach efforts are mutually beneficial as they provide useful information to community residents and important feedback to local leaders on community concerns.

Next Steps: The preparation and presentation of this Housing Needs Assessment and Action Plan offer further opportunities to bring attention to the issue of affordable housing, highlighting updated information on housing needs and proposed strategies that can help attract community support for affordable housing initiatives. Other education opportunities should continue to be pursued such as:

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

- *Housing summits*
  Most communities lack an effective mechanism for promoting regular communication among relevant Town boards and committees on issues related to affordable housing. Having a forum to share information on current housing issues would help foster greater communication and coordination among these entities, even providing opportunities to pursue strategic planning and policy development among local boards. Additionally, inviting residents to some of these meetings can help build community interest, improve communication, and garner support.

The use of social media is an effective outreach tool for the communication of important housing-related information and events, particularly for younger residents. Outreach to area colleges and technical schools can also be helpful in attracting attention from younger adults.

- *Enhanced Website*
  The Local Housing Partnership should work with appropriate Town staff on providing a housing section on the Town's website with useful information on housing-related activities, resources and important links. As suggested in the May 2017 Housing Workshop, this website could also create an Affordable Housing Clearinghouse for information on available affordable units.

- *Community Access Television*
  Important informational meetings and public hearings related to affordable housing should be televised where possible to provide information to larger numbers of residents on new housing initiatives and issues.

- *Lower Cape Housing Meetings*
  The Cape Cod Commission had been organizing meetings of representatives of the Lower Cape, from Orleans to Provincetown, to discuss the range of housing issues that affect the area. Those who were encouraged to attend included members of the Board of Selectmen, Housing Committees/Partnerships/Trusts, and Housing Authorities as well as Town Planners, and representatives of community-based organizations. Efforts should be made to reintroduce these regional meetings. Such meetings would be particularly important in pursuing a regional housing development strategy as proposed in strategy VIII.C.4 which was highly supported by participants in the May 2017 Housing Workshop. If the Cape Cod Commission was unable to coordinate these meetings, each Lower Cape community could take a turn in hosting meetings on at least a quarterly basis.

- *Celebrate success*
  The Town should attract attention to any progress that is made with respect to the implementation of this Housing Plan through media and events, potentially offering testimonials from those who benefit from the housing that is created. Because the development of affordable housing is typically a long process that can take great persistence and patience from a wide range of parties, ground-breakings and ribbon-cuttings also offer opportunities for all involved to be acknowledged and feel good about their contributions.

- *Public information on existing programs and services*
  The Town should get the word out about existing local and regional programs and services that support renters and homeowners. For example, assistance in making property improvements as well as counseling or workshops in purchasing a home or reducing the risk of foreclosure is available from the Housing Assistance Corporation (HAC) and the Community Development Partnership (CPD). High housing costs are still creating problems for low-income residents despite the recession of a few years ago. For example, renters continue to confront difficulties finding safe and decent rental units, especially during the summer, as market and subsidized rentals are very limited. Owners, including seniors living on fixed incomes, are finding it increasingly difficult to afford the costs associated with rising energy costs, insurance and home improvements, and some have been faced with foreclosure. Additionally, some seniors and those with special needs require handicapped adaptations and repairs to help them remain in their homes. Wellfleet residents might also benefit from technical and financial support in the case of septic failures and Title 5 compliance issues.

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

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

Of particular importance are upcoming efforts of the Community Development Partnership (CDP) and Housing Assistance Corporation (HAC), with support from the Massachusetts Housing Partnership (MHP), to develop a Cape Community Housing Partnership to promote a better understanding of housing needs and opportunities on a regional basis. The Partnership is undertaking three major initiatives over the next year:
???

- A six-part series of workshops as part of what is being called the Cape Housing Institute will be conducted, modeled on the statewide Housing Institute that MHP coordinates annually. These sessions are planned to provide a wide range of information on housing issues, targeted to local leaders and housing stakeholders. They will be held in various subregions of the Cape starting in October 2017.

- Training for local citizens on how to serve as advocates for affordable housing initiatives will begin in January 2018 to create an informed cadre of residents that can provide useful input and support for affordable housing programs and projects in their communities.

- A public and social media campaign will be launched to provide information on affordable housing to better educate the public on the needs, benefits, and opportunities for promoting greater housing diversity throughout the region.

Resources Required: Volunteer time of members of the Local Housing Partnership to coordinate these activities with potential support from the proposed Housing Coordinator (see strategy VIII.A.2).

2. Hire a Part-time Housing Coordinator

Priority: Years 1 to 2
Responsible Parties: Board of Selectmen with support from the Local Housing Partnership, Wellfleet Housing Authority, and Community Preservation Committee.

Current Status: DHCD guidelines require that each community have a "local project administrator" who is responsible monitoring the affordability of SHI units or designate this task. Most communities designate some staff person or entity to do this work and communities have accomplished this in different ways. For example, Bourne has used CPA funds to hire a part-time Affordable Housing Specialist, expanding the number of hours as the Scope of Work increased over time. The Town of Yarmouth has a housing staff person on board to assume these housing-related functions. Dennis just hired a part-time Housing Coordinator funded through CPA funds, and the Town of Provincetown has a full-time Housing Coordinator.

Next Steps: The Town should determine how best to insure that it has adequate oversight to monitor affordability and insure that all affordable units are counted as part of the SHI and continue to meet all state requirements. Additionally, the Town could use some support in undertaking the following potential activities:

- Staff the Local Housing Partnership;
- Coordinate the implementation of this Plan;
- Provide HOME Program related tasks;
- Answer housing inquiries;
- Maintain a list of those to notify when affordable housing opportunities arise;
- Conduct marketing/lottery work;
- Review and submit reports regarding development proposals;
- Review affordable housing development documents;
- Coordinate new or modify zoning related to affordable housing, working with the Planning Board;

- Assist in the preparation of Requests for Proposals (RFP) for housing projects;
- Provide orientation to new housing-related board members;
- Perform community outreach and education, including the preparation of materials;
- Research funding sources available to supplement local resources;
- Draft criteria to evaluate affordable housing proposals;
- Organize public forums and special events, including housing summits;
- Explore development opportunities; and
- Draft funding guidelines and the action plans for the Affordable Housing Trust Fund.

With input from the Local Housing Partnership and the Housing Authority, the Board of Selectmen should develop a Scope of Services for a part-time housing consultant/housing coordinator and obtain funding from the Community Preservation Committee or Housing Trust Fund. It would then issue a Request for Proposals (RFP) to solicit interest from qualifying professionals or organizations to undertake these services. It should also be noted that other consultants could be brought on as needed to handle specific activities including environmental engineers for predevelopment work, appraisers, surveyors, lawyers, etc.

Alternatively, as part of efforts to explore regional collaborations under strategy VIII.C.4, Wellfleet with other Cape communities might consider establishing a Regional Housing Services Office modeled on those that have been created in the Metro West and North Suburban areas of Boston as well as another being developed in Central Massachusetts. For example, the Metro West Regional Housing Services Office was established as a collaborative effort among the seven communities of Acton, Bedford, Burlington, Concord, Lexington, Sudbury, and Weston to provide assistance in planning, permitting, monitoring, maintaining, and increasing their inventory of affordable housing. Each participating community pays an annual membership fee to the Town of Concord, the lead community, to cover the Office's expenses. This fee provides access to part-time consultants with expertise in affordable housing, funded by Community Preservation Funds. The Community Development Partnership (CDP) has begun exploring this option.

Resources Required: Annual funding for a part-time Housing Coordinator typically ranges from $25,000 to $35,000 depending upon the Scope of Services. This funding could come from CPA or the Affordable Housing Trust Fund.

3. Provide Sustainable Funding Sources and Incentives

Priority: Years 1 to 2
Responsible Parties: Board of Selectmen with support from the Local Housing Partnership, Wellfleet Housing Authority, and Community Preservation Committee.

Current Status: While Wellfleet is fortunate to have CPA funding and an Affordable Housing Trust Fund to support affordable housing, additional resources are needed. The message that community preservation and economic development can be achieved through affordable or mixed-income housing development is a compelling one for those who care about the community.

While it may be recognized that seasonal rentals and second-home owners subsidize the Town's tax base without utilizing the most costly of services, education, more than half of the new housing stock developed between 2000 and 2015 was for seasonal or occasional use, which has pushed housing prices

beyond the means of most year-round residents and thus has driven the need for more affordable year-round units. Moreover, given that the Lower Cape communities have some of the lowest property tax rates in the Commonwealth, other opportunities to raise funding from temporary residents and landlords should become priorities. Wellfleet has recently taken some decisive action in this regard.

If passed by the state legislature, the will enable the Town to devote more resources towards the imple this Housing Plan.

Wellfleet's Town Meeting recently voted to authorize the Board of Selectmen to file a petition for special legislation that would authorize the Town to impose a 0.5% real estate transfer tax of the purchase price of any real property, exempting the first $500,000 of the purchase price among several other exemptions.

and

Wellfleet's recent Annual Town Meeting also approved a room occupancy tax that renews a previous petition voted at the 2015 Annual Town Meeting which has not been acted upon by the State Legislature. Representative Peake's Office has requested that it be re-voted for the next legislative session. The petition would make vacation rentals subject to the same room tax as is currently paid by hotels and motels.

Estimates suggest that the real estate transfer tax will generate approximately $30,000 per year in revenue and that the room occupancy tax would raise about $250,000. It would be important for LHP and WHA to advocate that a significant amount of these new revenue sources be appropriated in support of affordable housing efforts.

Wellfleet also exempts landlords from a portion of real estate taxes for units that are rented year-round to eligible tenants at rents that do not exceed HUD Fair Market Rents (FMRs). This benefit should be widely publicized to increase awareness and its use.

Next Steps: the Town might explore the following other options for tapping into different funding streams, potentially in concert with neighboring communities:

- Wellfleet's Community Preservation Committee and Town Meeting have been generous over the years with respect to providing CPA funding for housing with almost $3 million in allocations of the approximately $7.3 raised since CPA was adopted in town. There was some sentiment during the May 2017 Housing Workshop that there should be an even *greater commitment of CPA funds* given the importance of the issue. Some communities, like Sudbury and Grafton for example, have authorized that 10% of the annual CPA funding be automatically deposited into their Housing Trust Funds to further capitalize these funds which enable the Trusts to respond to development opportunities by acquiring property without significant wait time.

- Exploring a *two-tier tax system* that provides a somewhat lower tax rate for year-round units as opposed to seasonal or occasional ones.

- Using *regional appropriations of CPA funding* based on the premise that housing that is developed in one community is likely to benefit residents of other nearby communities as well. Recent examples of such an approach include Cape Cod Village in Orleans, Campbell-Purcell

Community Housing in Eastham and potentially the Governor Prence development, also in Eastham. More information on these developments is included in strategy VIII.C.4.

- Providing information to owners on the *potential tax advantages* of donating property or selling property at a discounted price for charitable purposes. Such funding or property could be targeted to Wellfleet's Affordable Housing Fund.

- Pursue *innovative technology grants* to support more sustainable and denser development such as those related to solar energy.

Required Resources: Donated time from members of the Local Housing Partnership which could be greatly assisted by the additional professional support recommended in strategy VIII.A.2.

B. Zoning Strategies

Zoning is a powerful tool for guiding development to appropriate locations and mandating or incentivizing the inclusion of public benefits, including affordable housing. The following zoning-related actions are proposed for consideration:

1. Better Promote Affordable Accessory Dwelling Units (AADU's)

Priority: Years 1 to 2
Responsible Parties: Planning Board with support from the Local Housing Partnership and Wellfleet Housing Authority

Current Status: The Town has made the promotion of affordable accessory dwelling units a priority since 2004 when it introduced the Wellfleet Affordable Accessory Dwelling Unit (AADU).[36] As indicated in the 2007 Housing Action Plan, AADU represents an effective and well-supported option for increasing community housing opportunities without resorting to new housing units. It recognizes that Wellfleet's retirement community and seasonal owners can benefit from the security and income offered by an accessory dwelling unit."[37]

The Town defines such a unit as a year-round living space located within or attached to a principal dwelling, principal structure, a garage, or constructed as a detached unit. Units may not be larger than 1,200 square feet of livable floor area. Because the Program does not require deed restrictions nor mandates that tenants be selected from a pre-qualified Ready Renters List, the units are not eligible for inclusion in the Subsidized Housing Inventory although they are in fact relatively affordable based on specified income limits (up to 120% of median income for Barnstable County annually adjusted by household size by HUD) and rent limits (based on annually adjusted HUD Fair Market Rents according to the number of bedrooms). Up to three affordable accessory dwelling units are allowed per lot, and owners may occupy the principal dwelling or the affordable accessory dwelling unit(s). Septic systems are required to meet Title 5 standards.

Wellfleet has established the following process for approving Affordable Accessory Dwelling Units (AADUs):

[36] Wellfleet Zoning By-laws, Section 6.21.
[37] Development Cycles, Community Housing Action Plan, 2007.

- Property owner applies for a Special Permit.
- Building Inspector and Board of Health visit and inspect the unit to determine if there are any health and safety violations that must be corrected prior to the owner obtaining the Special Permit.
- The ZBA reviews the application and the reports submitted by the Building Inspector and Board of Health, holds a public hearing, and grants the Special Permit.
- The Building Inspector issues a Certificate of Occupancy.
- A list of qualified tenants is available to property owners or owners may be able to select their own tenant.
- Prospective tenants must submit income information to the Assistant Town Administrator who documents that they qualify for the units. Once qualified, property owners will be officially notified of the monthly rent they are able to charge based on HUD Fair Market Rents (FMRs).
- The Town Assessor issues a tax abatement to the property owner based on a specified formula, without the need for the owner to submit to a separate application process.[38]
- The property owner annually submits forms that document the continued eligibility of the tenant and use of HUD Fair Market Rents.
- They leave the marketing of the units and parking issues up to the owners.
- The program does not involve any fees.

If a property owner decides at some point to opt out of the Special Permit, they must inform the Building Inspector and remove the kitchen in the accessory unit. They are allowed to convert the space to other uses such as a "private guest house" or office.

The number of permitted units varies from about 12 to 16. The occupants tend to include both older and younger single adults.

Next Steps: The Town should consider the following options to better promote AADU's in the community:

- Offer amnesty for owners of illegal units to make them legal if rented affordably. This provision would also help remedy potential health and safety problems associated with illegal units.
- There was some discussion in the past about the Town providing no interest, deferred loans to support necessary improvements, however this program was never implemented. Establishing a Revolving Loan Program with CPA and/or Housing Trust funds makes sense. There are good models to use in implementing such a program although the maximum amount provided per participant is an important decision. Such a program would have to be limited to those earning at or below 100% AMI however.
- Consider adding a "by right" provision as proposed in the model Accessory Dwelling Unit bylaw that is being promoted by the Cape Cod Commission Cape or as part of a two-tier approach used by Lexington and Newton for example.[39]

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[38] The property tax exemption is based on the assessed value of the property multiplied by the square footage of the accessory unit divided by the total square footage of the property.

[39] These bylaws include by-right approvals if the unit meets standard requirements related to minimum bedroom count, minimum lot size, minimum unit size, ownership, parking access, and matching architectural character for example. A Special Permit option is also allowed for non-standard situations in the case of detached or external

- Expand the tax incentives for creating accessory dwellings.
- Provide subsidies to encourage developers of new units to create AADU's.

Resources Required: Donated time of the Planning Board should coordinate this effort with other appropriate local officials, drafting the zoning amendment and coordinating the necessary approvals towards implementation. This strategy is also likely to require professional support from the Town Planner/Assistant Town Administrator with input potentially from the proposed Housing Coordinator (see strategy VIII.A.2) and/or a consultant that could be covered by CPA funding or the Affordable Housing Trust Fund.

2. Adopt Inclusionary Zoning

Priority: Years 3 to 5
Responsible Parties: Planning Board with support from the Local Housing Partnership and Wellfleet Housing Authority

Current Status: Inclusionary zoning, not currently included in Wellfleet's Zoning By-law, is a zoning provision that requires a developer to include affordable housing as part of a development or potentially contribute to a fund for such housing. This mechanism has been adopted by 161 communities in the state.

Studies on inclusionary zoning indicate that mandatory provisions coupled with strong incentives are most effective in promoting affordable housing. It is important to provide sufficient incentives to developers to make sure that the incorporation of affordable units will be financially feasible. Incentives also reduce the risk of litigation from developers who claim that the mandatory inclusion of affordable units involves a "taking" of their property rights. In fact inclusionary zoning can be legally vulnerable if requirements make it impossible for the developer to earn a reasonable return on the project as a whole.

Many of the municipalities that have inclusionary zoning in place are reaping the rewards of these actions through the creation of actual affordable units and/or cash contributions to the locality for investment in affordable housing production. Most of the by-laws include mandated percentages of units that must be affordable, typically 10% to 20%, and density bonuses[40]. Some also allow the development of affordable units off-site and/or cash in-lieu of actual units. Table VIII-1 provides a summary of some inclusionary zoning requirements from other communities.

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

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apartments, apartments located in commercial buildings or units that do not meet the minimum standards for the by-right approval.

[40] Density bonuses allow increased densities beyond what is allowed under the Zoning By-law.

The Wellfleet Planning Board should explore models and prepare a zoning amendment that is best suited to supporting affordable housing in the community. The Planning Board should prepare, adopt and present the by-law to Town Meeting for adoption. Ideally the adoption of this by-law would lead to the production of actual housing units, but may also deliver payments in lieu of actual units to help capitalize Wellfleet's Affordable Housing Trust Fund.

Table VIII-1: Summary of Inclusionary Zoning Requirements in Other Communities

Municipality	Required Percentage of Affordable Units	Minimum Project Size	Payment-in-lieu of Affordable Units
Amherst	Based on project size Ranges from 7% to 12%	10 Units	No
Arlington	15%	6 Units	Yes
Barnstable	10%	10 Units	Formed a committee to study
Belmont	10%, 12.5% or 15% depending on project size	2 single-family or two-family homes	Yes
Brookline	15%	6 Units	Yes
Cambridge	15%**	10 Units	Yes
Duxbury	10%	6 Units	Yes
Hopkinton	10%	10 Units	Yes
Medway	10%	6 Units	Yes
Newton	15%	4 Units*	Yes
Provincetown	16.67%	2-5 (payment in-lieu) 6 Units	Yes
Somerville	12.5% to 20% depending on location	6 Units*	Yes
Tewksbury	15%	4 Units*	Yes
Watertown	15%	5 Units	Yes
Wellesley	20%	5 Units	Yes
Yarmouth	20%	5 Units	Yes

*Zoning indicates that the calculation of a fractional unit of 0.5 or more shall be regarded as a whole unit. With a 12.5% to 15% affordability requirement, the 0.5 threshold occurs with four (4) total units.
** Considering increasing the percentage to 20%.

Provincetown passed an Inclusionary Zoning Bylaw at its recent Annual Town Meeting in April 2017 that requires one-sixth (16.67%) of new units produced in housing projects of six (6) or more units be

affordable or community housing units[41] under the Special Permit process through the Planning Board. The development of 2 to 5 new dwelling units also requires a Special Permit and includes a payment-in-lieu condition of providing a fractional unit payment to be made to the Town's Affordable Housing Fund as follows:

- For 2-3 new units, the payment = (total # of new units) x (16.67%) x (affordability gap)[42] x (33%)
- For 4-5 new units, the payment = (total # of new units) x (16.67%) x (affordability gap) x (50%)
- Developers of 2-5 units can opt to exceed the 16.67% requirement and build or rehabilitate an affordable/community unit(s) on-site or off-site instead of making the payment and also be eligible to take advantage of incentives in the bylaw.
- For year-round rental units, a lien is placed on the property and the payment is deferred until such time that the year-round use ceases with the full balance due at that time.

The bylaw also allows payments in-lieu of actual units in projects of 6 or more units based on the following formulas:

- For 6-9 new units, the payment = (total # of new units) x (16.67%) x (affordability gap) x (67%)
- For 10 or more new units, the payment = (total # of new units) x (16.67%) x (affordability gap)

Land donation-in-lieu of providing affordable/community housing units is also allowed under specific conditions. Incentives are also provided in the bylaw for any project that meets or exceeds the minimum 16.67% requirement through bonuses on density, height, building permit fee reduction, and a streamlined permitting process. There are also provisions for off-site development.

Wellfleet might consider some of these provisions and those from other models, although targeting the affordable units to those earning at or below 80% AMI should be a priority given the number of renter households in the community who are spending far too much of their income on housing costs.

Resources Required: The Planning Board should coordinate this effort with other appropriate local officials, drafting the zoning amendment and coordinating the necessary approvals towards implementation. This strategy is also likely to require professional support from the Town Planner/Assistant Town Administrator with input potentially from the proposed Housing Coordinator (see strategy VIII.A.2) and/or a consultant that could be covered by CPA funding or the Affordable Housing Fund. Potential technical assistance funding could come from the DHCD's Planning Assistance Towards Housing (PATH) Program.

The monitoring of affordability will also be important for the town to oversee, both initially to insure inclusion in the SHI and on an ongoing basis.

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[41] Affordable housing is defined as units targeted to those earning at or below 100% of area median income (AMI) for Barnstable County with the household paying no more than 30% of income on housing costs. Community housing is defined as units targeted to those earning above 100% of area median income for Barnstable County and up to 180% AMI with the household paying no more than 30% of income on housing costs.

[42] The affordability gap is defined as the difference between the average assessment of all one-and two-bedroom condominiums in Provincetown and the sale price a one or two-bedroom housing unit affordable to a two-person household earning at 80% of area median income for Barnstable County.

3. Integrate Affordable Housing into the Cluster Residential Development Bylaw

Priority: Years 3 to 5
Responsible Parties: Planning Board with support from the Local Housing Partnership and Wellfleet Housing Authority

Current Status: Wellfleet's Zoning By-law includes a Cluster Residential Development By-law "to allow intensive use of land while at the same time maintaining existing character; preserve open space for conservation and recreation; introduce variety and choice into residential development; meet housing needs; and facilitate economical and efficient provision of public services." [43] Such developments respond to "smart growth" principles by promoting more compact development and preserving open space. These developments are processed through a Special Permit of the Planning Board that needs to determine that the proposed design is preferable to a conventional grid-type subdivision (requirements are included in Section VI.B). The by-law does not include any requirements or incentives for including affordable housing.

Next Steps: The Town should consider density bonuses for the integration of some amount of affordable housing into the By-law and allow some multi-family dwelling types as well. More incentivized density bonuses and affordability requirements should encourage mixed-income development and support greater project feasibility.

The Planning Board should review model by-laws and tweak the existing one. Model by-laws have been produced by the Metropolitan Area Planning Council, Massachusetts Audubon, and others in the Green Neighborhood Alliance, and adopted by a number of Massachusetts communities. Several examples are offered on the Citizen Planner Training Collaborative website (www.umass.edu/masscptc/examplebylaws.html) and the state's Smart Growth Toolkit (www.mass.gov/envir/smart_growth_toolkit/pages/SG-by-laws.html).

Resources Required: The Planning Board should coordinate this effort with other appropriate local officials, drafting the zoning amendment and coordinating the necessary approvals towards implementation. This strategy is also likely to require professional support from the Town Planner/Assistant Town Administrator with input potentially from the proposed Housing Coordinator (see strategy VIII.A.2) and/or a consultant that could be covered by CPA funding or the Affordable Housing Fund.

4. Allow More Diverse Housing Types in More Areas

Priority: Years 3 to 5
Responsible Parties: Planning Board with support from the Local Housing Partnership and Wellfleet Housing Authority

Current Status: Wellfleet's Zoning Bylaw significantly limits multi-family housing development. Both Residential Districts in Wellfleet restrict housing development to single units solely with multi-family structures allowed only in Commercial C District.

[43] Wellfleet Zoning By-laws, Section 6.6.1.

As Table VIII-2 indicates, this is not a unique circumstance among communities in Massachusetts. For example, on the Cape and the Islands, 87% of the communities do not have zoning for multi-family housing with almost all of the developable land without such zoning. This is higher than any other region in the state. While this data is relatively old, it is likely that there have been very limited changes in local zoning to better promote multi-family housing development throughout the region and state.

Table VIII-2: Summary by Region of Multi-family Housing Zoning Restrictions

Region	% Without Multi-family Zoning	% of Regions' Developable Land without Multi-family Zoning
MA Average	74%	83%
Berkshire	84%	84%
Boston	59%	79%
Cape and Islands	87%	98%
Central MA	76%	82%
Northeast	76%	82%
Pioneer Valley	75%	82%
Southeast	77%	88%

Source: Massachusetts Department of Environmental Affairs, Buildout Analysis 2000-2002

The Town does have a local Chapter 40B bylaw under Section 6.28, Provisions to Encourage the Development of Affordable Dwellings. Zoning defines an affordable dwelling development as having at least 50,000 square feet of land with at least 25% of the units created as affordable and eligible for inclusion in the Subsidized Housing Inventory (SHI). Permitting is by Special Permit of the Planning Board in both residential and commercial districts. Further details on this bylaw are included in Section VI.B. While this bylaw gives the Planning Board considerable discretion in waiving some requirements, no units have been permitted under the bylaw to date.

The Planning Board did approve the Habitat project of three houses on three acres but when neighbors appealed, Habitat chose to go to ZBA under state 40B. There have been some local concerns that the bylaw might not stand up to appeals should abutters decide to go to the courts, and the Town has relied on the state's Chapter 40B process instead.

It should be noted that Wellfleet has two mobile home parks with ownership units at Harborside Village and more typical leased units at Massasoit Park. The Town considers these homes to be very important components of its year-round more affordable housing stock. Problems have been encountered in financing these units however.

Because affordable housing typically depends on economies of scale, particularly in areas like Wellfleet with such high property values, it is difficult to develop such housing at a scale sufficient enough to meet housing production goals or without very deep subsidies. Without appropriate zoning or the Chapter 40B comprehensive permit process, various housing types that can address local needs are not permitted.

Participants of the May 2017 Housing Workshop recommended that the Town explore ways to change zoning to increase density and better address community needs including allowing more diverse housing types and permitting smaller lot development. They also suggested that the Town be more creative in its approach to affordable housing and explore some innovative types of housing such as converted shipping containers, yurts, trailers, and tiny houses. Such housing types would likely need special zoning. Other types of housing that are potentially more affordable and suitable for rentals, starter homes or for downsizing might include:

- *Bungalow or cottage housing in pocket neighborhoods*
  This type of housing has been popular in the West Coast of the country where there is an intense focus on smart growth development principles and accommodating increasing numbers of smaller households. The model involves the development of small cottages or bungalows that are clustered around a community green space. This housing type targets empty nesters, single professionals, and young couples. Such development provides opportunities for the ownership or even rental of small, detached dwellings within or on the fringe of existing neighborhoods, often enhancing affordability while simultaneously encouraging the creation of more usable open space for the residents through flexibility in density.

- *Mixed-use, "above the shop" type housing*
  Mixed-use structures with commercial space on the ground floor and residences above can enhance business areas where some greater density is appropriate. By providing housing in close proximity to goods, services, and transportation, the housing can provide more revenue to local businesses and vitality to town and village centers. Wellfleet prudently allows mixed-use, "above the shop" type housing in its Main Street Overlay District, but there may be additional opportunities for such development along the Route 6 corridor with bus service.

- *Zero-lot-line units/Townhouses*
  Zero-lot-line units involve residential structures that come up to or very nearly approach the edge of the property line in order to create more usable space. Such units include rowhouses, garden homes, patio homes and townhomes and are sometimes referred to as half homes. These units are typically developed as condominiums but can also be rentals.

- *Co-housing*
  The cohousing concept originated in Denmark with a focus on knowing one's neighbors and providing a safe and nurturing environment for children, harking back to the "intentional communities" concept that was introduced in the mid-19th Century. These developments are cooperative neighborhoods, typically with homes clustered around a common building with facilities that are shared by all residents (dining room, kitchen, play rooms, library).

- *Senior housing/Assisted Living*
  There are no assisted living options in Wellfleet and residents who require significant supportive services typically must relocate to other communities. While some assisted living facilities integrate an amount of affordability, most such units are extremely expensive.

- *Congregate housing*
  Congregate housing can take many forms and other names for such housing have included supported housing, life-care homes, boarding or rooming houses, sober houses, congregate retirement housing, congregate senior communities, residential care, sheltered housing, enriched housing, single room occupancy (SRO) housing, enhanced single room occupancy (ESRO), safe havens, etc. Cohousing and group homes share elements of congregate living as well. Besides the assisted living options mentioned above, these housing types can be effective in meeting the needs of an increasingly older population and those with special needs.

- *Live-work space*
  Live-work space, sometimes referred to as zero commute housing, are spaces where artists or other workers combine their residence with their work area, typically in an open floor plan offering large, flexible work areas. Community Housing Resource, Inc. has been particularly successful in developing this type of housing.

Next Steps: The Planning Board, with support from the Local Housing Partnership and Wellfleet Housing Authority, should consider where somewhat denser housing development might be added, scrutinizing its zoning districts for opportunities to weave more diverse housing types, including multi-family housing, into neighborhoods. Areas near transportation access and commercial uses should be priorities.

Development can be designed to be harmonious with the existing built environment. There are potential sites that might accommodate a housing unit or small number of units or even conversions of existing properties to serve local affordable housing needs, particularly small starter units, affordable rentals, and special needs housing. The potential of developing non-conforming lots that still provide adequate space for new housing should also be considered.

As reported by the Lincoln Institute of Land Policy, "Urban planners and public officials are focused on developing housing types that restore the 'missing middle' – row houses, duplexes, apartment courts, and other small to midsize housing designed at a scale and density compatible with single-family residential neighborhoods." The "missing middle" concept grew out of the New Urbanism movement "to inject more moderately-priced housing into residential neighborhoods, from shrinking or subdividing lots to adding accessory dwelling units (ADUs), to expanding legal occupancy in homes."[44] It suggests housing types that "typically have small to medium-size footprints with a body width, depth, and height no larger than a single-family home. They can blend into a neighborhood as compatible infill, encouraging a mix of socioeconomic households and making more effective use of transit and services."[45]

Many of the housing types listed above can conform to this "missing middle" concept and respond to the community's need for smaller units, rental units in particular. These housing types are either not allowed in local zoning or substantially restricted. Zoning changes should be considered to allow more types of housing in the use restrictions and guide such units to appropriate locations with feasible densities to allow for some inclusion of affordable units. This new zoning can include design guidelines to insure that new housing is harmonious within the local architectural context.

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[44] Ibid.
[45] Ibid.

The Town might also pursue opportunities to support the financing of mobile homes as they turnover, potentially working with local lenders on a special loan pool that the Town can help capitalize through the Wellfleet Affordable Housing Trust Fund or other resources as discussed in strategy VIII.A.3.

Resources Required: The Planning Board should coordinate this effort with other appropriate local officials, drafting the zoning amendment and coordinating the necessary approvals towards implementation. This strategy is also likely to require professional support from the Town Planner/Assistant Town Administrator with input potentially from the proposed Housing Coordinator (see strategy VIII.A.2) and/or a consultant that could be covered by CPA funding or the Affordable Housing Fund. Technical assistance funding might also be available from DHCD's Planning Assistance Toward Housing (PATH) Program.

5. Allow Year-round Use of Condominiums

Priority: Longer Term
Responsible Parties: Planning Board with support from the Local Housing Partnership and Wellfleet Housing Authority

Current Status: The Zoning By-laws do not address condominiums per se, but define a cottage colony as – "A group of two or more detached dwellings located on the same lot, each containing one dwelling unit only which is designed for independent family living including cooking facilities and occupied on a seasonal basis only. Seasonal shall be defined as a period commencing April 1 of each calendar year and terminating November 30 of the same calendar year. Each unit shall contain not less than 550 sq. ft. of floor area and not more than 768 sq. ft."[46]

Since these cottage colonies contain units that are comparable to condominiums and may offer some smaller and more affordable housing alternatives, the Town might consider greater flexibility in the zoning by-laws to enable these units to be converted to year-round use and to create other condos for year-round occupancy. At this point only one unit can be available for year-round occupancy in each colony. Nevertheless, the converted units can provide an important affordable alternative to single-family homes, especially for changing lifestyles as a result of demographic shifts.

Next Steps: The Planning Board should amend the Zoning By-laws and permit the conversion of these cottage colonies to year-round use based on certain conditions. Amendments to the By-law should also include a definition of a condominium and allow new construction or conversion of other dwelling types to increase a diversity of housing types, particularly smaller year-round units for increasing numbers of smaller households. The size restrictions should also be modified to allow for somewhat larger units.

Additionally, the Town might consider subsidizing the conversion of such units through its Affordable Housing Fund if the units meet affordability requirements under the state's Local Initiative Program (LIP) and are eligible for inclusion in the SHI. Given potential additional funding streams through the approval of the transfer tax and room occupancy tax (see strategy VIII.A.3), the Town may have more funding to support additional initiatives that address local housing needs.

Resources Required: The Planning Board should coordinate this effort with other appropriate local officials, drafting the zoning amendment and coordinating the necessary approvals towards

[46] Wellfleet Zoning By-laws, Section 2.1, Definitions.

implementation. This strategy is also likely to require professional support from the Town Planner/Assistant Town Administrator with input potentially from the proposed Housing Coordinator (see strategy VIII.A.2) and/or a consultant that could be covered by CPA funding or the Affordable Housing Fund.

C. Development and Assistance Strategies

In addition to continuing existing housing assistance programs, the following strategies rely on partnerships between the Town and private developers on the development of both private and publicly-owned properties as well as among communities through creative regional solutions to addressing housing needs:

1. Continue to Make Suitable Public Property Available for Affordable Housing

Priority: Years 1 to 2
Responsible Parties: Board of Selectmen with support from the Local Housing Partnership and Wellfleet Housing Authority

Current Status: As indicated in Section VI, major obstacles to developing affordable housing in Wellfleet include the limited availability of developable property, publicly-owned property in particular. Nevertheless, there is a precedent for providing publicly-owned property for affordable housing including:

- Habitat for Humanity properties on Spring Valley Road and Atwood Avenue.
- 2082 State Highway, a 1.74-acre property that the Town is planning to build homeownership units, recently issuing a Request for Proposals (RFP) to select a developer Not Town property. WHA purchased with CPA funds.
- Old Wharf Road homes.
- Parcels being developed by Community Housing Resource, Inc. as part of the Paine Hollow and Gull Pond Road rental developments.
- Oyster Lane where six affordable homeownership units were created with a comprehensive permit.
- Fred Bell Way, also known as Wellfleet Apartments, includes 12 affordable rental units and is currently managed by CDP.[47]

In addition to the 2082 State Highway parcel, there are other Town-owned properties that are under some preliminary consideration for affordable housing development. In 2015, the Horsley and Witten Group completed a study of Town-owned parcels to determine their potential feasibility for housing development. They identified only 10 properties, and of these, two included Gull Pond and Paine Hollow, both of which are now in development. DPW and WHA requested that several properties located near the Elementary School and the older COA be set-aside for affordable housing but met resistance. Another parcel that was identified is referred to as the “sandpit“. This and other properties on the Horsely and Witten list would be worth revisiting.

Another potential opportunity is the land adjacent to Wellfleet’s Senior Center which is owned by the Town and includes nine acres within the National Seashore. While the site might accommodate at least

[47] The property was acquired by the Wellfleet Housing Authority in 1999.

12 housing units, given that it is located on a buffer area for a public well, it had not been developable given water issues. The water problems have been resolved. Another constraint is that Town-owned land within the Seashore can only be used for a municipal purpose. Nevertheless, if the Town conveys the property for the purpose of developing affordable housing, it could then be considered a municipal purpose. It will be important for the Town to discuss such development with the National Seashore.

The Town may also decide to acquire privately-owned sites at some time in the future for the purposes of developing some amount of affordable housing, potentially including other uses such as protecting open space, preserving historic properties, and/or recreational opportunities. CPA funding is an important resource for such acquisition. For example, the Towns of Carlisle and Falmouth acquired land for affordable housing development including open space preservation and other public benefits. Should the transfer tax and room occupancy tax be approved by the state, the Town will have additional resources to respond to development opportunities as they arise.

Next Steps: The Local Housing Partnership and Wellfleet Housing Authority will continue to work with other Town boards and committees to pursue surplus municipal property for the development of affordable housing, including possible tax title property as well. For such properties, when identified, the Town should focus on providing the following types of support:

- *Predevelopment Work* – The Town should support the costs of preliminary feasibility analyses of existing Town-owned parcels with funding through Community Preservation funds or the Affordable Housing Trust Fund. Town is using some CPA funding on some site analyses on 2082 State Highway such as test wells.

- *Request for Proposals (RFP* – Following the necessary approvals for the conveyance of Town-owned properties, the Assistant Town Administrator with support from the Local Housing Partnership and Wellfleet Housing Authority, and potentially the proposed Housing Coordinator or a consultant, will prepare a Request for Proposals (RFP) to solicit interest from developers based on the Town's specific project requirements and select a developer also based on identified criteria included in the RFP.

- *Permitting* – Projects will more typically require densities or other regulatory relief beyond what is allowed under the existing Zoning By-laws, and this will likely be obtained through the "friendly" comprehensive permit process under DHCD's Local Initiative Program (LIP), the Town's local 40B bylaw, or other special zoning. The Chapter 40B has been used in the past in the development of a number of former Town-owned parcels including Paine Hollow Road and Gull Pond Apartments for example.

- *Advocacy* – The Town will need to be involved in helping the selected developer secure necessary financial, technical and political support. Evidence of municipal support is critical when seeking financial or technical assistance from regional, state or federal agencies.

- *Gap Financing* – Comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units cross-subsidize the affordable ones. Because development on Town-owned properties will likely include more affordable units than are required under Chapter 40B to boost the public benefits associated with the conveyance of Town-owned property for affordable housing, it is likely that local funding will be necessary to

leverage additional sources of financing from regional, state and/or federal governments and make development financially feasible.

- *Monitoring* – It will be important for the Town to insure that the affordable units that are produced meet all state requirements if they are intended to be eligible for inclusion in the SHI. If not designated as the Monitoring Agent, the Local Housing Partnership or the Wellfleet Housing Authority should obtain annual reports regarding the continued compliance of all SHI units with respect to affordability.

Resources Required: Local resources will be required to help subsidize the development and leverage other sources of financing, the amounts dependent on the size and type of the development, the numbers of affordable units, and the targeted income level(s).

The donated time of members of the Local Housing Partnership and other Town boards and committees (such as Assessing, ZBA, and Community Preservation Committee) will be important as well as coordination from the Assistant Town Administrator and potentially the proposed Housing Coordinator (see strategy VIII.A.2) or a consultant.

Projected # Affordable Units Produced: 26 units

2. Continue to Partner with Developers on Privately Owned Sites

Priority: Years 1 to 2
Responsible Parties: Planning Board or Zoning Board of Appeals with support from the Local Housing Partnership and Wellfleet Housing Authority

Current Status: Continuing to work cooperatively with private developers, non-profit and for profit, is a major component of this Housing Plan. The Town already has a good track record working with developers on affordable housing, non-profit developers in particular. For example, the Community Development Partnership (CDP) is managing units at Fred Bell Way, a 12-unit affordable rental development off of Old County Road. Additionally, Habitat for Humanity of Cape Cod has built four homes on Spring Valley Road and Atwood Avenue in Wellfleet. Community Housing Resource, Inc. is building eight affordable rentals on Paine Hollow Road as well as an additional six rentals as part of the Gull Pond Apartments development.

With incentives created in the zoning bylaw to promote affordable housing (see Section VI.B) and with the availability of the "friendly 40B" option or even local 40B provisions, the Town is in a good position to continue to work cooperatively with developers to guide new development that incorporates affordable units and smart growth principles including the following types of development:

- Mixed-use development in appropriate locations
- Motel or cottage colony conversions to year-round use
- Accessory apartments
- Redevelopment of underutilized, nonresidential properties into housing
- Smaller infill housing in existing neighborhoods
- Cluster development
- Group homes or other congregate living options for older residents or special needs populations

- Some multi-generational, multi-family housing
- Transit-oriented development along Route 6

Recommendations from the May 2017 Housing Workshop also included the following locations for potential housing development:

- Walkable areas near the downtown
- Barracks on National Seashore (Air Force Base)[48]
- Areas near the Senior Center (near amenities)
- All over town through a relaxed Accessory Dwelling Unit bylaw
- Other communities with infrastructure and amenities
- Central District (still have septic issues)
- Converting cottage colonies
- "Landing strip" off of Ocean View Drive
- Undersized lots
- Excess cemetery space
- Movable seasonal workforce housing
- Land on way to the dump along Coles Neck Road
- Land with Town water services
- Land swaps with the National Seashore[49]
- Wellfleet by the Sea (Large area of Town-owned land in National Seashore)

Next Steps: The Town will focus on the following approaches for creating new affordable units on privately-owned parcels in line with "smart growth" principles:

- *Zoning Changes* – The longer-term zoning strategies included in Section VIII.B in addition to current zoning should provide a reasonable framework for new development that will include some amount of affordable housing.

- *Chapter 40B* – Comprehensive permits, particularly the "friendly" 40B process through the state's Local Initiative Program (LIP), have proven to be a useful tool in many communities for projects that require significant waivers of local zoning but meet local needs and priorities. Wellfleet has used the comprehensive permit process on several developments including Oyster Lane, Wellfleet Apartments, and Paine Hollow for example.

  Locations where the "friendly" 40B process make the most sense include those listed above as recommended by participants of the May 2017 Housing Workshop. Any future development of municipal sewer services would provide opportunities for somewhat denser development that would make affordable housing financially more feasible.

- *Local 40B Provisions* – While Section 6.28 of the Zoning By-laws, Provisions to Encourage the Development of Affordable Dwellings, has not been used to date, there may be opportunities to apply this zoning in the future.

[48] This property is under federal jurisdiction and would require negotiations with the federal government.
[49] Ibid.

Resources Required: Donated time from the Local Housing Partnership in providing initial feedback on housing proposals with potential support from the proposed Housing Coordinator (see strategy VIII.A.2). Donated time from members of the Planning Board and Zoning Board of Appeals will also be required with respect to permitting. In mases, subsidies will also be required to fill funding gaps to make projects economically feasible and to leverage other sources of public and private financing.

Projected # Affordable Units Produced: 6 units

3. Continue to Fund Local Housing Programs

Priority: Years 1 to 2
Responsible Parties: Board of Selectmen and Community Preservation Committee with support from the Local Housing Partnership and Wellfleet Housing Authority

Current Status: The Town has established two important local housing initiatives including:

- *Wellfleet BuyDown Program*
  The Wellfleet Housing BuyDown Program provides up to $150,000 in CPA subsidy towards purchasing a Wellfleet home, lowering the price to first-time homebuyers earning at or below 80% AMI and thus making a lower-end, market-rate, Wellfleet home affordable. In exchange for the subsidy, the purchase will be deed restricted and affordable in perpetuity. The Program is administered by the Town of Wellfleet in partnership with the Wellfleet Housing Authority. There have been several earlier rounds of Program funding, however these units were not eligible for inclusion on the SHI. In this round, two applicants have been selected and the units will be SHI eligible.

- *Rental Assistance Program*
  Through ongoing CPA funding, the Wellfleet Housing Authority (WHA) has developed the Rental Assistance Program that allows qualifying individuals and families to maintain affordable, year-round rental housing. This initiative is meant to help stabilize these households through rental subsidies and important education. Rental assistance is provided through a monthly voucher for a period of no more than three years based on the following criteria:

  - The monthly voucher amount is based on the participating household's annual income, current percentage of the rent contribution (30% of income) and utility allowance based on HOME Program guidelines.
  - The subsidy is paid directly to the landlord and the participant is responsible for prompt payment of their portion of the rent.
  - Monthly rents cannot exceed 110% of the HUD Fair Market Rents with utility allowances if applicable.
  - Units must be registered with the Town and inspected by the Wellfleet Building Inspector to insure compliance with health and safety requirements. This is not being done. Last building inspector refused to inspect.
  - Participants must attend financial management counseling provided by WHA to help them move toward self-sufficiency.
  - Income must be at or below 80% AMI with priority given to those earning 60% AMI or less.

- Single persons can receive up to a maximum of $400 per month while families can be eligible for up to $800 per month.

Over the past ten years, the Program has assisted 45 households or about six to ten households per year. While these units do not qualify for inclusion in the SHI, they nevertheless serve a pressing local need of providing affordable year-round rentals.

The Town of Wellfleet has also been receiving Community Development Block Grant (CDBG) funding to support the rehabilitation of properties that are owned or rented by low- or moderate-income residents (earning at or within 80% of area median income). The funding comes from HUD but is administered by the state's Department of Housing and Community Development (DHCD). These units have deed restrictions in affect for 15 years, which will expire over time and eventually be eliminated from the Subsidized Housing Inventory. Wellfleet still has seven such units included on its SHI.

The community development consultant, Bailey Boyd Associates, has prepared the grant applications and the Community Development Partnership (CDP) is administering the Program. The primary objective is to correct all code violations, including health and safety concerns, in homes and apartments, which are identified through property inspections by licensed construction supervisors. Landlords are required to pay 50% of the costs, and homeowners can receive 100% of the costs up to $35,000. The grant money is provided as a no-interest deferred loan that is forgivable and declines by 1/15 per year. If the property is sold before the 15 years expires, the landlord or homeowner must repay the unforgiven portion of the loan.

Next Steps: The Town should continue working with Bailey Boyd Associates and CDP on continued funding and administration of the Housing Rehabilitation Program. In addition to continuing to fund the BuyDown and Rental Assistance Programs, the Town may want to tweak program requirements. For example, in the recent BuyDown Program funding round, there were a number of applicants with incomes just slightly above the 80% AMI limit but within the 100% AMI level for which CPA funding can still apply. Some consideration may be given to providing some greater flexibility in program requirements. For example, there could be a two-tiered approach with a higher subsidy level for those earning within the 80% AMI limits and a lower subsidy amount for those earning between 80% and 100% AMI. Nevertheless, the Town needs to weigh such a change with the fact that units cannot be included in the SHI if the occupants have incomes above the 80% threshold.

Additionally, given rising home prices, the Town will need to continue to insure that the subsidy amount is in line with market conditions as those in the last round of the Program could not locate units within the initial maximum purchase prices. With DHCD approval, the maximum subsidy was increased from $125,000 to $150,000.

Another potential change to the BuyDown Program would be to have an entity with sufficient capacity acquire homes directly, make necessary improvements and then select occupants based on state Local Initiative Program (LIP) requirements. This approach could be accomplished through the following process:

- Obtain CPA, Wellfleet Affordable Housing Trust Fund, or other funding to support several units.
- Issue a Request for Proposals (RFP) to solicit proposals from qualified entities to administer the Program.
- Select the most qualified respondent and enter into an agreement that describes Program terms

and conditions.

- Work in partnership to insure that all program requirements are met, providing the subsidy upon each unit closing.

Another alternative would be to establish a Municipal Affordable Housing Fund under Chapter 44, Section 55C of the Massachusetts General Laws that would have the authority to acquire and convey property as well as several other powers. Town Meeting approval would be required to create this municipal entity.

The Town may also consider adding some additional amount of subsidy to the Rental Assistance Program to help fund Individual Development Accounts (IDAs). For example, the Chatham Housing Authority has also been administering a Voucher Program that offers qualifying households a subsidy for a period of five years and consists of two parts – a shallow rent subsidy of not more than $350 per month and an automatic contribution to a monthly escrow account, deducted from the rent subsidy. The CHA determines the amount put in escrow monthly for each eligible participant, that can be used for the purpose of a down payment should the participant wish to pursue homeownership or other important costs such as specialized training or higher education. Like Chatham, Wellfleet might also want to have the flexibility of extending the term of the voucher payments given a participant's circumstances.

In addition to extending these programs, the Town might want to explore other program options that could include:

- *Accessory Apartment Loan Program*
  In an effort to promote the use of the Affordable Accessory Dwelling Unit bylaw and thus smaller year-round rentals, the Town could reintroduce a loan program. The Town provided three such loans of up to $10,000 in the past, but encountered staff capacity issues. It might consider offering no-interest, deferred loans to help finance these units.

- *Emergency/Small Repair Program*
  The Town may also consider a special fund to help qualifying lower income owners make emergency repairs such as those to a furnace, roof or other item that threaten the health and safety of the occupants. For example, the Town of Sudbury provides up to $5,000 in grants for a range of repairs for households earning up to median income with homes assessed below the Town's median house price. Additionally, Provincetown's Little Fix Program assists homeowners and renters with clean-up, landscaping, and small home repair projects, largely targeting seniors, people with disabilities and veterans. The Program is coordinated by the Town and relies heavily on volunteers.

  The Harwich Ecumenical Council for Housing (HECH) also manages the Housing Emergency Loan Program (HELP) for the towns of Orleans, Brewster and Yarmouth that provides no interest, deferred loans of up to $20,000. The Town might explore how this program could be expanded into Wellfleet.

- *Rental Relocation Program*
  Given the high up-front costs associated with moving into a new rental unit, including the first and last month's rent as well as a security deposit, the Town might consider subsidizing these expenses up to a certain maximum amount for qualifying tenants. Once again, the Town did

offer such loans in the past but encountered record-keeping problems given lack of Town staff to coordinate program operations and suspended funding. With support from a proposed Housing Coordinator (see strategy VIII.A.2), the Town might consider new funding for such an effort through grants.

It could also participate in the Hands of Hope Outreach Center's existing program that helps Cape families currently living in unsuitable rental housing relocate to better living conditions by providing first and last month's rent.

- *Emergency Assistance Program*
  The Town should provide continued funding to support emergency assistance programs to help residents pay overdue bills that would allow a family to remain in their home and community instead of face eviction. Existing programs include those operated by the Homelessness Prevention Council of the Lower Cape and Lower Cape Outreach Council.

There are numbers of communities that are implementing such programs and consequently models/program designs that the Town can review and adapt to Wellfleet. Some of the above programs could also be easily adaptable to modifications of the Regional Housing Rehabilitation Program that was administered by CDP in Wellfleet for a period of time.

Resources Required: Local resources (the Affordable Housing Trust Fund, as well as additional resources that might be raised through the potential transfer tax and room occupancy tax) will be required to help subsidize these programs. The donated time of members of the Local Housing Partnership and Wellfleet Housing Authority will continue to be important for administering these programs as well as potential support from the proposed Housing Coordinator (see strategy VIII.A.2). If new programs are introduced, it might be useful to explore having a non-profit organization undertake program management functions.

While there are many precedents for using CPA funding for housing rehabilitation and restoration efforts, it should be noted that the state's Department of Revenue and the Community Preservation Coalition have determined that CPA funds for such programs can only be used when the property was acquired or created with CPA. Consequently, they advise that funds for rehab efforts come from other sources such as CDBG, inclusionary zoning proceeds, negotiated fees from developers, an Affordable Housing Trust Fund, or other revenue source for example (see strategy VIII.A.3).

Projected # Affordable Units Produced: 13 units

4. Develop a Regional/Lower Cape Housing Development Strategy

Priority: Years 3 to 5
Responsible Parties: Board of Selectmen with support from the Local Housing Partnership and Wellfleet Housing Authority

Current Status: There was strong support for providing regional solutions to addressing affordable housing issues in the May 2017 Housing Workshop. Certainly there are regional precedents for providing housing units and services including:

- *Housing Rehabilitation Program* – A total of seven SHI units remain as part of the Town's SHI that were funded by the Housing Rehabilitation Program, but because deed restrictions were shorter in term, these units are falling off of the SHI with the last one expiring in 2023. These rehabbed units were subsidized with Community Development Block Grant (CDBG) funding through the Department of Housing and Community Development (DHCD). One current SHI unit involved a regional program administered by the Cape Cod Commission and the others through the Lower Cape Cod Community Development Corporation (now called the Community Development Partnership). The Program involves joint funding applications and administration with other Lower Cape communities.

- *Cape Community Housing Partnership* – The Community Development Partnership (CDP) and Housing Assistance Corporation (HAC), are establishing a Cape Community Housing Partnership to promote a better understanding of housing needs and opportunities on a regional basis. The Partnership is spearheading initiatives related to training and advocacy over the next year (see strategy VIII.A.1 for more information).

- *Cape Cod Regional Market Analysis* – The Cape Cod Commission (CCC) is sponsoring a study to estimate existing and future housing supply and demand. The study will provide detailed measurements of existing housing shortages and forecasted supply/demand gaps over the next ten years and begin developing regional strategies to meet identified needs. The study will also identify what housing products are obtainable to households at a range of income levels up to 160% of area median income and will show what gaps exist between housing availability and demand for households of varying demographic characteristics. The Commission engaged Crane Associates, Inc., in collaboration with Economic and Policy Resources, Inc., to conduct the study.

- *Barnstable County HOME Consortium, Continuum of Care and Regional Network to End Homelessness* – Wellfleet has also been participating in other regional housing-related efforts to provide planning and funding in support of affordable housing through these entities, including supportive housing for the homeless.

- *Cape Cod Village* – The Town of Wellfleet approved $100,000 in CPA funding to help subsidize the Cape Cod Village project in Orleans which will provide service-enriched affordable housing for 15 autistic adults. A total of $950,000 in CPA funding was raised from not only Wellfleet and Orleans but also the communities of Brewster, Chatham, Eastham, Truro, and Provincetown.

- *Campbell-Purcell Property Community Housing* – The Town of Eastham issued a Request for Proposals for the development of the Campbell-Purcell Town-owned parcel. Pennrose was selected as developer and is planning a 65-unit rental development that will be permitted through the Chapter 40B comprehensive permit process. With funding support from MassHousing's Workforce Housing Initiative, 50 of the units will be targeted to those earning at or below 60% AMI with the other 15 units for those earning up to 110% AMI. The developer has approached the Town with a CPA funding request in the $100,000 range.

- *Governor Prence* – The developer (Stratford Capital Group and the Community Development Partnership) of this proposed 50-unit rental development in Eastham obtained CPA funding commitments from Eastham, Wellfleet, Truro and Orleans to support project financing. Wellfleet's commitment was significant, at $50,000. The Town of Eastham denied the

comprehensive permit, and the developer appealed the decision to the state's Housing Appeals Committee. The CPA funding requests were then withdrawn. While the 40B decision was denied, the project could still move forward from the appeals and mediation process.

- *Senior Housing in Orleans* – An argument can be made that the Town of Orleans has been providing a significant portion of affordable senior housing for residents in the region. As shown in Table V-8, Orleans is close to reaching the 10% state affordability threshold, and has the highest percentage of SHI units targeted to seniors at 6.9% of its year-round housing stock or 227 units. It also has a number of market rate condominium developments that are largely populated by older residents at reasonably affordable prices.

- *Seashore Point in Provincetown* – The Residences at Seashore Point is the Outer Cape's only full-service residential community and has attracted residents from other Cape communities looking to downsize. The project includes 81 condominiums that are restricted to purchasers age 55 or older. Market prices range from $299,000 for a one-bedroom, one-bath unit with 604 square feet to $479,000 with two bedrooms and two baths and 933 square feet, in line with median condo prices of $460,000 as of July 2017 based on The Warren Group data in Banker & Tradesman. A wide range of "a la carte" services are offered to residents at varying prices to help them remain independent in their units.

Lower Cape communities share many of the challenges related to housing including rising housing prices for both rental and ownership, extremely low vacancy rates, and shifting demographics towards greater numbers of older residents and fewer younger ones. Widening affordability gaps and greater cost burdens are being experienced in all these communities. These issues are complicated by increasing numbers of seasonal visitors and second home owners in the context of rising challenges in securing a sufficient seasonal workforce. Continuing efforts to explore regional solutions to these housing issues could help form a regional strategy for promoting and preserving housing affordability, including the provision of important services.

Next Steps: The Town should actively engage in the regional initiatives that are emerging as part of the Cape Community Housing Partnership and Regional Market Study for example. Also, as indicated in strategy VIII.A.1, the Cape Cod Commission had been organizing meetings of representatives of the Lower Cape, from Orleans to Provincetown, to discuss regional housing issues. Such meetings might be reintroduced at some point either with support from the Cape Cod Commission, Cape Community Housing Partnership, or with each Lower Cape community taking turns in hosting the meetings on at least a quarterly basis.

Resources Required: Donated time from appropriate representatives of Town boards and committees as well as some potential staff time from the Assistant Town Administrator and/or proposed Housing Coordinator (see strategy VIII.A.2). Potential funding of regional housing initiatives would also likely be required.

Projected # Affordable Units Produced: Any housing that is produced as part of a regional initiative will qualify as part of the SHI in the community in which the units are located if the project meets state affordability requirements.

5. Develop Seasonal Workforce Housing

Priority: Longer Term
Responsible Parties: Board of Selectmen with support from the Local Housing Partnership and Wellfleet Housing Authority

Current Status: Cape Cod has experienced summer labor shortages for decades. While in the past Cape communities typically relied on nonimmigrant foreign workers or college students from outside the area to fill these jobs, employment patterns have shifted, largely due to schools starting earlier and the high cost of living. Increasingly the Cape is becoming an unaffordable job market for students as high housing costs leave little opportunity for them to earn enough to make summer work here worthwhile.

Employers are therefore relying more on foreign workers. Nevertheless, caps on H-2B and J-1 visas that grant temporary work visas are also becoming more limited, and these workers must also find housing within their means. The rising costs of housing as well as tight zoning regulations that limit the number of occupants per unit and types of housing that can be built further exacerbate the jobs problem.

Next Steps: Efforts to modify zoning are needed to enable employers to build housing for seasonal workers. As suggested at the May 2017 Housing Workshop, the Town should pursue creative ways of providing seasonal workforce housing such as bunkhouses, dormitories, a tent city, etc. in appropriate locations and under reasonable conditions. Seasonal worker housing might also provide an opportunity for the Lower Cape communities to work together in support of such development. For example, the barracks at the Air Force Base on the National Seashore, located in Truro, was mentioned as a possible location for such housing.

Resources Required: Donated time from appropriate representatives of Town boards and committees as well as some potential staff time from the Assistant Town Administrator and/or proposed Housing Coordinator (see strategy VIII.A.2). Funding will likely be required to support the production of this housing.

Projected # Affordable Units Produced: Because the units will not be considered permanent housing and meet other state affordability requirements (affirmative marketing, deed restrictions), they will not be eligible for inclusion in the SHI. Nevertheless they would serve a pressing local need.

APPENDIX 1

Local and Regional Organizations

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

1. Wellfleet Local Housing Partnership (LHP)

The Board of Selectmen established the Local Housing Partnership to promote diverse solutions to the acknowledged shortage of affordable housing. It has served as primary advocate for new housing initiatives, working closely with the Housing Authority as well as other Town boards and committees on new housing efforts, including this Housing Needs Assessment and Action Plan.

2. Wellfleet Housing Authority (WHA)

The Wellfleet Housing Authority (WHA) was established to provide housing for low- and moderate-income families, seniors and those with disabilities. It manages a number of special programs and projects including the Wellfleet BuyDown Program, the Rental Assistance Program, and the development of the 2082 Route 6 State Highway parcel.

3. Wellfleet Community Preservation Committee (CPC)

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

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

The Community Preservation Committee includes nine members including representatives of the Housing Authority, Open Space Committee, Recreation Committee, Historical Commission, and several at-large members appointed for three-year terms by the Board of Selectmen. In 2016 a total of almost $648,000 in CPA funding was available, $192,803 from the state and $455,076 from the local surcharge with about $7.3 million available since CPA was adopted. The April 2017 town Meeting will vote on CPA allocations of $200,000 to the Affordable Housing Trust fund, and $100,000 for the Rental Assistance

Program. It will also vote on a previous allocation of $175,000 for the development of affordable rental units on Paine Hollow Road by non-profit developer, Community Housing Resource, Inc.

The Town has allocated almost $3 million in CPA funding for housing including:

Summary of CPA Allocations for Housing

Project/Activity	Amount of Funding	Year Funded
Gull Pond	$144,112	2006
Trust 05	59,193	2006
Trust 06	60,806	2006
Paine Hollow	175,000	2006
Access Prjt.	60,000	2007
Route 6	425,000	2007
Support Program	60,000	2008
USDA Land Acquisition	2,008	
Housing Now	330,000	2009
Habitat	25,000	2010
Housing Now	156,000	2011
Housing Trust	23,000	2011
Buy Down Program	127,000	2012
Estate Plan	10,000	2013
Now 2014	156,000	2014
AADUs	180,000	2014
Habitat	225,000	2015
Buy Down	270,000	2015
Consultant	50,000	2016
CC Village	100,000	2016
Rent Assistance Program	54,162	2016
Rent Assistance Program	101,838	2017
Trust Fund	200,000	2017
Total	**$2,992,111**	

4. Wellfleet Affordable Housing Trust Fund

Wellfleet established an Affordable Housing Trust Fund as part of Chapter 352 of the Acts of 2006 that was enacted by the State Legislature, providing a special dedicated fund through private and public gifts, contributions, grants, and appropriations. The Town's Treasurer manages the fund but expenditures in support of housing activities are made by the Wellfleet Housing Authority in consultation with the Local Housing Partnership.

5. Wellfleet Council on Aging

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

The Council on Aging identified a substantial need for single-person units that are both handicapped accessible and affordable. Access is a major issue in Wellfleet, not only in the need for units

modifications for people with disabilities but also in problems related to transportation as Wellfleet as Dial a Ride stops at 3:00 and buses will not go down unpaved roads. The COA also mentioned that many seniors do not want to live in age-restricted housing but in developments with mixed ages. A long-term Town goal is in fact to become an age-friendly community as identified by the World Health Organization such that any capital project would need to be age-friendly not only to seniors but to a mix of ages and lifestyles.

The Assessing Department has Real Estate Tax Abatement and Exemption Programs that are summarized both on their website and in their office for the public to obtain. This Program is for income qualifying residents including those who are sight impaired, seniors, veterans, surviving spouses, etc. that reduces property tax bills.

6. Cape Cod Commission (CCC)

The Cape Cod Commission (CCC) was created as the regional planning, economic development, and regulatory agency for the Cape in 1990 in response to high level of development in the 1980s and in an effort to protect the area's unique natural, coastal, historical, cultural and other values that were being threatened by uncoordinated and inappropriate uses. (3225 Main Street, Barnstable, MA 02630; 508/362-3828).

7. Barnstable County Department of Human Services

The Barnstable County Department of Human Services manages the allocation of HOME Program funds on behalf of the Barnstable County HOME Consortium, taking over as project administrator from the Cape Cod Commission in 2015. 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. (3195 Main Street, P.O. Box 427, Barnstable, MA 02630; 508/375-6628)

8. Harwich Ecumenical Council for Housing (HECH)

Harwich Ecumenical Council for Housing (HECH) was formed in 1991 by clergy and lay people from seven (7) churches for the purpose of providing housing for homeless families with children. The organization raises funds from individual donors and special events as well as allocations from communities for special programs, projects and services. HECH has developed programs in homelessness prevention, mortgage foreclosure prevention, child care, youth counseling, and emergency repairs. In 1996, HECH began purchasing its own rental housing to house those who were homeless or at risk of homelessness. With $177,000 in CPA funding, HECH also manages the Housing Emergency Loan Program (HELP) for residents of Orleans, Brewster and Yarmouth that provides no interest, deferred loans of up to $20,000. Funding is for emergency repairs such as roofs, windows, siding, and heat and hot water systems. Applicants must have their name on the deed and their primary residence in a single-family unit or provide new affordable year-round rental housing for income-qualified tenants. Total household income cannot exceed 80% of area median income for homeowners or tenants. (P.O. Box 86, West Orleans, MA 02671; (508) 432-0015).

9. Community Development Partnership (CDP)

The Community Development Partnership (CDP), formerly known as the Lower Cape Cod Community Development Corporation (LCCCDC), was established in 1992 to promote affordable housing and economic development in the towns of the Lower Cape. In regard to affordable housing, the organization recognized that the dwindling supply of affordable housing was becoming a critical problem and focused on two important strategies. Through its Housing Development Program it is creating new, year-round, affordable housing units by purchasing existing units or building new units. In

Wellfleet CDP owns Canal House that provides nine single-occupancy units of transitional housing for those recovering from substance abuse problems. The organization also manages the Housing Rehabilitation Program that is supported by Community Development Block Grant (CDBG) funds provided by the state. This program provides zero interest, deferred payment loans of up to $35,000 for qualifying property owners to make necessary home improvements, including correcting code violations.
(P.O. Box 1860, Main Street Mercantile, North Eastham, MA 02651; 508/240-7873)

10. Habitat for Humanity of Cape Cod

Habitat for Humanity is an ecumenical, non-profit Christian ministry dedicated to building simple, decent homes in partnership with families in need that has grown over the past two decades into one of the largest private homebuilders in the world. The organization has almost 1,600 U.S. affiliates and over 2,000 affiliates worldwide, including one on the Cape that has been able to build new homes for first-time homebuyers through donated land, materials, labor and funding as well as other special financing strategies. The organization has built four homes on Spring Valley Road and Atwood Avenue in Wellfleet. (658 Main Street, West Yarmouth, MA 02673; 508/775-3559)

11. Housing Assistance Corporation (HAC)

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

12. Homeless Prevention Council of the Lower Cape

The Homelessness Prevention Council provides extensive counseling to those at risk of homelessness in the eight communities of the Lower Cape, including Orleans. Services include advocacy, referrals to available programs and services, help in negotiations with landlords and lenders, support in budgeting, and guidance in obtaining a further education and training. With an annual budget of approximately $360,000, the organization applies for small grants and donations to provide emergency assistance to those at risk of homelessness. They have achieved success from direct mailings, grant proposals from foundations and church endowments, and special programs directed to children (back pack donations in the September and adopt a child's three wishes in December for example). (14 Old Tote Road, Orleans, MA 02653; 508/255-9657)

13. Lower Cape Outreach Council

The Lower Cape Outreach Council has been providing short-term emergency food, clothing and financial resources to residents of the eight towns on the Lower Cape, including Orleans. This assistance has extended to almost 2,000 households annually that has included help when rent or mortgage payments are behind, when utility shut-offs are threatened, and when other emergency expenses surface that throw individuals and families into a financial crises. The organization also provides important information and referrals to service providers, a jobs program (HopeWorks), and an educational assistance program that provides financial help for those pursuing education, training or other certifications.
(508/240-0694; lcoc@lcoutreach.org)

APPENDIX 2

Summary of Housing Regulations and Resources

I. SUMMARY OF HOUSING REGULATIONS

A. Chapter 40B Comprehensive Permit Law

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

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

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

According to Chapter 40B regulations, the ZBA decision to deny or place conditions on a comprehensive permit project cannot be appealed by the developer if any of the following conditions are met[50]:

- 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

[50] Section 56.03 of the new Chapter 40B regulations.

affordable housing as defined again by 40B, or annual affordable housing construction is on at least 0.3% of the community's land area.

- The community has made "recent progress" adding SHI eligible housing units during the prior 12 months equal at least to 2% of its year-round housing.
- The community has a one- or two-year exemption under Housing Production.
- The application is for a "large project" that equals at least 6% of all housing units in a community with less than 2,500 housing units.
- A "related application" for the site was filed, pending or withdrawn within 12 months of the application.

If a municipality does not meet any of the above thresholds, it is susceptible to appeals by comprehensive permit applicants of the ZBA's decision to the state's Housing Appeals Committee (HAC). This makes the Town susceptible to a state override of local zoning if a developer chooses to create affordable housing through the Chapter 40B comprehensive permit process.[51] Recently approved regulations add a new requirement that ZBA's provide early written notice (within 15 days of the opening of the local hearing) to the application and to DHCD if they intend to deny or condition the permit based on the grounds listed above that make the application appeal proof, providing documentation for its position. Under these circumstances, municipalities can count projects with approved comprehensive permits that are under legal approval, but not by the ZBA, at the time.

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

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

- *40R*
  Units receiving Plan Approval under 40R now count when the permit or approval is filed with the municipal clerk provided that no appeals are filed by the board or when the last appeal is fully resolved, similar to a Comprehensive Permit project.

- *Certificate of Occupancy*
  Units added to the SHI on the basis of receiving building permits become temporarily ineligible if the C of O is not issued with 18 months.

[51] 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 per requirements under the state's Local Initiative Program.

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

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

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

- *Information provided by the municipality or other parties regarding municipal actions previously taken to meet affordable housing needs, including inclusionary zoning, multi-family districts and 40R overlay zones.*
- Whether the conceptual design is appropriate for the site including building massing, topography, environmental resources, and integration into existing development patterns.
- That the land valuation, as included in the pro forma, is consistent with DHCD guidelines regarding cost examination and limitations on profits and distribution.

- Requires that LIP site approval applications be submitted by the municipality's chief executive officer.
- Specifies that members of local boards can attend the site visit conducted during DHCD's 30-day review period.
- Requires that the subsidizing agency provide a copy of its determination of eligibility to DHCD, the chief executive officer of the municipality, the ZBA and the applicant.

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

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

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

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

- The hearing be terminated within 180 days of the filing of a complete application unless the applicant consents to extend.
- Allows communities already considering three (3) or more comprehensive permit applications to stay a hearing on additional applications if the total units under consideration meet the definition of a large project (larger of 300 units or 2% of housing in communities with 7,500 housing units as of the latest Census, 250 units in communities with 5,001 to 7,499 total units, 200 units in communities with 2,500 to 5,000 units, and 150 units or 10% of housing in communities with less than 2,500 units).
- Local boards can adopt local rules for the conduct of their hearings, but they must obtain an opinion from DHCD that there rules are consistent with Chapter 40B.

- Local boards cannot impose "unreasonable or unnecessary" time or cost burdens on an applicant and bans requiring an applicant to pay legal fees for general representation of the ZBA or other boards. The new requirements go into the basis of the fees in more detail, but as a general rule the ZBA may not assess any fee greater than the amount that might be appropriated from town or city funds to review a project of a similar type and scale.
- An applicant can appeal the selection of a consultant within 20 days of the selection on the grounds that the consultant has a conflict of interest or lack minimum required qualifications.
- Specify and limit the circumstances under which ZBA's can review pro formas.
- Zoning waivers are only required under "as of right" requirements, not from special permit requirements.
- Forbids ZBA's from imposing conditions that deviate from the project eligibility requirements or that would require the project to provide more affordable units that the minimum threshold required by DHCD guidelines.
- States that ZBA's cannot delay or deny an application because a state or federal approval has not been obtained.
- Adds new language regarding what constitutes an uneconomic condition including requiring applicants to pay for off-site public infrastructure or improvements if they involve pre-existing conditions, are not usually imposed on unsubsidized housing or are disproportionate to the impacts of the proposed development or requiring a reduction in the number of units other than on a basis of legitimate local concerns (health, safety, environment, design, etc.). Also states that a condition shall not be considered uneconomic if it would remove or modify a proposed nonresidential element of a project that is not allowed by right.

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

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

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

Superior Court or Land Court, but even for abutters, establishing "standing" in court is an uphill battle. Appeals from approvals are often filed to force a delay in commencing a project, but the appeal must demonstrate "legal error" in the decision of the ZBA or HAC.

B. Housing Production Regulations

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

- Prepare and adopt an Housing Production Plan that demonstrates production of an increase of .05% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory (22 units and 44 units, respectively, for Wellfleet until the new census figures are available in 2011) for *approval* by DHCD.[52]
- Request *certification* of compliance with the plan by demonstrating production of at least the number of units indicated above.
- Through local ZBA action, deny a comprehensive permit application during the period of certified compliance, which is 12 months following submission of the production documentation to DHCD, or 24 months if the 1.0% threshold is met.

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

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

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

C. Chapter 40R/40S

In 2004, the State Legislature approved a new zoning tool for communities in recognition that escalating housing prices, now beyond the reach of increasing numbers of state residents, are causing graduates from area institutions of higher learning to relocate to other areas of the country in search of greater affordability. The Commonwealth Housing Task Force, in concert with other organizations and institutions, developed a series of recommendations, most of which were enacted by the State Legislature as Chapter 40R of the Massachusetts General Laws. The key components of these regulations are that "the state provide financial and other incentives to local communities that pass

[52] Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

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".[53]

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."[54] The key components of 40R include:

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

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

Incentive Payments

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

There are also density bonus payments of $3,000 for each residential unit issued a building permit. To be eligible for these incentives the Overlay Districts need to allow mixed-use development and densities of 20 units per acre for apartment buildings, 12 units per acre for two and three-family homes, and at least eight units per acre for single-family homes. Communities with populations of less than 10,000 residents are eligible for a waiver of these density requirements, however significant hardship must be demonstrated. The Zoning Districts would also encourage housing development on vacant infill lots and in underutilized nonresidential buildings. The Task Force emphasizes that Planning Boards, which would 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."[55]

The principal benefits of 40R include:

[53] 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.
[54] Massachusetts General Law, Chapter 40R, Section 11.
[55] "A Housing Strategy for Smart Growth and Economic Development: Executive Summary," p. 4.

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

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

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

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

D. <u>Local Initiative Program (LIP) Guidelines</u>

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

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

Specific LIP requirements include the following by category:

Income and Assets

- Must be affordable to those earning at or below 80% of area median income adjusted by family size and annually by HUD. Applicants for affordable units must meet the program income limits

in effect at the time they apply for the unit and must continue to meet income limits in effect when they actually purchase a unit.

- For homeownership units, the household may not have owned a home within the past three years except for age-restricted "over 55" housing.
- For homeownership projects, assets may not be greater than $75,000 except for age-restricted housing where the net equity from the ownership of a previous house cannot be more than $200,000.
- Income and asset limits determine eligibility for lottery participation.

Allowable Sales Prices and Rents[56]

- Rents are calculated at what is affordable to a household earning 80% of area median income adjusted for family size, assuming they pay no more than 30% of their income on housing. Housing costs include rent and payments for heat, hot water, cooking fuel, and electric. If there is no municipal trash collection a trash removal allowance should be included. If utilities are separately metered and payed by the tenant, the LIP rent is reduced based on the area's utility allowance. Indicate on the DHCD application whether the proposed rent has been determined with the use of utility allowances for some or all utilities.
- Sales prices of LIP units are set so a household earning 70% of area median income would have to pay no more than 30% of their income for housing. Housing costs include mortgage principal and interest on a 30-year fixed term mortgage at 95% of purchase price, property taxes, condo fees[57], private mortgage insurance (if putting less than 20% of purchase price down), and hazard insurance.
- The initial maximum sales price or rent is calculated as affordable to a household with a number of household members equal to the number of bedrooms plus one (for example a two-bedroom unit would be priced based on what a three-person household could afford).

Allowable Financing and Costs

- Allowable development costs include the "as is" value of the property based on existing zoning at the time of application for a project eligibility letter (initial application to DHCD). Carrying costs (i.e., property taxes, property insurance, interest payments on acquisitions financing, etc.) can be no more than 20% of the "as is" market value unless the carrying period exceeds 24 months. Reasonable carrying costs must be verified by the submission of documentation not within the exclusive control of the applicant.
- Appraisals are required except for small projects of 20 units or less at the request of the Board of Selectmen where the applicant for the LIP comprehensive permit submits satisfactory evidence of value.
- Profits are limited to no more than 20% of total allowable development costs in homeownership projects.
- In regard to rental developments, payment of fees and profits are limited to no more than 10% of total development costs net of profits and fees and any working capital or reserves intended for property operations. Beginning upon initial occupancy and then proceeding on an annual

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

[57] 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.

basis, annual dividend distributions will be limited to no more than 10% of the owner's equity in the project. Owner's equity is the difference between the appraised as-built value and the sum of any public equity and secured debt on the property.

- For LIP comprehensive permit projects, DHCD requires all developers to post a bond (or a letter of credit) with the municipality to guarantee the developer's obligations to provide a satisfactory cost certification upon completion of construction and to have any excess profits, beyond what is allowed, revert back to the municipality. The bond is discharged after DHCD has determined that the developer has appropriately complied with the profit limitations.
- No third party mortgages are allowed for homeownership units.

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

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

Regulatory Requirements

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

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

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

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

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

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

1. Application process
   - Developer meets with Town
   - Developer and Town agree to proposal
   - Town chief elected officer submits application to DHCD with developer's input

2. DHCD review involves the consideration of:
   - Sustainable development criteria (redevelop first, concentrate development, be fair, restore and enhance the environment, conserve natural resources, expand housing opportunities, provide transportation choice, increase job opportunities, foster sustainable businesses, and plan regionally),
   - Number and type of units,
   - Pricing of units to be affordable to households earning no more than 70% of area median income,
   - Affirmative marketing plan,
   - Financing, and
   - Site visit.

3. DHCD issues site eligibility letter that enables the developer to bring the proposal to the ZBA for processing the comprehensive permit.

4. Zoning Board of Appeals holds hearing
   - Developer and Town sign regulatory agreement to guarantee production of affordable units that includes the price of units and deed restriction in the case of homeownership and limits on rent

increases if a rental project. The deed restriction limits the profit upon resale and requires that the units be sold to another buyer meeting affordability criteria.
- Developer forms a limited dividend corporation that limits profits.
- The developer and Town sign a regulatory agreement.

5. Marketing
   - An Affirmative Fair Housing Marketing Plan must provide outreach to area minority communities to notify them about availability of the unit(s).
   - Local preference is limited to a maximum of 70% of the affordable units.
   - Marketing materials must be available/application process open for a period of at least 60 days.
   - Lottery must be held.

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

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

The contact person at DHCD is Janice Lesniak of the LIP staff (phone: 617-573-1309; fax: 617-573-1330; email: rieko.hayashi@state.ma.us.

E. <u>MassWorks Infrastructure Program</u>

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 Wellfleet are described below.[58]

A. Technical Assistance

1. Planning Assistance Toward Housing (PATH)

A relatively new state-funded initiative, the Planning Assistance Toward Housing (PATH) Program, provides planning assistance to municipalities for housing production. The state has made $600,000 in planning grants available through the program to support locally initiated planning for municipally owned sites, changes to land use and zoning, and other strategies that directly contribute to housing production. This program replaces the Priority Development Fund that was introduced by the state in 2004.

2. Peer to Peer Technical Assistance

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

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

3. MHP Intensive Community Support Team

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

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[58] Program information was gathered through agency brochures, agency program guidelines and application materials as well as the following resources: Verrilli, Ann. Housing Guidebook for Massachusetts, produced by the Citizen's Housing and Planning Association, June 1999.

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.

B. <u>Housing Development</u>

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

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

1. HOME Program

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

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

- Assist first-time homeowners.

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

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

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

2. Community Development Block Grant Program (CDBG)

In addition to funding for the Peer-to-Peer Program mentioned in the above section, there are other housing resources supported by federal CDBG funds that are distributed by formula to Massachusetts.

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

3. Housing Stabilization Fund (HSF)

The state's Housing Stabilization Fund (HSF) was established in 1993 through a Housing Bond bill to support housing rehabilitation through a variety of housing activities including homeownership (most of this funding has been allocated for the MHP Soft Second Program) and rental project development. The state subsequently issued additional bond bills to provide more funding. The HSF Rehabilitation Initiative is targeted to households with incomes within 80% of median income, with resale or subsequent tenancy for households within 100% of median income. The funds can be used for grants or loans through state and local agencies, housing authorities and community development corporations with the ability to subcontract to other entities. The funds have been used to match local HOME program funding, to fund demolition, and to support the acquisition and rehabilitation of affordable housing. In addition to a program directed to the rehabilitation of abandoned, distressed or foreclosed properties, the HSF provides funds to municipalities for local revitalization programs directed to the creation or preservation of rental projects. As with HOME, the maximum amount available per project

is $750,000 and the maximum per unit is $65,000 for communities that do not receive HOME or CDBG funds directly from HUD, and $50,000 for those that do. Communities can apply for HSF funding biannually through the One Stop Application.

4. Low Income Housing Tax Credit Program

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

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

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

5. Affordable Housing Trust Fund

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

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

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

income. Once again, the One Stop Application is used to apply for funding, typically through the availability of two funding rounds per year.

6. Housing Innovations Fund (HIF)

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

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

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

8. MHP Permanent Rental Financing Program

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

9. OneSource Program

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

applications of less than a month (an appraisal is required). The MHIC and MHP work closely together to coordinate MHIC's construction financing with MHP's permanent take-out through the OneSource Program, making their forms compatible and utilizing the same attorneys to expedite and reduce costs associated with producing affordable housing.

10. Section 8 Rental Assistance

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

11. Massachusetts Preservation Projects Fund

The Massachusetts Preservation Projects Fund (MPPF) is a state-funded 50% reimbursable matching grant program that supports the preservation of properties, landscapes, and sites (cultural resources) listed in the State Register of Historic Places. Applicants must be municipality or non-profit organization. Funds can be available for pre-development including feasibility studies, historic structure reports and certain archaeological investigations of up to $30,000. Funding can also be used for construction activities including stabilization, protection, rehabilitation, and restoration or the acquisition of a state-registered property that are imminently threatened with inappropriate alteration or destruction. Funding for development and acquisition projects range from $7,500 to $100,000. Work completed prior to the grant award, routine maintenance items, mechanical system upgrades, renovation of non-historic spaces, moving an historic building, construction of additions or architectural/engineering fees are not eligible for funding or use as the matching share. A unique feature of the program allows applicants to request up to 75% of construction costs if there is a commitment to establish a historic property maintenance fund by setting aside an additional 25% over their matching share in a restricted endowment fund. A round of funding was recently held, but future rounds are not authorized at this time.

12. District Improvement Financing Program (DIF)

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

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

The Urban Center Housing Tax Increment Financing Zone Program (UCH-TIF) is a relatively new state initiative designed to give cities and towns the ability to promote residential and commercial development in commercial centers through tax increment financing that provides a real estate tax exemption on all or part of the increased value (the "increment") of the improved real estate. The development must be primarily residential and this program can be combined with grants and loans

from other local, state and federal development programs. An important purpose of the program is to increase the amount of affordable housing for households earning at or below 80% of area median income and requires that 25% of new housing to be built in the zone be affordable, although the Department of Housing and Community Development may approve a lesser percentage where necessary to insure financial feasibility. In order to take advantage of the program, a municipality needs to adopt a detailed UCH-TIF Plan and submit it to DHCD for approval.

14. Community Based Housing Program

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

15. 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.

16. 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.

17. National Housing Trust Fund (NHTF)

The state has allocated $3.4 million in Housing Trust Funds and 100 Massachusetts Rental Vouchers to help create supportive housing for vulnerable populations including homeless families and individuals, unaccompanied homeless youth, frail seniors with service needs, and individuals in recovery from substance abuse. This program is intended to provide supplemental support to the federal National Housing Trust Fund, a newly–authorized affordable housing program.

18. Community Scale Housing Initiative (CSHI)

The state has introduced a new program to address the need for smaller scale affordable housing projects that are sized to fit well within the host community. The new initiative will provide $10 million in funding for these projects based on 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 CSHI unit
- The total development cost per unit may not exceed $350,000
- Projects will receive no more 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

C. <u>Homebuyer Financing and Counseling</u>

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 Wellfleet is the Housing Assistance Corporation or Community Development Partnership (CDP).

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.

D. <u>Home Improvement Financing</u>

1. MassHousing Home Improvement Loan Program (HLP)

The MHFA Home Improvement Loan Program (HILP) is targeted to one- to four-unit, owner-occupied properties, including condominiums, with a minimum loan amount of $10,000 up to a maximum of $50,000. Loan terms range from five to 20 years based on the amount of the loan and the borrower's income and debt. MassHousing services the loans. Income limits are $92,000 for households of one or two persons and $104,000 for families of three or more persons. To apply for a loan, applicants must contact a participating lender.

2. Get the Lead Out Program

MassHousing's Get the Lead Out Program offers 100% financing for lead paint removal on excellent terms that are based on ownership status and type of property. An owner-occupied, single-family home

may be eligible to receive a 0% deferred payment loan up to $20,000 that is due when the house is sold, transferred or refinanced. An owner-occupant of a two-family house could receive up to $25,000 to conduct the de-leading work. Maximum income limits for owner-occupants are $74,400 for one and two-person households and $85,500 for three or more persons. Investor-owners can also participate in the program but receive a 5% fully amortizing loan to cover costs. Non-profit organizations that rent properties to income-eligible residents are also eligible for 0% fully amortizing loans that run from five to 20 years. Applicants must contact a local rehabilitation agency to apply for the loan.

3. Septic Repair Program

Through a partnership with the Massachusetts Department of Environmental Protection and Revenue, MassHousing offers loans to repair or replace failed or inadequate septic systems for qualifying applicants. The interest rates vary according to the borrower's income with 0% loans available to one and two-person households earning up to $23,000 and three or more person households earning up to $26,000 annually. There are 3% loans available for those one or two person households earning up to $46,000 and three or more persons earning up to $52,000. Additionally, one to four-family dwellings and condominiums are eligible for loan amounts of up to $25,000 and can be repaid in as little as three years or over a longer period of up to 20 years. To apply for a loan, applicants must contact a participating lender.

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.

5. HECH Housing Emergency Loan Program (HELP)

With $177,000 in CPA funding, HECH also manages the Housing Emergency Loan Program (HELP) for Wellfleet that provides no interest, deferred loans of up to $20,000. Funding is for emergency repairs such as roofs, windows, siding, and heat and hot water systems. Applicants must have their name on the deed and their primary residence in a single-family unit or provide new affordable year-round rental housing for income-qualified tenants. Total household income cannot exceed 80% of area median income for homeowners or tenants.

APPENDIX 3

Glossary of Housing Terms[59]

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

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

Chapter 40B
The state's comprehensive permit law, enacted in 1969, which established an affordable housing goal of 10% for every community. In communities below the 10% goal, developers of low- and moderate-income housing can seek an expedited local review under the comprehensive permit process and can request a limited waiver of local zoning and other restrictions, which hamper construction of affordable housing. Developers can appeal to the state if their application is denied or approved with conditions that render it uneconomic, and the state can overturn the local decision if it finds it unreasonable in light of the need for affordable housing.

Chapter 44B
The Community Preservation Act Enabling Legislation that allows communities, at local option, to establish a Community Preservation Fund to preserve open space, historic resources and community housing, by imposing a surcharge of up to 3% on local property taxes. The state provides matching funds from its own Community Preservation Trust Fund, generated from an increase in certain Registry of Deeds' fees.

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

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

Fair Housing Act
Federal legislation, first enacted in 1968, that provides the Secretary of HUD with investigation and enforcement responsibilities for fair housing practices. It prohibits discrimination in housing and lending based on race, color, religion, sex, national origin, handicap, or familial status. There is also a

[59] Heudorfer, Bonnie, "Taking the Initiative: A Guidebook on Creating Local Affordable Housing Strategies", Citizens Housing and Planning Association with funding from the Massachusetts Housing Partnership Fund, November 2002.

Massachusetts Fair Housing Act, which extends the prohibition against discrimination to sexual orientation, marital status, ancestry, veteran status, children, and age. The state law also prohibits discrimination against families receiving public assistance or rental subsidies, or because of any requirement of these programs.

Inclusionary Zoning
A zoning ordinance or by-law that requires a developer to include affordable housing as part of a development or contribute to a fund for such housing.

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

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

MassHousing (formerly the Massachusetts Housing Finance Agency, MHFA)
A quasi-public agency created in 1966 to help finance affordable housing programs. MassHousing sells both tax-exempt and taxable bonds to finance its many single-family and multi-family programs.

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

Mixed-Income Housing Development
Development that includes housing for various income levels.

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

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

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

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

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

APPENDIX 4

Community-wide Workshop & Housing Update
May 24, 2017
Meeting Summary

The Wellfleet Housing Authority, Local Housing Partnership and Local Comprehensive Plan Committee sponsored a Community-wide Housing Workshop on May 24, 2017 at Wellfleet Preservation Hall to present key findings from the Housing Needs Assessment. Following Introductions from Brian Carlson, Assistant Town Administrator, and Elaine McIlroy, Chair of the Wellfleet Housing Authority; the Consultant, Karen Sunnarborg, provided a PowerPoint presentation on the highlights of the recently updated Housing Needs Assessment and facilitated a brief question and comment period.

Participants were then provided with instructions on proceeding with Breakout Group Brainstorming. After introducing themselves, participants were asked to identify a Facilitator to keep the group on track in fulfilling the assigned tasks within allotted timeframes and further identifying a Recorder to document key comments from each group member. The purpose of the breakout groups was to obtain input from participants on their vision for community housing as well as priority actions for fulfilling this vision and addressing local housing needs.

Visioning
Each group member was asked in turn to complete the following three questions, resulting in the following comments:

*The Town's greatest challenge related to preserving and producing housing affordability and diversity is*_____

- Land constraints
- High land value
- Zoning and other regulations
- Lack of available housing for various "lifestages"
- Infrastructure
- Local acceptance/buy-in of affordable housing, particularly from neighbors (NIMBY)
- Higher income levels of second home owners and visitors
- Lack of creativity in pursuing new affordable housing opportunities
- Aging of the population
- Teardowns
- Lack of year-round housing
- High development costs
- Limited year-round rentals
- Litigation
- Changing demographics
- Lack of money and commitment to affordable housing
- Stigma of affordable housing

- Seasonality of housing
- Well-paying, year-round jobs
- Real estate industry
- Market forces (we're up against people with a lot of money)
- Long wait times for affordable units
- Property owners charging too much for rent
- Change will be required to allow more diverse housing types (rentals, increased density)

An appropriate housing goal (something aspirational to strive for in the years ahead) for the Town to achieve is to _____?

- Return to historic density in larger existing structures and infill
- Promote inter-town cooperation/regional cooperation
- Allow greater diversity of housing types
- Promote more mixed-use and mixed-income development
- Develop workforce housing (seasonal barracks-style housing)
- Create "lifestage" housing (tiny homes or restore cottage colony)
- Grow the middle class
- Create a year-round community for all ages and populations
- Promote the "green building" and shellfishing industries
- Enable seniors to remain in the community
- Make better utilization of existing dwellings for affordable housing
- Reach the state's 10% affordable housing goal in 5 years
- Find more creative ways to fund housing development
- Pursue small, smart, economical, easy to maintain, and sustainable housing design

The best locations for new housing development include _____?

- The Penny Patch (?)
- Walkable areas near the downtown
- Barracks on National Seashore (Air Force Base)
- Areas near the Senior Center (near amenities)
- Old Council on Aging building
- All over town through a relaxed Accessory Dwelling Unit bylaw
- Other communities with infrastructure and amenities
- Central District (still have septic issues)
- Converting cottage colonies
- "Landing strip" off of Ocean View Drive
- Undersized lots
- Excess cemetery space
- Movable seasonal workforce housing
- Land on way to the dump along Coles Neck Road
- Land with Town water services
- Land swaps with the National Seashore

Prioritizing Actions and Voting

Each member of the breakout groups was then asked in turn to identify the two most important actions or strategies for the Town to implement to address priority housing needs. They were then asked, also in turn, to identify their top three preferences based on the full list of proposed actions created by the group. The full group was then asked to select the top three actions that received the most support as well as the next three in order of priority importance and agreement.

Representatives from each group then presented the priority actions to all participants. Following these presentations, all participants voted on their preferred actions with five stickers which they could place on one item or spread among strategies. They also had one negative sticker that they could use to record opposition to a particular action.

This prioritizing and voting process produced the following actions and number of votes:

Regulatory Strategies

- Change zoning to increase density and better address community needs including more diverse housing types (10 votes)
- Relax zoning to permit smaller lot development and encourage Accessory Dwelling Units (6 votes)
- Modify Accessory Dwelling Unit and Open Space bylaws (2 votes)
- Offer amnesty for owners of illegal units to make them legal if rented affordably (2 votes)
- Revisit Condo bylaw to promote their year-round use (1 vote)

Financing Strategies

- Provide tax incentives for affordable housing such as two-tiered taxes on seasonal vs. year-round units (13 votes)
- Increase available funding so property can be purchased without significant wait time (10 votes)
- Identify new funding streams and resources (7 votes)
- Invest more Community Preservation funding for housing
- Pursue innovative technology grants to support denser development

Town Programs and Services

- Establish a Housing Office staffed by a housing professional (19 votes)
- Make housing the Town's #1 priority (6 votes)
- Put a face on those in need (5 votes)
- Promote greater community acceptance of affordable housing (3 votes)
- Provide greater incentives for businesses and homeowners to increase year-round housing stock (3 votes)
- Find a way to better tell the story about the need for affordable housing to broaden the base of support (1 vote)
- Extend the BuyDown Program
- Have the Town buy homes instead of subsidizing mortgages
- Provide an Affordable Housing Clearinghouse for information on available units
- Acquire land on which to develop

Development Opportunities

- Develop a regional/Outer Cape housing development strategy (15 votes)

- Pursue more creative housing types such as shipping containers, yurts, trailers, tiny houses (6 votes and 1 negative vote)
- Winterize seasonal units for year-round use (4 votes)
- Identify properties available for building or redevelopment, including underutilized commercial property (3 votes)
- Support mixed workforce housing as other towns have done such as Harbor Hill in Provincetown and Nantucket models (1 vote)
- Create more diverse types of housing including multi-generational, multi-family, co-housing, congregate housing for seniors, and other home share options (1 vote)
- Pursue creative ways of providing seasonal workforce housing such as bunkhouses, dormitories, tent city, etc.
- Explore transit-oriented development along Route 6
- Pursue strategic planning and policy development with local boards

Participants were informed that the Town will be working with the Consultant on an Action Plan that will include priority actions that were discussed during the workshop. After the draft is prepared, the Wellfleet Housing Authority, Local Housing Partnership and Local Comprehensive Plan Committee will conduct another public meeting to present the highlights of the Action Plan for further input from local leaders, housing stakeholders and residents.