TOWN OF FALMOUTH, MASSACHUSETTS
HOUSING PRODUCTION PLAN

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Falmouth Housing Production Plan

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Falmouth Housing Production Plan

1. EXECUTIVE SUMMARY

Falmouth is among the most desirable places in the country to vacation, retire, to work, and to raise children. Like most communities on Cape Cod, however, there is a substantial gap between the costs of housing, whether for ownership or rental, and what far too many year-round residents can afford. Affordability is a particular problem for lower wage workers including those who are seasonal and support the town's important tourism industry.

Affordable housing production has been intermittent since 1960 and has not kept up with the growth of the community. The result is an affordable housing shortage that threatens the character and viability of the community. Consequently, the Town of Falmouth has been experiencing a housing crisis that affects its social and economic health as more year-round residents are forced to leave the community or make adjustments in where they spend the summer when seasonal visitors outbid them for available units. This situation is exacerbated by demographic shifts towards fewer young families and children and greater numbers of older residents.

It is the premise of this Housing Production Plan to create housing opportunities that will not only be affordable but will be affordable for as long a period as possible, striving to come closer to the state's 10% affordability goal. Through a range of strategies including zoning changes, partnerships with developers and service providers, and subsidies, the Town can continue to play a meaningful role in promoting housing options that match people to appropriately priced and sized units – producing housing that reflects community priorities and the range of local needs!

This Housing Production Plan updates the one that was prepared in 2009 as well as more recent Housing Demand and Needs Studies to provide current demographic and housing characteristics and trends, including housing market information for both rentals and homeownership. The planning process also enables the community to acknowledge the progress that has been made during the past few years and determine how best to move forward on the Town's housing agenda of promoting greater housing diversity and affordability.

1.1 Summary of Demographic and Housing Characteristics and Trends

The Housing Needs Assessment, included in Sections 3 to 5 of this Housing Production Plan, provides information on demographic and housing characteristics and trends with the following key findings:

Demographic and Economic Trends

Year-round population leveling off after population decline between 2000 and 2010

Falmouth's population steadily increased between 1930 and 2000 with the greatest population growth occurring during the 1950s and 1970s when the population increased by about 50% in both decades. Between 2000 and 2010, Falmouth's population decreased from 32,660 to 31,544 residents and then grew by only 13 residents between 2010 and 2016 according the census estimates.

Some projected more significant population growth based on a recent report
While other population projections forecast significant population losses,[1] the recent Regional Housing Market Analysis[2] estimated population growth to 32,210 residents by 2025, representing a 4.7% rate of growth between 2010 and 2025.

Declining numbers of younger residents and increases in older ones
Census data indicates that the median age of residents has increased significantly from 45.0 years in 2000, to 50.5 by 2010, and 52.0 in 2016. During this time, those 65 years of age or older increased by 27%, from 22.5% of the population in 2000 to 29.5% by 2016, involving a net gain of 1,968 residents.

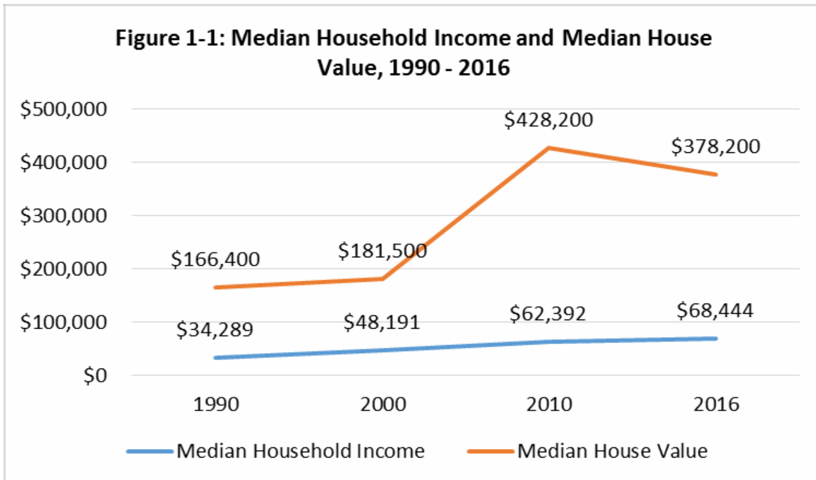
On the other hand, the number and proportion of children under age 18 declined by 23% during this period, younger adults in the family formation stage of their lives, the 25 to 34-age range, decreased by 8.7%%, and those who were somewhat older, age 35 to 44, decreased by 42%. Clearly an increasing number of those who were raised in Falmouth are choosing to live elsewhere. The high cost of housing is likely an issue although the relative scarcity of well-paying jobs is probably the greatest contributing factor.

High projected increases in older residents
While the recent Regional Housing Market Analysis did not break down population projections by age range for each community, it did emphasize that population increases will be largely driven by those age 65 and older. The State Data Center and MAPC population projections generally forecast continuing decreases in younger residents from 2010 levels and increases in those 65 years and older to at least 40% of all year-round residents by 2030. The Town's housing agenda will have to address these continuing demographic shifts.

Increases in smaller households
The number of households increased between 2000 and 2010, from 13,859 to 14,069, representing a growth rate of 1.5% compared to the -3.5% population decline. This household growth is largely explained by significant increases in smaller households, including those living alone. The Cape Cod Commission's Regional Housing Market Analysis also forecasts increases in the number of Falmouth households to 13,781 by 2020 and 14,045 by 2025, back to the 2010 level.

Relatively high income levels but growing income disparities
Incomes have increased substantially with the median household income level doubling between 1990 and 2016 to $68,444. This median income level is also relatively high in comparison to Barnstable County at $55,294 and the state at $63,961. Nevertheless, with the median house price at $378,200 based on 2016 census estimates and $400,000 in April 2018 based on Banker & Tradesman tracking of actual sales, an affordability gap becomes immediately apparent as visually presented in Figure 1-1.

[1] The Metropolitan Area Planning Council (MAPC) estimates a decline to 30,615 residents by 2030, and the State Data Center at the University of Massachusetts' Donahue Institute projects even greater population losses to 27,126 residents by 2030.
[2] Crane Associates, Inc. and Economic & Policy Resources, "Regional Housing Market Analysis and 10-year Forecast of Housing Supply and Demand for Barnstable County, Massachusetts", prepared for the Cape Cod Commission, June 30, 2017.



Also, despite relatively higher incomes, there are still residents with very limited financial means including 27% of households earning less than $35,000, 17% of whom earned less than $25,000 based on 2016 census estimates, including 22% of households headed by seniors.

There is also a large income disparity between owners and renters as reflected in median income levels of $79,761 and $35,949, respectively. While the median homeowner's household income was considerably higher than the county level of $73,364, the renter median was slightly lower than the countywide one of $36,077.

It is important to note that these income figures are based on the Town's year-round population, not those who live in town for parts of the year. This group of occasional residents, who occupy more than one-third of Falmouth's housing units, have significantly higher average incomes in order to afford the high costs of seasonal units or second homes. A Cape Cod Commission report on a survey conducted of second homeowners indicates that 68% of such Upper Cape owners had incomes of more than $100,000, 46% of more than $200,000.[3]

Recent increases in poverty

While Falmouth's poverty level at 6.7% is still lower than state and county levels, at 11.4% and 8.2%, respectively, the 2016 census figures estimate that poverty levels increased slightly between 2010 and 2016 for individuals, families and children, declining only for those 65 years of age or older. There were 2,113 residents living in poverty which is concerning given that there are only 861 subsidized rentals in the community.

Expanding labor force with significant seasonal shifts

Falmouth's economy includes a mix of employment opportunities including lower-paying retail and service sector jobs with higher wage jobs in construction, manufacturing, professional or technical services as well as health care. This average weekly wage translates into about $51,417 annually, significantly lower than the median household income of Falmouth residents of $68,444 and indicating that those who have jobs in Falmouth are generally earning less than those who live in town.

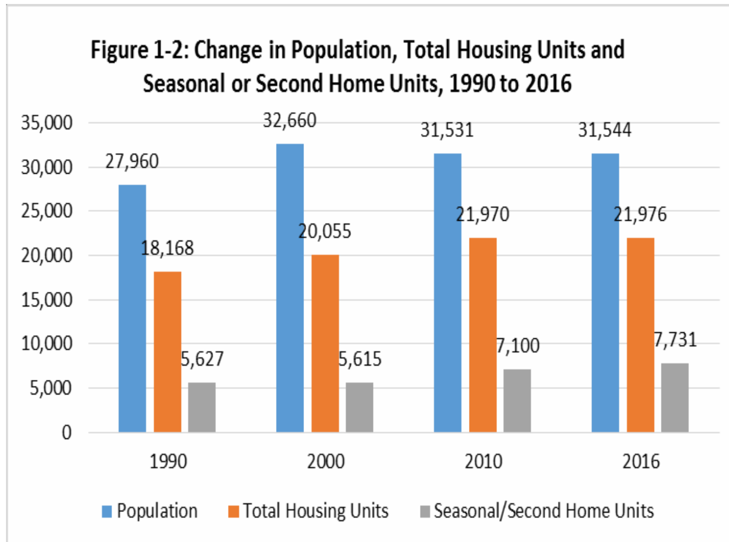
The Cape Cod Commission Regional Housing Market Analysis predicts a growth of another 2,900 jobs with an average annual growth rate of 0.53% for the Upper Cape from 2015 to 2025. This Market Analysis also forecasts continued growth in jobs for Falmouth.

[3] UMASS Donahue Institute, "Cape Cod Second Homeowners: Technical Report of 2017 Survey Findings," prepared for the Cape Cod Commission, June 2017.

Housing Trends

Slower housing growth

Housing growth increased by only 1,921 units or 9.6% between 2000 and 2016 compared to a growth of 1,887 units or 10.4% between 1990 and 2000 as shown in Figure 1-2.



This is in the context of a -3.4% population decline between 2000 and 2016.

High level of demolition/rebuild activity

Half of single-family housing development between 2010 and May 31, 2018 involved the demolition of existing homes and replacement with more expensive dwellings.

Given net building permit activity since 2010, the total number of housing units is likely approximately 22,400 as of May 31, 2018. The Cape Cod Commission's Regional Housing Market Analysis indicates that the number of housing units will increase to 22,780 by 2025.

Loss of year-round units

There were also 231 and 61 net owner-occupied and renter-occupied units lost between 2000 and 2016, respectively, despite an increase of 1,921 total units during this period. **This means that the Town's year-round housing stock has been eroding through conversions to seasonal or occasional use.**

35% of Falmouth's housing includes seasonal units or second homes

Seasonal or occasional units increased from 28% to 35.2% between 2000 and 2016, representing a growth rate of 38%. This level of seasonal housing is somewhat less than the countywide one of 37.8% but higher or comparable to other Upper Cape towns.

The recent Regional Housing Market Analysis forecasts that Falmouth's seasonal units will increase from 7,100 in 2010 to 7,886 by 2025, representing a further 11.1% increase, while year-round units are predicted to increase by 2.4%, from 14,549 to 14,894 units.

Predominance of owner-occupied, single-family detached homes,

Falmouth's housing stock is dominated by single-family detached residences at 86% of all units with an owner-occupancy level of 77.5% based on 2016 census estimates.

Housing costs remain high

The median single-family home price is high at $400,000 as of April 2018. A household would have to earn approximately $85,250, based on 80% mortgage financing, to afford this price.[4] The median condo price was $330,550 requiring an income of about $80,500 with a 20% down payment.

[4] Based on interest rate of 5.0%, 30-year fixed mortgage term, 2018 property tax rate of $8.60 per thousand, insurance of $6 per thousand for single-family homes and $4 per thousand for condos, $250 monthly condo fees, the purchaser spending 30% of income on housing costs, and 80% financing.

In regard to rentals, the $1,129 gross rent identified in the 2016 census estimates would require an income of about $52,160 based on spending no more than 30% of the household's income on rent, including average monthly utility costs of $175. This income level is much higher than the median income of renter households of $35,949. Also, while listings were limited, they were typically well above this median rent level.

Some remaining affordability

There were 1,845 single-family homes and 346 condos estimated to be affordable to those earning at or below 80% of area median income (AMI) for a total of 2,191 units or about 11.4% of these units. Almost one-quarter of the condos were affordable to those within this income range. It is also likely that many of these units are small, not winterized, or in relatively poor condition. Additionally, an estimated 16.2% of the single-family homes and 15.8% of the condos were affordable to those earning between 80% and 100% AMI, still relatively affordable.

Gaps in housing demand and supply

Of the 3,450 owner households who were estimated to have earned at or below 80% AMI, there were only 1,845 units that might be affordable based on Assessor records, resulting in a deficit of 1,605 affordable units. It should be noted that assessed values typically underestimate actual market value, particularly in rising housing markets, and thus this deficit likely underrepresents actual conditions. Additionally, if one looks at those in this income range for those who are overspending, the deficit increases to 2,340 units.

There is an estimated suggested a gap of 1,394 rental units for those earning at or below 80% AMI with 659 of these renter households having incomes at or below 50% AMI and spending more than 50% of their income on housing, referred to as having severe cost burdens. These households should be a major focus of new affordable housing creation.

High affordability gaps

There is an estimated affordability gap of $180,550 and $146,050 for single-family homes and condos, respectively, for those earning at the 80% AMI limit for a two-person household in 2018.

In regard to rentals, there are estimated affordability gaps of $855, $585 and $405 for those earning at 50%, 80% and 100% of the 2016 median renter household income of $35,949, respectively. Even those earning at 120% of this level had a gap of $226.

Widening cost burdens

A special HUD report estimated that in 2014 there were 5,285 households, or about 39% of all households, who were earning at or below 80% median family income (MFI) that might be eligible for housing assistance based on income alone.[5]

This report also estimated that 4,784 households (1,434 renters and 3,350 owners) were spending too much on their housing (spending more than 30% of income on housing costs). **Further, of the 5,285 total households earning at or below 80% MFI, 3,654 or 69% were spending more than 30% of their income on housing and 2,194 or 42% were spending more than half of their income on housing.**

[5] Median family income (MFI) is the equivalent of area median income (AMI).

Limited supply of workforce housing

Falmouth has 14,870 year-round housing units of which 959 or 6.45% meet Chapter 40B requirements and thus have been determined to be affordable by the Commonwealth of Massachusetts as part of the Subsidized Housing Inventory (SHI). Another 280 units should be eligible for inclusion in the SHI as well, bring Falmouth to an 8.3% level of affordability. These are the units that have affordability restrictions and are therefore not subject to fluctuations in the housing market. This also means that Falmouth still has a sizable gap of about 250 units in order to meet the state's 10% affordability goal under Chapter 40B without considering future growth that will increase the number of year-round housing units and thus the 10% goal over time. Because the Town has not yet surpassed the Chapter 40B 10% affordability threshold, it is not exempt from comprehensive permit projects that enable developers to override local zoning in exchange for meeting state guidelines in building affordable housing. In fact comprehensive permits have been used in projects that include about half of all Falmouth's SHI units.

As the affordability analysis indicates in Section 5.6, significant gaps remain between what most current residents can afford and what housing is available. In addition to sizable income requirements, both purchasers and renters are confronted with substantial up-front cash requirements and credit checks when seeking housing. Also, long-term residents may encounter difficulties keeping up with housing expenses including taxes, utilities, insurance and maintenance needs. It is no wonder that so many households were experiencing cost burdens.

The convergence of these trends – an aging population, fewer young adults, high housing prices, lower housing production, little housing diversity, limited supply of rentals, difficulty in obtaining affordable financing, and large up-front cash requirements for homeownership and rentals – all point to a challenging affordability gap! If these demographic and housing trends are left to evolve unchecked, Falmouth will lose ground on its ability to be a place where individuals and families across a range of economic and social strata can call home.

1.2 Summary of Priority Housing Needs

Based on input from a wide variety of sources including demographic and housing characteristics and trends (Sections 3 to 5), housing principles (Section 2.3), community input, and other planning studies, the following priority housing needs have been identified:

Households with Limited Incomes – Need affordable rental housing is the top priority

There still remains a population living in Falmouth with very limited financial means. Given the high costs of rental housing, including sizable up-front costs (first and last month's rent, a security deposit, and/or moving expenses) and limited development of such units, more subsidized rental housing is necessary to offer more diverse and affordable housing options, particularly for the community's most vulnerable residents and its workforce. Additionally, almost all state subsidies are targeted to rental development.

Gaps in Affordability and Access to Affordable Housing – Need affordable homeownership opportunities

Housing in Falmouth is expensive with large gaps between what housing costs and what many year- round residents can afford. Even though Falmouth has a very high level of homeownership, at almost 80%, there would be a public benefit for the Town to promote opportunities for younger households to purchase a home and establish roots in the community. This is particularly challenging in a context of younger residents leaving the community in search of better jobs. Nevertheless, a wider range of affordable housing options is needed for these younger households entering the job market and forming their own families as well as municipal employees, other Town employees, and seniors looking to downsize.

Special Needs Housing – Need barrier-free units and supportive services
There were significant numbers of residents who claimed some type of disability, 6,084 or 14.2% of all residents, and given the aging of the population greater emphasis should be placed on housing that includes supportive services and increased conformance with universal design guidelines for handicapped accessibility, adaptability and visitability.

1.3 Summary of Housing Production Goals

The state administers the Housing Production Program that enables cities and towns to adopt an affordable housing plan that demonstrates production of 0.50% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory (SHI).[6] Falmouth would have to produce at least 74 affordable units annually based on these goals, a formidable challenge, and housing growth will continue to drive-up the 10% goal.

If the state certifies that the locality has complied with its annual production goals, the Town may be able, through its Zoning Board of Appeals, to deny what it considers to be inappropriate comprehensive permit applications without the developer's ability to appeal the decision. **Falmouth in fact received this state "certification" in 2009 based on its first Housing Production Plan.**

This HPP establishes production goals over the next five (5) years that include the creation of an estimated ? affordable units and ? total housing units. This represents an ambitious challenge for the community which will require strategic investment and leverage of local resources. We will fill in when we complete Table 7-1.
It should be noted that 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 or more bedrooms with some exceptions (e.g., age-restricted housing, assisted living, supportive housing for individuals, SRO's. etc.).

1.4 Summary of Housing Strategies

The strategies summarized in Table 1-1 are based on previous plans, reports, studies, the Housing Needs Assessment, local housing goals, community input, and the experience of other comparable localities in the area and throughout the Commonwealth. The strategies are grouped according to the type of action proposed – Building Local Capacity, Zoning and Regulatory Strategies, Development Initiatives and Direct Assistance – and categorized according to priority for implementation. The strategies also reflect state requirements that ask communities to address a number of major categories of strategies to the greatest extent applicable.[7]

While a major goal of this Plan is to eventually meet the state's 10% affordability threshold under Chapter 40B, another important goal is to serve the full range of local housing needs. Consequently,

[6] The state has issued changes to Chapter 40B that included modifications to the Planned Production requirements. For example, the annual production goals are instead based on one-half of one percent of total housing units and plans are now referred to as Housing Production Plans (HPP).
[7] Massachusetts General Law Chapter 40B, 760 CMR 56.03.4.

there are instances where housing initiatives might be promoted to meet community needs that will not necessarily result in the inclusion of units in the Subsidized Housing Inventory (SHI).

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. Moreover, the proposed actions present opportunities to judiciously invest limited Community Preservation funding and the Falmouth Affordable Housing Fund to build local capacity, modify or create new local zoning provisions, and subsidize actual unit production (predevelopment funding and/or subsidies to fill the gap between total development costs and the affordable rent or purchase prices) that leverage other necessary resources.

We will fill in unit numbers when we finalize Table 7-1

Table 1-1 Summary of Housing Strategies	**Priority for Implementation**			
	In Years 1-2	**In Years 3-5**	**# Affordable Units**	**Responsible Parties*** **
8.1 Capacity Building Strategies				
1. Conduct ongoing community outreach and education	X		*	AHC and other Sponsors
2. Provide additional support for the FAHF	X		*	BOS/AHC/CPC
3. Formalize the monitoring of SHI units	X		*	PB/ZBA
4. Conduct additional research and planning		X	*	PB/AHC
8.2 Zoning and Regulatory Strategies				
1. Modify ADU bylaw	X		*	PB/AHC
2. Encourage multi-family and mixed-use development	X		*	PB
3. Allow more diverse housing types in more areas		X	*	PB
4. Expand inclusionary zoning		X		PB
5. Explore tax relief for year-round rentals		X	*	BOS
8.3 Production Strategies				
1. Make suitable public property available for affordable housing	X		**TBD?**	BOS/AHC
2. Promote partnerships with developers	X		**TBD?**	BOS/AHC/ZBA/PB
3. Encourage special needs housing		X	**TBD?**	AHC
4. Explore regional partnerships		X	**TBD?**	BOS/PB/AHC

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

Abbreviations

Affordable Housing Committee = AHC

Board of Selectmen = BOS

Planning Board = PB

Zoning Board of Appeals = ZBA

Community Preservation Committee = CPC

2. INTRODUCTION

2.1 Background and Purpose of the Project

The Town of Falmouth has not only been a much sought-after destination for a vacation, but it has also attracted those looking for a second home or a place to retire. This has significantly affected the community's socio-economic character and housing mix with increasing amounts of seasonal or occasional housing units, now at more than one-third of Falmouth's housing stock. Also, like most communities on the Cape, the community has experienced declines in younger residents and substantial gains in older ones with almost 30% of year-round residents 65 years of age or older. These trends are projected to continue. Additionally, during the summer months the population is estimated to triple, putting significant pressures on Town services and existing housing.

These demographic shifts and housing challenges have precipitated a number of important local housing planning efforts over the years to help the community better understand the mix of local housing needs, to prioritize these needs, and to identify strategies to best address them. For example, in 2007 the Town prepared a Housing Needs Assessment that was followed up by a Housing Production Plan (HPP) in 2009[8] which was approved by the state under Massachusetts General Law Chapter 40B, 760 CMR 56.00, Section 4. The Plan projected affordable housing creation equal to 0.50%, or 72 units per year of the total year-round housing stock (14,440) based on 2000 U.S. Census figures. If the Town produced this level of affordable housing in any calendar year, it would be able to deny inappropriate comprehensive permit projects without the developer's ability to appeal the decision, thus gaining greater local control over housing development. The Town in fact qualified for this "certification" for a one-year period from September 4, 2009 to September 3, 2010 as it had produced 125 SHI-eligible units though the Woodbriar Senior Living development.

In 2014, the Town revisited housing needs by preparing a Housing Demand Study and Needs Analysis. This work was also followed up by an update in 2017[9] from a variety of sources, these documents provided insights into changes in housing demand by specific demographic groups to help inform local decisions on how best to intervene to address housing supply issues.

This Housing Production Plan (HPP) involves an update of the one the Town produced in 2009, however, the annual housing production goals have increased from 72 to 74 units given growth in the year-round housing stock to 14,870 units based on the 2010 census. Given housing growth between 2010 and 2020, the year-round housing total will increase and correspondingly will the 10% affordability goal and the annual housing production goal.

This updated HPP provides the Town with the opportunity to obtain more current information on demographic and housing trends and revisit previous housing goals and strategies, revising them based on the shifting housing dynamic and available resources. As such, this Plan provides guidance to help the Town address community housing needs as well as get closer to the 10% state affordability threshold, providing a proactive approach to defining and achieving the following local affordable housing and community planning objectives:

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[8] Development Cycles, Falmouth Housing Needs Assessment, prepared for the Falmouth Community Preservation Committee, October 2007; and Development Cycles, Housing Production Plan, Revised January 2009.
[9] RKG Associates, Inc., Housing Demand and Needs Analysis, September 2014; and RKG Associates, Inc., Update of Housing Needs and Demand Analysis, August 28, 2017.

- Offers greater local control over affordable housing development as communities that make sufficient progress in implementing the HPP will have the potential ability to deny Chapter 40B comprehensive permit applications that they determine to be inappropriate or not reflective of local needs.
- Provides updated documentation on important demographic and economic trends that have a bearing on future local and regional housing needs.
- Provides a detailed analysis of the local and regional housing dynamic, analyzing how market prices affect residents' ability to pay based on various income levels and target populations.
- Analyzes potential development opportunities to help diversify local housing to address the range of identified local housing needs.
- Identifies what resources are available to support affordable housing development and how the Town can most strategically leverage local investment.
- Includes important data that can be used in applying for public and private sources of financial and technical support for affordable housing development or other community needs.
- Offers a useful educational tool to help dispel misinformation and negative stereotypes regarding affordable housing, ultimately to galvanize local public support for new housing initiatives.
- Demonstrates the community's intent to proactively address local housing issues.

See Section 7 for more details on Housing Production Plan requirements and goals.

2.2 What is Affordable Housing?

The very term "affordable housing" can provoke different reactions in communities. Some might be concerned about how such housing might impact their neighborhood while others see opportunities for supporting the town's most vulnerable residents in light of increasing housing costs. Most agree that Falmouth needs less costly housing for its workforce, many involved in the relatively lower-paying service economy that is so prevalent in resort and retirement communities. In fact, some suggest that the term "affordable housing" might be better replaced by "workforce housing".

Federal and state programs offer a number of different definitions of affordable housing. The U.S. Department of Housing and Urban Development (HUD) generally identifies units as affordable if the costs of renting or owning a home are no more than 30% of a household's income. If households are paying more than this amount, they are described as experiencing housing affordability problems; and if they are paying 50% or more for housing, they have severe housing affordability problems or what is referred to as severe cost burdens.

Housing subsidy programs are typically targeted to particular income ranges depending upon programmatic goals. Extremely low-income housing is directed to households with incomes at or below 30% of area median income as defined by the U.S. Department of Housing and Urban Development ($23,300 for a family of three for the Barnstable County area) and very low-income is defined as households with incomes between 30% and 50% of area median income ($38,800 for a family of three). Low- and moderate-income generally refers to the range between 50% and 80% of area median income ($62,100 for a family of three at the 80% level). These income levels are summarized in Table 2-1 in addition to the income limits calculated by the Community Preservation Coalition for the 100% AMI level, what they refer to as moderate-income households.

The Community Preservation Act (CPA) allows Community Preservation funding to be directed to those earning up to 100% AMI. Another income level of 120% is also offered, based on the Community Preservation Coalition figures, many who are also shut-out of the local housing market. It should be noted, however, that those units that involve occupants with incomes higher than 80% of area median income, while still serving local housing needs, will not count as part of the Subsidized Housing Inventory (SHI) unless they are part of a Chapter 40B rental development where 100% of the units qualify for inclusion in the SHI.

Table 2-1: 2018 Income Levels for Affordable Housing in Barnstable Town, MA MSA

# in Household	30% AMI	50% AMI	80% AMI	100% AMI	120% AMI
1	$18,100	$30,200	$48,300	$60,340	$72,408
2	20,700	34,500	55,200	68,960	82,752
3	23,300	38,800	62,100	77,580	93,096
4	25,850	43,100	68,950	86,200	103,440
5	29,420	46,550	74,500	93,096	111,715
6	33,740	50,000	80,000	99,992	119,990
7	38,060	53,450	85,500	106,888	128,266
8+	42,380	56,900	91,050	113,784	136,541

Source: U.S. Department of Housing and Urban Development (HUD) for 30%, 50% and 80% of Area Median Income (AMI) levels and the Community Preservation Coalition for the 100% AMI figures with the 120% AMI level calculated based on the 100% limits.

A common definition of affordable housing relates to the Chapter 40B comprehensive permit program which the state established in 1969 to promote affordable housing, also referred to as the Anti-Snob Zoning Act.[10] This legislation allows developers to override local zoning if the project meets certain requirements, the municipality has less than 10% of its year-round housing stock defined as affordable in its Subsidized Housing Inventory (SHI), or housing production goals are not met. Specifically, all SHI units must meet the following criteria:

1. Permanent units subsidized by an eligible state or federal program or approved by a subsidizing agency.
2. Subject to a long-term deed restriction limiting occupancy to income eligible households for a specified period of time increasingly moving towards as long a period of time as possible.
3. Subject to an Affirmative Fair Housing Marketing and Resident Selection Plan.
4. Be affordable to households earning at or below 80% AMI.

Most state-supported housing assistance programs are targeted to households earning at this same level, at or below 80% AMI, however, others, particularly rental programs, are directed to those earning at lower income thresholds. For example, the Low Income Housing Tax Credit Program subsidizes rental units targeted to households earning at 50% and 60% AMI. First-time homebuyer programs typically apply income limits of up to 80% AMI. It is worth noting that according to a special HUD report there

[10] 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.

were 5,285 or about 39% of all households who were earning at or below this 80% income threshold and might be eligible for housing assistance based on income alone.

Of Falmouth's 14,870 year-round housing units, 959 or 6.45% meet Chapter 40B requirements and thus have been determined to be affordable by the Commonwealth of Massachusetts as part of the Subsidized Housing Inventory (SHI). More details on the SHI are included in Section 5.6.
This means that Falmouth still has a sizable gap of 528 units in order to meet the state's 10% affordability goal under Chapter 40B without considering future growth that will increase the number of year-round housing units and the 10% goal over time.

2.3 Housing Goals

The preparation of this Housing Production Plan included a Community Housing Forum on July 12, 2018 that engaged participants in a series of questions as part of breakout group brainstorming that included their hopes for the future of housing in Falmouth. This process resulted in the following aspirational housing goals:

- Insure that new housing is harmonious to the existing architectural fabric
- Strive to meet the state's 10% affordability goal
- Provide affordable housing for all who need it including our workforce
- Support a more proactive citizenry and greater community buy-in for higher density development
- Provide greater amounts of funding for housing
- Focus on smart growth development including housing that is walkable to goods, services and transportation in the Town and higher density in commercial areas
- Promote greater housing sustainability and energy efficiencies
- Extend water and sewer services
- Bring younger folks back to the community
- Become a community that is more open to higher densities and multi-family housing
- Develop creative solutions to addressing housing needs (communal living, co-housing, intergenerational housing)

The Falmouth Affordable Housing Fund (FAHF) also developed Funding Priorities in June 2018 that are attached as Appendix 7 and will serve as an important framework for allocating funding to housing initiatives.

3. DEMOGRAPHIC PROFILE[11]

It is important to closely examine social and economic characteristics, particularly past and future trends, in order to understand the composition of the population and how it relates to community housing needs. Key questions to be addressed in this section include the following:

- What have been the town's historic growth trends and what are demographers projecting for the future?
- What are the ramifications of increases and decreases of various age groups in regard to housing needs?
- What are the variations in the size and types of households that suggest unmet or greater housing needs?

These and other demographic issues are discussed in the following sections.

3.1 Population Growth – Year-round population leveling off after population decline between 2000 and 2010

As noted in Table 3-1 and Figure 3-1, Falmouth's population steadily increased between 1930 and 2000 with the greatest population growth occurring during the 1950s and 1970s with the population increased by about 50% in both decades. Significant growth then occurred between 1980 and 2000 when the population increased to 32,660 residents. After that, the population decreased to 31,544 by 2010 and then grew by only 13 residents between 2010 and 2016 according the census estimates.

Table 3-1: Population Change

Year	Total Population	Change in Number	Percentage Change
1930	4,821	-	-
1940	6,878	2,057	42.7%
1950	8,662	1,784	25.9%
1960	13,037	4,375	50.5%
1970	15,942	2,905	22.3%
1980	23,640	7,698	48.3%
1990	27,960	4,320	18.3%
2000	32,660	4,700	16.8%
2010	31,531	-1,129	-3.5%
2016	31,544	13	0.04%
As of 5-1-18 (Town records)	27,544	-4,000	12.7%

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

Town records, as of May 1, 2018, indicate a much lower year-round population of 27,544 residents, although the disparity between the 2016 census estimate and Town records could largely be explained by residents not submitting their census forms and not including their children despite substantial due

[11] It should be noted that this Housing Needs Assessment includes the most up-to-date data available. In regard to census figures, in addition to the 2010 census data, the most recent issue of the Census Bureau's American Community Survey (ACS) is also offered. Because the ACS is based on a sample, it is subject to sampling error and variation.

diligence on the part of the Town**. It is also important to note that these figures do not include seasonal visitors or second homeowners and the Town Clerk's Office estimates that the population triples during the summer season.**

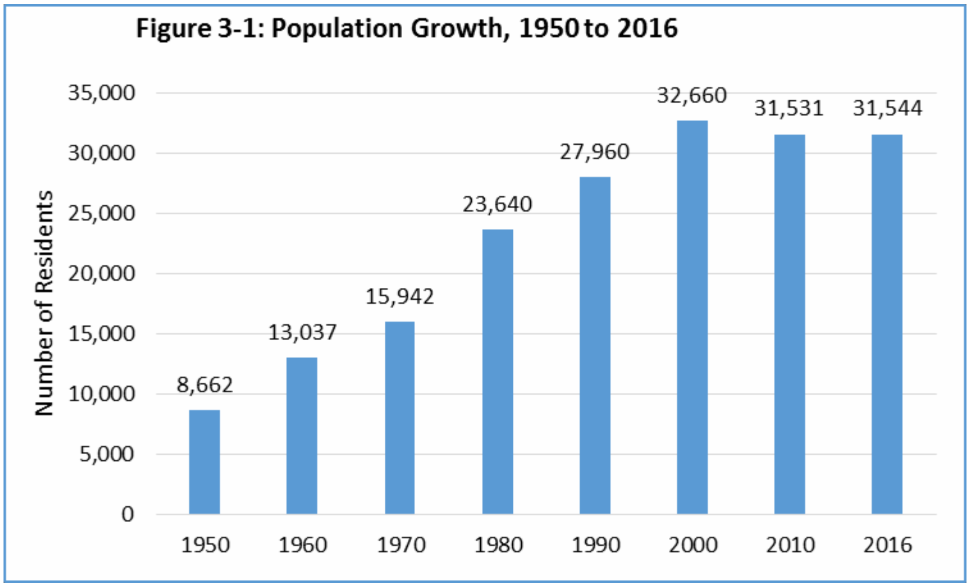


Table 3-2 compares population growth for Falmouth to other communities on the Upper Cape as well as Barnstable County and the state. While actual growth was 33.4% for Falmouth between 1980 and 2010, it was lower than Barnstable County's level of 46%, Bourne's at 42.4% and much lower than Sandwich and Mashpee's 's growth rates of 137% and 278%, respectively. Growth in Falmouth, and the Cape in general, was substantially higher than the statewide rate of 14%, however, demonstrating the attraction of Cape communities during this period which resulted in substantial impacts on Town services and the housing market.

Table 3-2 also provides projected growth figures for 2020 and 2030 from the Metropolitan Area Planning Council (MAPC) which provides such projections for all communities in the state. This forecast projects that Falmouth's population will decrease to 31,086 residents by 2020 and then decline further to 30,618 by 2030, reflecting a decline of 2.9% since 2010. On the other hand, the county and state as well as other Upper Cape communities are projected to experience continued population growth. State Data Center projections from the University of Massachusetts Donahue Institute suggest even greater population declines to 29,635 residents by 2020 and 27,126 by 2030. These forecasts rely on historical or a retrospective view of past demographic trends largely focused on migration, birth, and death rates.

A Cape Cod Commission economist suggests that the MAPC and State Data Center projections may not consider unique factors in typical retirement communities where the outpacing of births by deaths may be a less reliable measure for population trends than the ability of the community to attract new residents from outside the region.[12]

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

Table 3-2: Comparative Historic and Projected Population Growth
1980 to 2010 and 2020-2030 Projections

	Decennial Census (Actual)				Population Projections	
Geography	**1980**	**1990**	**2000**	**2010**	**2020**	**2030**
Falmouth	23,640	27,960	32,660	31,531	31,086	30,618
Bourne	13,874	16,064	18,721	19,754	20,838	22,033
Mashpee	3,700	7,884	12,946	14,006	15,923	18,159
Sandwich	8,727	15,489	20,136	20,675	21,420	23,655
County	147,925	186,605	222,230	215,888	215,584	216,646
State	5,737,037	6,016,425	6,349,097	6,547,629	6,757,574	6,838,260

Sources: U.S. Census Bureau, Metropolitan Area Planning Council (MAPC), January 2014.

The Cape Cod Commission (CCC) and Barnstable County commissioned a Regional Housing Market Analysis which was completed in June 2017.[13] This report suggested some continued population growth for the county in general and for Falmouth as well to an estimated population of 31,655 residents in 2020 and 32,210 by 2025, representing a 2.2% rate of growth between 2010 and 2025. The report, which was prepared by Crane Associates, Inc. and Economic & Policy Resources, relied largely on the forecasts from Moody's Analytics that relate to the structural economy in the county, forecasting the county's future economic performance and demographic changes within a larger prospective view of its economic, financial and demographic dynamic. These projections are likely a more reliable source for demographic forecasts than the MAPC and State Data Center figures although they do appear somewhat optimistic regarding future growth given past trends.

3.2 Race and Ethnicity – Slight increases in minority residents

As shown in Table 3-3, the racial composition of Falmouth's population is predominately White at 92.5% of all residents in 2010, down somewhat to 89.5% according to 2016 census estimates. Almost all of the growth in minority residents involved Black or African-American and Asian residents. Also, 762 residents claimed Hispanic or Latino heritage based on 2016 census estimates, representing about 2.4% of the population, up somewhat from 678 residents or 2.1% of the population in 2010.

Table 3-3: Population by Race, 2000, 2010 and 2016

	2000		2010		2016	
Race	**#**	**%**	**#**	**%**	**#**	**%**
White alone	30,502	93.4	29,426	92.5	28,227	89.5
Black or African American alone	593	1.8	642	2.0	1,045	3.3
American Indian/Alaska Native alone	168	0.5	71	0.2	193	0.6
Asian alone	300	0.9	813	2.6	726	2.3
Native Hawaiian/Other Pacific Islander Alone	5	0.02	0	0.0	0	0.0
Some other race alone	469	1.4	138	0.4	597	1.9
Two or more races	623	1.9	706	2.2	756	2.4
Total	32,660	100.0	31,796	100.0	31,544	100.0

Source: US Census Bureau, 2000 and 2010; American Community Survey 5-Year Estimates, 2012-2016.

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

It will be important for the Town and region to find ways to reduce barriers to fair and equal access to housing in an effort to insure the area is welcoming to people of diverse backgrounds.

As shown in Table 3-4, the Cape as a whole has much less racial diversity than the state with only 8.6% of residents claiming minority status (includes Hispanic and Latino residents) compared to 23.9% statewide based on 2010 census figures. Falmouth, at 9.3%, has a higher level of minority residents than Bourne and Sandwich but lower than the 12.3% level in Mashpee where a majority of minority residents are Native American.

Table 3-4: Comparative Race and Hispanic or Latino Populations, 2010

Geography	Total Population	White-Non Hispanic	White Hispanic	Racial Minorities*	Percent Minority
Falmouth	31,531	28,612	367	2,552	9.3%
Bourne	19,754	18,261	206	1,287	7.6%
Mashpee	14,006	12,281	203	1,522	12.3%
Sandwich	20,675	19,817	180	678	4.1%
County	215,888	197,327	2,867	15,694	8.6%
State	6,547,629	4,984,800	280,436	1,282,393	23.9%

Sources: U.S. Census 2010 and RKG Associates, Inc.
*Includes Hispanic and Non-Hispanic Residents

Table 3-5 shows that at 7.7% Falmouth has a larger population of foreign-born residents than the other communities on the Upper Cape but a comparable level to the county, both significantly lower than the almost 23% level statewide. Of Falmouth's foreign-born residents, almost 38% have U.S. citizenship, lower than the other areas with the exception of Mashpee and Sandwich. The 7.7% level of Falmouth residents speaking a language other than English at home is comparable to the 7.9% of residents who are foreign-born, comparable to the county again. The largest portion of Falmouth's foreign-born residents came from Europe at 45.3% with almost one-quarter coming from Latin American and 21% from Asia.

Table 3-5: Foreign Born Population, 2016

Geography	Estimated Population of Foreign Born Residents	Percent Foreign Born	Percent Foreign Born Not U.S. Citizens	Percent Population Over Age 5 Speaking Language Other Than English at Home
Falmouth	2,484	7.9%	37.8%	7.7%
Bourne	840	4.2%	49.9%	5.7%
Mashpee	528	3.8%	34.8%	5.3%
Sandwich	638	3.1%	23.7%	4.6%
County	14,919	6.9%	42.2%	7.8%
State	1,061,461	15.7%	47.8%	22.7%

Source: U.S. Census American Community Survey 5- Year Estimates, 2012-2016.

3.3 Age Distribution – Declining numbers of younger residents and increases in older ones

Census data regarding the changes in the age distribution from 2000 to 2016 is provided in Table 3-6 which demonstrates the following demographic shifts:

- *Children – Declining population*
  The number and proportion of children declined markedly over the past several decades. Those school-age children under age 18 decreased by 19% between 2000 and 2010, from 20.7% to 17.3% of all residents. In comparison, the percentage of those under 18 was 21.7% for the state in 2010. The 2016 census estimates indicate continued declines to 16.5% of the population or 5,205 residents.

- *College-aged residents – Numbers increasing*
  Unlike other parts of the Cape, young residents in the 18 to 24-age range increased by 20% between 2000 and 2010, from 1,569 to 1,870 residents. The 2016 census estimates indicate continued growth in this age range to 2,240 residents and 7.1% of the population.

- *Young adults – Small but fluctuating population*
  Younger adults in the family formation stage of their lives, the 25 to 34-age range, decreased significantly between 2000 and 2010, dropping to 7.9% of the population in 2010 from 9.2% in 2000. The 2016 census estimates suggest some increases however, up to 8.7% of the population or 2,744 residents.

- *Younger middle-age residents – Substantial declines*
  Those who were somewhat older, age 35 to 44, decreased considerably from 15.3% to 10.3% of all residents and down to 9.2% according to 2016 census estimates. Clearly an increasing number of those who were raised in Falmouth are choosing to live elsewhere. The high cost of housing is likely an issue although the relative scarcity of well-paying jobs is probably the greatest contributing factor.

- *Baby Boomers – Substantial increases*
  Those in the 45 to 64-age range, many of the Baby Boom generation during these decades, increased significantly, from 27.5% of the population in 2000 to 32.5% by 2010. The 2016 census estimates suggest some declines of those in this age range to 29% of the population, another reversal of past trends.

- *Older adults – Substantial population of residents 65 years or older*
  The number of those 65 years of age and older has increased significantly, from 22.5% of all residents in 2000 to 29.5% according to 2016 census estimates with a net gain of 1,968 residents during this period. When looking back to 1980, those 65 years or older included 3,692 residents or only 15.6% of the population. Additionally, **between 1980 and 2010, seniors 75 years of age or older increased from 1,600 to 4,062 residents and up again to 4,259 by 2016, a growth rate of 166%.**

- *Frail Elderly – Major increases*
  Of particular note were what demographers term the frail elderly, those who are at least 85 years of age, who increased by 54% between 2000 and 2016.

Table 3-6: Change in Age Distribution, 2000 to 2016

Age Range	2000		2010		2016	
	#	#	%	%	%	%
Under 5 Years	1,466	4.5	1,294	4.1	1,136	3.6
5 – 17 Years	5,298	16.2	4,176	13.2	4,069	12.9
18 – 24 Years	1,569	4.8	1,879	6.0	2,240	7.1
25 – 34 Years	3,006	9.2	2,496	7.9	2,744	8.7
35 – 44 Years	5,000	15.3	3,252	10.3	2,902	9.2
45 – 54 Years	4,862	14.9	4,986	15.8	4,511	14.3
55 – 64 Years	4,121	12.6	5,259	16.7	4,637	14.7
65 – 74 Years	3,926	12.0	4,127	13.1	5,047	16.0
75 – 84 Years	2,549	7.8	2,847	9.0	2,934	9.3
85+ Years	863	2.6	1,215	3.9	1,325	4.2
Total	32,660	100.0	31,531	100.0	31,544	10.0
Under 18	6,764	20.7	5,470	17.3	5,205	16.5
Age 65+	7,338	22.5	8,189	26.0	9,306	29.5

Source: U.S. Census Bureau, 2000 and 2010; American Community Survey 5-Year Estimates, 2012-2016.
*The 2016 census estimates only provide percentage data and therefore there is some minor rounding error.

Figure 3-2 dramatically displays the shrinking in children and younger middle-aged residents in contrast to the relative dominance of those 65 years of age or older.

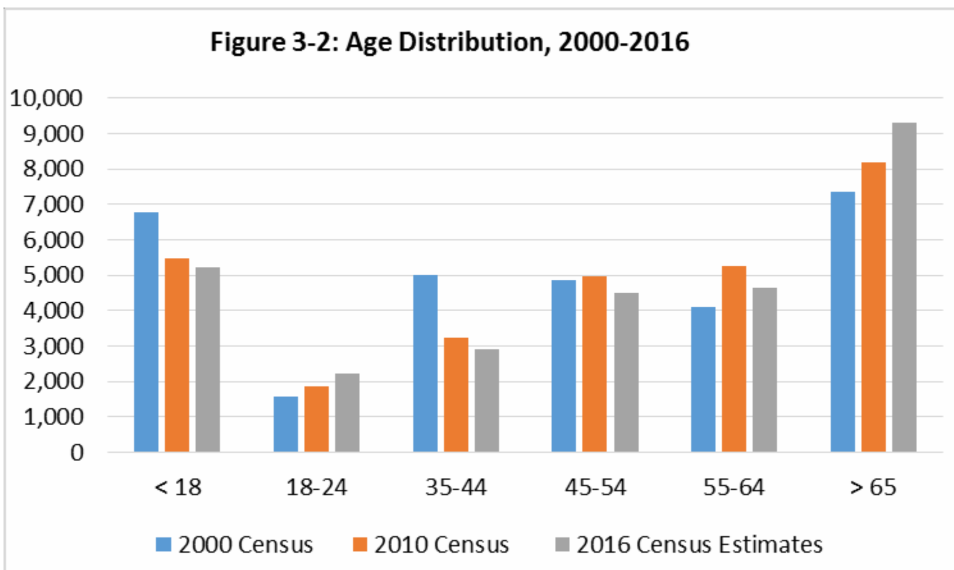


Table 3-7 provides comparative information for Barnstable County and the state, which highlights the trends described above. While having a slightly higher level of older residents, Falmouth's age distribution is relatively comparable to the county. Both Falmouth and Barnstable County have much lower levels of younger residents and substantially higher thresholds of older ones in comparison to the state.

Table 3-7: Comparative Age Distribution Data, 2000 and 2016

Age Range	Falmouth		Barnstable County		Massachusetts	
	% 2000	% 2016	% 2000	% 2016	% 2000	% 2016
Under 18	20.7	16.5	20.4	15.9	23.6	20.6
Age 18 to 34	14.0	15.8	14.9	15.8	17.8	24.1
Age 35 to 44	15.3	9.2	15.3	9.2	14.6	12.4
Age 45 to 54	14.9	14.3	14.8	14.2	16.7	14.6
Age 55 to 64	12.6	14.7	11.5	17.1	13.8	13.1
Age 65 +	22.5	29.5	23.1	27.8	13.5	15.1

Source: U.S. Census Bureau, 2000 and 2012-2016 American Community Survey 5-Year Estimates.

Additional comparative census data is provided in Table 3-8, examining the median age levels for Falmouth in comparison to the county and state. This data indicates that the median age of Falmouth residents has increased significantly from 48 years in 2000 to 50.5 years in 2010 and up further to 52 years by 2016. Falmouth's median ages are in line with those of the county but significantly lower than statewide medians, reflective of the community's large retirement community and trends towards an increasingly aging population.

Table 3-8: Median Age, 2000, 2010 and 2016

Gender	Falmouth			Barnstable County		Massachusetts	
	2000	2010	2016	2010	2016	2010	2016
Both Sexes	45.0 years	50.5 years	52.0 years	49.9 years	51.8 years	39.1 years	39.4 years
Male	43.6 years	48.6 years	49.5 years	48.1 years	49.9 years	37.7 years	37.8 years
Female	46.3 years	52.1 years	53.9 years	51.4 years	53.6 years	40.3 years	40.8 years

Source: U.S. Census Bureau, 2000 and 2010; American Community Survey 5-Year Estimates, 2012-2016.

While the Cape Cod Commission Regional Housing Market Analysis did not include forecasted population breakdowns by age, it did provide countywide projections that are summarized in Table 3-9. Despite a projected increase in the total population between 2010 and 2025 of 2.3%, younger residents under age 20 are forecasted to decrease by 16.1% with accompanying smaller declines in younger adults in the 20 to 44 age range of 3.9%. Even older middle-aged residents between age 45 and 64 are projected to decline in number and as a proportion of the population, decreasing by 14% during this same period. On the other hand, those 65 years of age and older are estimated to grow by 43.5%.

The Regional Housing Market Analysis asserts that, "Quite clearly, the population increase is expected to be driven by the age 65 and older cohort. From 2017 to 2025, the age 65+ cohort is forecasted to increase by an average of approximately 1,667 residents per year (2.57%)" on a countywide basis.[14] Because Falmouth has a higher proportion of older adults and a lower proportion of younger ones than the county as a whole, it can be anticipated that population forecasts would also be more extreme with even fewer children and more older residents.

Applying a countywide growth rate of 43.5% to Falmouth's 2010 population of those 65 years or more (8,189 residents)puts this population at approximately 11,751 residents or about 36% of the population (using the 2025 projected total population of 32,210) which is in line with the MAPC and State Data Center percentages in Table 3-10. Likewise, the projected 16% countywide decline in those under age

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

20 when applied to Falmouth residents in 2010 suggests a population of about 5,109 residents or 16% by 2025, once again based on a projected 2025 total population of 32,210 residents. This is not far off from the number of such residents in the State Data Center figures for 2030.

Table 3-9: Projected Age Distribution for Barnstable County, 2010 Census to 2025

Age Range	2010 Census		2020 Projections		2025 Projections	
	#	%	#	%	#	%
0-19 Years	41,767	19.3	35,709	16.5	35,044	15.9
20-44 Years	50,237	23.3	48,138	22.3	48,273	21.9
45-64 Years	70,005	32.4	64,239	29.7	60,207	27.3
65 + Years	53,879	25.0	68,209	31.5	77,296	35.0
Total	215,888	100.0	216,295	100.0	220,820	100.0

Source: "Regional Housing Market Analysis and 10-year Forecast of Housing Supply and Demand for Barnstable County, Massachusetts", prepared for the Cape Cod Commission and Barnstable County, June 30, 2017.

Table 3-10 presents population projections by age range through 2030 from the Metropolitan Area Planning Council (MAPC) and State Data Center at the University of Massachusetts Donahue Institute, comparing them to 2010 census figures. These projections are based largely on historical trends related to births, deaths and migration patterns and suggest population losses to 30,618 and 27,126 by 2030, respectively as noted earlier. During this time of projected population decline, the percentage of those 65 years of age or more is estimated to increase to almost 40% of all residents by 2030 with declines in middle-aged residents. While the MAPC projections estimate significant decreases in all age categories under age 65, the State Data Center figures project somewhat less significant population losses in the 5 to 34 age ranges.

While those age 65 or older increased by 55% between 1990 and 2010 to 26% of the population, they are expected to become almost 40% of the population by 2030, coinciding with the aging of the Baby Boomers, according to some forecasts. The housing needs of this expanding population of seniors will need to be addressed in the Town's housing agenda.

Table 3-10: MAPC and State Data Center Population Projections for 2030

Age Range	2010 Census		MAPC		State Data Center	
	#	%	#	%	#	%
Less than 5 years	1,294	4.1	1,202	3.9	1,067	3.9
5 to 19 years	4,788	15.2	3,441	11.2	3,834	14.1
20 to 34 years	3,763	11.9	3,022	9.9	3,189	11.8
35 to 64 years	13,497	42.8	10,758	35.1	9,161	33.8
65+ years	8,189	26.0	12,195	39.8	9,875	36.4
Total	31,531	100.0	30,618	100.0	27,126	100.0

Source: Metropolitan Area Planning Council (MAPC), Massachusetts Housing Data Portal, January 2014; University of Massachusetts, Donahue Institute, State Data Center.

These demographic shifts will continue to 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 Falmouth as it reflects trends throughout the Cape.

3.4 Household Composition – High portion of smaller nonfamily households

Household Growth

As shown in Table 3-11, the number of households increased between 2000 and 2010, from 13,859 to 14,069, representing a growth rate of 1.5% compared to the -3.5% population decline. This household growth is largely explained by significant increases in smaller households, including those living alone. According to 2016 census estimates, the number of households decreased to 13,567 or by -3.6% since 2010, lower than 2000 levels and questionable given no total population loss between 2010 and 2016. The Cape Cod Commission's Regional Housing Market Analysis also forecasts increases in the number of Falmouth households to 13,781 by 2020 and 14,045 by 2025, back to the 2010 level.

Table 3-11: Household Characteristics, 2000 to 2016

Type of Household	2000		2010		2016	
	#	%	#	%	#	%
Total Households	13,859	100.0	14,069	100.0	13,567	100.0
Family Households*	8,976	64.8	8,638	61.4	8,440	62.2
Female-headed Families w/Children < 18*	759	5.5	678	4.8	303	2.2
Nonfamily Households*	4,883	35.2	5,431	38.6	5,127	37.8
Persons living alone 65 years+ **	1,947	14.0	2,387	17.0	2,635	19.4
Average Household Size	2.30 persons		2.21 persons		2.29 persons	

Source: U.S. Census Bureau, Census 2000 and 2010; American Community Survey 5-Year Estimates, 2012-2016. *Percent of all households ** Percent of total population

Types of Households

Correspondingly, the community has experienced a -3.8% decrease in the number of families, the same level of decline as Barnstable County.[15] A decrease in the number and proportion of families is a common demographic trend in most Cape communities and even in many communities throughout the state, especially given the aging of the Baby Boomers. Nevertheless, other towns on the Upper Cape encountered no such decline and even some growth in family households as shown in Table 3-12.

Table 3-12: Comparative Change in Households and Families, 2000 and 2010

	Households			Married Couple/Single Parents		
Geography	2000	2010	% Increase	2000	2010	% Increase
Falmouth	13,859	14,069	1.5%	8,976	8,638	-3.8%
Bourne	7,439	7,866	5.7%	5,013	5,015	0.0%
Mashpee	5,256	6,118	16.4%	3,651	3,906	7.0%
Sandwich	7,335	7,776	6.0%	5,515	5,718	3.7%
County	94,822	95,755	1.0%	61,041	58,724	-3.8%
State	2,443,580	2,547,075	4.2%	1,576,696	1,603,591	1.7%

Sources: U.S. Census 2000 and 2010 and RKG Associates, Inc.

[15] The Census Bureau defines a family has a householder and one or more people in the same household who are related to the householder by birth, marriage, or adoption. It should be noted that under the federal Fair Housing Act (FFHA) family includes single people living alone and groups of people living together, regardless of actual or perceived sexual orientation, gender identity, or marital status, such as families with or without children, seniors, people with a disability, and displaced families.

According to 2010 census figures, the composition of Falmouth's family households is similar to the county and state with husband-wife families comprising the vast majority of households as shown in Table 3-13. This is typical of communities where the large majority of the housing stock involves owner- occupied, single-family homes. Falmouth's percentage of single-parent households, both male and female-headed, is also relatively comparable to that of the county.

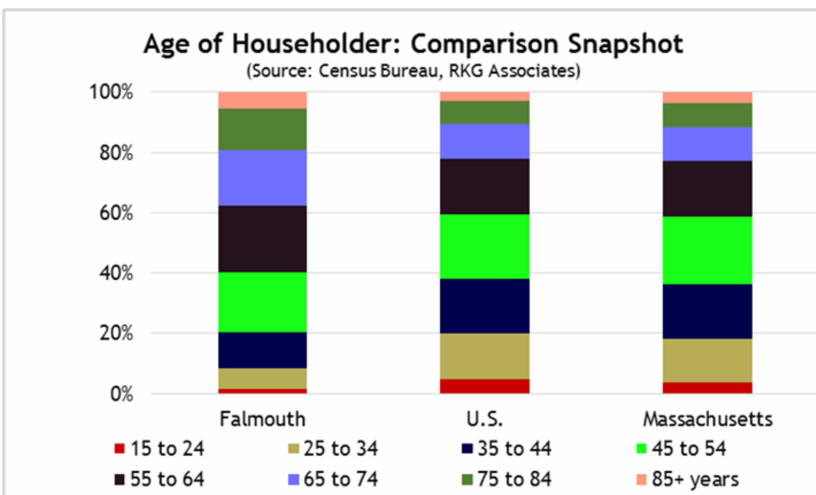
Table 3-13: Comparative Family Households by Type, 2010

Geography	Families	Husband-Wife	%	Single Parent, Male	%	Single Parent, Female	%
Falmouth	8,638	6,723	77.8%	463	5.4%	1,452	16.8%
Bourne	5,015	3,939	78.5%	287	5.7%	789	15.7%
Mashpee	3,906	3,053	78.2%	198	5.1%	655	16.8%
Sandwich	5,718	4,782	83.6%	231	4.0%	705	12.3%
County	58,724	46,263	78.8%	3,239	5.5%	9,222	15.7%
State	1,603,591	1,178,690	73.5%	106,657	6.7%	318,244	19.8%

Sources: U.S. Census 2010 and RKG Associates, Inc.

Age of Householders

Figure 3-3[16]



To some extent, the decrease in families in Falmouth can be attributed to a gradual decline in number of young households, i.e., householders under 35, coupled with significant growth among seniors. Most of the Cape has lost young households, and it is important to note that the rate of decline in Falmouth is not as great as in neighboring Sandwich and Bourne. However, Falmouth has seen the largest decrease in households of childrearing age – meaning householders under 55 years – and this is closely linked to the drop in family households. From 2000 to 2010, the number of households under 55 decreased by 16.6% in Falmouth: more than all of the surrounding towns, Barnstable County, and the state as a whole. Today, Falmouth's household profile is quite different from that of the U.S., for almost 60% of the nation's householders are people of childrearing age yet in Falmouth they represent just 40%. Though fairly consistent with Barnstable County at 34.2%, Falmouth has a larger share of 65-and-over householders than any of the other Upper Cape communities.[17]

[16] RKG Associates, Inc., Falmouth Housing Demand Study, September 2014.
[17] RKG Associates, Inc., Falmouth Housing Demand Study, September 2014.

Size of Households

As shown in Table 3-11, the average household size decreased between 2000 and 2010, from 2.30 to 2.21 persons, and then is estimated to have increased significantly to 2.29 persons in 2016, another surprising and questionable figure. This level is higher than the county level of 2.25 persons but significantly lower than the state at 2.54 persons.

The predominance of the baby boom generation has had a substantial impact on a slowdown in the rate of new household formation and the increase in smaller households which imply a greater need for smaller units.

The decrease in average household size has been largely correlated with more smaller, nonfamily households[18], which grew from 4,883 such households in 2000 to 5,431 by 2010. In 2010, these nonfamily households comprised almost 40% of all households in Falmouth including 17% of all households who were living alone and 65 years of age or older.

Table 3-14 examines the types of households by household size. Single-person households comprised one-third of all households according to both 2010 and 2016 census estimates, up from 29.8% in 2000. Of the 4,524 single-person households in 2016, 2,635 or 58% were 65 years of age or older.

There were also 5,053 two-person households according to 2016 census estimates, down considerably from 5,344 such households in 2000 and 5,660 in 2010. The -12% decline in these two-person households between 2000 and 2016 is significantly higher than the -2.1% decrease in the total number of households during this period. Once again, this reversal of trends in the 2016 census estimates is surprising and questionable.

Three-person households, most as part of families, grew by 91 households between 2000 and 2010 but remained at 13.5% of all households. The 2016 census estimates suggest a decline of 253 three-person households between 2010 and 2016 to 12.6% of all households.

In regard to large households, the 2016 census estimates also demonstrate a reversal of past trends that involved fewer larger households with four-person or more households decreasing considerably from 2,502 in 2000 to 2,100 in 2010 and then growing to 2,275 in 2016.

Both nationally and statewide, single-person households are typically about 79% of all nonfamily households but include 86.2% and 88.2% such households in Falmouth for 2010 and 2016, respectively. What is significant about this singles population is the high number of seniors among them at 49.2% and 58.2% in 2010 and 2016, respectively, compared to 37.0% and 40.1% statewide.

[18] Includes individuals and unrelated household members.

Table 3-14: Types of Households by Size, 2000 and 2010 Census and 2016 Estimates

Households by Type/Size	2000		2010		2016	
	#	%	#	%	#	%
Nonfamily Households	*4,883*	*35.2*	*5,621*	*38.6*	*5,127*	*37.8*
1-person	4,136	29.8	4,847	33.3	4,524	33.3
2-persons	639	4.6	714	4.9	468	3.4
3-persons	74	0.5	60	0.4	83	0.6
4-persons	22	0.2	0	0.0	20	0.1
5-persons	9	0.1	0	0.0	0	0.0
6-persons	2	0.01	0	0.0	32	0.2
7+ persons	1	0.01	0	0.0	0	0.0
Family Households	*8,976*	*64.8*	*8,954*	*61.4*	*8,440*	*62.2*
2-persons	4,705	33.9	4,946	33.9	4,585	33.8
3-persons	1,803	13.0	1,908	13.1	1,632	12.0
4-persons	1,536	11.1	1,375	9.4	1,432	10.6
5-persons	640	4.6	519	3.6	531	3.9
6-persons	205	1.5	142	1.0	232	1.7
7+ persons	87	0.6	64	0.4	28	0.2
Total	13,859	100.0	14,575	100.0	13,567	100.0

Sources: U.S. Census Bureau, 2000 Census, Summary File 3, and American Community Survey Five-Year Estimates 2006-2010 and 2012-2016. Because these figures reflect sample data, they are somewhat different than the actual counts included in Table 3-11 for 2000 and 2010.

Table 3-15 compares the distribution of household sizes among Upper Cape communities as well as the county and state based on 2010 census figures, indicating that Falmouth's average household size is smaller than those of surrounding communities and the state but the same as the countywide figure. Falmouth's average family size is also smaller and the same as the county's, demonstrating that this average household size is affected by more than a large percentage of seniors who live alone.

Table 3-15: Comparison of Household Sizes, 2010

Geography	Total Households	% 1 Person	% 2 People	% 3-4 People	% 5+ People	Average Household Size	Average Family Size
Falmouth	14,069	32.5%	38.8%	22.8%	5.8%	2.21	2.77
Bourne	7,866	29.8%	37.8%	25.6%	6.8%	2.30	2.85
Mashpee	6,118	30.6%	38.1%	24.7%	6.6%	2.27	2.81
Sandwich	7,776	21.3%	36.3%	32.3%	10.1%	2.61	3.06
County	95,755	31.8%	39.3%	23.1%	5.8%	2.21	2.77
State	2,547,075	28.7%	31.9%	30.3%	9.1%	2.48	3.08

Sources: U.S. Census 2010 and RKG Associates, Inc.

4. 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 (both 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 the following sections.

4.1 Income – Relatively high income levels but growing income disparities

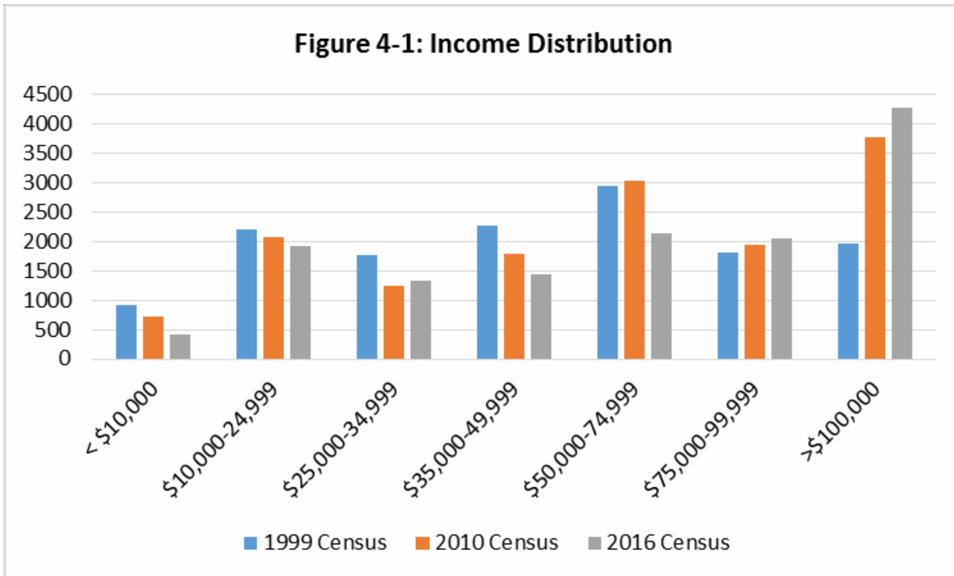
Table 4-1 presents income data based on the 1999, 2010 and 2016 census estimates, demonstrating changes in the distribution of incomes during that period. This information is also visually presented in Figure 4-1.

Only 14.2% of year-round resident earned $100,000 or more in 1999, but by 2010 25.9% were earning above this level, increasing to 31.4% in 2016. Despite this growing prosperity, there are still residents with very limited incomes including 27.1% of households earning less than $35,000 based on 2016 census estimates, 17.2% who earned less than $25,000, down from 19.3% in 2010. There were decreases in the number and percentage of households earning between $35,000 and $75,000 from 1999 to 2016 with increases over this period above this income level. **The level of higher-income households earning more than $75,000 was 46.6% for Falmouth, higher than the state at 43.1% and significantly higher than the county level of 35.7%.**

Table 4-1: Household Income Distribution, 1999, 2010 and 2016

	1999		2010		2016	
Income Range	**#**	**%**	**#**	**%**	**#**	**%**
Under $10,000	914	6.6	733	5.0	413	3.0
$10,000-24,999	2,202	15.8	2,080	14.3	1,926	14.2
$25,000-34,999	1,760	12.7	1,235	8.5	1,333	9.9
$35,000-49,999	2,266	16.3	1,783	12.2	1,435	10.6
$50,000-74,999	2,952	21.3	3,029	20.8	2,129	15.7
$75,000-99,999	1,819	13.1	1,942	13.3	2,060	15.2
$100,000-149,999	1,243	9.0	2,151	14.8	2,335	17.2
$150,000 +	720	5.2	1,622	11.1	1,936	14.2
Total	13,876	100.0	14,575	100.0	13,567	100.0
Median income	$48,191		$62,392		$68,444	

Sources: U.S. Census Bureau, 2000 Summary File 3 and American Community Survey 2006-2010 and 2012-2016 Five-Year Estimates.



Median household incomes increased by 30% between 1999 and 2010, from $48,191 to $62,392 and then increased to $68,444 in 2016, a total growth rate of 42%, in line with inflationary trends. With the median house price doubling from $197,750 in 2000 to $400,000 as of April 2018, a growing affordability gap becomes immediately apparent.

As shown in Table 4-2, Falmouth's median household income level was somewhat higher than Barnstable County at $65,382 but lower than the state at $70,954 in 2016. The median family income of $88,952 was also between the county and state levels at $82,945 and $90,180, respectively. Median incomes were relatively comparable to those of Bourne and Mashpee but much lower than those of Sandwich. Falmouth's median household income was also not much lower than the 80% of area median income level for a household of four of $68,950 based on HUD 2018 income limits (see Table 1-1).

Table 4-2: Comparative Median Incomes, 2016

Geography	Median Household Income	Median Family Income	% Difference
Falmouth	$68,444	$88,952	30.0%
Bourne	$70,304	$86,147	22.5%
Mashpee	$70,995	$86,719	22.1%
Sandwich	$89,461	$100,017	11.8%
County	$65,382	$82,945	26.9%
State	$70,954	$90,180	27.1%

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates for 2012-2016

Income by Household Type

Table 4-3 provides median income levels for various types of households, comparing 2010 and 2016 census estimates. This data shows that, to a greater or lesser extent, income levels increased between 2010 and 2016 with the exception of younger households and full-time, year-round, male workers. It is not surprising that, besides those living in family households, median income levels were highest among homeowners and those in the prime of their earning potential, the 45 to 64 age range.

Table 4-3: Median Income by Household Type, 2010 and 2016

Type of Household/Householder	Median Income Levels	
	2010	**2016**
Individual/Per capita	$38,194	$41,695
Households	$62,392	$68,444
Families	$79,152	$88,952
Nonfamilies*	$35,692	$36,021
Renters	$33,477	$35,949
Homeowners	$70,346	$79,761
Householder less than age 25	$56,424	$31,558
Householder age 25 to 44	$68,953	$78,296
Householder age 45 to 64	$75,115	$88,619
Householder age 65 or more	$44,007	$52,702
Full-time, year-round male workers	$61,905	$60,884
Full-time, year-round female workers	$43,358	$45,615

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates for 2006-2010 and 2012-2016.
*Includes persons living alone and unrelated households members.

This data also shows that the median income of nonfamily households was 40% of those for families in 2016 at $36,021 versus $88,952,respectively, a finding highly correlated with the greater prevalence of two worker households in families and the considerable number of seniors living alone on fixed incomes and counted as nonfamilies. There are also significant income disparities among types of families as indicated in Table 4-4. Of particular note are the dramatically lower median income levels for single women with dependent children under 18, at $28,693 for Falmouth, lower than the countywide level but only slightly lower than the statewide median of $29,020.

Table 4-4: Comparison of Median Family Income by Family Type with Dependent Children* 2016

Geography	Married-Couple Families	Other Families	One-Parent Households, Female	One-Parent Households, Male
Falmouth	$115,781	$52,034	$44,209	$28,693
Bourne	$104,038	$44,095	$58,458	$25,924
Mashpee	$112,083	$43,690	**	$40,682
Sandwich	$122,594	$70,193	$70,817	$32,163
County	$101,655	$45,645	$48,180	$31,639
State	$121,607	$44,372	$48,540	$29,020

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates for 2012-2016
***With own children under age 18**
** Sample size too small

Income by Tenure

A comparison of 2010 and 2016 income levels for owners and renters is provided in Table 4-5. An estimated 37% of renter households earned less than $25,000 compared to only 11.5% of homeowners in 2016. On the other hand, 53.6% homeowner households earned more than $75,000 compared to only 21.9% of the renter households. The income disparity between owners and renters is also reflected in median income levels of $79,761 and $35,949, respectively. While the median homeowner’s household income was considerably higher than the county level of $73,364, the renter median was relatively comparable to the countywide one of $36,077. Additionally, while the median household income for homeowners increased by 13.4% between 2010 and 2016, it increased by about half that amount or 7.4% for renters.

The Cape Cod Commission's Regional Housing Market Analysis projects that there will be some narrowing of these income disparities with the median income of homeowner household increasing to $89,917 or by 12.7% by 2025 and those of renters increasing to $56,520 or by 57.2%.

It is important to note that these income figures are based on the Town's year-round population, not those who live in town for parts of the year. This group of occasional residents, who occupy more than one-third of Falmouth's housing units, have significantly higher average incomes in order to afford the high costs of seasonal units or second homes. *A Cape Cod Commission report on a survey conducted of second homeowners indicates that 68% of such Upper Cape owners had incomes of more than $100,000, 46% of more than $200,000.*[19]

Table 4-5: Income Distribution by Owner and Renter Households, 2010 and 2016

Income Range	Homeowners				Renters			
	2010		2016		2010		2016	
	#	%	#	%	#	%	#	%
Under $10,000	496	4.1	204	1.9	237	9.1	209	6.9
10,000-24,999	1,231	10.3	1,007	9.6	849	32.8	919	30.1
25,000-34,999	992	8.3	957	9.1	243	9.4	376	12.3
35,000-49,999	1,282	10.7	1,027	9.8	501	19.3	408	13.4
50,000-74,999	2,567	21.4	1,660	15.8	462	17.8	469	15.4
75,000-99,999	1,767	14.7	1,688	16.0	175	6.8	372	12.2
100,000-149,999	2,037	17.0	2,175	20.7	114	4.4	160	5.2
150,000 +	1,612	13.5	1,800	17.1	10	0.4	136	4.5
Total	11,984	100.0	10,518	100.0	2,591	100.0	3,049	100.0
Median Household Income	$70,346		$79,761		$33,477		$35,949	

Source: U.S. Census Bureau, 2006-2010 and 2012-2016 American Community Survey 5-Year Estimates.

Income by Age

Table 4-6 summarizes the income distribution by the age of the head of the household. Only 2% of households had a head of less than 25 years of age, almost half earning within the $25,000 to $35,000 income range with a median income of only $31,558, somewhat less than the median income for renters of $35,949. About 42% of households with heads in the 25 to 44 age range had incomes in the $50,000 to $100,000 range while approximately 44% of those 45 to 64 years of age, in the prime of their careers, had incomes above $100,000. The incomes of residents 65 years of age or older, many who are retired and living on fixed incomes, were more evenly dispersed among the income ranges, however, **22% of seniors were earning less than $25,000**, considerably higher than the other age ranges.

[19] UMASS Donahue Institute, "Cape Cod Second Homeowners: Technical Report of 2017 Survey Findings," prepared for the Cape Cod Commission, June 2017.

Table 4-6: Income Distribution by Age of Householder, 2016

Income Range	Less than Age 25		Age 25 to 44		Age 45 to 64		Age 65 or Over	
	#	%	#	%	#	%	#	%
Under $10,000	35	12.7	46	2.0	247	4.9	85	1.4
$10,000-24,999	11	4.0	254	10.8	442	8.7	1,219	20.7
$25,000-34,999	126	45.8	110	4.7	297	5.9	800	13.6
$35,000-49,999	48	17.5	241	10.2	385	7.6	761	12.9
$50,000-74,999	12	4.4	465	19.7	734	14.5	918	15.6
$75,000-99,999	13	4.7	532	22.6	716	14.2	799	13.6
$100,000-149,999	30	10.9	392	16.6	1,133	22.4	780	13.3
$150,000 or more	0	0.0	316	13.4	1,102	21.8	518	8.8
Total	275	100.0	2,356	100.0	5,056	100.0	5,880	100.0
Median Household Income	$31,558		$78,296		$88,619		$52,702	

Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates

Table 4-7 presents 2016 census estimates of the ratios of median income levels for various age ranges to the median household income for the state, county, and Upper Cape communities. This data clearly shows how much lower incomes are for over-65 households and those just joining the labor force in comparison to other working-age households. For example, **very young Falmouth households were earning less than half of the community's median household income level with over-65 households at 77%.**

Table 4-7: Comparative Median Household Income Ratios by Age of Householder, 2016

Geography	Median Household Income	Under 25	25 to 44	45 to 64	65 and Over
Falmouth	$68,444	46%	114%	130%	77%
Bourne	$70,304	103%	114%	126%	58%
Mashpee	$70,995	*	127%	114%	75%
Sandwich	$89,461	*	117%	115%	57%
County	$65,382	55%	112%	119%	75%
State	$70,954	46%	113%	123%	60%

Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates
* Sample size too small

Sources of Income

The 2016 census estimates indicate that of the 14,929 residents 16 years of age or older, 73.8% were private wage and salary workers, 13.6% were government workers, and 12.5% were self-employed. An estimated 28.5% of Falmouth households received retirement income with a mean income of $26,619, and 45.5% received Social Security Income with a mean income of $19,245. A total of 694 or 5.1% of households were earning Supplemental Social Security income and 397 or 2.9% received public assistance with average cash payments of only $4,084. Somewhat more households, 1,240 or 9.1%, received Food Stamp/SNAP benefits. Clearly this subset of the Town's population is under serious financial strain.

Information from the Falmouth Service Center indicates that 2,057 households came regularly to their Food Pantry with 60,859 bags of food delivered through the Food Pantry or home delivery to elders, suggesting substantial in kind support as well.

Table 4-8 shows the percentage of households with various sources of income for the state, county and Upper Cape, clearly indicating the Cape's greater reliance on self-employment and retirement income given distances from major employment centers, the entrepreneurial nature of workers living in seasonal economies, and an older population. It is also interesting to note the **higher level of participation of Falmouth households in the Supplemental Nutritional Assistance Program (SNAP) Food Stamp Program as well as public assistance, both higher than countywide levels.**

Table 4-8: Sources of Household Income, 2016

Geography	Percentage of Households with Incomes from These Sources						
	# Households	Self-Employment	Social Security	Retirement Income	Supplemental Social Security	SNAP/Food Stamps	Cash Public Assistance
Falmouth	13,567	12.5%	45.5%	28.5%	5.1%	9.1%	2.9%
Bourne	8,354	9.3%	35.3%	22.3%	5.6%	6.0%	1.6%
Mashpee	6,212	9.1%	48.0%	28.3%	5.7%	5.2%	1.5%
Sandwich	7,518	7.2%	33.5%	23.0%	4.3%	4.7%	0.9%
County	94,351	12.0%	44.1%	27.2%	4.9%	7.8%	2.0%
State	2,558,889	5.9%	29.3%	16.2%	6.3%	12.5%	2.9%

Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates

4.2 Poverty Status – Some modest recent increases in poverty[20]

Table 4-9 indicates that poverty levels increased slightly between 2010 and 2016 for individuals, families and children, declining only for those 65 years of age or older.

Table 4-9: Poverty Status, 1999, 2010 and 2016

Demographic Type	1999		2010		2016	
	#	%	#	%	#	%
Individuals Below Poverty *	2,238	6.9	2,050	6.5	2,113	6.7
Families **	407	4.5	376	4.2	363	4.3
Related Children Under 18 Years ***	584	8.8	301	5.5	505	9.7
Individuals 65 and Over****	442	6.2	532	6.5	372	4.0

Sources: US Census Bureau, 1990 and 2000 Summary File 3 and American Community Survey 2006-2010 and 2012-2016 Five-year Estimates.* Percentage of total population ** Percentage of all families *** Percentage of all children under 18 years **** Percentage of all individuals age 65+

The 2016 figures show that 6.7% of residents were living below the poverty level, up from 6.5% in 2010 with the percentage of families increasing from 4.2% to 4.3% during this period. Of particular concern is

[20] The 2018 federal poverty levels from the U.S. Department of Health and Human Services were $12,140 for single individuals and $20,780 for a family of three (3) for example.

the increase in the number and percentage of children under age 18 living in poverty, from 5.5% to 9.7%, a gain of 204 children. While the 2016 census estimates appear off-track for some of the demographic trends discussed earlier, it can be hoped that these figures overestimate those living in poverty in the community as well.

Poverty does remain considerably lower than county and levels as shown in Table 4-10. Neighboring Bourne has the highest levels of poverty of the Upper Cape communities. The ability to provide affordable housing options for Falmouth's most vulnerable residents is a continuing challenge and a pressing need.

Table 4-10: Comparison of Poverty Rates, 2016

Geography	Individuals	Families	Related Children Under 18	Individuals 65 and Over
Falmouth	6.7%	4.3%	9.7%	4.0%
Bourne	9.7%	7.3%	16.4%	7.8%
Mashpee	6.8%	4.3%	8.3%	3.4%
Sandwich	5.2%	3.5%	7.5%	3.1%
County	8.2%	4.9%	12.2%	5.4%
State	11.4%	8.0%	14.6%	9.0%

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates for 2012-2016

4.3 Employment – Expanding labor force with significant seasonal shifts

Access to jobs with decent wages is a major factor in a community's ability to retain and attract a workforce. Falmouth's loss of young workers has been perceived as a major community problem and barrier to economic development, attributed to a narrow employment based and expensive housing relative to the available wages.

Labor Force

The 2016 census estimates indicate that of those 26,863 Falmouth residents over the age of 16 in 2016, 16,031 or 60% were in the labor market, an increase from 15,909 workers or about 58.6% in 2010. These census estimates also provide information on the concentration of Falmouth workers by industry, indicating that 40.8% were involved in management, business, science, or arts occupations with the remainder employed largely in the lower paying retail and service-oriented jobs that support the local economy including sales and office occupations (21.7%), service occupations (20.718.4%), production and transportation (8.1%), and construction and maintenance (10.9%).

The 2016 census estimates also suggest that only about 23% of Falmouth residents work in town and consequently most local workers commute in from other communities. It should also be noted that 81.7% of workers drove alone to work, another 5.6% carpooled, and another 8.4% either worked at home or walked to work according to the 2016 census estimates. The average commuting time was about 24 minutes, suggesting employment opportunities were typically located not too far away.

Local Employment

Detailed labor and workforce data from the state on employment patterns in Falmouth shows an average employment of 13,706 workers in 2010 compared to 14,769 in 2017, demonstrating an expanding job base. This expanding employment is also reflected in some growth in the number of work establishments, from 1,121 in 2012 to 1,168 in 2016.

The Falmouth Chamber of Commerce estimates that many of its members are family-owned and small with only 1 to 3 employees. Such businesses are unlikely to grow sufficiently to offer significant new and well-paying local employment opportunities.

The Cape Cod Commission Regional Housing Market Analysis predicts a growth of another 2,900 jobs with an average annual growth rate of 0.53% for the Upper Cape from 2015 to 2025. This Market Analysis also forecasts continued growth in jobs for Falmouth specifically, from 22,761 jobs in 2016 to 23,779 by 2025. These figures, however, are much higher than state employment data levels.[21]

Employment data also indicates that as of April 2018, those employed had increased to 14,560 with an unemployment rate of 4.3% from an average employment of 13,815 in January 2018 and an unemployment rate of 6.4%, reflecting the seasonal nature of many Falmouth jobs. As another point of comparison, the unemployment level in 2017 was 4.6% for Falmouth and 2.7% for Boston, down considerably from 9.6% and 8.0% for Falmouth and Boston, respectively, as of the end of 2010 during the depths of the recession.

Seasonal employment changes are also presented in Figure 4-2 for 2016, showing an increase from 13,078 employed workers in January to 16,663 in July and then down to 14,083 by December.

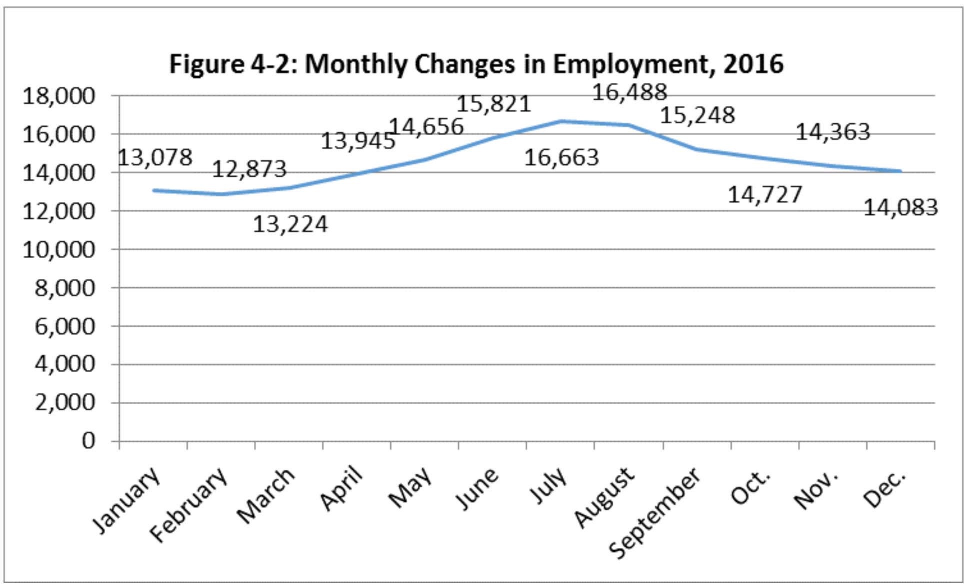


Table 4-11 confirms a mix of employment opportunities including lower-paying retail and service sector jobs with higher wage jobs in construction, manufacturing, professional or technical services as well as health care. Average hourly wages ranged considerably from a low of $11.82 in accommodation and food services, an industry with a 14.5% share of employment; to $24.73 for health care and social assistance with a 21.7% share of employment; to $37.71 in professional and technical services with a 11.6% share of employment; and to a high of $42.23 in durable goods manufacturing with only a 1.7% share of employment. The mix of local industries results in an average weekly wage of $985, well below Boston's at $1,794. This average weekly wage translates into about $51,417 annually, significantly lower than the median household income of Falmouth residents of $68,444 and indicating that those who

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

have jobs in Falmouth are generally earning less than those who live in town.

The shaded industries shown in Table 4-11 reflect industries with an average employment of at least 400 workers, ranging considerably from a low again of $481 for the accommodation and food services to $1,539 for professional and technical services with an average employment of 2,147 and 1,894, respectively, for these industries. Total average employment was 14,597 workers in 2016 with 1,168 separate work establishments generating almost $750 million in total wages.

Table 4-11: Average Employment and Wages by Industry, 2016

Industry	**# Establishments**	**Total Wages**	**Average Employment**	**Average Weekly Wage**	**Location Quotient**
Agriculture, forestry, fishing	4	$1,158,570	28	$796	1.042
Construction	124	$47,609,812	700	$1,308	0.696
Manufacturing	25	$34,020,453	461	$1,419	1.462
Wholesale trade	24	$5,181,778	86	$1,159	0.328
Retail trade	155	$60,541,898	1,805	$645	0.753
Transportation/warehousing	22	$7,934,217	193	$791	0.474
Information	22	$8,165,749	203	$774	0.673
Finance/Insurance	45	$17,008,218	238	$1,374	0.670
Real estate/rental/leasing	36	$3,099,617	78	$764	0.400
Professional/technical services	135	$151,543,433	1,894	$1,539	2.839
Administrative/ waste services	82	$18,889,907	443	$820	1.233
Health care/social assistance	180	$165,710,695	3,110	$1,025	0.262
Arts/entertainment/recreation	47	$15,415,714	455	$652	4.720
Accommodation/food services	129	$53,748,232	2,147	$481	0.159
Other services/except public admin	96	$14,789,389	398	$715	2.000
Public administration	21	$94,868,924	1,422	$1,283	2.000
Total	**1,168**	**$747,782,082**	**14,597**	**$985**	

Source: Massachusetts Executive Office of Labor and Workforce Development, June 7, 2018. The shaded industries reflect average employment of 400 workers or more.

Table 4-12 compares Falmouth's unemployment rate and average weekly wage to other Upper Cape communities as well as Yarmouth in the mid-Cape and Orleans in the Lower Cape with Boston as an outlier given the strength of its employment base. This comparative information shows that Falmouth's unemployment rate was in the mid-range for the Cape communities between a low of 3.3% in Sandwich to a high of 4.7% in Mashpee. Falmouth had the highest average weekly wage of $985 in comparison to the other Cape communities in this analysis.

Relative to the total number of households in Falmouth, the employment base is fairly limited. Falmouth has just over one job for every one occupied housing unit, and while the jobs-housing ratio is usually based on a community's entire housing stock, this approach makes very little sense in a vacation/seasonal resort town. Even focusing on occupied units, however, the employment base in Falmouth is not really large enough to support the Town's labor force. Moreover, many of the jobs do not pay high enough wages to support the cost of living in Falmouth. This is a persistent problem in vacation/resort areas like Cape Cod, and it contributes to the large percentages of households with self-employment income. It is not uncommon for year-round residents on the Cape and other tourist areas to have both a payroll job and part-time work as a self-employed individual.[22]

Table 4-12: Comparison of Unemployment Rates and Average Weekly Wages

Geography	Unemployment Rate as of April 2018	Average Weekly Wage 2016
Falmouth	4.3%	$985
Bourne	3.9%	$923
Mashpee	4.7%	$722
Sandwich	3.3%	$821
Yarmouth	4.2%	$818
Orleans	3.9%	$804
Boston	2.3%	$1,794

Source: Massachusetts Executive Office of Labor and Workforce Development, June 7, 2018.

Location Quotients

Location quotients provide a reasonable way of estimating strengths and weaknesses in a community's economy and are included in Table 4-11 for each local industry. A location quotient compares the percentage of jobs in a given sector at the local level to the percentage of jobs in the same sector in a larger comparison area (known as a reference economy), in this case the Cape and the Islands Workforce Investment Area (WIA). When the ratio in employment approximates 1.0, Falmouth is generally performing on par with the WIA. If the ratio for an industry is less than 0.80, that industry is probably underperforming in Falmouth relative to the WIA. Similarly, a location quotient greater than 1.20 usually indicates better performance locally than regionally. A very high location quotient could mean a very strong industry, but it can also mean a specialized economy that may be vulnerable in an economic downtown. Overall, the available employment data for Falmouth and the WIA support several findings about the Town's economic base:

- Compared with the WIA, Falmouth is stronger in manufacturing, professional/technical services, arts and entertainment, and personal services.
- Falmouth is generally on par with but somewhat weaker than the WIA in retail trade.
- Although Falmouth has many health care jobs and they tend to pay good wages, health care employment is not as strong in Falmouth as in the WIA as a whole.
- Industries such as transportation, information, and finance are underrepresented in Falmouth's economy. Some of these sectors provide high-paying jobs.[23]

4.4 Education – High educational attainment and declining student enrollment

Educational Attainment

The educational attainment of Falmouth residents has largely improved over the last couple of decades, moving in the right direction for residents to become more competitive for work. In 2010, 93.2% of those 25 years and older had a high school diploma or higher, and 43.5% had a Bachelor's degree or higher (compared with 39.1% for the county and 38.5% for the state), up from the 2000 figures of 90.4% with at least a high school degree and 36% with a college degree or higher. The 2016 census estimates indicate an even higher level of attainment for those with a high school degree, at 94.3% but a slight decrease to 42.6% for those with at least a high college degree.

[22] RKG Associates, Inc., Falmouth Housing Demand Study and Needs Analysis, September 2014.
[23] RKG Associates, Inc., Falmouth Housing Demand Study and Needs Analysis, September 2014.

School Enrollments

Those enrolled in school (nursery through graduate school) in 2010 totaled 6,032 residents or 19.1% of the population, and those enrolled in kindergarten through high school totaled 4,408 students, representing 14.0% of the total population. The 2016 census estimates indicate a decline in school children to 5,912 residents or 18.7% of the population, although those in preschool through high school increased to 4,634 students or 14.7% of Falmouth's population. This suggests that many students were enrolled in schools other than the Falmouth Public Schools given enrollment in 2015-2016 at 3,515 students.

Historic enrollment data is included in Table 4-13, demonstrating slow declines through the 2011-2012 school year and then relatively stable enrollment through 2014-2015 then decreases after that to 3,379 students in the 2017-18 school year. The declines in the 2010-2012 school years is likely related to the recession that occurred a few years before that involved reductions in birth rates and hence lower numbers in the pre-kindergarten and kindergarten enrollments. Between the 2005-2006 and 2017-2018 school years, the Falmouth Public School District experienced a net loss of 765 students or an 18.5% decline in total enrollment. This trend of decreasing school enrollments is happening in most communities on Cape Cod. Many people with children have moved away due to the high cost of living, lack of jobs, etc., and others are sending their children to charter or private schools in the area.

It should also be noted that 30% of students were considered economically disadvantaged and thus qualified for free or reduced meal programs.

Table 4-13: Historic School Enrollments for the Falmouth Public School District
Pre-Kindergarten through 12th Grade, 2005-2018

Year	Enrollment	Difference	% Difference
2005-06	4,144	--	--
2006-07	4,027	-117	-2.8%
2007-08	3,894	-133	-3.3%
2008-09	3,769	-125	-3.2%
2009-10	3,750	-19	0.5%
2010-11	3,710	-40	-1.1%
2011-12	3,512	-198	-5.3%
2012-13	3,536	24	0.7%
2013-14	3,541	5	0.1%
2014-15	3,547	6	0.2%
2015-16	3,515	-32	-0.9%
2016-17	3,466	-349	-9.9%
2017-18	3,379	-87	2.5%

Source: Massachusetts Department of Education website, June 10, 2018.

While the School District has regularly reviewed birth rates in connection to enrollment figures, it has typically seen a range of 450 to 500 live births but enrollments of only about 250 to 270 new pre-k or kindergarten students annually.

Also, when asked about issues regarding employee recruitment issues related to high housing costs, the representative from the School Department indicated that they were generally able to draw new employees from the South Shore or South Coastal areas and has not been as effected by this problem as areas further into the Cape.

4.5 Disability Status[24] – Declining but still significant special needs

Disability levels remain high in Falmouth and are in fact higher than the state's as shown in Table 4-14. In 2000, 18.6% of all residents claimed a disability, decreasing to 14.2% by 2016 according to census estimates, but still significantly higher than the state at 11.6%. Proportionately, Falmouth had somewhat higher level of disabilities than the state for those under age 65, but a lower level of those 65 years of age or older, which is surprising given the community's much larger population of older residents. These levels of disability represent significant special needs within the community and suggest that the Town make a concerted effort to produce special needs housing units that are handicapped accessible and/or have access to supportive services.

Table 4-14: Population Five Years and Over with Disabilities for Falmouth and the State 2000 and 2016

Age	Falmouth				Massachusetts			
	2000		2016		2000		2016	
	#	%*	#	%*	#	%	#	%
5-20 years/2000 Under 18/2016	560	9.3	260	5.0	116,151	8.6	63,424	4.6
21-64 years/ 2000 18-64/2016	3,347	18.9	1,738	10.3	663,354	17.9	387,416	9.0
65+ years	2,177	30.5	2,466	27.5	305,241	37.6	322,886	33.0
Total	6,084	18.6	4,464	14.2	1,084,746	18.5	773,726	11.6

Source: U.S. Census Bureau, 2000 Summary File 3 and American Community Survey 5-Year Estimates 2012-2016.
* Percent of those in same age range.

The Cape Organization for Rights of the Disabled (CORD) emphasizes the need for adequate, accessible and affordable living options for the disabled, especially affordable independent living options. CORD also suggests that discrimination and the need for unit modifications or adaptations are common problems for those with disabilities. CORD now serves about 1,400 persons annually throughout the Cape.

The Tufts Healthy Aging Profile provides information regarding local disabilities in comparison to state figures, as summarized in Table 4-15. In general, Falmouth estimates of the levels of disabilities are lower than those for the state.

This profile also noted that Falmouth is a walker's paradise with a very high walkscore of 91/100. In addition to levels of disabilities, compared to state averages, older residents of Falmouth do better on several healthy aging indictors with lower rates of depression, Alzheimer's disease, diabetes, ischemic heart disease, congestive heart failure, hip fractures, obesity and tooth loss. However, older residents of Falmouth score worse on COPD, hypertension, rheumatoid arthritis/osteoarthritis, glaucoma, breast cancer, and osteoporosis. Residents have fewer annual hospital stays and inpatient hospital

[24] Disabled households contain at least one or more persons with a mobility or self-care limitation. It should also be noted that the term "disabled" is being replaced by some within the housing community with "people first" terminology as those with special needs are interpreted to be the people who first need affordable, available and/or accessible housing.

readmissions and lower prescription medication use. Community resources to promote healthy aging are a Council on Aging, a Cultural Council, and lifelong learning opportunities/area colleges.

Table 4-15: Types of Disabilities

Population Characteristics	Falmouth Estimates	State Estimates
% disabled for a year or more	27.3%	31.0%
Hearing impairment % 65-74/% 74+	6.0%/17.0%	7.4%/21.2%
Vision impairment % 65-74/% 74+	0.2%/9.7%	3.2%/9.3%
Cognition impairment % 65-74/% 74+	3.9%/4.5%	4.7%/12.1%
Ambulatory impairment % 65-74/% 74+	11.6%/22.4%	12.9%/29.4%
Self-care impairment % 65-74/% 74+	4.6%/9.5%	3.7%/12.2%
Independent living impairment % 65-74/% 74+	6.3%/15.7%	7.2%/24.3%

Source: Tufts Health Plan Foundation, Massachusetts Healthy Aging Community Profile, updated March 2015.

5. HOUSING PROFILE

This section of the Housing Needs Assessment summarizes housing characteristics and trends, analyzes the housing market from a number of different data sources and perspectives, compares what housing is available to what residents can afford, summarizes what units are defined as affordable by the state, and establishes the context for identifying priority housing needs. **A wide range of information on housing characteristics and market conditions by census tract and neighborhood is included in Appendix 1 from the Falmouth Housing Demand Study and Needs Analysis prepared by RKG Associates, Inc. in September 2014.**

While Falmouth's year-round population declined by -3.4% between 2000 and 2016, housing units increased by 9.6%, largely fueled by the seasonal and second home markets.

5.1 Housing Growth – Slowdown in housing growth and high level of demolition/rebuild activity

As indicated in Table 5-1, based on 2016 census estimates, the level of housing growth has slowed down over the past several decades. The greatest housing growth occurred after 1950 when the Cape was becoming a destination for both retirees and second-home owners. Only 12.7% of the housing units were built prior to World War II compared to 12.1% for the county and 33.7% for the state.

Moreover, despite a population loss of 1,116 residents between 2000 and 2016, there was a gain of 1,921 units, further demonstrating that new housing units were largely being created for seasonal or occasional residents.

Table 5-1: Housing Units by Years Structure Was Built, 2016

Time Period	#	%
2010 through 2016	316	1.5
2000 to 2009	2,045	9.3
1990 to 1999	1,999	9.1
1980 to 1989	3,599	16.4
1970 to 1979	4,222	19.2
1960 to 1969	3,281	14.9
1950 to 1959	2,873	13.1
1940 to 1949	856	3.9
1939 or earlier	2,785	12.7
Total	21,976	100.0

Source: US Census Bureau, American Community Survey, 5-Year Estimates, 2012-2016

While Table 5-1 indicates that 316 units have been created between 2010 and 2016 based on census estimates, Table 5-3 identifies a gain of only six units which are contradictory and is inaccurate given permitting activity. Building permit information, summarized in Table 5-2, indicates only a slightly higher level of net new housing growth during this period than of 322 units, although this data does not include any condos or multi-family dwelling units that might have been built in 2015 and 2016.

Table 5-2 also documents the considerable demolition and replacement activity that has been occurring in Falmouth, representing half of all new single-family homes built between 2010 and May 31, 2018. **Given net building permit activity since 2010, as presented in Table 5-2, the total number of housing units as of 2016 is closer to 22,300 units and likely approximately 22,400 as of May 2018. The Cape Cod Commission's Regional Housing Market Analysis indicates that the number of housing units will increase to 22,780 by 2025.**

Table 5-2: Residential Building Permits, 2010 through May 31, 2018

Year	Permits to Rebuild Single-family Units	Permits for New Unit Construction				
		New Single-family Units/ Net New Units	Condos	Two and Three -family Units	Apartments	Net Total New Units
2010	29	46/17	0	10	39	66
2011	26	59/33	4	13	0	50
2012	27	39/12	11	0	0	23
2013	22	47/25	10	4	0	39
2014	28	51/23	0	0	79	102
2015	34	48/14				14*
2016	22	50/28				28*
Subtotal	*188*	*340/152*				*322*
2017	29	84/55				55*
5-31-18	17	50/33				33*
Total	234	474/240				410

Sources: Town of Falmouth Building Department, RKG Associates, Inc.,
Breakdowns by year for housing types other than single-family homes was not available for these years.

5.2 Housing Occupancy – Predominance of owner-occupied properties and high number of seasonal units or second homes at about one-third of the housing stock

Besides total housing figures, Table 5-3 includes a summary of occupancy characteristics for 2000, 2010 and 2016 that indicates a number of major trends as summarized below.[25] A breakdown of occupancy patterns by census tract is included in Appendix 1.

- ***Loss of year-round housing units***
  The 2000 decennial census counted 13,859 occupied, year-round housing units, which increased by only 210 units in the 2010 decennial figures to a total of 14,069 units. The 2016 census estimates suggest a decline in the number of these units to 13,567, from 64.0% to 61.7% of all units, representing a loss of 502 year-round units since 2010. According to the 2016 estimates, there was a loss of 187 owner-occupied units between 2010 and 2016 and 315 renter-occupied units. There were also 231 and 61 net owner-occupied and renter-occupied units lost between 2000 and 2016, respectively, despite an increase of 1,921 total units during this period. **This means that the Town's year-round housing stock has been eroding through conversions to seasonal or occasional use.**

- ***Continuing high level of owner-occupancy***
  Of the occupied units, 10,518 or 77.5% were owner-occupied based on 2016 census estimates, down somewhat from 10,749 units or 77.6% in 2000. Despite these losses of occupied units, this 77.5% to 22.5% split between owner and renter occupancy levels has persisted since at least 2000. This level of owner-occupancy is a bit lower than Barnstable County as a whole at 79.2% as well as Mashpee and Sandwich at 86.7% and 85.4%, respectively, but higher than the state at 62.3% and Bourne at 75.4% for example as shown in Table 5-4.

[25] These 2000 and 2010 census figures are based on actual decennial counts while the 2016 figures are 5-year census estimates from the Census Bureau's American Community Survey.

The Cape Cod Commission's Regional Housing Market Analysis indicates that the level of owner-occupancy will increase to 11,394 units by 2025, or by 6.4% since 2010, compared to a 4.0% increase in rental units to 3,500 units. This would largely maintain the same proportion split between owner-occupancy and rental-occupancy of 76.5% and 23.5%.

Table 5-3: Housing Occupancy, 2000 to 2016

Housing Characteristics	**2000**		**2010**		**2016**	
	#	**%**	**#**	**%**	**#**	**%**
Total Housing Units	20,055	100.0	21,970	100.0	21,976	100.0
Occupied Units*	13,859	69.1	14,069	64.0	13,567	61.7
Occupied Owner Units**	10,749	77.6	10,705	76.1	10,518	77.5
Occupied Rental Units**	3,110	22.4	3,364	23.9	3,049	22.5
Total Vacant Units/ Seasonal, Rec. or Occasional Use*	6,196/ 5,615	30.9/28.0	7,901/ 7,100	36.0/32.3	8,409/ 7,731	38.3/35.2
Average Household Size/ Owner-occupied Unit	2.37 persons		2.27 persons		2.37 persons	
Average Household Size/ Renter-occupied Unit	2.03 persons		1.99 persons		2.00 persons	

Source: U.S. Census Bureau, Census 1990, 2000 and 2010 Summary File 1 and American Community Survey 5-Year Estimates 2012-2016. * Percentage of all housing units ** Percentage of occupied housing units

- ***Continued growth of seasonal or occasional units***
  Of the 21,970 total housing units in 2010, Falmouth had 14,870 year-round units[26] of which 10,705 were occupied. As noted earlier, the level of occupied units decreased since 2010 from 64.0% to 61.7% according to 2016 census estimates. Seasonal or occasional units, on the other hand, increased from 32.3% to 35.2%, representing a growth rate of 8.9%. As indicated in Table 5.4, this level of seasonal housing is somewhat less than the countywide one of 37.8% but higher or comparable to other Upper Cape towns. It is substantially higher than the 4.4% level statewide.

The Regional Housing Market Analysis further estimated that Falmouth's seasonal and second home units will increase from 7,100 in 2010 to 7,886 by 2025, representing an 11.1% increase, while year-round units are predicted to increase by 2.4%, from 14,549 to 14,894 units.

The Regional Housing Market Analysis further states, "Over the next 10 years seasonal housing units are expected to increase at more than twice the rate of year-round units…This continued growth in seasonal units will likely make it more difficult for year-round resident households to find year-round units at affordable prices as increasing seasonal or second unit demand tends to put upward pressure on housing prices but constricting the supply of available units suitable for

[26] The year-round figure is the one used under Chapter 40B for determining the 10% affordability goal and annual housing production goals. It is calculated by subtracting seasonal or occasional units from the total number of occupied units (21,970 – 7,100 = 14,870).

year-round residents as the year-round unit supply experiences year-round unit to seasonal unit conversions."[27]

While this population of occasional visitors has boosted the local economy, they have also driven up the cost of housing, creating substantial challenges for many year-round residents, local workers, and those who were raised locally but cannot afford to return to raise their own families.

Table 5-4: Comparison of Housing Occupancy Characteristics, 2016

Geography	Total Units	% Owner-occupied Units	% Seasonal or Occasional Units	% Single-family Detached Units
Falmouth	21,976	77.5%	35.2%	86.0%
Bourne	11,510	75.4%	22.8%	79.9%
Mashpee	10,048	86.7%	35.5%	78.1%
Sandwich	9,518	85.4%	18.4%	91.1%
County	161,632	79.2%	37.8%	81.6%
State	2,836,678	62.1%	4.4%	52.2%

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates for 2012-2016

The Cape Cod Commission's Regional Housing Market Analysis suggests that for Barnstable County "over the next ten years seasonal housing units are expected to increase at more than twice the rate of year-round units… This continued growth in seasonal units will likely make it more difficult for year-round resident households to find year-round units at affordable prices".[28]

The Cape Cod Commission also contracted with the University of Massachusetts Donahue Institute to conduct a survey of second homeowners and prepare a report on the findings.[29] The survey followed up on a similar one conducted in 2008, looking at how such homes were being used, how they might be used in the future, and how second homeowners participate in the local economy. Results were also provided for sub-regions, the Upper Cape sub-region in the case of Falmouth.[30] Major findings include:

- Second homeowners are above average in terms of age, education, and income with an average age of 65, 80% with a bachelor's degree or higher and half with advanced degrees, and 70% with a pre-tax household income of $100,000 or higher. Levels for the Upper Cape are only a bit lower for educational attainment and income with 78% earning a Bachelor's degree or higher and 68% earning more than $100,000.
- Respondents are making personal use of their home, most heavily in the summer, with only 29% ever renting their homes during the past five years with the largest group of 18% renting solely on a weekly basis in the summer season.

[27] Crane Associates, Inc. and Economic & Policy Resources, "Regional Housing Market Analysis, Barnstable County, Massachusetts," prepared for the Cape Cod Commission and Barnstable County, June 30, 2017, page 42.
[28] Crane Associates, Inc. and Economic & Policy Resources, "Regional Housing Market Analysis, Barnstable County, Massachusetts," prepared for the Cape Cod Commission and Barnstable County, June 30, 2017.
[29] UMASS Donahue Institute, "Cape Cod Second Homeowners: Technical Report of 2017 Survey Findings," prepared for the Cape Cod Commission, June 2017. This survey involved a random sample of 6,448 second homeowners on the Cape with a response rate of 20%.
[30] Upper Cape communities include Bourne, Mashpee, and Sandwich in addition to Falmouth.

- Over the next 20 years, 19% of respondents anticipate that they will convert their second home to a full-time residence. This translates into the eventual conversion of 11,000 second homes to year-round ones throughout the Cape. Forty percent of those who plan to convert expect to work full or part-time.
- About three-quarters of respondents indicated that they supported both arts and cultural organizations on the Cape.
- The median number of years the household has owned their second home was 25 years in the Upper Cape sub-region.

- ***Relatively low vacancy rates***
  As shown in Table 5-5, the vacancy rate was 1.7% for ownership in 2010, up from 1.0% in 2000, with a somewhat higher rental vacancy of 5.7% and 7.2%, respectively, in 2000 and 2010. The 2016 census estimates largely suggest a return to 2000 levels and were significantly lower than county, state and national levels. It should be noted that any rate below 5% reflects tight market conditions. These low vacancy rates contribute to high housing costs.

Table 5-5: Comparative Vacancy Rates by Tenure

	Falmouth			County	MA	Nation
Tenure	**2000**	**2010**	**2016**	**2010/2016**	**2010/2016**	**2010/2016**
Rental	5.7%	7.2%	5.7%	12.4%/7.1%	6.5%/9.1%	9.2%/6.2%
Homeowner	1.0%	1.7%	1.1%	2.6%/1.7%	1.5%/4.1%	2.4%/1.9%

Source: US Census Bureau, 2000 and 2010 and American Community Survey 5-Year Estimates 2012-2016.

- ***Limited year-round resident mobility***
  Table 5-6 presents information on how long Falmouth year-round residents have remained in their homes. From 2000 to 2010, there was significantly less mobility of residents as more households remained in their units, growing to half of all households staying in their homes for five to 19 years, and more than 30% in the same place for 20 years or more. The reduction in shorter-term residency, decreasing from 42.6% of all households to 20.1% between 2000 and 2010, is likely explained by the financial crisis in the later part of the decade that had a profound effect on the housing market, slowing down market activity. Sellers were more likely to stay in place unless they could get what they wanted for their properties, and potential purchasers were less likely to buy based on concerns that the market had not yet bottomed out. Nevertheless, the 2016 census estimates suggest an increase in short-term mobility, a comparable level of mobility in the five to 19 year period, and a return to the 2000 level of long- term residency.

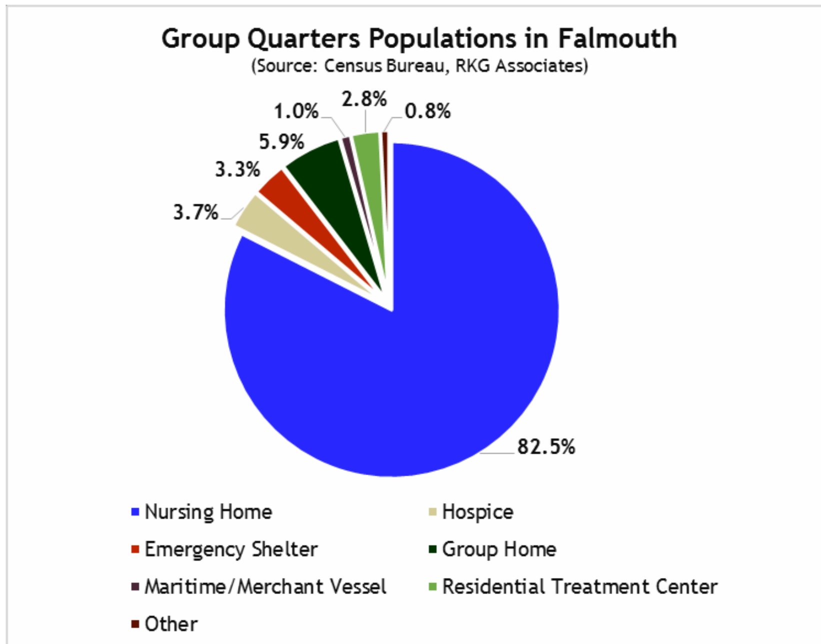
Table 5-6: Length of Residency as a Percentage of Households, 2000, 2010 and 2016

Length of Residency	2000 %	2010 %	2016 %
< 5 Years	42.6%	20.1%	26.6%
5 - 19 Years	33.9%	49.4%	49.7%
20 Years +	23.5%	30.5%	23.7%

Source: U.S. Census Bureau, 2000 Summary File 3and American Community Survey, 5-Year Estimates for 2006-2010 and 2012-2016.

- ***Fluctuations in average number of persons/unit over the decades correlated to decreases in average household size***
  As shown in Table 5-3, between 2000 and 2010 the average number of people living in owner-occupied and rental units declined to 2.77 and 1.99 persons, respectively in 2010. Once again, the 2016 census estimates suggest a reversal of this trend to 2.27 and 2.0 persons, respectively. These fluctuations are reflective in the overall changes in average household size that decreased from 2.30 to 2.21 persons between 2000 and 2010 and then increased to 2.29 persons based on 2016 census estimates.

- ***Small population living in group homes***
  Just about every community has residents – both permanent and short-term – who are not part of the local household population. Rather, they occupy some type of shared living arrangement or group quarters, which may be involuntary or institutional, such as a prison, or voluntary (non-institutional), such as a group home, a college dormitory, or a shelter for homeless people. The group quarters population is generally a very small percentage of the total population in communities which lack the presence of major colleges or prisons, and this is true for Falmouth. According to the 2010 census, group quarters residents (508 people) make up 1.6% of Falmouth's total population. The vast majority (82%) reside in one of the town's nursing homes. The others include residents of group homes or emergency shelters, people attending a residential treatment program, hospice patients, and people temporarily residing on a maritime vessel. Figure 5-1 presents the distribution of group the types of the percentage of residents living in each type of local group facility based on 2010 census figures.[31] The 2016 census estimates suggest only a minor decrease in the group quarters population, to 499 residents.



5.3 Types of Units and Structures – Predominance of single-family detached dwellings

Falmouth's housing stock is dominated by single-family detached residences as indicated in Table 5-7. According to the 2010 American Community Survey from the U.S. Census Bureau, 19,351 or 87.3% of all units were single-family detached structures, an increase of 10.4% from 2000 and higher than the county's level of 81.9% and the state's at 52%. The 2016 census estimates suggest a reversal of trends with a decline of 459 such units to 86%, which is questionable but still higher than the county and state levels and other Upper Cape communities with the exception of Sandwich at 91% as shown in Table 5-4.

[31] RKG Associates, Inc., Falmouth Housing Demand Study and Needs Analysis, September 2014.

Between 2000 and 2010, there was a decrease in single-family attached structures and larger multi- family dwellings with the exception of units in structures of 20 or more units that only increased by three (3) units. The 2016 census estimates suggest increases in the number of units of these housing types, with an especially large increase of 265 units in structures of 20 or more units.

There were increases in the numbers of units in smaller multi-family structures of two (2) to four (4) units from 2000 to 2010 and then again to 2016.

Table 5-7: Occupied Units by Type of Structure, 2000, 2010 and 2016

	2000		2010		2016	
Type of Structure	**#**	**%**	**#**	**%**	**#**	**%**
1-unit, detached	17,526	87.4	19,351	87.3	18,892	86.0
1-unit, attached	610	3.0	433	2.0	550	2.5
2 units	441	2.2	478	2.2	493	2.2
3 or 4 units	536	2.7	702	3.2	797	3.6
5 to 9 units	295	1.5	286	1.3	292	1.3
10 to 19 units	140	0.7	65	0.3	186	0.8
20 or more units	498	2.5	501	3.3	766	3.5
Mobile homes	9	0.04	309	1.4	0	0.0
Boat, RV or van	0	0.0	19	0.1	0	0.0
Total	20,055	100.0	22,154	100.0	21,976	100.0

Source: US Census 2000, Summary File 3, and American Community Survey 5-Year Estimates for 2006-2010 and 2012-2016.

Table 5-8 provides a breakdown of the estimated 2010 and 2016 distributions of units per structure according to whether the units were occupied by renters or homeowners. Almost all of the owners lived in single-family detached homes as did 55% of the renters in 2010. In comparison, 2010 state levels were 77.5% and 10.1% for owners and renters, respectively. Less than 5% of owners lived in multi- family properties of two (2) or more units in 2010, down to 3.3% in 2016. In regard to renters, about 20% lived in the smaller multi-family dwellings of two (2) to four (4) units in 2010, up somewhat to 12.4% in 2016. Those living in larger multi-family properties comprised about 23% of renter households, increasing to about 27% in 2016.

Table 5-8: Occupied Units by Type of Structure and Tenure, 2010 and 2016

	Owner-occupied Units				Renter-occupied Units			
Type of Structure	**2010**		**2016**		**2010**		**2016**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
1- unit detached	11,000	91.8	9,827	93.4	1,425	55.0	1,430	46.9
1- unit attached	343	2.9	359	3.4	48	1.9	98	3.2
2 units	182	1.5	101	1.0	184	7.1	282	9.2
3 to 4 units	158	1.3	143	1.4	341	13.2	404	13.3
5 to 9 units	78	0.7	7	0.1	208	8.0	230	7.5
10+ units	142	1.2	81	0.8	385	14.9	605	19.8
Other/Mobile homes, boat, RV, van	81	0.7	0	0.0	0	0.0	0	0.0
Total	11,984	100.0	10,518	100.0	2,591	100.0	3,049	100.0

Source: U.S. Census Bureau, 2006-2010 and 2012-2016 American Community Survey 5-Year Estimates

Table 5-9 provides information on the distribution of unit sizes, more specifically the number of rooms per unit. This data indicates that the median unit was moderately-sized with almost six (6) rooms, or about three (3) bedrooms, somewhat higher than the county median of 5.7 rooms. In addition, those units most appropriate for single persons, with four (4) rooms or less, comprised 17.0% of the housing stock in 2010 and increased a bit to 22.2% in 2016 compared to 31.3% statewide in 2016.

On the other end of the spectrum, there was a substantial supply of larger homes of seven (7) or more rooms, involving 39.4% of the housing stock in 2010 and down a bit to 37.7% in 2016, but higher than the 35% level in 2000 and the 2016 statewide figure of 32.9%.

Table 5-9: Number of Rooms per Unit, 2000, 2010 and 2016

Number of Rooms per Unit	2000		2010		2016	
	#	%	#	%	#	%
1 Room	204	1.0	321	1.4	211	1.0
2 Rooms	381	1.9	322	1.5	466	2.1
3 Rooms	927	4.6	757	3.4	1,093	5.0
4 Rooms	2,151	10.7	2,685	12.1	3,104	14.1
5 Rooms	4,188	20.9	3,156	14.2	3,442	15.7
6 Rooms	5,184	25.8	6,192	27.9	5,385	24.5
7 Rooms	3,364	16.8	3,623	16.4	3,792	17.3
8 Rooms	1,992	9.9	2,169	9.8	2,555	11.6
9 or More Rooms	1,664	8.3	2,929	13.2	1,928	8.8
Total	20,055	100.0	22,154	100.0	21,976	100.0
Median (Rooms)	5.9 rooms		6.1 rooms		6.0 rooms	

Source: U.S. Census Bureau, 2000 Summary File 3 and the 2006-2010, 2012-2016 American Community Survey 5-Year Estimates.

5.4 Housing Market Conditions – Housing costs remain very high

The following analysis of the housing market looks examines the values of homeownership and rental housing from a number of data sources including:

- *The 2000, and 2010 Decennial U.S. Census figures*
- *The U.S. Census Bureau's 2006-2010 and 2012-2016 American Community Survey*
- *The Warren Group's Banker & Tradesman data on median sales prices and sales volume by year, from 2000 through April 2018*
- *Multiple Listing Service data*
- *Town Assessor's data*
- *Craigslist and other Internet websites (rental housing) and Woods Hole Oceanographic Institute listings*
- *Real estate broker information*

Homeownership

Census data also provides information on housing values, as summarized in Table 5-10 for occupied homeownership units. The 2010 census estimates indicated that the 2010 median house value was $428,200, which decreased to $378,200 according to the 2016 census estimates. While there were 309 units valued at less than $150,000 in 2010, comprising 2.6% of the housing stock, the 2016 estimates indicate an increase to 492 units and 4.7%, including an increase to 353 units valued below $50,000 which is questionable. It is likely that these units are very small cottages and require substantial improvements. Only another 199 units were valued below $200,000 in 2010, up to 501 by 2016, another surprising and questionable figure.

On the other end of the price range, 4,549 units, or 38% of the owner-occupied housing stock, were priced at $500,000 or more, with almost 700 units or 5.8% valued above $1 million in 2010. The 2016 census estimates suggest decreases to 3,049 units valued at more than $500,000 and 521 above $1 million at 29% and 5% of the owner-occupied units, respectively, still demonstrating a significant luxury housing market in Falmouth, most likely principally occupied by second home owners or retirees.

Table 5-10: Values of Owner-Occupied Housing, 2000 to 2016

	2000		2010		2016	
Price Range	**#**	**%**	**#**	**%**	**#**	**%**
Less than $50,000	58	0.6	159	1.3	353	3.4
$50,000 to $99,999	520	5.2	71	0.6	10	0.1
$100,000 to $149,999	2,773	27.6	79	0.7	129	1.2
$150,000 to $199,999	2,387	23.7	199	1.7	501	4.8
$200,000 to $299,999	2,343	23.3	1,803	15.0	2,223	21.1
$300,000 to $499,999	1,460	14.5	5,124	42.8	4,253	24.0
$500,000 to $999,999	412	4.1	3,853	32.2	2,528	24.0
$1 million or more	108	1.1	696	5.8	521	5.0
Total	10,061	100.0	11,984	100.0	10,518	100.0
Median (dollars)	$181,500		$428,200		$378,200	

Source: U.S. Census Bureau, 2000 Summary File 3 and U.S. Census Bureau, 2006-2010 and 2012-2016 American Community Survey 5-Year Estimates.

Table 5-11 provides *Warren Group data* on median sales prices and number of sales from 2000 through April 2018, offering a long-range perspective on sales activity. This data is tracked from Multiple Listing Service information based on actual sales.

The median sales price of a single-family home as of April 2018 was $400,000,[32] the same as in 2017. The lowest point in the market during this timeframe was in 2000 at $197,750. After that single-family home values climbed steadily and reached $415,000 in 2005, the height of the housing market for Falmouth and many communities in the state. The number of single-family home sales also fluctuated considerably as shown in Figure 5-2, from a high of 700 sales in 2000 to a low of 435 sales in 2011 and back up to 658 in 2017.

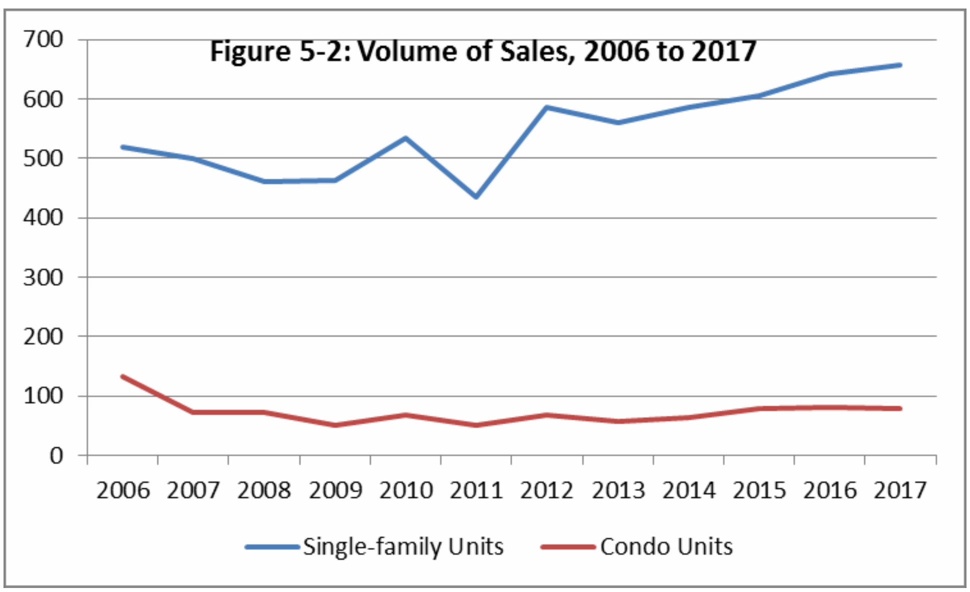
The condo market has experienced even more volatility, both in terms of values and number of sales. The median condo price was $227,000 in 2000, higher than the single-family median, and increased to a high of $407,062 in 2006. It then dropped to $288,250 in 2011 and continued to climb after that to $335,500 in 2017 and $330,550 as of April 2018. In addition to significant fluctuations in values, the number of sales fell from a high of 134 sales in 2006, at the top of the condo market, then feel to 50 sales in 2009, certainly affected by the recession, and then up to 82 and 79 in 2016 and 2017, respectively.

[32] Because the February 2018 figure involves a relatively small sample of 21 sales, it may be less reliable than the 2017 median.

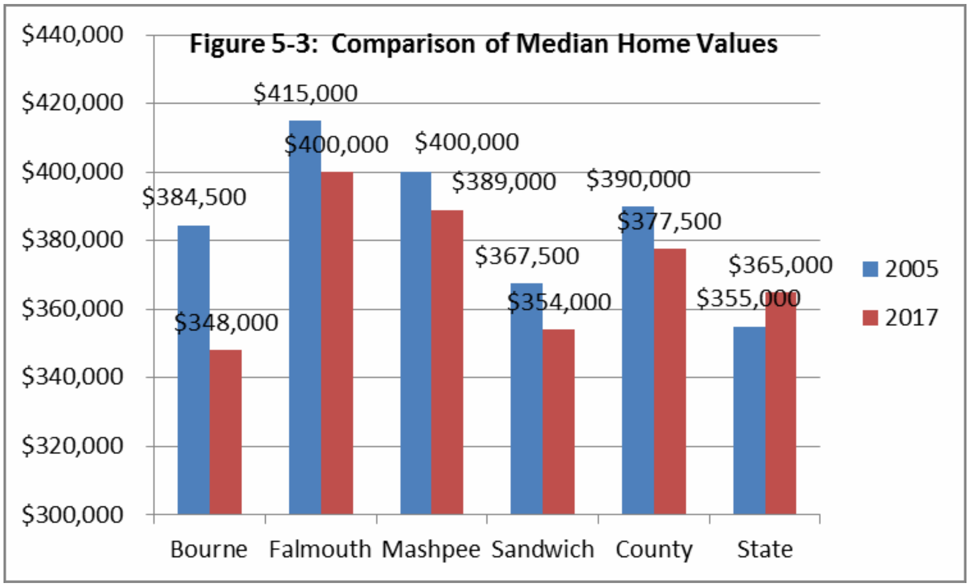
Table 5-11: Median Sales Prices and Number of Sales, 2000 through April 2018

Year	Months	Single-family		Condominiums		All Sales	
		Median	# Sales	Median	# Sales	Median	# Sales
2018	Jan – April	$400,000	167	$330,550	34	$381,500	239
2017	Jan – Dec	400,000	658	335,500	79	380,000	868
2016	Jan – Dec	372,750	642	314,500	82	357,500	851
2015	Jan – Dec	364,500	606	347,500	78	350,875	788
2014	Jan – Dec	375,000	586	385,000	63	370,000	752
2013	Jan – Dec	361,000	560	337,500	58	349,000	738
2012	Jan – Dec	349,900	585	297,500	69	336,981	752
2011	Jan – Dec	348,000	435	288,250	52	340,000	605
2010	Jan – Dec	350,000	534	297,500	68	328,750	696
2009	Jan – Dec	353,750	462	343,000	50	359,500	582
2008	Jan – Dec	368,000	460	298,750	72	358,000	605
2007	Jan – Dec	412,250	500	322,000	73	397,000	708
2006	Jan – Dec	395,000	520	407,062	134	400,000	768
2005	Jan – Dec	415,000	585	339,000	94	400,000	827
2004	Jan – Dec	380,000	679	369,000	100	375,000	959
2003	Jan – Dec	340,000	608	329,000	87	335,000	913
2002	Jan – Dec	280,000	691	250,000	95	269,950	1,018
2001	Jan – Dec	230,000	646	223,950	73	222,250	928
2000	Jan – Dec	197,750	700	227,000	100	195,000	1,085

Source: The Warren Group/Banker & Tradesman, June 13, 2018.



Housing prices have been somewhat higher in Falmouth relative to neighboring communities as well as Barnstable County and the state as shown in Figure 5-3. This chart compares median single-family home sales for 2005, at the height of the housing market before the “bursting of the housing bubble”, and 2017. Median values have been highest in Falmouth, with the other Upper Cape communities not far behind. Medians for all communities as well as the county and state declined following the recession and, with the exception of the state, have yet to surpass pre-recession levels. The statewide figure is heavily reliant on the communities in the Greater Boston area where housing markets recovered more quickly following the recession.



Another analysis of housing market data is presented in Table 5-12, which breaks down sales data from the *Multiple Listing Service* as compiled by Banker & Tradesman of The Warren Group for single-family homes and condominiums. This table provides a snapshot of the range of sales for December 2017 through May 2018. There were a total of 343 sales during this period, including 306 single-family homes and 30 condos. Units that sold below $200,000, and were therefore relatively affordable to those earning at or below 80% of median area income, included 14 single-family homes and four (4) condominiums, likely very small and in need of substantial improvements. About half of the condos sold for less than $400,000, about the same level as the single-family homes.

On the other end of the price range, 50 or 16.3% of single-families and only one (1) condo sold for $800,000 or more, clearly demonstrating the significant luxury market in Falmouth. The median single-family home price was $408,000, $350,000 for condos.

Table 5-12: Single-family House and Condo Sales, December 2017 through May 2018

Price Range	Single-family Homes		Condominiums		Total	
	#	%	#	%	#	%
Less than 200,000	14	4.6	4	10.8	18	5.2
$200,000-299,999	64	20.9	11	29.7	75	21.9
$300,000-399,999	68	22.2	7	18.9	75	21.9
$400,000-499,999	46	15.0	6	16.2	52	15.2
$500,000-599,999	30	9.8	7	18.9	37	10.8
$600,000-699,999	19	6.2	1	2.7	20	5.8
$700,000-799,999	15	4.9	0	0.0	15	4.4
$800,000-899,999	12	3.9	0	0.0	12	3.5
$900,000-999,999	9	2.9	0	0.0	9	2.6
Over $1 million	29	9.5	1	2.7	30	8.7
Total	306	100.0	37	100.0	343	100.0

Source: Banker & Tradesman, June 16, 2018.

Assessor data on the assessed values of residential properties in Falmouth is presented in Table 5-13 and Figure 5-4, which provide insights into the distribution of assessed values for single-family homes and condominiums. This data shows that Falmouth has 17,846 single-family homes, below census figures for single-family detached units of 21,970 in 2010 and the questionable 21,976 units in 2016. Part of the discrepancy is likely due to the number of multiple homes on a single lot that are recorded separately in Assessor's data but are added to census counts if they are single-family detached dwellings.

About 6% of the single-family units were assessed for more than $1 million while a similar level of 5.7% were valued below $200,000 and thus likely to be affordable to those earning at or below 80% of area median income. Almost 5,000 units or 27.8% were assessed between $200,000 and $300,000 and still relatively affordable.

This Assessor's data also includes 1,424 condominium units which are considerably more affordable than the single-families with 29% of units valued below $200,000 and another 27% assessed between $200,000 and $300,000.

Table 5-13: Assessed Values of Single-family and Condominiums, 2018

Assessment	Single-family Dwellings		Condominiums		Total	
	#	%	#	%	#	%
0-$199,999	1,023	5.7	414	29.1	1,437	7.5
$200,000-299,999	4,961	27.8	388	27.2	5,349	27.8
$300,000-399,999	4,036	22.6	254	17.8	4,290	22.3
$400,000-499,999	2,553	14.3	173	12.1	2,726	14.1
$500,000-599,999	1,720	9.6	93	6.5	1,813	9.4
$600,000-699,999	1,090	6.1	45	3.2	1,135	5.9
$700,000-799,999	677	3.8	17	1.2	694	3.6
$800,000-899,999	410	2.3	12	0.8	422	2.2
$900,000-999,999	274	1.5	4	0.3	278	1.4
Over $1 million	1,102	6.2	44	3.1	1,146	5.9
Total	17,846	100.0	1,424	100.0	19,270	100.0

Source: Falmouth Assessor, Fiscal Year 2018.

Table 5-14 provides the distribution of assessed values for small multi-family properties. There were 256 two-family properties or 512 units, just a bit higher than the 493 units reported in the 2016 census estimates. More than half of these properties were assessed below $400,000. As these dwellings are typically among the most affordable in the private housing market, given the rental income that is derived, this increase, albeit small, represents some increased affordability in the private housing market. Assessor records also identified 42 three-family dwellings, including 126 units, with about 45% assessed below $400,000 including 21.4% assessed below $300,000.

Of the 253 properties that included more than one house on the same parcel, one-quarter were assessed for less than $400,000 while a comparable amount were assessed for more than $1 million.

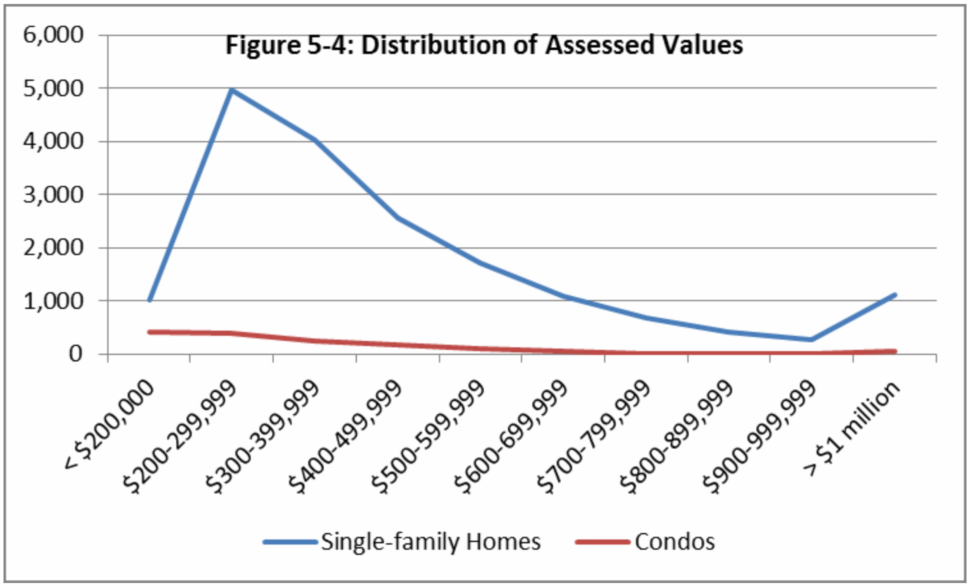


Table 5-14: Assessed Values of Small Multi-family Properties, 2018

Assessment	Two-family Dwellings		Three-family Dwelli		Multiple Houses Lot	
	#	%	#	%	#	%
0-$199,999	5	2.0	5	11.9	0	0.0
$200,000-299,999	64	25.0	4	9.5	16	6.3
$300,000-399,999	65	25.4	10	23.8	47	18.6
$400,000-499,999	47	18.4	6	14.3	50	19.8
$500,000-599,999	26	10.2	7	16.7	21	8.3
$600,000-699,999	25	9.8	4	9.5	25	9.9
$700,000-799,999	4	1.6	2	4.8	9	3.6
$800,000-899,999	7	2.7	1	2.4	10	4.0
$900,000-999,999	5	2.0	2	4.8	9	3.6
Over $1 million	8	3.1	1	2.4	66	26.1
Total	256	100.0	42	100.0	253	100.0

Source: Falmouth Assessor, Fiscal Year 2018.

Assessor's data also indicated the following:

- The Town has 361 mixed-use properties with a median of $270,720.
- Values for the 40 four to eight-unit properties ranged from $291,400 to $1,316,100 and had a median valuation of $490,400.
- Falmouth also had 15 properties with more than eight (8) units, ranging from $865,900 to $4,205,300 in assessed values and with a median of $1,937,500.
- While the 2010 census figures included 81 owner-occupied mobile homes, Assessor records confirm the 2016 census estimates that there are no longer any mobile homes in the community.

Additional information on the changes of residential tax parcels by type of property is available in Appendix 2 which summarizes data from the Massachusetts Department of Revenue's Division of Local

Services. This data indicates that between Fiscal Years 2001 and 2016 there was an average annual gain of 77 single-family units and 23 condos and a corresponding loss of 99 vacant parcels. In fact almost all of the housing growth has been in single-family homes and condos, at 1,243 and 363 units, respectively, during this period although 42 new multi-family properties were built as well.

The data also shows how much development has slowed. For example, the average annual growth in single-family homes decreased from 157 units between 2000 and 2006 to 30 units between 2007 and 2016, decreasing as well from 40 to 14 during these periods for condos. Certainly the recession had an effect on slowing housing growth but numbers have not come close to pre-recession levels.

Appendix 2 also includes some trend information in the changes of total assessments by type of property showing that total assessments have increased substantially over the years growing by 140% between 2003 and 2010 and then another 132% between 2010 and 2018. This information also demonstrates how reliant the Town is on its residential tax base which has represented about 92% of Falmouth's total tax revenues.

Rentals

One person interviewed as part of this project indicated that she spent several hours every day for weeks trying to find a house rental that met her needs. This included daily calls to a list of realtors inquiring about any new listings.

As is the case in most Cape communities, it is challenging to obtain accurate cost information on the Town's year-round rental market due to the predominance of the seasonal market. As noted in the 2014 Housing Demand Study, "In many cases, two seasons exist in the Falmouth rental market: the summer rental market between June and August, and the off-season market between September and May, which further complicates identifying "market" year-round rental rates."[33]

Moreover, because substantial numbers of rentals are in single-family homes, small multi-family properties, or mixed-use properties, they are generally rented by "word of mouth" instead of through realtor listings. Many, if not all, of the larger apartment developments are owned by the Falmouth Housing Authority or another entity providing subsidized rental housing such as the Falmouth Housing Corporation or Falmouth Housing Trust that maintain their own applicant waitlists.

Census data is a primary source of information on rental costs, however, and a distribution of rents for 2000, 2010 and 2016 is summarized in Table 5-15. As this table indicates, the rental market has changed substantially as the median rent increased from $724 to $960 between 2000 and 2010, and then climbed to $1,129 according to 2016 census estimates. In 2000, about one-fifth of all rentals had rents below $500 compared to 17% in 2010 and 14% in 2016. On the other end of the price range, approximately 16% of rentals were priced above $1,000, which increased to 43% in 2010 and 54% in 2016. It is also important to note that the census counts included 861 subsidized units, which represented 28% of all rental units in Falmouth. Therefore these rental costs underestimate actual market costs.

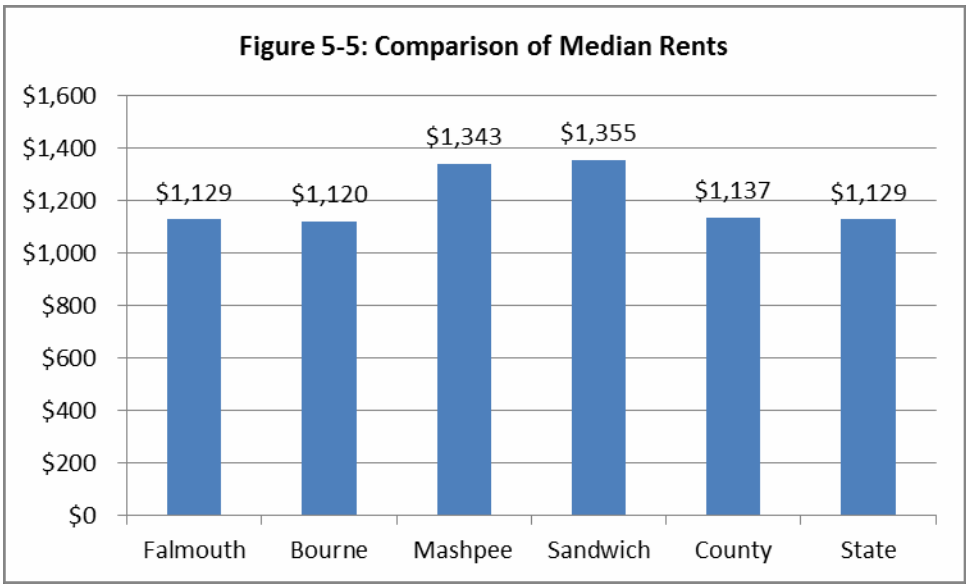
[33] RKG Associates, Inc., Falmouth Housing Demand Study and Needs Analysis, September 2014.

Table 5-15: Rental Costs, 2000 to 2016

Gross Rent	2000 #	2000 %	2010 #	2010 %	2016 #	2016 %
Under $200	137	4.4	32	1.2	430	14.1
$200-299	151	4.9	204	7.9		
$300-499	343	11.0	199	7.7		
$500-749	847	27.3	257	9.9	652	21.4
$750-999	803	25.9	659	25.4		
$1,000-1,499	419	13.5	661	25.5	918	30.1
$1,500 +	75	2.4	445	17.2	742	24.3
No Cash Rent	330	10.6	134	5.2	307	10.1
Total*	3,105	100.0	2,591	100.0	3,049	100.0
Median Rent	$724		$960		$1,129	

Sources: U.S. Census Bureau, Census 2000 Summary File 3 and 2006-2010 and 2012-2016 American Community Survey 5-Year Estimates.

Figure 5-5 compares Falmouth's median gross rent to the other Upper Cape communities, the county and the state based on 2016 census estimates. These rents range from a low of $1,120 in Bourne to a high of $1,355 in Sandwich with Falmouth's median of $1,129 the same as the state and only a bit lower than the countywide level.



Internet listings as well as those from the Woods Hole Oceanographic Institute (WHOI) on recent rental offerings in June 2018 are provided in Appendix 3 showing the range of listings by unit type and location. Most of the listings were in Falmouth and East Falmouth, ranging considerably in price. These listings are further examined in Table 5-16 which indicates that for the most part, median rents are below HUD Fair Market Rents (FMRs) and it is not surprising that so many are finding it difficult to find affordable rental opportunities in the community, homesharing included.

Table 5-16: Year-round Rental Unit Analysis

Unit Type	Listings	Monthly Rent Range			HUD Fair Market Rents*
		Median	Low	High	
Room/Share	9	$800	$600	$1,600	--
0-bedroom	3	$1,500	$850	$1,500	$956
1-bedroom	5	$1,100	$900	$1,350	$1,083
2-bedroom	14	$1,700	$1,300	$2,350	$1,441
3-bedroom	11	$1,975	$1,750	$2,700	$1,817
4-bedroom +	1	$8,800	--	--	$1,984
Total	42				

Sources: Internet sources, WHOI listings, RKG Associates, Inc., HUD and Karen Sunnarborg Consulting
*FMR's for Barnstable Town, MA MSA

This analysis focused on year-round rentals but summer rentals ranged considerably as well from $560 per week for tiny cottages to well over $15,000 per week for larger houses with access to the water and other amenities.

Another consideration when reviewing rent levels is to note that most apartments require first and last month's rent plus a security deposit equivalent to as much as a month's rent. For a $1,700 apartment, that totals $5,100 in up-front cash, an amount that many prospective tenants just do not have available.

5.5 Affordability of Existing Housing

While it is useful to have a better understanding of past and current housing costs, it is also important to analyze the implications of these costs on affordability. This section focuses on a projected analysis of housing demand and supply from 2015 through 2025, affordability gaps, cost burdens and foreclosure activity.

Housing Unit Demand

The Regional Housing Market Analysis prepared for the Cape Cod Commission and Barnstable County also analyzed housing gaps, looking at housing supply and demand at various income levels for both homeownership and rental units, including year-round and seasonal units.[34] The countywide findings indicate that housing unit demand through 2025 will be greatest in the age 65 plus category while demand for units in the 15 to 24 age range is expected to decline given increasing housing costs relative to projected income growth. "Overall, demand in the county is expected to increase by 2,712 year- round units by 2025 (or an average annual rate of 270 year-round units per year). Demand for owner units is expected to increase by 2,137 units by 2025 (or an annual rate of 214 units per year). Rental unit demand is expected to increase by 575 units (corresponding to an annual increase of 58 units per year)."[35] These estimates correspond to an overall annual housing growth rate of 0.3% for year-round units compared to 0.6% for seasonal ones.

Table 5-17 provides the housing unit demand analysis for Falmouth. These figures indicate that while total housing demand will increase by 4.3% between 2015 and 2025, from 21,843 to 22,870 units, the growth in seasonal/second home units will involve 592 new units in comparison to 345 year-round units with growth rates of 8.1% and 2.4%, respectively. Also, of the projected 345 new year-round units, 264 or 76.5% will be owner-occupied compared to 81 units or 23.5% in renter-occupancy. Given the 23.5% growth rate of rentals, it is surprising there was not some commensurate increase in multi-family units in these calculations.

Table 5-17: Projected Change in Units/Households

Housing Type	2015	2020	2025	# Δ 2015-2025	% Δ 2015-2025
Total Units	21,843	22,363	22,780	937	4.3%
Year-round Units	14,549	14,621	14,894	345	2.4%
Single-family	13,335	13,439	13,754	419	3.1%
Multi-family	1,194	1,183	1,140	-54	-4.5%
Owner Units	11,130	11,185	11,394	264	2.4%
Renter Units	3,419	3,436	3,500	81	2.4%
Second Homes	7,294	7,742	7,886	592	8.1%
Households	13,638	13,781	14,045	407	3.0%

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

[34] The methodology was based on a December 2016 forecast where the number of future housing units would be a function of the number of forecasted housing completions, using a statistical regression analysis for each category of housing type from 1980 through 2015.

[35] Crane Associates, Inc. and Economic & Policy Resources, "Regional Housing Market Analysis, Barnstable County, Massachusetts," prepared for the Cape Cod Commission and Barnstable County, June 30, 2017, page 71.

The Regional Housing Market Analysis also estimated the gap between housing demand and supply at different income levels for both homeownership and rentals. The analysis includes estimates for both 2015 and 2025 as summarized in Tables 5-18 and 5-19, respectively, applying the affordability threshold of 30% of household income based on HUD's definition that households spending more than this amount are overspending or cost burdened. The analysis defines supply within a particular income range as those units that are affordable if all units were available. Demand is defined as the number of households within the particular income range. The difference between the units available and affordable (supply) and the number of households that can afford them (demand) results in the gap for each income range. For example, the calculations estimate that there is a gap of 2,898 homeownership units and 745 rental units for those earning at or below 80% of median income.

Table 5-18: Estimated Gaps in Housing Demand and Supply Based on Falmouth Median Income Levels, 2015

Homeownership Units	50% MHI	80% MHI	100% MHI	120% MHI	> 120% MH
Income/based on median homeowner household Income of $70,050[36]	$35,025	$56,040	$70,050	$84,060	
Affordable Price	$121,130	$206,149	$263,595	$321,144	
Estimated Unit Demand	2,363	1,540	1,040	1,035	5,152
Estimated Unit Supply	396	609	1,390	1,662	7,072
Affordability Gap in Units (Demand Minus Supply)	1,968	930	-350	-627	
Cumulative Demand	**2,363**	**3,903**	**4,943**	**5,978**	**11,130**
Cumulative Supply	**396**	**1,005**	**2,395**	**4,058**	**11,130**
Cumulative Gap	**1,968**	**2,898**	**2,548**	**1,921**	
Rental Units					
Monthly Median Renter Household Income	$19,152	$30,642	$38,303	$45,964	
Affordable Rent(@30% of MHI limits)	$479	$766	$958	$1,149	
Estimated Unit Demand	835	613	284	265	1,423
Estimated Unit Supply	418	284	377	433	1,906
Affordability Gap in Units (Demand Minus Supply)	416	329	-94	-168	
Cumulative Demand	**835**	**1,448**	**1,732**	**1,997**	**3,420**
Cumulative Supply	**418**	**702**	**1,079**	**1,512**	**3,418**
Cumulative Gap	**416**	**745**	**651**	**483**	

Source: Crane Associates, Inc. and Economic & Policy Resources, "Regional Housing Market Analysis, Barnstable County, Massachusetts," prepared for the Cape Cod Commission and Barnstable County, June 30, 2017. Cumulative supply and demand based on estimated figures at a particular income level plus estimations from each lower income level. Assumptions include calculations for households spending 30% of income, 95% financing with 5% down payment, 3.93% interest rate, and monthly utility costs of $165 for rental units.

The Regional Market Analysis points out that some households are spending far less than 30% of their income level and not demanding housing units that are affordable based on their income level. This is

[36] It should be noted that the 2011-2015 median household income for homeowners in Falmouth, based on the U.S. Census Bureau's American Community Survey 5-Year Estimates, was higher at $79,050 instead of $70,050 as included in this analysis. Nevertheless, this figure is not far off from the 2016 median household income of $68,444 for Falmouth and $68,950 for a four-person household based on 2018 HUD 80% of area median income limits.

occurring throughout the Cape due to the large numbers of older residents who have paid off their mortgage and thus have lowered their monthly housing costs. The report indicates that this is particularly an issue with moderately-valued homes in the $200,000 to $400,000 range, thus showing an oversupply of housing units at this price range in some communities. In effect there is not an oversupply of units anywhere on the Cape, regardless of household income, and there are a great number of households at lower income levels competing for these units as there are not enough available within their income range.

Table 5-19 indicates that by 2025, the gap between housing supply and demand will widen considerably for homeownership units with a cumulative total of 5,308 units, including 4,081 units for households earning at or below 80% of median income compared to 1,921 and 2,898 in 2015, respectively. This 2025 analysis suggests some cumulative increase in the need for rental units for those earning at or below 120% of median income at 624 units compared to 483 in 2015. The cumulative gap for those earning at or below 80% of median is projected at 724 units in 2025 in comparison to 745 in 2015.

Table 5-19: Estimated Gaps in Housing Demand and Supply Based on Falmouth Median Income Levels, 2025

Homeownership Units	50% MHI	80% MHI	100% MHI	120% MHI	> 120% MH
Income	$50,104	$80,166	$100,208	$120,250	
Affordable Price	$145,879	$244,942	$311,700	$378,555	
Estimated Unit Demand	2,755	1,788	1,198	1,193	4,460
Estimated Unit Supply	351	110	434	730	9,768
Affordability Gap in Units (Demand Minus Supply)	2,403	1,678	764	463	
Cumulative Demand	**2,755**	**4,543**	**5,741**	**6,934**	**11,394**
Cumulative Supply	**351**	**462**	**896**	**1,626**	**11,394**
Cumulative Gap	**2,403**	**4,081**	**4,845**	**5,308**	
Rental Units	**50% MRHI**	**80% MRHI**	**100% MRHI**	**120% MRHI**	
Monthly Median Renter Household Income	$24,832	$39,731	$49,664	$59,597	
Affordable Rent (@30% MHI limits)	$621	$993	$1,242	$1,490	
Estimated Unit Demand	853	628	290	271	1,457
Estimated Unit Supply	423	334	220	442	2,081
Affordability Gap in Units (Demand Minus Supply)	430	294	70	(171)	
Cumulative Demand	**853**	**1,481**	**1,771**	**2,042**	**3,499**
Cumulative Supply	**423**	**757**	**977**	**1,419**	**3,500**
Cumulative Gap	**430**	**724**	**794**	**623**	

Source: Crane Associates, Inc. and Economic & Policy Resources, "Regional Housing Market Analysis, Barnstable County, Massachusetts," prepared for the Cape Cod Commission and Barnstable County, June 30, 2017.
Cumulative supply and demand based on estimated figures at a particular income level plus estimations from each lower income level. Assumptions included a household spending 30% of income, 95% financing with 5% down payment, 5.94% interest rate, and monthly utility costs of $165 for rental units.

It is worth noting that in this analysis as well as that of the August 2017 Housing Demand and Needs Analysis estimate that much of the demand for ownership and rental units will come from higher- income earning households. The Housing Demand and Needs Study further indicates that this increased demand "holds true across all age groups in the income bracket of over $100,000, with the highest concentration in the over 65 cohorts for the head of the householder."[37] The report also states that, "Similar to the decreases in demand for ownership units, renter demand in Falmouth is projected to decrease in the income brackets under $75,000 (between 11 and 16 percent decrease). Significant losses are expected in the income bracket containing households with annual incomes less than $40,000… Based on these projections, demand for rentals will come from the higher end of the market, and could be an indicator to developers to continue building luxury product."[38]

Table 5-20 estimates how many single-family homes and condos exist in Falmouth that were affordable within various income categories related to Barnstable Area Median Income (AMI) limits for 2018 using Assessor's records. There were 1,845 single-family homes and 346 condos estimated to be affordable to those earning at or below 80% AMI for a total of 2,191 units or about 11.4% of these units. Almost one-quarter of the condos were affordable to those within this income range. It is also likely that many of these units are small, not winterized, or in relatively poor condition. Additionally, an estimated 16.2% of the single-family homes and 15.8% of the condos were affordable to those earning between 80% and 100% AMI, still relatively affordable.

Table 5-20: Relative Affordability of Single-family and Condo Units Based on Area Median Income Limits, 2018

Price Range Single-family/Condo	Income Range	Single-family Homes Available in Price Rang		Condominiums Available in Price Range	
		Number	%	Number	%
Less than $219,500/ Less than $184,500	Less than 80% AMI or $55,200	1,845	10.3	346	24.3
$219,501 - $274,000/ $184,501 - $240,500	80% AMI to 100% AMI or $68,960	2,896	16.2	225	15.8
More than $274,000/ More than $240,500	More than 100% AMI or $68,960	13,105	73.4	853	59.9
Total		**17,846**	**100.0**	**1,424**	**100.0**

Source: Falmouth Assessor's Database for Fiscal Year 2018. Karen Sunnarborg Consulting. Please note that as a standard practice, assessed value is assumed to be 93% of actual value or potential sale price. Figures based on interest rate of 5.0%, 30-year fixed mortgage term, 2018 property tax rate of $8.60 per thousand, insurance of $6 per thousand for single-family homes and $4 per thousand for condos, $250 monthly condo fees, the purchaser spending 30% of income on housing costs, and 95% financing assuming the purchaser could qualify for a state-sponsored mortgage program such as the ONE Mortgage Program or MassHousing mortgage that would not require private mortgage insurance.

Table 5-21 demonstrates the need for more affordable homeownership opportunities in Falmouth, certainly for those earning at or below 80% AMI. These calculations suggest that of the 3,450 owner households who were estimated to have earned at or below 80% AMI, there were only 1,845 units that might be affordable based on Assessor records, resulting in a deficit of 1,605 affordable units. It should be noted that assessed values typically underestimate actual market value, particularly in rising housing markets, and thus this deficit likely underrepresents actual conditions.

[37] RKG Associates, Inc., Housing Demand and Needs Analysis, prepared for the Falmouth EDIC, August 28, 2017.

[38] Ibid.

One person interviewed as part of this project stated that his parents purchased a house in the Maravista neighborhood back in the 1950s. His father was a sergeant in the army and his mother was a registered nurse who would very unlikely be able to afford this same house today.

If one looks at those in this income range who are overspending (see Table 5-26), the deficit increases to 2,340 units. While the Town should focus on those more financially vulnerable residents earning below 80% AMI, it is worth noting that when looking at cost burdens (spending more than 30% of income on housing) there are deficits in the other income categories as well including 480 for those earning between 80% and 100% AMI and another 530 for those earning above 100% AMI. Clearly Falmouth's housing costs are shutting many earning above this level out of the local housing market. For example, it should also be noted that **the median single-family home price is high at $400,000 as of April 2018 would require a household to earn approximately $85,250, based on 80% mortgage financing.**[39] **The median condo price was $330,550 requiring an income of about $80,500 with a 20% down payment**

Table 5-21: Homeownership Need/Demand Analysis Based on Area Median Income Limits, 2018

Income Range	Income Range*	Affordable Sales Prices Single-family/Condos	# Owner Households **	# Existing Affordable Units***	Deficit -/ Surplus+
Less than 80%	$55,200 and l	Up to $219,500/$184,	3,450	1,845	-1,605
				1,110	-2,340
80% AMI to 100% AMI	$55,201 to $68,960	$219,501-$274,000/ $184,501-$240,500	1,070	2,896	+1,826
				590	-480
Above 100% A	More than 68	More than $274,000/ More than $240,500	6,075	13,105	+7,030
				5,545	-530

Sources: U.S. Census Bureau's American Community Survey, 2012-2016 5-Year Estimates. Assessor's data for Fiscal Year 2018. Karen Sunnarborg Consulting. See analysis and assumptions in Table 5-24.
*Based on a 2-person households as the average household size in Falmouth is 2.29 persons based on 2016 census estimates.
**Data from Table 5-26.
*** There are two (2) types of calculations presented. The first in yellow shading reflects the number of units in the Assessor's database within the range of affordable unit prices based on figures in Table 5-20. The second figures in the non-shaded areas are based on the number of units that were estimated to involve owners spending too much on their housing from Table 5-23.

Table 5-22 indicates that there is a shortage of affordable rental units with an estimated deficit of 1,514 units based on households overspending on their housing and therefore by common definition living in housing that is not affordable (see Table 5-26). The last column identifies those with severe cost burdens, suggesting a deficit of 714 affordable rental units <u>at a minimum</u> focusing on those 659 households earning at or below 50% AMI with the greatest need.

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[39] Based on interest rate of 5.0%, 30-year fixed mortgage term, 2018 property tax rate of $8.60 per thousand, insurance of $6 per thousand for single-family homes and $4 per thousand for condos, $250 monthly condo fees, the purchaser spending 30% of income on housing costs, and 80% financing.

Table 5-22: Rental Unit Need/Demand Analysis Based on Area Median Income Limits, 2018

Income Range	Income Range*	Affordable Rent**	# Renter Households ***	# Existing Affordable Units/Those without Cost Burdens***	Deficit -/ Surplus+	Units with Severe Cost Burdens***
< 30% AMI	< $20,700	< $342.50	775	131	-644	389
30% to 50% AMI	$20,701 to $34,500	$342.51 to $687.50	510	120	-390	270
50% to 80% AMI	$34,501 to $55,200	$687.51 to $1,205	550	190	-360	55
80% to 100% AMI	$55,201 to $68.960	$1,206 to $1,549	330	245	-85	0
> 100% AMI	> $68,960	> $1,549	795	760	-35	0
TOTAL			2,960	1,446	-1,514	714

Sources: U.S. Census Bureau's American Community Survey, 2012-2016 5-Year Estimates. Assessor's data for Fiscal Year 2018. Karen Sunnarborg Consulting. See analysis and assumptions in Table 5-24. *Based on a 2-person households as the average household size in Falmouth is 2.29 persons based on 2016 census estimates.
** Includes a $175 utility allowance. ***Data from Table 5-26.

Affordability Gaps

Another calculation of housing affordability involves computing the difference between the median priced unit and what households earning at various income levels can afford, typically using median household income. The Regional Housing Market Analysis estimated these gaps based on various income ranges for both 2015 and 2025 as summarized in Tables 5-23 and 5-24, respectively. The 2015 analysis estimates an affordability gap of $145,976 for homeowners earning at the 80% of the median income level for Falmouth, the difference between the median priced single-family home at the time of $352,125 and what this household could afford or $206,149. The gap narrows as incomes levels increase to a gap of $30,981 for a household earning at the 120% of median level.

Table 5-23: Estimated Affordability Gaps, 2015

Homeownership Units	**50% MHI**	**80% MHI**	**100% MHI**	**120% MHI**
Annual Income (% of Median Household Income = $70,050)	$35,025	$56,040	$70,050	$84,060
Affordable Price	$121,130	$206,149	$263,595	$321,144
Median House Price	$352,125	$352,125	$352,125	$352,125
Affordability Gap	$230,995	$145,976	$88,530	$30,981
Rental Units	**50% MRHI**	**80% MRHI**	**100% MRHI**	**120% MRHI**
Annual Income Available (% of Median Renter Income = $38,303)	$19,152	$30,642	$38,303	$45,964
Monthly Household Income	$1,596	$2,554	$3,192	$3,830
% of Income for Housing	30%	30%	30%	30%
Affordable Gross Price	$479	$766	$958	$1,149
Median Rent	$981	$981	$981	$981
Utility Allowance	$160	$160	$160	$160
Monthly Gross Rent (Includes Utilities)	$1,141	$1,141	$1,141	$1,141
Affordability Gap	($662)	($375)	($183)	$8

Source: Crane Associates, Inc. and Economic & Policy Resources, "Regional Housing Market Analysis, Barnstable County, Massachusetts," prepared for the Cape Cod Commission and Barnstable County, June 30, 2017. Assumptions include calculation for two-person households spending 30% of income, 95% financing with 5% down payment, 3.93% interest rate, and monthly utility costs of $160 for rental units.

Table 5-23 also calculates the affordability gaps for renters in 2015, based on percentages of the 2015 census estimate for the median income of renter households. The report applied a monthly median rental of $981 and a utility allowance of $160 with affordability gaps ranging from $662 for a household earning at 50% of the renter median household income to $375 for one earning at the 80% level. Even those earning at the 100% income limit are calculated to have a gap of $183.

Table 5-24 provides updated information on affordability gaps. For example, the median house price is higher than the 2015 one, at $400,000 based on Banker &Tradesman data as of April 2018. The median renter income decreased to $35,949 while the median rent increased to $1,129. This analysis is also based on percentages of median income for the Barnstable area for ownership units instead of what is likely to be an erroneous median homeowner income level used in Table 5-18. **This analysis computes widening affordability gaps for both owners and renters.** For example, the affordability gap was $180,550 and $146,050 for single-family homes and condos, respectively, for those earning at or below 80% AMI and $585 for those renters earning at 80% of the median renter household income in 2016.

Table 5-24: Estimated Affordability Gaps, 2018 and 2016

Homeownership Units	50% AMI**	80% AMI	100% AMI	120% AMI
Annual Income (**2018** HUD Area Median Incomes for 2-person household)*	$20,700	$55,200	$68,960	$82,752
Affordable Price (Single-family/Condo)	$82,000/ $45,500	$219,500/ $184,500	$274,000/ $240,500	$328,500/ $297,000
Median House Price/Condo Price	$400,000/ $330,550	$400,000/ $330,550	$400,000/ $330,550	$400,000/ $330,550
Affordability Gaps	$318,000/ $285,050	$180,500/ $146,050	$126,000/ $90,050	$71,500/ $33,550
Rental Units	**50% MRHI**	**80% MRHI**	**100% MRHI**	**120% MRHI**
Annual Income based on **2016** Median Renter Household Income of $35,949	$17,975	$28,759	$35,949	$43,139
Monthly Household Income	$1,498	$2,397	$2,996	$3,595
% of Income for Housing	30%	30%	30%	30%
Affordable Gross Price	$449	$719	$899	$1,078
Median Rent (based on 2016 census Estimate)	$1,129	$1,129	$1,129	$1,129
Utility Allowance	$175	$175	$175	$175
Monthly Gross Rent (Includes Utilities)	$1,304	$1,304	$1,304	$1,304
Affordability Gap	($855)	($585)	($405)	($226)

Source: Karen Sunnarborg Consulting *Average household size is 2.29 persons based on 2026 census estimates. ** A household with such a low income would unlikely qualify for financing without very substantial financial assets. Figures based on interest rate of 5.0%, 30-year fixed mortgage term, 2018 property tax rate of $8.60 per thousand, insurance of $6 per thousand for single-family homes and $4 per thousand for condos, $250 monthly condo fees, the purchaser spending 30% of income on housing costs, and 95% financing assuming the purchaser could qualify for a state-sponsored mortgage program such as the ONE Mortgage Program or MassHousing mortgage that would not require private mortgage insurance.

Rising interest rates, insurance costs, and utility expenses will all contribute to widening affordability gaps.

Based on the median gross rental of $1,129 according to 2016 census estimates, there is no affordability gap if the calculations focus on the median income earning household ($68,444) that could afford a rental of about $1,536 premised on not spending more than 30% of income on housing costs and computing an estimated monthly utility costs of $175.

Table 5-25 includes another analysis as part of the Regional Housing Market Analysis that projects affordability gaps for 2025. Projected affordability gaps increase considerably for homeownership, from a gap of $145,976 for those earning at 80% of media income in 2015 to $333,241 by 2025 for example. This is largely due to the projected 64% increase in the median house price to $578,183 from $352,125 in 2015 and projected increases in median income of only 47%. The gaps remain extremely high even for those earning at 120% of median income.

This analysis forecasts that the rental housing gap will increase to $813 for a household earning at or below 50% AMI from $662 in 2015 as calculated n Table 5-20 for example, although the 2025 figure is still lower than the one estimated in Table 5-24 of $855 in 2016 based on updated median rents and incomes.

Table 5-25: Estimated Affordability Gaps, 2025

Homeownership Units	50% MHI	80% MHI	100% MHI	120% MHI
Annual Income	$50,104	$80,166	$100,208	$120,250
Affordable Price	$145,879	$244,942	$311,700	$378,183
Median House Price	$578,183	$578,183	$578,183	$578,183
Affordability Gap	($432,304)	($333,241)	($266,482)	($199,627)
Rental Units	**50% MRHI**	**80% MRHI**	**100% MRHI**	**120% MRHI**
Annual Income = Median Renter Household Income of $49,664	$24,832	$39,731	$49,664	$59,597
Monthly Household Income	$2,069	$3,311	$4,139	$4,966
% of Income for Housing	30%	30%	30%	30%
Affordable Gross Price	$621	$993	$1,242	$1,490
Median Rent	$1,249	$1,249	$1,249	$1,249
Utility Allowance	$186	$186	$186	$186
Monthly Gross Rent (Includes Utilities)	$1,434	$1,434	$1,434	$1,434
Affordability Gap	($813)	($441)	($192)	$56

Source: Crane Associates, Inc. and Economic & Policy Resources, "Regional Housing Market Analysis, Barnstable County, Massachusetts," prepared for the Cape Cod Commission and Barnstable County, June 30, 2017. Assumptions include calculation for three-person households spending 30% of income, 95% financing with 5% down payment, 5.94% interest rate, and monthly utility costs of $165 for rental units.

Cost Burdens

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

Based on 2016 estimates from the Census Bureau's American Community Survey, there were 608 households, or 9.7% of the homeowners in Falmouth who had a mortgage, spending between 30% and 34% of their income on housing and another 1,772 owners, or 28.3%, spending more than 35% of their income on housing expenses. Even some without a mortgage were overspending on their housing including 152 spending between 30% and 34% and another 569 spending more than 35% of their income on housing expenses. Thus 3,101, or 30% of all owner households, were overspending on housing based on these estimates.

In regard to renters, 292 renter households or 10.7% were spending between 30% and 34% of their income on housing costs and another 1,178 or 43.3% were allocating 35% or more of their income for housing, for a total of 1,470 renters who were overspending or almost half of all renter households.

This data suggests that altogether *4,571 households or one-third of all Falmouth households were living in housing that is by common definition beyond their means and unaffordable*.

HUD also prepares a report that summarizes cost burdens by tenure, income level and type of household. The results, based on 2010-2014 American Community Survey data (latest report available), are summarized in Table 5-23 and suggest substantial greater cost burdens including:

- *This data suggests that there were 5,285 or about 39% of all households who were earning at or below 80% median family income (MFI) and might be eligible for housing assistance based on income alone.*
- This data also estimates that 4,784 households (1,434 renters and 3,350 owners) were spending too much on their housing.
- **Of the 5,285 total households earning at or below 80% MFI, 1,460 or 28% were spending between 30% and 50% of their income on housing and 2,194 or 42% were spending more than half of their income on housing.**
- A total of 1,610 households earning more than 80% MFI were spending too much on their housing as well.

Renter Households

- There were 2,960 renter households counted in this data and of these 1,434 or 48% were experiencing cost burdens.
- Of the 1,835 or 62% of renter households earning at or below 80% MFI, 600 or 33% were spending between 30% and 50% of their income on housing and another 714 or 39% were spending more than half of their income on housing expenses. Of the 1,125 renter households earning more than 80% MFI, only 85 were experiencing cost burdens, none spending more than half of their income on housing costs. *The focus of rental housing production should be on those earning at or below 80% MFI to the greatest extent possible.*
- A total of 855 renter households were 62 years of age or older and 615 were earning at or below 80% MFI. Of these, 469 or 76% had cost burdens, 224 or 36% with severe cost burdens.
- There were 500 small family households earning at or below 80% MFI and of these 265 or 53% were spending more than half of their income on housing, demonstrating a need for more subsidized rentals for families.

- There were only 155 large families renting in Falmouth, 130 or 84% earning at or below 80% MFI. It is likely that the 60 such households with incomes in the 30% to 50% MFI range, none of whom had cost burdens, were living in subsidized housing
- There were also a high number of renters who were nonelderly, single individuals with a total of 1,000 such households, 590 or 59% earning at or below 80% MFI, 355 or 60% with cost burdens. These individuals might be well served by the availability of more accessory apartments and other smaller rental units.

Table 5-26: Cost Burdens by Tenure, Income and Type of Household, 2014

Type of Household	Households Earning <30% MFI/# with cost burdens **	Households Earning > 30% to < 50% MFI/ # with cost burdens **	Households Earning > 50% to < 80% MFI/# with cost burdens **	Households Earning > 80% and < 100% MFI /# with cost burdens **	Households Earning > 100% MFI/ # with cost burdens **	Total
Elderly Renters	345/105-109	95/65-60	175/75-55	30/10-0	210/10-0	855/265-224
Small Family Renters	115/0-115	165/0-150	220/155-0	90/50-0	360/25-0	950/230-265
Large Family Renters	45/15-30	60/0-0	25/25-0	15/0-0	10/0-0	155/40-30
Other Renters	270/55-135	190/55-60	130/50-0	190/25-0	220/0-0	1,000/185-195
Total Renters	**775/175-389**	**510/120-270**	**550/305-55**	**330/85-0**	**795/35-0**	**2,960/720-714**
Elderly Owners	530/100-420	860/325-220	825/145-195	400/95-15	2,645/180-20	5,260/845-870
Small Family Owners	180/0-160	135/50-80	320/145-75	380/225-25	2,580/185-45	3,595/605-385
Large Family Owners	40/0-40	60/0-50	60/20-15	120/60-15	295/0-0	575/80-120
Other Owners	150/0-95	100/0-70	190/75-60	170/20-25	560/75-25	1,170/170-275
Total Owners	**900/100-715**	**1,155/375-420**	**1,395/385-345**	**1,070/400-80**	**6,075/440-90**	**10,595/1,700-1,650**
Total	**1,675/275-1,104**	**1,665/495-690**	**1,945/690-400**	**1,400/485-80**	**6,870/475-90**	**13,555/2,420-2,364**

Source: U. S. Department of Housing and Urban Development (HUD), SOCDS CHAS Data, American Community Survey, 2010-2014 (latest report available). ** 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. The "Other" category, for both renters and owners, includes non-elderly and non-family households.

Owner Households

- There were 10,595 owner households in this report, 3,350 or 33% with cost burdens.
- Of the 3,450 owner households earning within 80% MFI, 2,340 or 68% were spending too much including 1,480 or 43% who were spending more than half of their earnings on the costs of housing.
- Given Falmouth's burgeoning senior population, it is not surprising that half of all owners were 62 years of age or older. Of these, 1,715 or one-third were experiencing cost burdens.
- A total of 2,215 or 42% of all elderly owners were earning at or below 80% MFI and of these 1,405 or 63% were overspending on their housing. This population might benefit from having an accessory dwelling unit, some further relief on property taxes and utilities, and affordable opportunities for downsizing.
- There were 3,595 small family owner households, 635 or 18% which were earning at or below 80% MFI. Of these, 315 or half were spending more than half of their income on housing costs.

- There were 575 large family owner households, including 160 earning at or below 80% MFI. Of these 125 or 78% were experiencing cost burdens, 105 or 66% with severe cost burdens. This demonstrates a need for affordable starter homes of at least three bedrooms.
- Of the total 1,170 individual owners below 62 years of age, 445 or 38% were overspending and of these 300 or two-thirds were earning at or below 80% MFI, most with severe cost burdens.

Foreclosures
Another indicator of affordability involves the ability to keep up with the ongoing costs of housing which some residents have found challenging since the "bursting of the housing bubble" about a decade ago. This recession forced some Falmouth homeowners to confront the possibility of losing their home through foreclosure as shown in Table 5-27. While there were no foreclosures prior to 2010, there have been 88 foreclosure auctions and 157 petitions since then with the highest level of foreclosure activity in just the first half of 2018. This may relate to a backlog of cases that have been on hold pending court cases and the need to clarify new regulations.

The Town is supporting a part-time counselor from the Housing Assistance Corporation (HAC) who comes into Falmouth two days per week to help residents with a variety of housing-related issues including the risk of foreclosure.

Table 5-27: Foreclosure Activity, 2007 through June 22, 2018

Year	Petitions to Foreclose	Foreclosure Auctions	Listing Pending	Total Activity
1/1/18-6/23/18	25	21	1	47
2017	35	5	1	41
2016	25	13	0	38
2015	19	4	0	23
2014	5	6	0	11
2013	5	6	0	11
2012	22	15	0	37
2011	4	10	0	14
2010	17	8	0	25
2009	0	0	0	0
2008	0	0	0	0
2007	0	0	0	0
Total	157	88	2	247

Source: The Warren Group, Banker & Tradesman, June 22, 2018.

5.6 Subsidized Housing Inventory (SHI)

Current Inventory – 6.45% of Falmouth's year-round units have been approved by the state as part of the SHI but an additional 312 eligible units should bring the SHI up to 8.5%
Most communities have lower-priced housing that is relatively affordable, however, without affordability restrictions these units, whether for ownership or rental, appreciate under strong market conditions. Consequently, they can become priced beyond what many working households can afford. As shown in Sections 5-4 and 5-5, this is what is occurring today in Falmouth as increasing numbers of year-round residents are being priced out of the local housing market. Consequently, it is the premise of this Housing Production Plan to create housing opportunities that will not only be affordable but will be affordable for as long a period as possible.

There are also additional projects that are eligible for inclusion in the SHI that will bring the total number of SHI units to 312 or 8.5% of Falmouth's year-round housing stock.

Falmouth has 14,870 year-round housing units of which 959 or 6.45% meet Chapter 40B requirements and thus have been determined to be affordable by the Commonwealth of Massachusetts as part of the Subsidized Housing Inventory (SHI). These are the units that have affordability restrictions and are therefore not subject to fluctuations in the housing market. This also means that Falmouth still has a sizable gap of 528 units in order to meet the state's 10% affordability goal under Chapter 40B without considering future growth that will increase the number of year-round housing units and thus the 10% goal over time. Because the Town has not yet surpassed the Chapter 40B 10% affordability threshold, it is not exempt from comprehensive permit projects that enable developers to override local zoning in exchange for meeting state guidelines in building affordable housing. In fact comprehensive permits have been used in projects that include about half of all Falmouth's SHI units.

Table 5-28 includes the list of units included in the Subsidized Housing Inventory (SHI). The vast majority of the SHI units are rentals (861 units or 90%), which also includes special needs housing in group settings. This represents an increase of 175 units from the 784 SHI units in the previous 2009 Housing Production Plan.

Based on how housing was financed, how long the affordability requirements were established, and other stipulations in affordability agreements, the continued affordable status of housing units is in jeopardy in many communities. There are several Falmouth projects where the affordability of units, as currently financed and regulated, are due to expire in the near future including 33 units as part of the Gosnold Grove development and one Habitat unit in 2018 and 2019, respectively. Another 180 expiring use units are scheduled to expire between 2021 and 2055, and may require public intervention to remain on the SHI. The Town is also confronting issues with problematic deed restrictions in the case of the Esker Place development, causing significant challenges in monitoring resales and in some cases a further erosion of SHI units.

Table 5-28: Falmouth's Subsidized Housing Inventory (SHI)

Project Name	# SHI Units	Project Type/ Subsidizing Agency	Use of a Comp Permit	Affordability Expiration Date
Harborview Apartments	80	Rental (senior + younger dis./HUD	No	Perpetuity
Tataket Apartments	83	Rental (senior + younger dis./HUD	No	Perpetuity
Rose Morin Lane	8	Rental (special needs)/DHCD	No	Perpetuity
Choate Lane	24	Rental (senior + younger dis./DHCD	No	Perpetuity
Salt Sea Lane	30	Rental (senior + younger dis./DHCD	No	Perpetuity
Rose Morin Lane	59	Rental (senior + younger dis./HUD	No	Perpetuity
Scattered-site Family Units	25	Rental (families)/DHCD	No	Perpetuity
Cape Cod United Church	83	Rental/HUD	No	2021
Fairwinds Apartments	20	Rental/DHCD	Yes	2027
Flynn House (FHT)	7	Rental/HUD and DHCD	No	Perpetuity
Foundations Project	3	Rental/HUD and DHCD	No	2037
Gosnold Grove	33	Rental/MassHousing	No	2018
Longshank (FHT)/Esker Place	18	Ownership/DHCD	Yes	2030
Maravista Village	4	Ownership/DHCD	Yes	2032
Valley Ridge Condos	11	Ownership/DHCD	Yes	Perpetuity

Gifford Street Housing (FHC)	28	Rental/MHP	Yes	2040
Fairway Meadows	3	Ownership/FHLBB	Yes	Perpetuity
Mill Farm	5	Ownership/FHLBB	Yes	Perpetuity
Fresh Pond Farms (1 unit is FHC)	8	Ownership/FHLBB	Yes	Perpetuity
Trotting Park Road	5	Mix of rental and ownership/FHLBB	Yes	Perpetuity
Courtyard Apartments	13	Rental/FHLBB	Yes	Perpetuity
756 East Falmouth Parkway	5	Mix of rental and ownership/ MassHousing	Yes	Perpetuity
Cedar Meadows	59	Rental/MassHousing	Yes	Perpetuity
Carriage Shop Development Corp.	3	Ownership/MassHousing	Yes	Perpetuity
Cranberry Heights	2	Ownership/MassHousing	Yes	Perpetuity
704 Main Street (FHC)	58	Rental/DHCD	Yes	Perpetuity
Wise Living at Falmouth	14	Ownership/FHLBB and MassHousing	Yes	Perpetuity
DDS Group Homes	20	Rental (special needs)/DDS	No	NA
DMH Group Homes	16	Rental (special needs)/DMH	No	NA
Brick Kiln Road	2	Ownership/DHCD	Yes	Perpetuity
Gifford Street	14	Rental/MHP	Yes	Perpetuity
Fresh Pond Rd. (Habitat for Humanity)	1	Ownership/DHCD	No	2019
East Ridge Affordable Housing (FHT)	6	Ownership/DHCD	Yes	Perpetuity
Irene's Meadow	5	Ownership/MassHousing	Yes	Perpetuity
20 Edgerton Drive (FHC)	24	Rental/DHCD	No	2055
Off Sam Turner Rd. (Habitat for Humanity)	4	Ownership/HUD	Yes	Perpetuity
Cloverfield Way	1	Ownership/DHCD	No	Perpetuity
Kelly Green Condominiums	1	Ownership/MassHousing	Yes	Perpetuity
Falmouth Housing Ward and Chester	2	Ownership/DHCD	Yes	Perpetuity
Forest Cove	1	Ownership/MassHousing	Yes	Perpetuity
Veteran's Park (FHC)	39	Rental/DHCD	Yes	Perpetuity
Woodbriar Senior Living	125	Rental (senior)/MassHousing	Yes	Perpetuity
Hunt Street	2	Rental/DHCD	Yes	Perpetuity
Glenwood Road	2	Ownership/DHCD	Yes	Perpetuity
Shore Street	3	Rental/DHCD and HUD	No	Perpetuity
TOTAL	**959**	**861 or 90% rental** **98 or 10% ownership**	**40B = 459 units or 48%**	**Expiring use = 214 units or 22%**

Source: Massachusetts Department of Housing and Community Development, May 7, 2018
Falmouth Housing Authority units.

Many communities in the state have been confronting challenges in boosting their relatively limited supply of affordable housing. The affordable housing levels for Falmouth and neighboring communities are visually presented in Figure 5-6 as of September 14, 2017. Affordable housing production varies substantially among these communities with none past the 10% state affordability threshold as of yet.

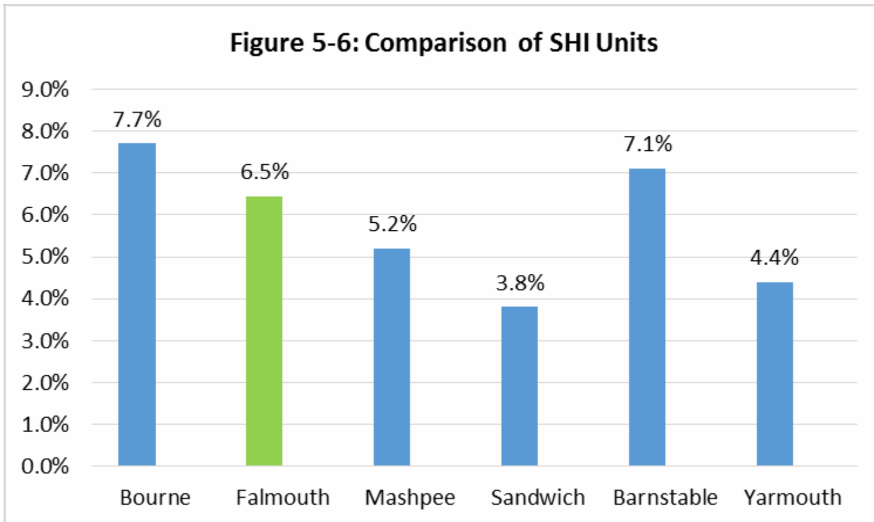


Figure 5-6: Comparison of SHI Units

Table 5-29 provides a breakdown of Falmouth Housing Authority (FHA) units by project, including information on target populations, waitlists and estimated times. In general waits for units are relatively long and there are only 25 units set-aside for families that units rarely turnover. There are also very few handicapped accessible units, but 25% of the 22 federally-supported units are occupied by veterans. They also administer 430 rental subsidy vouchers with waits of between five to seven years.

Table 5-29: Falmouth Housing Authority Housing Units

Project	Units	State or Federal Program	Target Population	# Handi-capped Acc.	# on Waitlist	Approximate Wait Times
Harborview Apts.	80	Federal	Seniors/younger disabled	8		
Tataket Apts.	83	Federal	Seniors/younger disabled	5		
Rose Morin Lane	59	Federal	Seniors/younger disabled	0		
Subtotal/Federal	*222*			*13*	*590*	*1-2 Years*
Choate Lane	24	State	Seniors/younger disabled	0	640	1-2 Years
Salt Sea Lane	30	State	Seniors/younger disabled	0		
Rose Morin Lane/ Bayberry Congregate House	8	State	Special Needs/managed by VinFin thru a DMH agreement	0		
Scattered-site Family Units	25	State	Families	0	56[40]	Rarely turnover
Subtotal/State	*87*			*0*	*696*	
Rental Vouchers	*430*	*Federal +30 State*	*Individuals and families*	*NA*	*379*	*5-7 Years*

Source: Falmouth Housing Authority as of April 17, 2018. * Applicants are served by date of application; however, as mandated by the state, veterans and emergency applicants have priority over local standard applicants. Local applicants go ahead of non-local applicants on the waitlist.

The Housing Assistance Corporation (HAC) also administers 46 Section 8 Housing Choice vouchers in Falmouth. They are now selecting folks from their 5,000-person waitlist who applied in the summer of

[40] Waitlist for family units includes: 27 applicants for the 2-bedroom units, 27 applicants for the 3-bedroom units, and 2 applicants for the 4-bedroom units; all with waits of 10 years or more.

2012. Both HAC and FHA indicate that given the high costs of housing, it has been very challenging for voucher holders to find qualifying units in Falmouth and communities across the Cape.

The Falmouth Housing Corporation (FHC), which owns and manages 183 units of affordable rental housing,[41] indicates that they have 220 applicants on their waitlist for one-bedroom units and 82 applicants for two-bedrooms. Strong demand for subsidized rentals was also demonstrated when the 11-unit Notantico Woods development attracted 111 applicants. There are also waits of between three and five years for their Veteran's Park development (School House Green) for those who are 55 years of age or older. In fact, FHC's Executive Director emphasized the **strong need for affordable one-bedroom units for the 55 and over population as well as working single individuals.**

The Falmouth Housing Trust (FHT) is another non-profit organization that has played a significant role in providing affordable housing in the community with four rental units at Chancery Lane (Odd Fellow Hall), seven rental units at Flynn House as part of a Sober House, 18 ownership units at Longshank/Esker Place, and three ownership units through the St. Mark's project. The organization has proposed to build another ownership unit at Deer Pond Road and is focusing on homeownership development as it moves forward in an effort to provide workforce housing for Falmouth families.

Proposed/Pipeline Projects – Would potentially boost Falmouth's affordability threshold to 8.5%
There are other projects that include affordable units that are in the early planning stages or have not yet commenced construction that are listed below.

- *Megansett Crossing*
  The Falmouth Housing Corporation (FHC) has applied and is awaiting approval of state financing for 10 units of affordable rental housing at 676-702 North Falmouth Highway. This project was permitted under the state's Local Initiative Program (LIP), also referred to as the "friendly" 40B Program.

- *Lyberty Green*
  The developer, Hospitality LLC, has proposed a 104-unit rental housing development on 556 Main Street that will include 104 total units of which 26 would be actually affordable through the Chapter 40B comprehensive permit process. Because this is a rental project, all units would count on the SHI. The ZBA has issued the comprehensive permit although the developer has appealed the permit conditions to the state's Housing Appeals Committee. Additionally, an abutter has appealed the project to the Supreme Court which will also have to be resolved before the project can move forward.

- *Spring Bars Road/Little Pond Place*
  The Town acquired this 11+ acre parcel to build affordable housing and selected the Falmouth Housing Corp. and Affirmative Investments through a Request for Proposals (RFP) process. The project involves 40 rental units through the Chapter 40B process in three separate buildings with all units restricted to households earning at or below 60% AMI, including four units for those earning at or below 30% AMI. FHC has entered into a Land Development Agreement with the Town and will lease the property through a long-term lease. FHC applied for state financing and was recently awarded funding through Low Income Housing Tax Credits and other subsidies.

[41] Includes 36 units at 587 Gifford Street, 14 units at 651 Gifford Street, 1 at 6 Luke Road, 58 units at 704 Main Street, 24 units at 20 Edgerton Drive, 39 units at Veteran's Park, and 11 units at Notantico Woods.

- *Northstar Place*
  This development on Brick Kiln Road includes 20 rental units, five or which will be actually affordable. Because the project was processed through the comprehensive permits process, all units will count as part of the SHI.

- *Helmis Circle*
  Another Chapter 40B application has been proposed on Worcester and Alma Streets to include 28 ownership units, seven of which would be affordable and counted as part of the SHI if approved.

- *Village at Old Main, LLC.*
  This project also involved a Chapter 40B comprehensive permit and includes a total of eight ownership units, two of which will be affordable.

- *Habitat for Humanity/Barrows Road*
  Habitat for Humanity of Cape Cod has proposed another project off of Barrows Road through a comprehensive permit to include 12 homes, all of which would be affordable and eligible for inclusion in the SHI. The ZBA ultimately approved the comp permit for 10 units.

- *Clippership*
  This 20-unit development was approved under special zoning in the past but none qualified to be included in the SHI. The current project owner is now proposing another ten units, three of which would be affordable. He has applied for funding through the state's Community Scale Housing Initiative (CSHI) and plans to process the project through Chapter 40B permitting.

- *Gifford Street Workforce Housing*
  The Falmouth Housing Corp. is proposing to add a total of 20 units of workforce housing to its existing 36 units of rental housing at 587 Gifford Street. It intends to create eight of these units for those earning at or below 80% AMI and the other two for those at or below 50% AMI in a first phase, and has submitted an application for $1.3 million to the state for funding through the Community Scale Housing Initiative (CSHI). In order to be competitive for this funding and insure project feasibility, FHC had to demonstrate a local commitment to the project. In turn, the Falmouth Board of Selectmen, acting as Trustees of the Falmouth Affordable Housing Fund (FAHF), voted unanimously at its May 7, 2018, meeting to award $650,000 towards the project in the amount of $60,000 per unit with another $50,000 for predevelopment costs. The project will involve another modification of the comprehensive permit that was initially issued in 2000 and subsequently amended in 2004 for the first two phases of the development that involved 28 and eight units, respectively. FHC will pursue funding for the second ten units in the next year or so.

- *Deer Pond Road*
  The Falmouth Housing Trust has requested $74,000 from the Falmouth Affordable Housing Fund (FAHF) to build a 1,600 square foot, three-bedroom and two-bath, Cape-style house. This funding, if provided, would qualify the house to be included in the Falmouth Subsidized Housing Inventory.

- *Locustfield Road*
  A local builder and developer, Daniel MacLone, has proposed a 12-unit homeownership development on a 4.09 acre site on Locustfield Road. He has asked the Town to consider permitting this project through the state's Local Initiative Program (LIP), also referred to as the "friendly 40B" Program, as it involves the developer and Town jointly submitting an application to the state's Department of Housing and Community Development (DHCD) for approval to submit a comprehensive permit to the ZBA. Three of the 12 units would be eligible for inclusion on the SHI.

It should be noted that because the comprehensive permits have been issued for Megansett Crossing (10 units), Lyberty Green (104 units), Little Pond Place (40 units), Northstar Place (20 units), and the Habitat project off Barrows road (10 units), all 184 of these units are eligible for inclusion in the SHI.

There are also the following additional units that are eligible for inclusion on the SHI:

- Oddfellows, 1 Chancery Lane – 4 units
- Notantico, 300 Woods Hole Road – 11 (6 @ 80% and 5 @ 60%) (FHC project)
- 587 Gifford Street with 28 units and 8 units, respectively (FHC project)
- 651 Gifford Street with 14 rental units (FHC project)
- KLB Nominee Trust, 155 Katharine Lee Bates – 4 units
- Irene's Meadow, Altons Way – 11 units
- Kelly Green Development – 21 Pine Street – 2 units
- St. Marks – 3 Units (FHT project)

These projects, if completed and approved for inclusion in the SHI, would add 305 units to the SHI, boosting the Town's affordability percentage to 8.5%. Because most of these developments would have been permitted before this HPP was approved by the state, they will nevertheless not count towards any annual housing production goals.

5.7 Priority Housing Needs

Given the substantial numbers of residents who are paying too much for their housing (see Table 5-26) and growing affordability gaps, there is a pressing need to produce more subsidized housing units in Falmouth. The major obstacle to meeting these underserved needs is the gap between the level of need and the resources available, including property, which is further exacerbated by increasing housing prices in tandem with limited local, state and federal subsidies as well as constraining regulations.

The Town will continue to work with public and private sector stakeholders to devise and implement strategies that preserve and produce additional community housing options, directing development to appropriate locations and target populations. It should be noted that the goals and specific strategies to meet housing needs are detailed in Sections 7 and 8.

Based on input from a wide variety of sources including updated census data, market information, interviews with local and regional stakeholders, community meetings, as well as prior planning efforts, the following housing needs have been identified:

Rental housing is the most significant need

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 rental units based on the following important considerations as rentals:

- 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 at; east 86% of Falmouth's housing stock involves single-family detached homes. More housing options are necessary to meet the needs of local workers who are priced out of the housing market, people who grew up in Falmouth and want to raise their own families locally, and empty nesters, for example.
- Invest local subsidy funds (e.g. CPA potential Housing Trust 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.
- 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.

Indicators of Need for Rental Housing

As detailed throughout this Housing Needs Assessment, the following issues suggest a pressing need for more subsidized rental housing:

- *Limited incomes* – More than 17% of all households earned less than $25,000, including 37% of all renters. These households can afford no more than about $465 per month, including utility costs, making it extremely difficult if not impossible to find affordable market rentals without spending far too much on housing.

- *High cost burdens* – Falmouth's renters are in fact spending too much for their housing with about half of all renter households overspending. Of the 1,835 or 62% of renter households earning at or below 80% median family income (MFI), 600 or 33% were spending between 30% and 50% of their income on housing and another 714 or 39% were spending more than half of their income on housing expenses. Of the 1,125 renter households earning more than 80% MFI, only 85 were experiencing cost burdens, none spending more than half of their income on housing costs. *The focus of rental housing production should be on those earning at or below 80% MFI to the greatest extent possible.*

- *High rents* - The 2016 estimated gross median rent of $1,129 would require an income of about more than $52,000, assuming $175 per month in utility bills and housing expenses of no more than 30% of the household's income. Not only is the median income of renter households much lower at $35,949, but market rents are typically higher and tend to be beyond the reach of lower wage earners (see Table 5-16).

- *High up-front cash requirements* - Many apartments require first and last month's rent plus a security deposit. For a $1,700 apartment, that totals as much as $5,100, an amount that many prospective tenants do not have available. Additionally, because most of Falmouth's rental opportunities are not advertised, those who do not have a special connection to the community are often out of luck.

- *Deficit of affordable rentals* – Calculations as part of the Cape Cod Commission and Barnstable County's Regional Housing Market Analysis indicate a gap of 745 rental units for those earning at or below 80% of the median income for Falmouth's renter households as shown in Table 5-18 based on differences between supply and demand. This study projected that this gap will stay about the same through 2025 as indicated in Table 5-19.

  There is a gap of 1,394 rental units for those earning at or below 80% of area median income levels with 659 renter households with incomes at or below 50% AMI and spending more than 50% of their income on housing, referred to as severe cost burdens (Table 5-22). These should be a major focus on new affordable housing creation.

  The August 2017 Housing Demand and Needs Analysis estimates that much of the demand for ownership and rental units will come from higher-income earning households with renter demand projected to decrease in the income brackets under $75,000 and with significant losses in the income bracket containing households with annual incomes less than $40,000.

- *High affordability gaps* – The Regional Housing Market Analysis (Table 5-23) also calculates the affordability gaps for renters in 2015. With an applied a monthly median rental of $981 and a utility allowance of $160 the affordability gaps ranged from $662 for a household earning at 50% of the median renter household income to $375 for one earning at the 80% level. Even those earning at the 100% renter income limit are calculated to have a gap of $183. This analysis forecasts that the rental housing gap will increase to $813 for a household earning at or below 50% AMI and $441 at the 80% AMI level by 2025 (Table 5-25).

  Another analysis estimated wider affordability gaps of $855, $585 and $405 for those earning at 50%, 80% and 100% of the 2016 median renter household income of $35,949, respectively. Even those earning at 120% of this level had a gap of $226 (Table 5-24).

- *Low vacancy rates* - The 2016 census estimates suggest a 5.7% vacancy rate for rental units, lower than county and state levels and reflecting a relatively strong rental market.

Rental Needs of Seniors

Rental housing needs of seniors are growing and cost burdens remain significant as noted below. Clearly housing alternatives to accommodate this increasing population of seniors – such as more handicapped accessibility, housing with supportive services, and units without substantial maintenance demands – should be considered in housing planning efforts.

- *Recent population growth* – The number of those 65 years of age and older has increased significantly, from 22.5% of all residents in 2000 to 29.5% according to 2016 census estimates with a net gain of 1,968 residents during this period.

Seniors relying primarily on Social Security are likely to have monthly incomes that fall far below what is needed to afford market rents. Deeper subsidies are required for these households.

- *High projected growth* – While those age 65 or older increased by 55% between 1990 and 2010 to 26% of the population, they are expected to become almost 40% of the population by 2030, coinciding with the aging of the Baby Boomers, according to some forecasts. The housing needs of this expanding population of seniors will need to be addressed in the Town's housing agenda.

- *High cost burdens* – According to a HUD report (see Table 5-26) a total of 855 renter households were 62 years of age or older and 615 were earning at or below 80% MFI. Of these, 469 or 76% had cost burdens, 224 or 36% with severe cost burdens.

- *Insufficient income* - Most seniors living on fixed incomes and relying substantially on Social Security find that their income may not be sufficient to afford their current housing and other expenses, particularly when they lose their spouse.

- *Long waits for subsidized housing* - The Falmouth Housing Authority FHA) has a waitlist of more than 1,100 elderly for senior housing with waits between 1 and 2 years. Waits are from 3 to 5 years at the Falmouth Housing Corporation's Veteran's Park for those 55 years of age or older. The Council on Aging has found that these 3 to 5-year waits are more typical of the FHA developments too.

- *Turnover of home rentals* – The Council on Aging has found that given the strength of the housing market recurrent problems are occurring when owners sell the homes that they have been renting to seniors. This has proved to be a very destabilizing situation for seniors who are increasingly hard-pressed to find suitable and affordable alternative living situations.

- *Need for housing-related services* – The Council on Aging indicated that many seniors confront problems related to remaining independent in their homes, from needing help with simple tasks such as snow plowing or raking leaves to assistance in undertaking more major health and safety related improvements to their homes.

Rental Needs of Families

There are many low- and moderate-income households in Falmouth that are struggling to pay their bills, housing expenses chief among them. Given an impending crisis, a family may become at risk of homelessness, some forced to double-up with friends or family and/or live in substandard conditions while waiting for subsidized housing or a Section 8 Housing Choice Voucher. Others are finding themselves in emergency shelters. The seasonality of Falmouth's housing market makes this problem particularly acute in the summer.

- *High cost burdens* - There were 500 small family households earning at or below 80% MFI and of these 265 or **53% were spending more than half of their income on housing**, demonstrating a need for more affordable housing alternatives for families. There were only 155 large families renting in Falmouth, 130 or 84% earning at or below 80% MF and more than had with cost burdens.

- *Fewer subsidized housing opportunities and long waits* - The Falmouth Housing Authority (FHA) has only 25 subsidized housing units available for families, which rarely turnover. Additionally, those families looking for a Section 8 Housing Choice Voucher or Massachusetts Rental Voucher Program subsidy (MRVP) must typically wait at least five to seven years for one. FHA administers 430 federal vouchers and 30 state ones and has a waitlist of 379 applicants. The Housing Assistance Corporation (HAC) also administers 46 Section 8 Housing Choice vouchers in Falmouth. They are now selecting folks from their 5,000-person waitlist who applied in the summer of 2012. Both HAC and FHA indicate that given the high costs of housing, it has been very challenging for voucher holders to find qualifying units in Falmouth and communities across the Cape.

Rental Needs of Non-elderly Individuals

There are also considerable numbers of lower income non-elderly, non-family households in Falmouth, mostly single individuals, experiencing cost burdens and long waits for subsidized housing that make finding appropriate affordable housing a challenge. Some of these individuals have disabilities that further complicate their housing problems as those with disabilities, many reliant on Social Security, tend to be among the most financially vulnerable residents in a community. It is no wonder that some find themselves homeless living on the streets or in shelters.

- *High cost burdens* - There were 590 or 59% of these households earning at or below 80% MFI and 355 or 60% were experiencing cost burdens. These individuals might be well served by the availability of more accessory apartments and other smaller rental units.

- *Long waits for subsidized housing* - 13.5% of FHA's units in elderly developments are targeted to younger individuals who are disabled and with waits of 2 to 5 years for federal units. Of the current that incudes with 13 applicants on the waitlist and waits of two to five years.

Rental Housing Needs of Seasonal Workers

Falmouth's economic base is greatly reliant on a summer workforce to serve the influx of visitors and summer residents. Finding this help is reliant on the ability to provide housing for this lower wage workforce, which businesses have found challenging. Zoning changes to allow properly supervised, dormitory-style housing or other shared housing opportunities could help alleviate some of these problems.

Rental Housing Needs of the Homeless or Those at Risk of Homelessness

Given the high costs of housing, homelessness is a threat to both individuals and families. Rising costs and a reduced supply of rental housing are not only pushing low-income wage earners and those with disabilities out of the community but potentially creating a crisis for those who lose their homes. This problem 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.

- *Significant numbers of homeless* – The HUD annual Point-in-Time count of the homeless which took place on January 24, 2017, indicated that there were 324 homeless persons living on the Cape and Martha's Vineyard, representing a decrease of 70 persons from the 2016 count. However, the 2017 count documented that the number of families in shelters (69) is at the high end of the five-year range (55 to 69). During this period the number of children in sheltered families has increased steadily from 77 in 2012 to 100 in 2017. Among unsheltered adults, males exceed females by a factor of at least 3:1. However among adults in transitional housing (42 in 2017 with a range of 41 to 95 between 2012 and 2017) females are more numerous and the ratio of males to females is lower at 1:5.

New ownership opportunities are also in need

Efforts to provide starter homes for first-time homebuyers and better housing alternatives to empty nesters should be promoted to address several objectives including:

- Provide opportunities for families who want to invest in Falmouth 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; and
- Offer more affordable housing alternatives to empty nesters who want to downsize, thus opening their existing homes to families.

Small clustered cottage-style housing in pocket neighborhoods could be pursued as well as other infill development, mixed-uses that include mixed-income condo development, the redevelopment/reuse of previously nonresidential properties, and the integration of housing in nonresidential areas offer good options for increasing affordable homeownership opportunities in Falmouth.

Indicators of Need:

The rising cost of housing is shutting increasing numbers of residents out of the private housing market, particularly the ownership market. For example, the median single-family house price increased from $364,500 as of 2015 and $372,750 in 2016 to $400,000 as of April 2018, with condo prices also increasing from $314,500 to $330,550. High upfront costs also challenge first-time purchasers. More affordable options are necessary that can support a range of incomes based on the indicators of need below.

Despite differences in the approach to calculating housing need and demand, the bottom-line is that there is a huge gap between what housing is available and what year-round residents can afford that will likely widen in the future.

- *Few subsidized ownership units* - Only 98 or 10% units in the Town's SHI units involve ownership.

- *Deficit of affordable units* – The Regional Housing Market Analysis indicates that by 2025 the gap between housing supply and demand will widen considerably for homeownership units with a cumulative total of 5,308 units, including 4,081 units for households earning at or below 80% of median income compared to 1,921 and 2,898 in 2015, respectively

(Table 5-19).

Another analysis suggests that of the 3,450 owner households who were estimated to have earned at or below 80% AMI, there were only 1,845 units that might be affordable based on Assessor records, resulting in a deficit of 1,605 affordable units. It should be noted that assessed values typically underestimate actual market value, particularly in rising housing markets, and thus this deficit likely underrepresents actual conditions. Additionally, if one looks at those in this income range for those who are overspending, the deficit increases to 2,340 units (Table 5- 22).

- *High affordability gaps* - The 2015 Regional Housing Market Analysis estimates an affordability gap of $145,976 for homeowners earning at the 80% of the median income level for Falmouth, the difference between the median-priced, single-family home at the time of $352,125 and what this household could afford or $206,149. The gap narrows as incomes levels increase to a gap of $30,981 for a household earning at the 120% of median level. Projected affordability gaps for 2025 increase considerably to $333,241 for those earning at the 80% limit.

  Another analysis estimated that the affordability gap was $180,550 and $146,050 for single-family homes and condos, respectively, for those earning at the 80% AMI limit for a two-person household in 2018.

- *High cost burdens* **–** A special HUD report indicated that there were 10,595 owner households that included 3,350 or 33% with cost burdens. Of the 3,450 owner households earning within 80% MFI, 2,340 or 68% were spending too much including 1,480 or 43% who were spending more than half of their earnings on the costs of housing.

  While the Town should focus on those more financially vulnerable residents earning below 80% AMI, it is worth noting that when looking at cost burdens (spending more than 30% of income on housing) there are deficits in the higher income categories as well as noted earlier.

- *Maintain population diversity and attract young families* - Younger adults in the family formation stage of their lives, the 25 to 34-age range, decreased significantly between 2000 and 2010, dropping to 7.9% of the population in 2010 from 9.2% in 2000. Even those who were somewhat older, age 35 to 44, decreased considerably from 15.3% to 10.3% of all residents and down to 9.2% according to 2016 census estimates. Clearly an increasing number of those who were raised in Falmouth are choosing to live elsewhere. The high cost of housing is likely an issue although the relative scarcity of well-paying jobs is probably the greatest contributing factor.

- *Financing challenges* - Without a subsidized mortgage, households have to come up with a substantial amount of cash, now more typically a down payment of 20%, thus blocking many who seek to own a home. Credit problems also pose substantial barriers to homeownership.

  Prior generations have had the advantage of GI loans and other favorable mortgage lending options with reasonable down payments. Also, in prior years the median home price to income ratio was much lower than it is today (see Figure 1-1), making homeownership more accessible. Given current economic conditions, the ability to obtain financing is more challenging for today's first-time homebuyers without subsidized ownership. State-supported mortgage programs, such as the ONE Mortgage Program, can offer important financial assistance to first-time purchasers.

- *Extremely low vacancy rates* - The 2016 vacancy rate for homeownership units was 1.1%, reflecting extremely tight market conditions.

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. Nevertheless, there are still opportunities to assist low- and moderate-income owners which are further described in Section 8.

It is also useful to note that all SHI ownership units were permitted through Chapter 40B.

Integrate handicapped accessibility and supportive services into new development

Handicapped accessibility and supportive services (such as those offered by the Council on Aging or through assisted living options as well as transportation and home maintenance programs) should be integrated into new housing production efforts.

Indicators of Need:

- *Significant local population with disabilities* - Of all Falmouth residents, 14.2% claimed a disability according to 2016 census estimates, significantly higher than the state level at 11.6%, and representing significant special needs within the community.

- *Very limited inventory of barrier-free units* – None of FHA's state developments include handicapped-accessible units and there are only 13 such units in their federal units with wait times of two to five years. FHC has one handicapped-accessible unit and has found it challenging to find persons with disabilities that need them. Consequently, it has been rented to those without disabilities. The Town's Commission on Disabilities is particularly concerned about the lack of handicapped-accessible units, particularly for those with mobility impairments, and then the lack of waitlists for such units.

- *Large numbers of handicapped-disabled in public housing waitlists* – The federal public housing waitlist includes 590 applicants of which 207 are people with disabilities under the age of 62. The waitlist for state public housing units is even longer with 640 applicants, 227 of whom are handicapped or disabled under age 60. Average wait times for federal and state units for this population are two to three years and four to five years, respectively.

- *Growing senior population* - As the number of seniors continues to increase with the aging of the Baby Boomers and seniors are living longer, growing numbers of residents will need better access to housing that includes on-site supportive services and/or barrier-free accessibility. Local assisted living units are also typically expensive.

The Falmouth Commission on Disabilities would like to see a greater focus on creating barrier-free units and undertaking community outreach to establish viable waitlists of persons who need such units when they become available.

Table 5-30 provides a summary of unmet housing needs according to income level and type of household, focusing on households that are paying too much of their income on housing costs. While there are many more owner-occupied units than rentals in Falmouth, the number of unmet housing needs is proportionately considerably higher for rentals. For example, more than half of renters had cost burdens compared to less than one-third of owners. Additionally, 76% of renters earning at or below 80% MFI had cost burdens compared to 68% of owners.

Table 5-30 also provides numbers on the unmet housing needs of seniors, families and non-elderly single individuals. In regards to seniors, 469 of these renter households earning less than 80% MFI were overspending and therefore had unmet housing needs, representing 76.3% of all such households. The unmet housing needs of elderly owners includes triple the number of renters but about only 41% of such households in this income category.

Table 5-30: Unmet Housing Needs

Population in Need	All Units	Housing Available That is Affordable	Unmet Need*
Rentals			
Extremely Low Income (Within 30% AMI)	775	131	644 (83.1% of units)
Very Low Income (30% to 50% AMI)	510	120	390 (76.5%)
Low to Moderate Income (50% to 80% AMI)	550	190	360 (65.5%)
Subtotal	*1,835*	*441*	*1,394 (76.0%)*
80% to 100% AMI	330	245	85 (25.8%)
Above 100% AMI	795	760	35 (4.4%)
Total	2,960	1,446	1,514 (51.1%)
Homeownership			
Extremely Low Income (Within 30% AMI)	900	85	815 (90.6%)
Very Low Income (30% to 50% AMI)	1,155	360	795 (68.8%)
Low to Moderate Income (50% to 80% AMI)	1,395	665	730 (52.3%)
Subtotal	*3,450*	*1,110*	*2,340 (67.8%)*
80% to 100% AMI	1,070	590	480 (44.9%)
Above 100% AMI	6,075	5,525	550 (9.1%)
Total	***10,595***	***7,245***	***3,350 (31.6%)***
TOTAL	**13,555**	**8,691**	**4,864 (35.9%)**
Target Population in Need	**All Units Occupied By Those Earning ≤ 80% MFI**	**Housing Available That is Affordable to Those Earning ≤ 80% MFI**	**All Those with Cost Burdens/Unmet Needs Occupied by Those Earning ≤ 80% MFI**
Seniors (62 and over)	615 Renters 3,450 Owners	146 Renters 2,045 Owners	469 Renters (76.3%) 1,405 Owners (40.7%)
Families	630 Renters 795 Owners	140 Renters 160 Owners	490 Renters (77.8%) 635 Owners (79.9%)
Non-elderly Individuals	590 Renters 440 Owners	235Renters 140 Owners	355 Renters (60.2%) 300 Owners (68.2%)

Source: U.S. Department of Housing and Urban Development (HUD), SOCDS CHAS Data, 2014.
*Includes all those spending too much on their housing per Table 5-26.

In regard to families in this income range, there is a higher proportion of unmet housing needs at 77.8% for renters and 79.9% for owners that for seniors, suggesting a significant need for more affordable family units. Non-elderly, non-family households, mainly single individuals, have a somewhat lesser unmet housing need at 60.2% for renters and 68.2%% for owners.

What is compelling about this documentation, is the very high level of unmet housing need for those earning at or below the 80% MFI level. Within these limited incomes, residents are struggling to live in the community, many likely having to decide whether they pay their rent or mortgage versus heating bill in the winter, medical prescriptions or food. It is no wonder that the Falmouth Service Center's Food Pantry is such a mainstay for so many individuals and families.

Table 5-31 presents targeted affordable housing development goals based on priority housing needs over the next five years. The total figure of 370 units is based on Falmouth's annual housing production goal of 74 units over five years. As noted in the opening parts of this section, given a list of considerations, rental housing should be the Town's top priority. This table suggests a breakdown of 85% to 15% of rental to homeownership units or 314 to 56 units, respectively. All of the ownership units that are included in the SHI are small-scale projects that were permitted through the Chapter 40B process, and it is likely that such future units will be produced on this basis as well through the Falmouth Housing Trust (FHT), Habitat for Humanity of Cape Cod, or other private developers.

On the other hand, projects that involve some significant scale and can reach households earning at or below even 50% AMI through a mix of state and local financing, including the Low Income Housing Tax Credit Program, will produce higher numbers of units towards the Housing Production goals.

Table 5-31 also projects a distribution of production goals by type of household, with a further breakdown by ownership and rental. Of the 314 projected rental units, the distribution of housing goals suggests that there be a 40% to 60% split between units for seniors and single individuals versus families. It should be noted that 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 or more bedrooms with some exceptions (e.g., age-restricted housing, assisted living, supportive housing for individuals, SRO's. etc.).

Table 5-31: Summary of Priority Housing Needs and Targeted Development Goals

Rental Units	**Seniors + Single Persons/ One Bedroom Units @ 40%**	**Small Families/2 Bedrooms @ 50%**	**Large Families/3+ Bedrooms @ 10%**	**Total/5-Year Goals**
Rental @ 85%	126	157	31	314
Ownership Units	**Seniors + Single Persons/ One Bedroom Units @ 25%**	**Small Families/2 Bedrooms @ 25%**	**Large Families/3+ Bedrooms @ 50%**	**Total/5-Year Goals**
Ownership @ 15%	14	14	28	56
Total	140	171	59	370
Special Needs* (a % of total units)	(28)	(17)	(6)	(51)

Source: 2014 HUD SOCDS CHAS and Karen Sunnarborg Consulting

* Represents 10% of all units created in family housing and 20% in senior and single-person housing. For example, of the total 140 projected total one-bedroom units produced, largely directed to seniors, individuals, or those with disabilities, 20% or 28 would involve handicapped accessibility and/or supportive services.

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

In conclusion, there is a need to provide support to all these types of households along a wide range of incomes. Everyone should have a right to safe and affordable housing which is so fundamental to stabilizing both individuals and families who may be living in substandard conditions and/or spending far too much for their housing. The whole community benefits when all residents have a decent and affordable place to call home.

APPENDIX 1
HOUSING INFORMATION BY CENSUS TRACT

Housing Characteristics of Falmouth Neighborhoods

The Census Bureau divides Barnstable County into fifty-one census tracts, including seven in Falmouth. A census tract is a small, relatively permanent area used by the Census Bureau to report demographic and housing data. Since census tract areas do not change very often, they make it possible to trace population and housing trends in geographic units that are delineated by natural features, development patterns, and roads more than by political boundaries. Due to the variety of local government types found throughout the United States, census tracts are actually subdivisions of counties, not cities or towns. In Massachusetts, however, virtually all census tracts fall entirely within municipal boundaries, as is the case in Falmouth. (See map below.)

In five neighborhoods (East Falmouth, North Falmouth, Pinecrest, Teaticket, and Waquoit), year-round residences represent between 50 and 62 percent of the housing stock. In absolute terms, East Falmouth and Falmouth Village have the highest number of units classified as seasonal homes, representing between 38 and 43 percent … that is, roughly four out of every ten homes.

Table 1 provides a profile of housing characteristics by neighborhood, using the assessor's neighborhood designations as a guide. According to the assessor's records:

- Between 2000 and 2010, Falmouth's total housing supply increased by 1,915 units, or 9.5%, as shown in Table 1. Gains in housing occurred in all seven census tracts, with Tract 144 having the highest percentage increase, while Tract 149 has the smallest. In 2010, Tract 143 had the highest percentage (16.7 percent) of housing in Falmouth, while Tract 146 had the lowest (11.9%).
- East Falmouth has the highest number of residential parcels of any neighborhood in Falmouth, and almost 90 percent are single-family homes. Residential parcels in general – including all residential use types – account for 84 percent of all parcels within East Falmouth.
- Falmouth Village has the second highest concentration of residential parcels, representing 73 percent of all parcels there. Single-family homes make up approximately 70 percent of the neighborhood.
- Single-family homes account for 95 percent of all residential parcels in nine of Falmouth's neighborhoods: Ashumet, Hatchville, Maravista, Menauhant, Old Silver Beach, Pinecrest, Seacoast Shores, Silver Beach, and Waquoit.
- East Falmouth and Falmouth Village have the highest number of condominiums and two- and three-family parcels. Falmouth Village also has the highest number of parcels with four or more units and parcels with mixed uses, e.g., a business and housing units. In addition, East Falmouth has the highest number of tax-exempt housing parcels, followed by Falmouth Village and West Falmouth.
- Woods Hole and West Falmouth have a relatively high number of two- and three-family properties compared with other neighborhoods. West Falmouth also has a large share of parcels with four or more units.

TABLE 1. CHANGE IN HOUSING SUPPLY BY CENSUS TRACT IN FALMOUTH, 2000-2010									
Category	Year	Town of Falmouth	Census Tract 143	Census Tract 144	Census Tract 145	Census Tract 146	Census Tract 147	Census Tract 148	Census Tract 149
Total housing units	2000	20,055	3,344	3,018	2,837	2,302	2,971	2,499	3,084
	2010	21,970	3,676	3,485	3,080	2,604	3,225	2,740	3,160
	# Δ	1,915	332	467	243	302	254	241	76
	% Δ	9.5%	9.9%	15.5%	8.6%	13.1%	8.5%	9.6%	2.5%
	% of Town	100%	16.7%	15.9%	14.0%	11.9%	14.7%	12.5%	14.4%
Occupied housing units	2000	13,859	1,969	2,466	2,143	1,764	1,769	1,754	1,994
	2010	14,069	1,973	2,792	2,169	1,797	1,749	1,795	1,794
	# Δ	210	4	326	26	33	-20	41	-200
	% Δ	1.5%	0.2%	13.2%	1.2%	1.9%	-1.1%	2.3%	-10.0%
	% of Town	100%	14.0%	19.8%	15.4%	12.8%	12.4%	12.8%	12.8%
	% of Total	64.0%	53.7%	80.1%	70.4%	69.0%	54.2%	65.5%	56.8%
Owner-Occupied	2000	10,749	1,665	2,125	1,787	1,441	1,411	1,018	1,302
	2010	10,705	1,663	2,310	1,814	1,461	1,326	970	1,161
	# Δ	-44	-2	185	27	20	-85	-48	-141
	% Δ	-0.4%	-0.1%	8.7%	1.5%	1.4%	-6.0%	-4.7%	-10.8%
	% of Town	100%	15.5%	21.6%	16.9%	13.6%	12.4%	9.1%	10.8%
	% of Total	48.7%	45.2%	66.3%	58.9%	56.1%	41.1%	35.4%	36.7%
Owner-Occ Rate	2000	77.6%	84.6%	86.2%	83.4%	81.7%	79.8%	58.0%	65.3%
	2010	76.1%	84.3%	82.7%	83.6%	81.3%	75.8%	54.0%	64.7%
Renter-Occupied	2000	3,110	304	341	356	323	358	736	692
	2010	3,364	310	482	355	336	423	825	633
	# Δ	254	6	141	-1	13	65	89	-59
	% Δ	8.2%	2.0%	41.3%	-0.3%	4.0%	18.2%	12.1%	-8.5%
	% of Town	31%	2.9%	4.5%	3.3%	3.1%	4.0%	7.7%	5.9%
	% of Total	15.3%	8.4%	13.8%	11.5%	12.9%	13.1%	30.1%	20.0%
Renter-Occ Rate	2000	22.4%	15.4%	13.8%	16.6%	18.3%	20.2%	42.0%	34.7%
	2010	23.9%	15.7%	17.3%	16.4%	18.7%	24.2%	46.0%	35.3%
Source: US Census & RKG Associates, Inc.									

Seasonal Housing

Between 2000 and 2010, the amount of seasonal housing in Falmouth increased by 1,483 units, accounting for 77% of the net increase in housing over the last decade. Tract 146 (generally East Falmouth) had the highest percentage increase over the last decade, although the highest absolute increase occurred in Tract 149, which includes much of Falmouth Village and all of Woods Hole and

Sippewissett. In 2010, over 32% of Falmouth's housing inventory was seasonal. Census Tracts 143 and 147 had over 40% of all units classified as seasonal, while only 17% of the housing in Tract 144 was considered seasonal.

Occupied Housing

Approximately 14,070 units were occupied in 2010, which represented a 1.5% increase in occupied housing (households) over the last decade. A 13% increase in occupied housing occurred in Tract 144, as indicated by an increase of 326 households. However, losses in occupied housing occurred in Tracts 149 and 147, which seems to be associated with a shift to seasonal housing between 2000 and 2010.

Vacant Units

Vacant year-round housing in Falmouth increased by over 220 units, indicating year-round housing production did not keep pace with year-round household growth over the decade. Much of this was attributed to the national recession that started at the end of 2007, and continued for another eighteen months. In 2010, Tracts 148 and 149 had over 130 vacant unit each, and vacancy rates in excess of 4 percent, which was relatively low since it excludes seasonal housing.

Single-Family and Other Residential Properties by Ownership and Values

Table 3.8* identifies key characteristics of single-family, condominium and small multi-family parcels in Falmouth, including multiple house parcels, by different ownership and occupancy types. As noted in an earlier section of this report, seasonal units abound in Falmouth. While concentrated in some areas, Table 3.8* illustrates that they can be found throughout the town.

- The selected residential properties contain an estimated 20,970 units, or about 94.5 percent of Falmouth's housing supply. (The remaining 5.5 percent, or 1,230 units, would be in buildings with four or more units, tax-exempt housing, or mixed use parcels, which are not included in this evaluation.)
- Approximately 49 percent (10,430 units) of the supply consists of residences (meaning year-round, principal residences) and another 43 percent (8,930 units), seasonal homes. The remaining 8 percent are rentals and units that are either vacant or under construction (1,700 units).[42]
- Ashumet and Hatchville are the only neighborhoods where over 70 percent of the selected housing units are used as residences. In five neighborhoods (East Falmouth, North Falmouth, Pinecrest, Teaticket, and Waquoit), residences represent between 50 and 62 percent of the selected housing.
- In absolute terms, East Falmouth and Falmouth Village have the highest number of units classified as seasonal homes, representing between 38 and 43 percent of the selected residential supply in these neighborhoods.

42 The supply of owner units in the assessor's file (10,430) was relatively similar to 2010 Census (10,705); however, a difference of 1,830 units in seasonal housing (second homes) resulted (assessor file - 8,930 versus 2010 Census- 7.100), suggesting more non-local buyers took advantage of lower pricing since 2010, and the seasonal housing supply in 2014 increased by 25 percent since 2010, paralleling the 32 percent increase in seasonal housing that occurred over the last decade. Alternatively, some seasonal homes may have been occupied at the time of the 2010 Census or perhaps under –counted.

- In nine neighborhoods (Falmouth Heights, Maravista, Menauhant, Old Silver Beach, Pinecrest, Seacoast Shores, Silver Beach, Sippewissett, and Woods Hole), seasonal homes represent 50 percent of the selected supply.
- The rental (and other) supply of the select residential units accounts for just under 8 percent of the town-wide supply in Falmouth, and in five neighborhoods (Ashumet, East Falmouth, Falmouth, Teaticket, and Woods Hole), the rental supply is at or above the town average.
- The average overall assessment for the selected residential properties is $479,520, but the average for residences is less than $401,780 and for rentals, $369,250. The average assessment for seasonal homes exceeds $583,300, nearly 22 percent higher than the town-wide average.
- The average parcel assessment falls below $300,000 in only three neighborhoods (Ashumet, Pinecrest, and Teaticket), and between $300,000 and $400,000 in four neighborhoods (East Falmouth, Hatchville, Maravista, and Seacoast Shores).
- The average parcel assessment exceeds $500,000 in ten neighborhoods, including Falmouth Heights, Manauhant, North Falmouth, Old Silver Beach, Quissett, Silver Beach, Sippewisset, Waquoit, West Falmouth, and Woods Hole. These neighborhoods contain over 37 percent of the selected residential parcels.

Table 3.9* takes this analysis a step further by separating the selected residential properties into value ranges by ownership or residency type by neighborhoods. “Ownership” in Table 3.9* consists of two categories – residence and non-residence – the latter including a combination of second/seasonal homes, rental properties, and vacant/under construction. The supply has been divided into different price ranges, recognizing that a primary residence valued at less than $200,000 would probably be affordable to those with incomes of $42,000 to $52,000, again depending on down payment and interest rate; homes in the $200,000 to $250,000 range would be affordable to those earning $42,000 to $65,000, and homes in the $250,000 to $300,000 range would be affordable to those earning $52,000 to $79,000. The purpose of this analysis is to identify potential affordable housing opportunities by neighborhood.

- Approximately 1,490 of the selected residential parcels in Falmouth have an assessed value of less than $200,000, or about 7 percent of the total supply. Residences account for almost 52 percent of this supply (and non-residences, 48 percent). East Falmouth has 38 percent of the properties in this category, and they are fairly evenly divided between residences and non- residences. Hatchville, Teaticket, and Seacoast Shores combined have 40 percent of the supply valued at less than $200,000. Approximately 57 percent are residences, collectively; but only 35 percent in Seacoast Shore. Another 15 percent of select residential parcels valued at less than $200,000 are in the Falmouth Village area and Pinecrest, and the remaining six percent can be found in nine other neighborhoods.
- Approximately 15 percent of the select residential parcels (2,960 properties) have an assessed value in the $200,000 to $250,000 range, including 61 percent that are residences. Together, East Falmouth and Hatchville have 47 percent of this group, and almost 70 percent are residences. Another five neighborhoods combined (Falmouth, Maravista, Pinecrest, Seacoast Shores, and Teaticket) have 1,250 properties or 42 percent of the supply in this price range, and only 53 percent are residences.
- About 14 percent of the selected residential parcels (2,840 properties) have an assessed value in the $250,000 to $300,000 range, of which 58 percent are residences. East Falmouth has 29 percent of the supply and Hatchville, 14 percent. Approximately 50 percent of the selected

residential parcels in the $250,000 to $300,000 range can be found in eight neighborhoods (Falmouth, Maravista, North Falmouth, Pinecrest, Seacoast Shores, Silver Beach, Teaticket and Waquoit) and 52 percent of these properties are residences.

- Approximately 22 percent of the selected residential properties (4,460) have an assessed value of $300,000 to $400,000, and 55 percent were residences. East Falmouth has 30 percent of this supply, and three neighborhoods (Falmouth, Hatchville and North Falmouth) have another 31 percent.
- Approximately 42 percent of the select residential properties have a value of $400,000 or more, and only 44 percent were residences, while the remainder were primarily second homes. East Falmouth, Falmouth and West Falmouth, combined, have 43 percent of this supply, and another 30 percent was locating in four other neighborhoods (Falmouth Heights, Hatchville, North Falmouth and Sippewissett).

Post-1980 Housing Production

Falmouth has attracted considerable investment in new housing construction in the past thirty-five years. Table 3.10 shows that over one-third of the selected residential parcels described above were developed since 1980, including construction on 300 parcels since 2010. Approximately 24 percent of the construction occurred in East Falmouth and another 17 percent in Hatchville. In five neighborhoods (Ashumet, Hatchville, North Falmouth, Old Silver Beach, and Waquoit), the amount of post-1980 development represented 51 percent or more of the selected residential parcels.

Not surprisingly, annual housing production in Falmouth slowed quite a bit during the last three-year period, especially when compared with the average of nearly 370 parcels per year built during the 1980s under robust market conditions. The slowdown that occurred in Falmouth is consistent with the experience of many parts of Massachusetts due to the lingering effects of the recession. In the last decade, for example, the annual average declined to less than 170 parcels per year, and activity since 2010 averaged about 60 parcels per year. Since 2010, East and West Falmouth combined have absorbed 44 percent of new development while Falmouth Village, Falmouth Heights, Hatchville, North Falmouth, and Silver Beach each captured between 6 and 9 percent of the new supply.

TABLE 2. SELECTED RESIDENTIAL PROPERTIES BY AGE (YEAR BUILT)

Neighborhood	Period Parcels Built [1]				Sub-total	Total	% post 1980
	1980-89	1990-99	2000-09	2010-14			
Ashumet	92	24	12	1	129	235	55%
East Falmouth	822	493	454	78	1,847	4,695	39%
Falmouth Village	232	139	179	21	571	2,219	26%
Falmouth Heights	58	16	65	21	160	826	19%
Hatchville	573	500	250	20	1,343	2,092	64%
Maravista	50	31	30	5	116	849	14%
Menauhant	33	20	18	6	77	234	33%
North Falmouth	424	208	105	27	764	1,496	51%
Old Silver Beach	56	18	2	1	77	77	100%
Pinecrest	158	58	39	5	260	613	42%
Quissett	27	20	12	5	64	213	30%
Seacoast Shores	109	41	52	5	207	902	23%

Silver Beach	114	54	53	18	239	882	27%
Sippewissett	135	74	39	4	252	585	43%
Teaticket	234	131	77	7	449	1,178	38%
Waquoit	193	164	109	13	479	737	65%
West Falmouth	333	197	141	56	727	1,677	43%
Woods Hole	26	23	27	9	85	633	13%
Falmouth Total	3,669	2,211	1,664	302	7,846	20,143	39%
Avg. Annual Production	367	221	166	60	224		
% of Total	18.2%	11.0%	8.3%	1.5%	39.0%		
Source: Falmouth Assessor's Parcel Database, 2014, and RKG Associates, Inc.							

The situation with multi-family development in Falmouth is somewhat different. Approximately 24 percent of Falmouth's multi-unit supply was developed since 1980, which means the remaining 76 percent is over 35 years old. In the last decade, 22 multi-family parcels were constructed in Falmouth, mostly in the Teaticket, Falmouth Village, or East Falmouth neighborhoods, and these parcels represented only 8 percent of the multi-unit parcels. Only nine multi-unit parcels were developed during the 1990s, representing 3 percent of the multi-unit supply.

TABLE 3. MULTI-FAMILY PROPERTIES BY AGE (YEAR BUILT)

Neighborhood	Period Parcels Built [1]				Sub-total	Total	% post 80
	1980-89	1990-99	2000-09	2010-14			
Ashumet					0	2	0%
East Falmouth	7	3	4		14	45	31%
Falmouth	6	2	7		15	80	19%
Falmouth Heights					0	7	0%
Hatchville	4	1			5	17	29%
Maravista					0	5	0%
North Falmouth	3		1		4	19	21%
Pinecrest	1				1	3	33%
Quissett					0	2	0%
Seacoast Shores					0	3	0%
Silver Beach					0	2	0%
Teaticket	5	1	9		15	31	48%
Waquoit	3				3	6	50%
West Falmouth	3	2	1		6	35	17%
Woods Hole					0	6	0%
Falmouth Total	32	9	22	0	63	263	24%
Avg. Annual Production	3	1	2		2		
% of Total	12.2%	3.4%	8.4%	0.0%	24.0%		
[1] At 4 unit or more; tax-exempt; and mixed use parcels							
Source: Falmouth Assessor's Parcel Database, 2014, and RKG Associates, Inc.							

Homeownership Characteristics

This section identifies characteristics and trends of homeowner households in Falmouth and the seven tracts from a review of decennial census data. Homeowner households are analyzed by age of householder, income, housing value, and the period when owners moved into their units.

Homeowner Households by Age

According to the federal census, approximately 42 percent of Falmouth's homeowners in 2010 were age 65 and older, and they were fairly evenly divided between the 65-to-74 age cohort and 75-plus cohort, as shown in Table 3.12. In Tracts 147, 148, and 149, over half of the homeowners were senior citizens (age 65 and older).

- In 2010, less than 4 percent of the homeowners were under age 35, ranging from 1.6 percent in Tract 149 to 5.5 percent in Tract 146. Households in this age group declined over the last decade by over 40 percent in Falmouth.
- Approximately 10 percent of the homeowners in 2010 were in the 35- to 44-year age group, and this cohort also declined by 39 percent in the last decade.
- Homeowners in the 45- to 54-year age group represented about 20 percent of all homeowners in 2010, but owners in this age group declined by 6 percent since 2000.
- About 25 percent of the homeowners in Falmouth were age 55-to-65 in 2010, and this age group increased by 22 percent between 2000 and 2010. Tract 144 experienced the highest percentage increase in homeowners in this age group.

TABLE 4. HOMEOWNER HOUSEHOLDS BY AGE AND CHANGE IN AGE DISTRIBUTION, 2000-2010

Distribution of Owners by Age (2010)	Town of Falmouth	Tract 143	Tract 144	Tract 145	Tract 146	Tract 147	Tract 148	Tract 149
Total Households	14,069	1,973	2,792	2,169	1,797	1,749	1,795	1,794
Homeowners	10,705	1,663	2,310	1,814	1,461	1,326	970	1,161
Less than Age 35	3.7%	1.9%	5.0%	5.3%	5.5%	2.5%	2.2%	1.6%
Age 35 to 44	10.3%	8.1%	13.9%	13.8%	9.9%	9.8%	7.1%	4.7%
Age 45 to 54	19.9%	17.0%	25.2%	24.9%	21.0%	14.6%	13.6%	15.7%
Age 55 to 64	24.5%	27.8%	25.7%	24.5%	22.9%	21.4%	22.6%	24.1%
Age 65 to 74	21.1%	23.9%	16.9%	17.0%	21.6%	25.1%	23.8%	24.8%
Age 75 +	20.5%	21.3%	13.2%	14.4%	19.0%	26.6%	30.7%	29.1%
% Δ In Owners by Age from 2000	Town of Falmouth	Tract 143	Tract 144	Tract 145	Tract 146	Tract 147	Tract 148	Tract 149
Total Households	1.5%	0.2%	13.2%	1.2%	1.9%	-1.1%	2.3%	-10.0%
Homeowners	-0.4%	-0.1%	8.7%	1.5%	1.4%	-6.0%	-4.7%	-10.8%
Less than Age 35	-41%	-59%	-38%	-46%	-10%	-59%	-36%	-32%
Age 35 to 44	-39%	-43%	-37%	-37%	-41%	-24%	-37%	-59%
Age 45 to 54	-6%	-28%	10%	9%	10%	-8%	-27%	-27%
Age 55 to 64	22%	32%	52%	39%	15%	-9%	13%	-1%
Age 65 to 74	4%	17%	22%	11%	2%	-6%	-15%	-7%
Age 75 +	29%	30%	64%	34%	22%	25%	31%	12%

Source: U.S. Census Bureau and RKG Associates, Inc.

Homeowner Household Incomes

The median household income of Falmouth homeowners was $70,346 in 2010 based on census figures. The 29 percent increase in median homeowner income since 2000 did not keep pace with inflation. Today, Tract 149 has the highest median owner income, at $103,725, and Tract 149 the lowest, at $42,025.

TABLE 5. HOMEOWNER HOUSEHOLDS BY INCOME AND CHANGE IN INCOME DISTRIBUTION, 2000-2010

Distribution of Owners by Income (2010)	Town of Falmouth	Tract 143	Tract 144	Tract 145	Tract 146	Tract 147	Tract 148	Tract 149
Total Households	14,069	1,973	2,792	2,169	1,797	1,749	1,795	1,794
Homeowners	10,705	1,663	2,310	1,814	1,461	1,326	970	1,161
Less than $35,000	22.7%	22.4%	15.7%	26.1%	18.7%	32.6%	36.6%	13.5%
$35,000 to $49,999	10.7%	8.8%	10.9%	13.2%	10.2%	10.6%	15.8%	6.2%
$50,000 to $74,999	21.4%	23.3%	24.5%	15.8%	33.2%	19.0%	15.2%	15.1%
$75,000 to $99,999	14.7%	10.5%	17.3%	17.6%	12.1%	21.5%	8.8%	12.3%
$100,000 to $149,999	17.0%	18.9%	14.5%	21.9%	17.1%	9.5%	11.1%	23.6%
$150,000 & up	13.5%	16.2%	17.1%	5.4%	8.7%	6.8%	12.5%	29.2%
Median $	$70,346	$70,841	$73,925	$62,073	$65,588	$63,526	$47,024	$103,726
% Δ In Owners by Income from 2000	Town of Falmouth	Tract 143	Tract 144	Tract 145	Tract 146	Tract 147	Tract 148	Tract 149
Total Households	1.5%	0.2%	13.2%	1.2%	1.9%	-1.1%	2.3%	-10.0%
Homeowners	-0.4%	-0.1%	8.7%	1.5%	1.4%	-6.0%	-4.7%	-10.8%
Less than $35,000	-19%	-1%	-27%	-17%	-41%	-10%	-1%	-38%
$35,000 to $49,999	-36%	-45%	-21%	-28%	-47%	-49%	-9%	-50%
$50,000 to $74,999	-9%	42%	-7%	-42%	45%	-24%	-28%	-34%
$75,000 to $99,999	-4%	-43%	10%	49%	0%	62%	-17%	-53%
$100,000 to $149,999	60%	20%	38%	193%	78%	28%	-4%	90%
$150,000 & up	115%	50%	307%	157%	155%	73%	76%	82%
Median	29%	2%	29%	26%	34%	35%	-1%	42%
Source: US Census; ACS & RKG Associates, Inc.								

Noteworthy findings from Table 5 include:

- Almost 23 percent of owner households earned less than $35,000, and another 11 percent earned $35,000 to $50,000. In Tract 148, over 52 percent of the homeowner households have incomes below $50,000, compared with less than 20 percent in Tract 149.
- Homeowners in all income groups (and census tracts) earning less than $75,000 declined of the last decade, but the rate of decline varied between census tracts.
- Similarly, owners in all income groups earning $100,000 or more increased in Falmouth over the last decade, but the changes varied between census tracts.

Value of Owner-Occupied Housing

Table 6 reports the distribution of owner-occupied housing by census tract and home values in 2010, when the median owner-occupied value town-wide was $428,200. Median values ranged from

$354,600 in Tract 145 to $645,000 in Tract 149. Less than 4 percent was valued at less than $200,000, with the highest concentration in Tract 146 and the lowest in Tract 143. Fifteen percent of all owner- occupied units were in the $200,000 to $300,000 range, with the greatest concentration in Tract 145. Over 80 percent of all owner-occupied housing in Falmouth was valued at $300,000 or more, with concentrations in Tracts 143 and 149.

TABLE 6. DISTRIBUTION OF OWNER-OCCUPIED HOME VALUES (2010)								
Value Range	Town of Falmouth	Tract 143	Tract 144	Tract 145	Tract 146	Tract 147	Tract 148	Tract 149
Owner-Occupied Units	10,705	1,663	2,310	1,814	1,461	1,326	970	1,161
<$100,000	1.9%	0.0%	1.7%	1.7%	5.6%	0.8%	1.2%	2.3%
$100,000-$149,999	0.7%	0.6%	0.0%	0.6%	0.2%	0.0%	3.8%	0.9%
$150,000-$199,999	1.7%	0.0%	2.7%	3.1%	0.4%	0.6%	5.4%	0.0%
$200,000-$299,999	15.0%	0.6%	21.1%	29.6%	18.3%	15.1%	10.2%	2.3%
$300,000-$499,999	42.8%	41.4%	45.2%	44.1%	42.0%	64.3%	42.9%	16.1%
$500,000+	38.0%	57.3%	29.2%	20.9%	33.6%	19.2%	36.5%	78.4%
Median Value	$428,200	$551,000	$387,400	$354,600	$397,700	$380,200	$427,400	$645,000
Source: U.S. Census Bureau; American Community Survey; and RKG Associates, Inc.								

Owner Households by Period Moved into Unit

Available data show that about 32 percent of Falmouth's homeowners moved into their present home since 2000. Homeowner move-ins declined after 2005, for the average of 270 homeowner moves between 2005 and 2010 was about 42 percent less than in the first half of the decade (470 per year). The ten-year annual average turnover rate for owner-occupied housing was 3.4 percent, but the rate was higher (4.2 percent) in Tract 144.

TABLE 7. PERCENT HOMEOWNERS BY PERIOD MOVED INTO PRESENT HOUSING UNIT (2010)								
Move-in Year	Town of Falmouth	Tract 143	Tract 144	Tract 145	Tract 146	Tract 147	Tract 148	Tract 149
Owner Households	10,705	1,663	2,310	1,814	1,461	1,326	970	1,161
2005 or later	12%	7%	16%	18%	10%	7%	18%	10%
2000 to 2004	22%	24%	23%	16%	29%	24%	13%	22%
1990 to 1999	30%	32%	28%	31%	32%	27%	33%	24%
1980 to 1989	17%	21%	21%	21%	15%	13%	12%	12%
1970 to 1979	11%	10%	10%	9%	11%	18%	9%	13%
1969 or earlier	8%	6%	2%	5%	4%	11%	16%	18%
Avg. Owners/Year								
2005 or later	267	24	74	66	28	18	34	24
2000 to 2004	469	79	105	59	84	64	25	52
1990 to 1999	316	53	65	57	46	35	32	28
1980 to 1989	185	35	48	37	21	18	12	14
1970 to 1979	120	16	24	15	17	23	9	15
Annual Turnover [1]	3.4%	3.1%	3.4%	3.3%	3.7%	2.9%	2.9%	2.9%
[1] Factored on the post-2000 average and 2000 homeowner count.								

Source: US Census; ACS & RKG Associates, Inc.

Single-family Home Sales

The median sale price of single-family homes by the neighborhood can be seen in Table 3.17. Quissett typically has the highest median sale price and Ashumet, the lowest. In 2014, only four neighborhoods have a median sale price lower than $300,000, and they include Ashumet, Pinecrest, Seacoast Shores, and Teaticket. In three neighborhoods, the median sale price falls between $300,000 and $400,000 – East Falmouth, Hatchville, and Maravista – while three neighborhoods have sale prices in the $400,000 to $500,000 range, namely North Falmouth, West Falmouth, and Woods Hole.

TABLE 8. MEDIAN SINGLE-FAMILY SALE PRICE BY NEIGHBORHOOD IN FALMOUTH [1]

Neighborhood	Year ending April,				
	2010	2011	2012	2013	2014
Ashumet	$329,000	$265,000	$224,000	$267,950	$245,000
East Falmouth	$360,000	$325,000	$317,500	$349,500	$338,000
Falmouth	$370,000	$448,000	$380,000	$495,000	$525,000
Falmouth Heights	$572,500	$525,000	$458,000	$455,000	$525,000
Hatchville	$303,250	$419,000	$345,000	$318,000	$347,500
Maravista	$310,000	$328,000	$373,500	$311,000	$381,250
Menauhant	$730,000	$647,450	$569,250	$325,000	$905,000
North Falmouth	$440,750	$427,500	$425,000	$425,000	$432,000
Old Silver Beach	$562,500	$610,000	$580,000	$525,000	$564,500
Pinecrest	$285,000	$255,000	$300,250	$246,200	$217,500
Quissett	$614,250	$475,000	N/A	$1,207,500	$1,200,000
Seacoast Shores	$250,000	$246,250	$255,000	$275,240	$257,500
Silver Beach	$650,000	$622,500	$457,000	$396,000	$537,000
Sippewissett	$565,000	$715,000	$622,000	$706,200	$674,000
Teaticket	$292,000	$302,500	$274,650	$283,750	$270,000
Waquoit	$862,000	$420,000	$665,000	$507,250	$635,000
West Falmouth	$459,000	$512,500	$550,000	$527,550	$500,000
Woods Hole	$408,000	$555,500	$369,000	$745,000	$440,200
Total	$371,000	$396,700	$370,000	$390,000	$385,000

[1] Valid Sales, Only.
Source: Town of Falmouth and RKG Associates, Inc.

Condominium Sales

Median condominium sale prices by neighborhood over the last five years are reported in Table 3.19. The median in Teaticket and Hatchville were typically below the town median.

TABLE 9. MEDIAN CONDOMINIUM SALE PRICE BY NEIGHBORHOOD					
Median Sale Price By Neighborhood [1]	Year ending April,				
	2010	2011	2012	2013	2014
EAST FALMOUTH	$285,250	$250,000	$272,000	$350,000	$325,000
FALMOUTH	$391,000	$372,500	$377,500	$332,000	$445,000
FALMOUTH HEIGHTS	$210,000	$480,000	$550,000	$540,000	$485,000
HATCHVILLE			$180,000	$195,000	$187,500
NORTH FALMOUTH		$3,500,000	$451,200	$452,000	$380,000
SIPPEWISSETT	$825,000		$349,000	$695,000	########
TEATICKET	$191,500	$215,000	$257,500	$245,000	$233,500
WEST FALMOUTH	$354,500	$585,000	$400,000	$632,500	$597,500
Total	$315,000	$352,500	$349,000	$364,000	$362,500
[1] Valid Sales, Only					
Source: Town of Falmouth & RKG Associates, Inc.					

Renter Households Characteristics

This section presents characteristics and trends of renters in Falmouth's seven census tracts and the town as a whole, based on federal census data. The analysis considers renter households by age, income, monthly rents, and how long the town's renter households have lived in their present unit.

Renter Households by Age

Table 3.21 reports the distribution of renter households by age in Falmouth and by census tract in 2010, together with changes from 2000 to 2010. Renters under age 35 represent the largest age cohort, followed by those in the 45- to 54-year group. Tract 145 has the highest concentration of the former, and Tract 144, the highest concentration of the latter. Approximately 15 percent of Falmouth's renter householders were 75 or older, and they accounted for nearly one-quarter of the renters in Tract 149 and 22 percent in Tract 148.

TABLE 10. RENTER HOUSEHOLDS BY AGE AND CHANGE IN AGE DISTRIBUTION, 2000-2010								
	Town of Falmouth	Tract 143	Tract 144	Tract 145	Tract 146	Tract 147	Tract 148	Tract 149
Total Households	14,069	1,973	2,792	2,169	1,797	1,749	1,795	1,794
Renter Households	3,364	310	482	355	336	423	825	633
Under 35	23.9%	22.6%	24.9%	30.4%	29.2%	27.9%	17.6%	22.7%
Age 35 to 44	16.9%	20.0%	22.2%	22.0%	18.2%	20.6%	11.3%	13.0%
Age 45 to 54	19.5%	23.9%	25.1%	22.8%	22.9%	18.2%	16.1%	14.7%
Age 55 to 64	14.8%	17.4%	14.1%	16.3%	14.6%	13.9%	15.9%	12.3%
Age 65 to 74	10.3%	4.2%	6.4%	4.8%	8.6%	9.2%	17.0%	12.0%
Age 75 +	14.7%	11.9%	7.3%	3.7%	6.5%	10.2%	22.2%	25.3%
% Δ In Renters by Age from 2000	Town of Falmouth	Tract 143	Tract 144	Tract 145	Tract 146	Tract 147	Tract 148	Tract 149
Total H'holds	1.5%	0.2%	13.2%	1.2%	1.9%	-1.1%	2.3%	-10.0%

Renter H'holds	8.2%	2.0%	41.3%	-0.3%	4.0%	18.2%	12.1%	-8.5%
Less than Age 35	6%	-5%	45%	-8%	4%	22%	7%	-10%
Age 35 to 44	-26%	-24%	-9%	-36%	-41%	-8%	-26%	-34%
Age 45 to 54	23%	7%	95%	14%	48%	15%	32%	-17%
Age 55 to 64	61%	50%	94%	164%	40%	48%	44%	56%
Age 65 to 74	17%	-41%	7%	42%	93%	34%	21%	6%
Age 75 +	11%	76%	133%	0%	-8%	43%	10%	-8%
Source: US Census & RKG Associates, Inc.								

The number of renters in Falmouth increased by 8 percent between 2000 and 2010, with growth in all age groups except the 35- to 45-year cohort, and that decline occurred in all census tracts. Since 2000, Tract 144 experienced the highest percentage increase in renter households, while a loss occurred in Tract 149.

Renter Households by Income

The median renter household income is $33,480 in Falmouth, ranging from a low of $17,270 in Tract 148 to a high of $55,810 in Tract 143. Over 51 percent of the town's renter households have incomes under $35,000 per year. Tract 148 has the highest concentration of renters in this income group, followed by Tract 149. The very low incomes in Tract 148 explain why this part of town is a Qualified Census Tract for purposes of the Low-Income Housing Tax Credits (LIHTC) program. Nineteen percent of renters earn between $35,000 and $49,999, and the highest concentration of these renters can be found in Tracts 145 and 146. Approximately 18 percent of renters earn between $50,000 and $74,999, and they tend to be concentrated in Tract 143. The remaining 12 percent of renters have incomes of $75,000 or more, and they are concentrated in Tract 144.

Renter households increased by 8 percent over the last decade, but declines occurred in renter households earning less than $35,000 town-wide and in all census tracts except for Tract 148. This was also the only census tract where the median renter income actually declined for the last decade, which may be associated with the high concentration of elderly renters (40 percent) here.

TABLE 11. RENTER HOUSEHOLDS BY INCOME AND CHANGE IN INCOME DISTRIBUTION, 2000-2010

Distribution of Renters by Income (2010)	Town of Falmouth	Tract 143	Tract 144	Tract 145	Tract 146	Tract 147	Tract 148	Tract 149
Total Households	14,069	1,973	2,792	2,169	1,797	1,749	1,795	1,794
Renter Households	3,364	310	482	355	336	423	825	633
Less than $35,000	51.3%	16.1%	26.4%	33.9%	30.6%	46.8%	78.7%	54.8%
$35,000 to $49,999	19.3%	27.6%	27.4%	43.1%	45.6%	14.1%	3.6%	13.6%
$50,000 to $74,999	17.8%	39.1%	20.3%	15.2%	18.1%	21.1%	13.0%	20.2%
$75,000 to $99,999	6.8%	17.2%	16.8%	7.8%	0.0%	12.2%	1.4%	3.7%
$100,000 to $149,999	4.4%	0.0%	9.1%	0.0%	5.7%	5.8%	3.2%	5.2%
$150,000 & up	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.5%
Median Renter $	$33,477	$55,809	$46,328	$44,224	$39,145	$39,141	$17,267	$33,523
% Δ In Renters by Income from 2000	Town of Falmouth	Tract 143	Tract 144	Tract 145	Tract 146	Tract 147	Tract 148	Tract 149

Total Households	1.5%	0.2%	13.2%	1.2%	1.9%	-1.1%	2.3%	-10.0%
Renter Households	8.1%	2.0%	41.3%	-0.3%	4.0%	18.2%	12.1%	-8.5%
Less than $35,000	-7%	-66%	-27%	-40%	-46%	-4%	20%	-11%
$35,000 to $49,999	36%	159%	86%	189%	136%	32%	-43%	-47%
$50,000 to $74,999	38%	124%	38%	32%	35%	33%	23%	83%
$75,000 to $99,999	18%	27%	797%	-36%	-100%	67%	-62%	-22%
$100,000 to $149,999	37%	-100%	451%	-100%	47%	251%	105%	82%
$150,000 & up	-74%		-100%	-100%			-100%	-35%
Median Renter	14%	39%	44%	37%	30%	23%	-20%	7%
Source: U.S. Census; ACS & RKG Associates, Inc.								

Renter Households by Rent

The median gross rent in Falmouth is $960, ranging from $764 in Tract 148 to $1,689 in Tract 143. **Gross rent** captures what a tenant pays for monthly rent and basic utilities, so it is a useful measure of the total cost of housing for people who rent the unit they occupy. Approximately 26 percent of the renters in Falmouth have rents in the $1,000 to $1,499 range, but Tracts 145 and 146 have the highest concentration of renters at this rent level. Similarly, 20 percent of renters in Falmouth pay $1,500 or more, but over half these renters live in Tract 143.

TABLE 12. DISTRIBUTION OF RENTERS BY GROSS RENT (2010)

Income Range	Town of Falmouth	Tract 143	Tract 144	Tract 145	Tract 146	Tract 147	Tract 148	Tract 149
Renter Households	3,364	310	482	355	336	423	825	633
Less than $300	14.3%	11.5%	21.1%	10.9%	14.0%	13.8%	17.6%	4.9%
$300 to $499	7.7%	0.0%	0.0%	0.0%	5.7%	0.0%	17.1%	11.1%
$500 to $749	9.9%	0.0%	2.3%	4.3%	0.0%	8.9%	14.0%	21.5%
$750 to $999	25.4%	16.1%	34.3%	13.8%	8.3%	31.8%	28.2%	26.2%
$1,000 to $1,499	25.5%	19.5%	20.3%	46.8%	49.2%	26.0%	15.3%	23.0%
$1,500 or more	17.2%	52.9%	22.1%	24.1%	22.8%	19.6%	7.9%	13.3%
Median Gross Rent	$960	$1,629	$985	$1,378	$1,281	$943	$764	$884
Source: US Census; ACS & RKG Associates, Inc.								

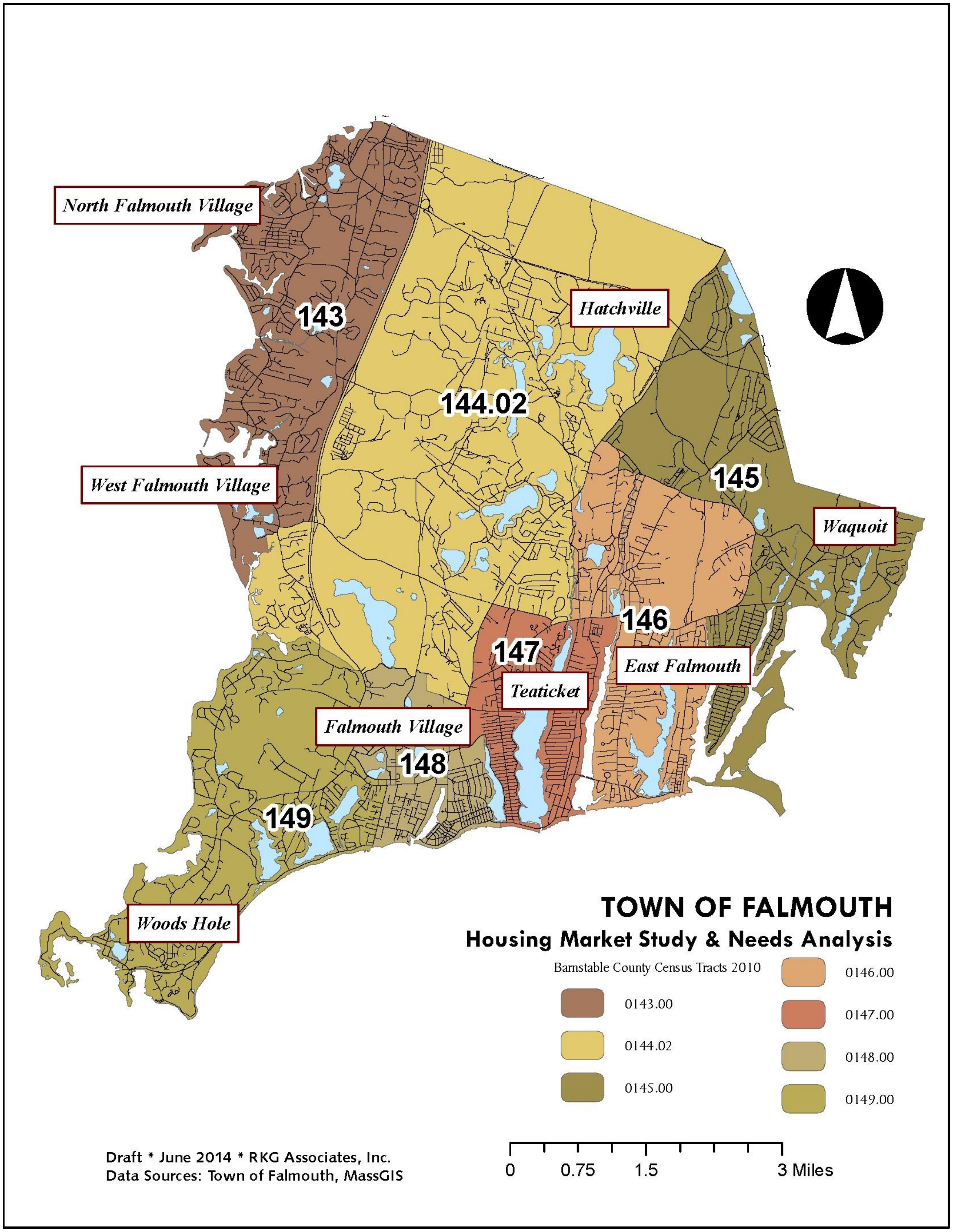
Renter Households by Period Moved into Unit

According to data from the Census Bureau, nearly 84 percent of renters in Falmouth moved into their present unit over the last decade, indicating an annual turnover rate of 9 percent. However, the average number of renters who moved into a unit per year in the latter half of the last decade was almost twice that of the first half.

TABLE 13. PERCENT RENTERS BY PERIOD MOVED INTO PRESENT HOUSING UNIT (2010)

Move-in Year	Town of Falmouth	Tract 143	Tract 144	Tract 145	Tract 146	Tract 147	Tract 148	Tract 149
Renter Households	3,364	310	482	355	336	423	825	633
2005 or later	55%	83%	48%	64%	43%	59%	54%	54%
2000 to 2004	29%	17%	43%	9%	35%	41%	28%	25%

1990 to 1999	11%	0%	8%	12%	22%	0%	15%	11%
1980 to 1989	3%	0%	1%	10%	0%	0%	3%	5%
1970 to 1979	0%	0%	0%	0%	0%	0%	0%	2%
1969 or earlier	1%	0%	0%	5%	0%	0%	0%	3%
Avg. Renters/Year								
2005 or later	372	51	47	45	29	50	89	68
2000 to 2004	195	11	41	7	24	35	46	31
1990 to 1999	37	0	4	4	7	0	13	7
1980 to 1989	11	0	0	3	0	0	2	3
1970 to 1979	1	0	0	0	0	0	0	1
Annual Turnover [1]	8.3%	10.0%	8.8%	7.3%	7.7%	10.0%	8.0%	7.2%
[1] Factored on the post-2000 average (less growth, if any) and the 2000 renter count.								
Source: US Census; ACS & RKG Associates, Inc.								


North Falmouth Village
143
Hatchville
144.02
West Falmouth Village
145
Waquoit
146
147
East Falmouth
Teaticket
Falmouth Village
148
149
Woods Hole
TOWN OF FALMOUTH
Housing Market Study & Needs Analysis
Barnstable County Census Tracts 2010
0143.00
0144.02
0145.00
0146.00
0147.00
0148.00
0149.00
Draft * June 2014 * RKG Associates, Inc.
Data Sources: Town of Falmouth, MassGIS
0 0.75 1.5 3 Miles

APPENDIX 2: CHANGE IN RESIDENTIAL TAX PARCELS AND ASSESSMENTS

Fiscal Year	Residential Tax Parcels by Type							
	Single-Family	Condo	Multi-Family	Apts.	Misc. Parcels	Mixed Use	Total Parcels	Vacant Land
2000	17,049	993	243	66	285	150	18,786	3,578
2010	18,114	1,311	272	62	257	206	20,222	2,226
Net Δ	1,065	318	29	-4	-28	56	1,436	-1,352
AVG #	107	32	3	-0	-3	6	144	-135
2016	18,292	1,373	285	62	250	197	23,519	1,992
Net Δ	178	62	13	0	-7	-9	3,297	-234
AVG #	30	10	2	0	-1	-2	550	-39
Annual Change in Tax Parcels by Type								
2001	246	-2	-4	-4	-8	14	242	-322
2002	199	30	0	-3	4	5	23	-168
2003	143	23	-2	3	1	8	80	-128
2004	147	50	-1	-1	-5	6	27	-123
2005	109	33	0	3	-4	3	119	-122
2006	100	107	-3	-1	-9	6	16	-101
2007	50	46	1	-2	-3	10	2	-155
2008	55	9	-7	1	0	6	66	-84
2009	-18	12	48	1	-2	-7	288	-78
2010	34	10	-3	-1	-2	5	43	-71
2011	44	-1	0	-1	-8	-2	-15	-50
2012	22	27	-1	1	-4	0	12	-37
2013	21	13	6	1	1	-1	2	-33
2014	28	14	4	-1	1	-4	-5	-47
2015	24	3	2	1	1	-3	-11	-27
2016	39	6	2	-1	2	1	25	-40
Total	1,243	363	42	11	-35	47	914	-1,586
2001-16 AVG	77	23	3	7	-2	3	57	-99
2001-2006 AVG	157	40	-2	-1	-2	7	84	-161
2007-2016 AVG	30	14	5	-1	2	1	40	-62

Sources: Massachusetts Division of Local Services, RKG Associates, Inc., Karen Sunnarborg Consulting.

Trends in Property Assessments, 2003, 2010 and 2018

Property Use	2003	2010	% Δ	2018	% Δ 2010-2018
Assessment					
Residential	$49,868,870	$69,449,717	139%	$91,676,849	132%
Open Space	$9,969	$26,174	263%	$28,648	109%
Commercial	$2,934,611	$4,127,059	141%	$5,428,513	132%
Industrial	$325,009	$515,284	159%	$752,568	146%
Personal Property	$838,198	$1,318,097	157%	$2,031,590	154%
Total	$53,946,657	$75,436,331	140%	$99,918,168	132%
Property Use	**2000**	**2010**	**# Δ 2000-2010**	**2018**	**# Δ 2010-2018**
% Total Assessment					
Residential	92.4%	92.1%	-0.3%	91.8%	-0.3%
Open Space	0.0%	0.0%	0.0%	0.0%	0.0%
Commercial	5.4%	5.5%	0.1%	5.4%	-0.1%
Industrial	0.6%	0.7%	0.1%	0.8%	0.1%
Personal Property	1.6%	1.7%	0.1%	2.0%	0.3%
Total	100%	100%		100%	

Sources: Massachusetts Division of Local Services, RKG Associates, Inc., Karen Sunnarborg Consulting.

Appendix 3
Sample Year-round Rental Listings

Location	# Bedrooms	# Baths	Square Footage	Rent	Unit Type
E. Falmouth	Room	Shared		$600	Homeshare
Falmouth	Room	Shared		$700	Homeshare
E. Falmouth	Room	Shared		$700	Homeshare
Falmouth Heights	Room	Shared		$800	Homeshare
E. Falmouth	Room	Shared		$900	Homeshare
E Falmouth	Room	Shared		$1,000	Homeshare
N. Falmouth	Room	Shared		$1,100	Homeshare
Falmouth	Room	Shared		$1,350	Homeshare
E. Falmouth	Room	Shared		$1,600	Homeshare
Teaticket	Studio	1	500	$850 for single Occupancy; $900 double	In owner-occupied house
W. Falmouth	Studio	1	NA	$1,500	NA
E. Falmouth	Studio	1	NA	$1,500	NA
E. Falmouth	1	1	NA	$900	Apt.
Hatchville	1	1		$1,000	Apt.
Falmouth Heights	1	1	NA	$1,100	Lower level apt. in house
Falmouth	1	1	NA	$1,200 for single occupancy	Small house in poor condition
Falmouth	1	1	NA	$1,350	Apt.
Teaticket	2	1	1,000	$1,300	Small Cape
E. Falmouth	2	2	900	$1,595	Apt. in house
Falmouth	2	2.5	1,300	$1,600	2-story attached Townhouse
Falmouth	2	1	1,324	$1,600	Condo
Teaticket	2	3	1,600	$1,700	Apt. in house
E. Falmouth	2	1.5	NA	$1,700	Apt. in house
Falmouth	2	1.5	NA	$1,700	Apt.
Woods Hole	2	1	NA	$1,800	Duplex apt.
Falmouth	2/3	NA	NA	$1,800	1st floor apt.
Falmouth	2	1	NA	$1,800	Duplex apt.
E. Falmouth	2	1.5	NA	$1,995	Condo Townhouse
W. Falmouth	2	2.5	2,000	$2,100	3-story attached Townhouse
E. Falmouth	2	1.5	1,000	$2,300	House
E. Falmouth	2	2	2,500	$2,350	House
E. Falmouth	3	1	988	$1,750	Small Cape
E. Falmouth	3	1	NA	$1,750	House
Falmouth	3	2	1,700	$1,800	Small Cape

Teaticket	3	2.5	1,456	$1,975	Small Cape
Teaticket	3	1.5	1,400	$1,975	Small Cape
Falmouth	3	1 full, 2 half	NA	$2,000	Townhouse
Teaticket	3	1.5	1,452	$2,100	House
Falmouth	3	2.5	NA	$2,300	Cape
N. Falmouth	3	3	NA	$2,400	House
E. Falmouth	3	2.5	1,700	$2,500	House
Falmouth	3	2.5	NA	$2,700	Condo
E. Falmouth	4	3	3,544	$8,800	Condo

Sources: Internet sources and WHOI listings, June 2018.

Appendix 4
Local and Regional Housing Organizations

Town Entities

Falmouth Affordable Housing Committee (FAHC)

The Falmouth Affordable Housing Committee is the designated municipal board for advising the Board of Selectmen on housing issues, including the development of this Housing Production Plan. The Committee assists the Board of Selectmen in its efforts to provide a full range of housing choices for households of all incomes and ages. The Committee works to identify our workforce housing needs, to reduce the out-migration of our younger residents, and to minimize the displacement of our elderly on fixed incomes.
www.falmouthmass/us/396/Affordable-Housing-Committee

Falmouth Affordable Housing Fund (FAHF)

In 2011, The Town also established the Falmouth Affordable Housing Fund (FAHF) through a home rule petition and state legislation (Chapter 29, Acts of 2011) to enable the Town to promote, expand and retain affordable housing. The Fund can serve individuals and households with incomes up to 100% of the Area Median Income. Eligible activities include (not exclusively):

Housing Development: to obtain property interest by gift, purchase, grant, rental, rental purchase, lease or otherwise. Eligible costs include: predevelopment costs and development activities including site acquisition assistance, write-down costs associated with converting existing market rate units to affordable, and redevelopment costs associated with converting existing residential or commercial properties for the purpose of affordable housing development.

Housing Retention: to convert a deed restriction based on a discount rate of appraised fair market value to a deed restriction based on Area Median Income, to convert expiring use deed restrictions to deed restrictions in perpetuity.

Support of Affordable Housing: to provide grants and loans to public and non-profit agencies to provide direct assistance to individual and families eligible for community housing or to an entity that owns, operates, or manages such housing for the purpose of making housing affordable in perpetuity.
www.famouthmass.us/940/Falmouth-Affordable-Housing-Fund
508-495-7344

Falmouth Planning Board

The Falmouth Planning Board, assisted by the Planning Department, is the Town's chief planning entity, developing plans and regulations related to the Town's physical development. The Planning Board studies and makes recommendations on the long-term growth of the Town including the review of site plans and special permits under the Zoning Bylaw and subdivision plans under the Subdivision Control Law.
www.falmouthmass.us/342/Planning-Department
508-495-7440

Falmouth Community Preservation Committee (CPC)

In May 2005, Falmouth residents adopted the Community Preservation Act with a surcharge of 3% and appointed the Community Preservation Committee (CPC) to manage this funding.[43] The CPC considers projects and makes recommendations to Falmouth Town Meeting for appropriations that preserve open space and historic properties as well as provide affordable housing and recreational opportunities. To date almost $30 million has been raised through the local surcharge and matched with about $14 million from the state for a total of approximately $44 million, $4,651,650 of which has been allocated in support of affordable housing initiative, just a little over the minimum of 10%.[44]

CPC's 2018 Community Preservation Plan identifies the following housing needs:

1. Rental units (1 BR)
2. More local subsidy for affordable units
3. Increased funding for FAHF
4. Need true pre-development funding (costs such as engineering, architectural, legal)
5. Need high-quality design, energy efficiency, storage, on-site amenities, ADA/MAAB accessibility (Need review criteria when evaluating project)
6. Establish housing as a priority
7. Establish clear guidelines
8. Expedite and coordinate review and permitting for housing projects
9. Suitable low-cost rental housing for young adult workers
10. Funding for smaller-scale projects
11. Combine open space with housing project(s)
12. Form coalitions to combine projects
13. Need a community development plan

The CPC Plan also indicated that proposals for community housing funding should address as many of the following criteria as possible. Will the project:

- Contribute to the goal of achieving ten percent affordable housing in Falmouth?
- Promote a socioeconomic environment that encourages diversity
- Provide housing that is harmonious in design and scale with the surrounding community?

[43] 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 the City Council, how to spend the Community Preservation Fund.

[44] CPA funding allocations to the Falmouth Affordable Housing Fund (FAHF) and preceding dedicated housing funds is summarized in strategy 8.1.2.

- Ensure long-term affordability?
- Promote the re-use of existing buildings or construction of new buildings on previously developed sites?
- Convert market rate units to affordable units?
- Give priority to local residents, Town employees of local businesses to the extent allowed by the law?
- Promote equal opportunity in housing and contribute to meeting the housing needs of the most vulnerable segments of Falmouth's population, including but not limited to households earning up to 100 percent of the median income, single heads of household, racial and ethnic minorities, older people and people with special needs?

www.falmouthmass.us/155/Community-Preservation

Falmouth Human Services Department
The Human Services Department supports and empowers Falmouth residents and strengthens the community as a whole through advocacy, broad community participation and by ensuring access to a comprehensive range of health and human services. The Department's licensed, professional staff provide a broad range of counseling, outreach, advocacy, information and referral services for individual, couples, family and groups. All services are free of charge, confidential and available to all Falmouth residents.

The Department also provides consultation and technical assistance to local community organizations, town departments, and regional human service providers in order to promote and enhance the development of needed community services. The Falmouth Human Services Department has received funding to bring in a staff person from the Housing Assistance Corporation (HAC) on a two-day per week basis to provide counseling to residents on housing issues, homelessness prevention in particular, also providing referrals to appropriate programs and services.
www/falmouthmass.us/289/Human-Service
508-548-0533

Falmouth Council on Aging Senior Center
The Falmouth Council on Aging Senior Center functions as a human services organization for all residents of Falmouth who are at least 60 years old by providing assistance, information on available resources, health services, referrals to other community agencies, education and recreation programs and activities. There is a special emphasis in promoting Healthy Aging and Enhancing Quality of Life for Seniors.
www.falmouthmass.us/444/Senior-Center
508-540-0196

Falmouth's Commission on Disabilities
Falmouth's Commission on Disabilities works to educate and raise the awareness of all residents and businesses as to the needs of persons with disabilities including physical, intellectual and developmental impairments.
www.falmouthmass.us/415/Commission-on-Disabilities

Other Local Entities
The Town of Falmouth has established partnerships with the following local organizations, producing affordable housing and providing other related housing support services:

Falmouth Housing Authority (FHA)
The Falmouth Housing Authority was established on August 16, 1948 under Article 98 of Chapter 121B of the General Laws governing the State of Massachusetts. Its jurisdiction is the Town of Falmouth that includes Woods Hole, East Falmouth, West Falmouth, North Falmouth and Waquoit.

FHA is committed to ensuring safe, decent and affordable housing by working cooperatively with community, state, federal and local officials. FHA always endeavors to make the best use of all available resources so that residents and participants can live in an atmosphere of dignity and respect, free from discrimination.

Falmouth Housing Authority owns and manages 299 units of subsidized housing and administers 430 rental subsidies as well through federal rental housing assistance (Housing Choice Vouchers - also known as Section 8 and DIAL Vouchers) and Massachusetts state housing programs. The agency also monitors Chapter 40B-approved affordable rental and home purchase properties.
www.falmouthhousing.org
508-548-1977

Falmouth Housing Corporation (FHC)
The Falmouth Housing Corporation (FHC) is a non-profit organization whose goal is to research and advocate for the production, maintenance, support, construction, rehabilitation, financing, and improvement of affordable housing and housing programs in Falmouth for the benefit of persons of very low-income, low-income, and other persons in need of assistance. The Falmouth Housing Corporation (FHC), which owns and manages 183 units of affordable rental housing.[45]
www.falmouthhousingcorp.org
508-540-0009

Falmouth Housing Trust (FHT)
The Falmouth Housing Trust (FHT) is another non-profit organization that works to develop and maintain affordable workforce housing for low-to-moderate income people. With an eye toward small, strategic projects, the organization acquires properties and creates housing to fit into the landscape of our community. FHT housing units are rented or sold to qualifying, working individuals at affordable prices. FHT has played a significant role in providing affordable housing in the community with four rental units at Chancery Lane (Odd Fellow Hall), seven rental units at Flynn House as part of a Sober House, 18 ownership units at Longshank/Esker Place, and three ownership units through the St. Mark's project. The organization has proposed to build another ownership unit at Deer Pond Road and is focusing on homeownership development as it moves forward in an effort to provide workforce housing for Falmouth families.
www.falmouthhousingtrust.org and 508-540-2370

Falmouth Service Center
While not a housing-specific organization, the Falmouth Service Center provides important support services to ease stress, reduce hunger and improve the quality of life for Falmouth residents in need. The Falmouth Service Center (FSC) works to increase self-sufficiency by helping to build networks among clients, neighbors and agencies.
www.falmouthservicecenter.org and 508-548-2794

[45] Includes 36 units at 587 Gifford Street, 14 units at 651 Gifford Street, 1 at 6 Luke Road, 58 units at 704 Main Street, 24 units at 20 Edgerton Drive, 39 units at Veteran's Park, and 11 units at Notantico Woods.

Regional Entities

Falmouth is also fortunate to be able to draw on the resources of a number of regional housing entities that include:

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. Falmouth has received the following HOME Program allocations totaling $1,280,386:

PROJECT	Amount	Date
Flynn House/FHA	$25,000	2/3/1995
Foundations/HAC	$130,000	6/13/1997
Fairwinds/FHA	$70,000	12/15/1998
Gifford Street/FHA	$77,286	12/18/2001
704 Main Street/FHC	$100,000	12/16/2004
Bridgeport/FHA	$100,000	1/11/2005
Edgerton Drive/FHA	$150,000	6/16/2005
Schooldhouse Green/FHC	$150,000	12/30/2010
Notantico Woods/FHC	$275,000	12/10/2014
DR Home Ownership Buydown		
East Ridge Road-Falmouth	$101,830	
Sam Turner Road-Falmouth	$101,270	

www.bechumanservices.net/initiatives/home-investment-partnership-program/
(3195 Main Street, P.O. Box 427, Barnstable, MA 02630; 508/375-6628)

Cape and the Islands Regional Network on Homelessness

Falmouth is a member of the Cape and the Islands Regional Network on Homelessness which prepares plans to end homelessness, conducts the annual Point-in-Time Count on the number of people experiencing homelessness, and coordinates federal funding as part of the Continuum of Care (CoC) Program under the McKinney-Vento Homeless Assistance Act. Focused largely on providing permanent supportive housing, this funding included a total amount of $1,758,102 in 2016 that was allocated in support of efforts sponsored by the Housing Assistance Corporation (HAC), Barnstable Housing Authority, Falmouth Housing Authority, Duffy Health Center, and Massachusetts Department of Mental Health.
www.bchumanservices.net/initiatives/ci-regional-network-on-homelessness/
(Barnstable County Department of Human Services, 3195 Main Street, Barnstable MA 02630; 508-375-6628)

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.
www.capecodcommisssion.org
(3225 Main Street, Barnstable, MA 02630; 508/362-3828).

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 developed 1 ownership unit at Fresh Pond Road, four homes off of Sam Turner Road, and has proposed another 12 homeownership units on Barrows Road.
www.habitatcapecod.org
(658 Main Street, West Yarmouth, MA 02673; 508/775-3559)

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 46 rental vouchers in Falmouth). It has also provided a staff person on a two-day per week basis to conduct counseling and make referrals to appropriate services, particularly for those who are at risk of homelessness.
www.haconcapecod.org
(460 West Main Street, Hyannis, MA 02601; 508/771-5400)

The Resource Inc. for Community and Economic Development (TRI)
The Resource Inc. for Community and Economic Development (TRI) is a non-profit community development corporation established by a group of public and public sector representatives to find creative solutions to promoting housing and economic development in Southeastern Massachusetts, Cape Cod and the Islands. The organization has raised more than $20 million in funding for the rehabilitation of more than 500 units, including three apartments in a house on Story Street that are part of the SHI.
www.theresource.org
(P.O. Box 36, North Eastham, MA 02651; 508-444-8711)

Appendix 5
Glossary of Housing Terms

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

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

Chapter 40B
The state’s comprehensive permit law, enacted in 1969, established an affordable housing goal of 10% for every community. In communities below the 10% goal, developers of low- and moderate-income housing can seek an expedited local review under the comprehensive permit process and can request a limited waiver of local zoning and other restrictions, which hamper construction of affordable housing. Developers can appeal to the state if their application is denied or approved with conditions that render it uneconomic, and the state can overturn the local decision if it finds it unreasonable in light of the need for affordable housing.

Chapter 44B
The Community Preservation Act Enabling Legislation that allows communities, at local option, to establish a Community Preservation Fund to preserve open space, historic resources and community housing, by imposing a surcharge of up to 3% on local property taxes. The state provides matching funds from its own Community Preservation Trust Fund, generated from an increase in certain Registry of Deeds’ fees.

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

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

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

discrimination against families receiving public assistance or rental subsidies, or because of any requirement of these programs.

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

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

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

MassHousing (formerly the Massachusetts Housing Finance Agency, MHFA)
A quasi-public agency created in 1966 to help finance affordable housing programs. MassHousing sells both tax-exempt and taxable bonds to finance its many single-family and multi-family programs.

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

Mixed-Income Housing Development
Development that includes housing for various income levels.

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

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

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

Regional Non-Profit Housing Organizations

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

Regional Planning Agencies (RPAs)

These are public agencies that coordinate planning in each of thirteen regions of the state. They are empowered to undertake studies of resources, problems, and needs of their districts. They provide professional expertise to communities in areas such as master planning, affordable housing and open space planning, and traffic impact studies. In the case of the Cape Cod, Dukes County and Nantucket Commissions, the RPA's are land use regulatory agencies as well as planning agencies. The Cape Cod Commission (CCC) serves as Falmouth'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.

US 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 6
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 US Department of Housing and Urban Development.
- Affordability restrictions must be in effect in perpetuity unless there is a justification for a shorter term that must be approved by DHCD.
- 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[46]:

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

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

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

If a municipality does not meet any of the above thresholds, it is susceptible to appeals by comprehensive permit applicants of the ZBA’s decision to the state’s Housing Appeals Committee (HAC). This makes the Town susceptible to a state override of local zoning if a developer chooses to create affordable housing through the Chapter 40B comprehensive permit process.[47] 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 applicant 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.

If the applicant appeals the use of these “appeals proof” grounds, DHCD will review materials from the ZBA and applicant and issue a decision within 30 days of receipt of the appeal (failure to issue a decision is a construction approval of the ZBA’s position). Either the ZBA or applicant 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 or cannot count a unit as eligible for inclusion in the SHI including:

- *40R*
  Units receiving zoning approval under 40R 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.

- *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

[47] 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.

15 months or less, then the entire project remains eligible for the SHI as long as the phasing schedule set forth in the permit approval continues to be met.

- *Projects with Expired Use Restrictions*
  Units become ineligible for inclusion in the SHI upon expiration or termination of the initial use restriction unless a subsequent use restriction is imposed.

- *Biennial Municipal Reporting*
  Municipalities are responsible for providing the information on units that should be included in the SHI through a statement certified by the chief executive officer.

Towns are allowed to set-aside up to 70% of the affordable units available in a 40B development for those who have a connection to the community as defined under state guidelines including current residents, municipal employees, or employees of businesses located in town. It is also worth noting that the Town, through its Affirmative Fair Housing Marketing Plan, must demonstrate the associated local need for the community preference and insure that there will be no discriminatory impacts with the use of community preference.

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 the Selectmen can submit an application to DHCD for certification under the Local Initiative Program (for more information see description in Section I.E below).

Changes to 40B regulations expand 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 requests 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 principle 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.

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

- The hearing is 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 cannot require 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 lacks minimum required qualifications.
- Specifies and limits the circumstances under which ZBA's can review pro formas.
- Zoning waivers are only required under "as of right" requirements, not from special permit requirements.
- Forbids ZBA's from imposing conditions that deviate from the project eligibility requirements or that would require the project to provide more affordable units than the minimum threshold required by DHCD guidelines.
- States that ZBA's cannot delay or deny an application because a state or federal approval has not been obtained.
- Adds new language regarding what constitutes an uneconomic condition including requiring applicants to pay for off-site public infrastructure or improvements if they involve pre-existing conditions, are not usually imposed on unsubsidized housing or are disproportionate to the impacts of the proposed development or require 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 (74 units and 149 units, respectively, for Falmouth for *approval* by DHCD.[48]
- 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 certification 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 based on 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.

The Board of Selectmen and Planning Board must adopt plans, 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

[48] 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".[49]

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."[50] 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 prepare the Zoning District bylaw (ordinance) for Town Meeting (City Council) enactment, would be "able to ensure that what is built in the District is compatible with and reflects the character of the immediate neighborhood."[51]

[49] 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.
[50] Massachusetts General Law, Chapter 40R, Section 11.
[51] "A Housing Strategy for Smart Growth and Economic Development: Executive Summary," p. 4.

The principal benefits of 40R include:

- Expands a community’s planning efforts;
- Allows communities to address housing needs;
- Allows communities to direct growth;
- Can help communities meet planned 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[52]

- Rents are calculated at what is affordable to a household earning 80% of area median income adjusted for family size, assuming they pay no more than 30% of their income on housing. Housing costs include rent and payments for heat, hot water, cooking fuel, and electric. If there is no municipal trash collection a trash removal allowance should be included. If utilities are separately metered and paid by the tenant, the LIP rent is reduced based on the area's utility allowance. Indicate on the DHCD application whether the proposed rent has been determined with the use of utility allowances for some or all utilities.
- Sales prices of LIP units are set so a household earning 70% of area median income would have to pay no more than 30% of their income for housing. Housing costs include mortgage principal and interest on a 30-year fixed term mortgage at 95% of purchase price, property taxes, condo fees[53], 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.

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

[53] 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.

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

Marketing and Outreach

- Marketing and outreach, including lottery administration must adhere to all Fair Housing laws and the state's Affirmative Fair Housing Marketing Plan Guidelines.
- 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 up to 70% of the units may be local preference units for those who have a connection to the community as defined by the state under Section III.C of the Comprehensive Permit Guidelines.
- The Marketing Plan must affirmatively provide outreach to area minority communities to notify them about availability of the unit(s) and must demonstrate the need for local preference as well as insure that there will be no discriminatory impacts as a result of using local preference criteria.
- Marketing materials must be available/application process open for a period of at least 60 days.
- Marketing should begin about six (6) months before occupancy.
  Lottery must be held unless there are no more qualified applicants than units available.

Regulatory Requirements

- The affordable unit 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:

- 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, if applicable. The chief executive officer is in fact required to submit the application to DHCD.
- 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.
- Affordability restrictions must be in effect in perpetuity, to be monitored by DHCD through a recorded regulatory agreement.
- Project sponsors must prepare and execute an affirmative fair marketing plan that must be approved by DHCD.
- 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:

Application process
- Developer meets with Town
- Developer and Town agree to proposal
- Town chief elected officer submits application to DHCD with developer's input

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.

DHCD issues site eligibility letter that enables the developer to bring the proposal to the ZBA for processing the comprehensive permit.

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.

Marketing

- Marketing plan must provide outreach to area minority communities to notify them about availability of the unit(s).
- Local preference is limited to those who live/work in the community with 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.

DHCD approval must include

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

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

The contact person at DHCD is Rieko Hayashi of the LIP staff (phone: 617-573-1309; fax: 617-573-1330; email: rieko.hayashi@state.ma.us).

E. MassWorks Infrastructure Program

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

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

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

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

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

II. SUMMARY OF HOUSING RESOURCES

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

A. Technical Assistance

1. Housing Choice Initiative

The state has stated its commitment to producing 135,000 new housing units statewide by 2025 or by about 17,000 units per year, an ambitious task. To help accomplish this, it has created the Housing Choice Initiative that has three basic components:

1. *Legislation*

   The Baker Administration filed legislation, An Act to Promote Housing Choices, which has been referred to the House Committee on Ways and Means. The key element of the bill is to reduce the required vote from a two-thirds supermajority to a simple majority for certain zoning changes including:

   - Chapter 40R
   - Cluster bylaws
   - Reductions in parking and dimensional requirements
   - Transfer of Development Rights/natural resource protection zoning
   - Increased density through the Special Permit process
   - Accessory dwelling units

2. *Capital Grant Funding*

   Communities can receive a Housing Choice designation that provides exclusive admission to new Housing Choice Capital Grants as well as priority access to existing grant and capital funding programs such as MassWorks, Complete Streets, MassDOT projects, and LAND and PARC grants. To obtain this designation, the community must submit an application that documents the increase in the total year-round housing stock from the 2010 census and the cumulative net increase in year-round units from January 1, 2013 through December 31, 2017. Documentation will be based on building permit data coming from the Building Department.

3. *Technical Assistance Resources*

   The state has also allocated $2 million in technical assistance grants for planning assistance through what it is calling the new Planning for Production Program. Support includes:

- Crafting new zoning to result in new housing production through Chapter 40A, 40R or a collaborative Chapter 40B proposal.
- Planning and designing public infrastructure projects or enhancements that will facilitate needed housing growth.
- Public education initiatives regarding financial feasibility, development cost-benefit analysis, local infrastructure needs, and school costs relative to the potential for new housing growth.

2. 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.

3. 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 (contact is Karl McLaurin at DHCD). 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.

4. MHP Intensive Community Support Team

The Massachusetts Housing Partnership Fund is a quasi-public agency that offers a wide range of technical and financial resources to support affordable housing. The Intensive Community Support Team provides sustained, in-depth assistance to support the development of affordable housing. Focusing on housing production, the Team helps local advocates move a project from the conceptual phase through construction, bringing expertise and shared lessons from other parts of the state. The team can also provide guidance on project finance. Those communities, which are interested in this initiative, should contact the MHP Fund directly for more information. (Contact MHP's Community Housing Initiatives Team at 617-330-9944 ext. 227.)

5. MHP Chapter 40B Technical Assistance Program

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

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

- State housing agencies will now appraise and establish the land value of 40B sites before issuing project eligibility letters.
- State will put standards in place for determining when permit conditions make a 40B development “uneconomic”.
- There will be set guidelines on determining related-party transactions, i.e., when a developer may also have a role as contractor or realtor.
- Advice on how to identify the most important issues early and communicate them to the developer, how informal work sessions can be effective, and how to make decisions that are unlikely to be overturned in court.

(Contact MHP’s Community Housing Initiatives Team at 617-330-9944 ext. 227 for more information.)

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.

Falmouth is part of the Barnstable County HOME Consortium administered by the Barnstable County Department of Human Services and receives funding on an annual basis.

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

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

2. Community Development Block Grant Program (CDBG)

In addition to funding for the Peer-to-Peer Program mentioned in the above section, there are other housing resources supported by federal CDBG funds that are distributed by formula to Massachusetts.

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

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 ONE Mortgage Program) and rental project development. The state subsequently issued additional bond bills to provide more funding. The HSF Rehabilitation Initiative is targeted to households with incomes within 80% of median income, with resale or subsequent tenancy for households within 100% of median income. The funds can be used for grants or loans through state and local agencies, housing authorities and community development corporations with the ability to subcontract to other entities. The funds have been used to match local HOME program funding, to fund demolition, and to support the acquisition and rehabilitation of affordable housing. In addition to a program directed to the rehabilitation of abandoned, distressed or foreclosed properties, the HSF provides funds to municipalities for local revitalization programs directed to the creation or preservation of rental projects. As with HOME, the maximum amount available per project is $750,000 and the maximum per unit is $65,000 for communities that do not receive HOME or CDBG funds directly from HUD, and $50,000 for those that do. Communities can apply for HSF funding biannually through the One Stop Application.

4. Low Income Housing Tax Credit Program

The Low Income Housing Tax Credit Program was created in 1986 by the Federal Government to offer tax credits to investors in housing development projects that include some low-income units. The tax credit program is often the centerpiece program in any affordable rental project because it brings in valuable equity funds. Tax credits are either for 4% or 9% of the development or rehab costs for each affordable unit for a ten-year period. The 4% credits have a present value of 30% of the development costs, except for the costs of land, and the 9% credit have a present value equal to 70% of the costs of developing the affordable units, with the exception of land. Both the 4% and 9% credits can be sold to investors for close to their present values.

The Federal Government limits the 9% credits and consequently there is some competition for them, nevertheless, most tax credit projects in Massachusetts are financed through the 9% credit. Private investors, such as banks or corporations, purchase the tax credits for about 80 cents on the dollar, and their money serves as equity in a project, reducing the amount of the debt service and consequently the rents. The program mandates that at least 20% of the units must be made affordable to households earning within 50% of median income or 40% of the units must be affordable to households earning up to 60% of median income. Those projects that receive the 9% tax credits must produce much higher percentages of affordable units.

The Massachusetts Legislature has enacted a comparable state tax credit program, modeled after the federal tax credit program. The One Stop Application is also used to apply for this source of funding.

5. Affordable Housing Trust Fund

The Affordable Housing Trust Fund (AHTF) was established by an act of the State Legislature and is codified under Chapter 121-D of the Massachusetts General Laws. The AHTF operates out of DHCD and is administered by MassHousing with guidance provided by an Advisory Committee of housing advocates. The purpose of the fund is to support the creation/preservation of housing that is affordable to people with incomes that do not exceed 110% of the area median income. The AHTF can be used to support the acquisition, development and/or preservation of affordable housing units. AHTF assistance can include:

- Deferred payment loans, low/no-interest amortizing loans.
- Down payment and closing cost assistance for first-time homebuyers.
- Credit enhancements and mortgage insurance guarantees.
- Matching funds for municipalities that sponsor affordable housing projects.
- Matching funds for employer-based housing and capital grants for public housing.

Funds can be used to build or renovate new affordable housing, preserve the affordability of subsidized expiring use housing, and renovate public housing. While the fund has the flexibility of serving households with incomes up to 110%, preferences for funding will be directed to projects involving the production of new affordable units for families earning below 80% of median income. The program also includes a set-aside for projects that serve homeless households or those earning below 30% of median income. Once again, the One Stop Application is used to apply for funding, typically through the availability of two funding rounds per year.

6. Housing Innovations Fund (HIF)

The state also administers the Housing Innovations Fund (HIF) that was created by a 1987 bond bill and expanded under two subsequent bond bills to provide a 5% deferred loan to non-profit organizations for no more than $500,000 per project or up to 30% of the costs associated with developing alternative forms of housing including limited equity coops, mutual housing, single-room occupancy housing, special needs housing, transitional housing, domestic violence shelters and congregate housing. At least 25% of the units must be reserved for households earning less than 80% of median income and another 25% for those earning within 50% of area median income. HIF can also be used with other state subsidy programs including HOME, HSF and Low Income Housing Tax Credits. The Community Economic Development Assistance Corporation (CEDAC) administers this program. Applicants are required to complete the One-Stop Application.

7. Federal Home Loan Bank Board's Affordable Housing Program (AHP)

Another potential source of funding for both homeownership and rental projects is the Federal Home Loan Bank Board's Affordable Housing Program (AHP) that provides subsidies to projects targeted to households earning between 50% and 80% of median income, with up to $300,000 available per project. This funding is directed to filling existing financial gaps in low- and moderate-income affordable housing projects. There are typically two competitive funding rounds per year for this program.

8. MHP Permanent Rental Financing Program

The state also provides several financing programs for rental projects through the Massachusetts Housing Partnership Fund. The Permanent Rental Financing Program provides long-term, fixed-rate permanent financing for rental projects of five or more units from $100,000 loans to amounts of $2 million. At least 20% of the units must be affordable to households earning less than 50% of median income or at least 40% of the units must be affordable to households earning less than 60% of median income or at least 50% of the units must be affordable to households earning less than 80% of median income. MHP also administers the Permanent Plus Program targeted to multi-family housing or SRO properties with five or more units where at least 20% of the units are affordable to households earning less than 50% of median income. The program combines MHP's permanent financing with a 0% deferred loan of up to $40,000 per affordable unit up to a maximum of $500,000 per project. No other subsidy funds are allowed in this program. The Bridge Financing Program offers bridge loans of up to eight years ranging from $250,000 to $5 million to projects involving Low Income Housing Tax Credits. Applicants should contact MHP directly to obtain additional information on the program and how to apply.

9. OneSource Program

The Massachusetts Housing Investment Corporation (MHIC) is a private, non-profit corporation that since 1991 has provided financing for affordable housing developments and equity for projects that involve the federal Low Income Housing Tax Credit Program. MHIC raises money from area banks to fund its loan pool and invest in the tax credits. In order to qualify for MHIC's OneSource financing, the project must include a significant number of affordable units, such that 20% to 25% of the units are affordable to households earning within 80% of median income. Interest rates are typically one point over prime and there is a 1% commitment fee. MHIC loans range from $250,000 to several million, with a minimum project size of six units. Financing can be used for both rental and homeownership projects, for rehab and new construction, also covering acquisition costs with quick turn-around times for applications of less than a month (an appraisal is required). The MHIC and MHP work closely together to coordinate MHIC's construction financing with MHP's permanent take-out through the OneSource

Program, making their forms compatible and utilizing the same attorneys to expedite and reduce costs associated with producing affordable housing.

10. Section 8 Rental Assistance

An important low-income housing resource is the Section 8 Program that provides rental assistance to help low- and moderate-income households pay their rent. 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. District Improvement Financing Program (DIF)

The District Improvement Financing Program (DIF) is administered by the state's Office of Business Development to enable municipalities to finance public works and infrastructure by pledging future incremental taxes resulting from growth within a designated area to service financing obligations. This Program, in combination with others, can be helpful in developing or redeveloping target areas of a community, including the promotion of mixed-uses and smart growth. Municipalities submit a standard application and follow a prescribed application process directed by the Office of Business Development in coordination with the Economic Assistance Coordinating Council.

12. Urban Center Housing Tax Increment Financing Zone (UCH-TIF)

The Urban Center Housing Tax Increment Financing Zone Program (UCH-TIF) is a relatively new state initiative designed to give cities and towns the ability to promote residential and commercial development in commercial centers through tax increment financing that provides a real estate tax exemption on all or part of the increased value (the "increment") of the improved real estate. The development must be primarily residential and this program can be combined with grants and loans from other local, state and federal development programs. An important purpose of the program is to increase the amount of affordable housing for households earning at or below 80% of area median income and requires that 25% of new housing to be built in the zone be affordable, although the Department of Housing and Community Development may approve a lesser percentage where necessary to insure financial feasibility. In order to take advantage of the program, a municipality needs to adopt a detailed UCH-TIF Plan and submit it to DHCD for approval.

13. Community Based Housing Program

The Community Based Housing Program provides loans to nonprofit agencies for the development or redevelopment of integrated housing for people with disabilities in institutions or nursing facilities or at risk of institutionalization. The Program provides permanent, deferred payment loans for a term of 30 years, and CBH funds may cover up to 50% of a CHA unit's Total Development Costs up to a maximum of $750,000 per project.

14. Compact Neighborhoods Program

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

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

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

The process for implementing a Compact Neighborhoods Zone includes:

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

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 Initiatives (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

19. Starter Home Program

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

20. Workforce Housing Fund

The state is investing in a Workforce Housing Fund to provide rental housing for those households earning 61% to 120% AMI. In his announcement, Governor Baker said, "Making more affordable housing options available to working Massachusetts families deterred by rising rent expenses is essential to economic growth and development in communities throughout the Commonwealth. These working middle-income families are the foundation of our economy and talented workforce, and the creation of this $100 million fund by MassHousing will advance opportunities for them to thrive and prosper."

The Workforce Housing Initiative was created to do the following:

- Target individuals and families with incomes of 61% to 120% of Area Median Income (AMI)
- Provide up to $100,000 of subsidy per workforce housing unit to create 1,000 new units of workforce housing statewide
- Leverage strategic opportunities to use state-owned land
- Complement, does not replace, traditional MassHousing development financing
- Ensure workforce housing units are deed restricted as affordable for at least 30 years

Eligible projects include:

- Preference is for new units; existing projects where unrestricted units become restricted will be considered
- Workforce housing units are intended for working age household and may not be not be elderly restricted or occupied by full-time students
- 20% of units at the development must be affordable for households earning at or below 80% of AMI

21. Housing Choice Initiative

The state has stated its commitment to producing 135,000 new housing units statewide by 2025 or by about 17,000 units per year, an ambitious task. To help accomplish this, it has created the Housing Choice Initiative that has three basic components that includes Capital Grant Funding. Communities that qualify for designation under this Initiative can receive exclusive admission to new Housing Choice Capital Grants as well as priority access to existing grant and capital funding programs such as MassWorks, Complete Streets, MassDOT projects, and LAND and PARC grants. To obtain this designation, the community must submit an application that documents the increase in the total year- round housing stock from the 2010 census and the cumulative net increase in year-round units from January 1, 2013 through December 31, 2017. Documentation will be based on building permit data coming from the Building Department.

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. American Dream Downpayment Assistance Program

The American Dream Downpayment Assistance Program is also awarded to municipalities or non-profit organizations on a competitive basis to help first-time homebuyers with down payments and closing costs. While the income requirements are the same as for the ONE Mortgage Program, the purchase price levels are higher based on the FHA mortgage limits. Deferred loans for the down payment and closing costs of up to 5% of the purchase price to a maximum of $10,000 can be made at no interest and with a five-year term, to be forgiven after five years. Another loan can be made through the program to cover deleading in addition to the down payment and closing costs, but with a ten-year term instead, with at least 2.5% of the purchase price covering the down payment.

3. Homebuyer Counseling

There are a number of programs, including the ONE Mortgage Program and MassHousing's Home Improvement Loan Program, as well as Chapter 40B homeownership projects, which 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 close proximity to Falmouth includes the Housing Assistance Corporation (HAC).

4. Self-Help Housing

Self-Help programs involve sweat-equity by the homebuyer and volunteer labor of others to reduce construction costs. Some communities have donated building lots to Habitat for Humanity to construct affordable single housing units. Under the Habitat for Humanity program, homebuyers contribute between 300 and 500 hours of sweat equity while working with volunteers from the community to construct the home. The homeowner finances the home with a 20-year loan at 0% interest. As funds are paid back to Habitat for Humanity, they are used to fund future projects.

D. Home Improvement Financing

1. MassHousing Home Improvement Loan Program (HLP)

The MHFA Home Improvement Loan Program (HILP) is targeted to one- to four-unit, owner-occupied properties, including condominiums, with a minimum loan amount of $10,000 up to a maximum of $50,000. Loan terms range from five to 20 years based on the amount of the loan and the borrower's income and debt. MassHousing services the loans. Income limits are $92,000 for households of one or two persons and $104,000 for families of three or more persons. To apply for a loan, applicants must contact a participating lender.

2. Get the Lead Out Program

MassHousing's Get the Lead Out Program offers 100% financing for lead paint removal on excellent terms that are based on ownership status and type of property. An owner-occupied, single-family home may be eligible to receive a 0% deferred payment loan up to $20,000 that is due when the house is sold, transferred or refinanced. An owner-occupant of a two-family house could receive up to $25,000 to conduct the de-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 area's regional non-profit organization, Rural Housing Improvement/RCAP Solutions, administers these funds for the state.

Appendix 7
Falmouth Affordable Housing Fund Priorities

Established by Ch. 29 of the Acts of 2011
Board of Selectmen, Trustees

59 Town Hall Square
Falmouth, Massachusetts 02540
(508) 495-7344

BOARD OF TRUSTEES' 2018 FUNDING PRIORITIES

The following priorities are primarily based on the Falmouth Housing Production Plan 2009-2014 and will be considered by the Board of Trustees when making funding determinations.

Neighborhood Context, Design, and Sustainability

- Create and preserve affordable housing with an increased density that is compatible with surrounding homes and neighborhoods.
- Create and preserve affordable housing that is consistent with the Commonwealth's Sustainable Development Principles.
- Affordable housing that is dispersed throughout town and in mixed-income developments.

Multi-Family & Mixed-Use

- Create multi-family houses in the villages and mixed-use developments for adaptive reuse of commercial/retail buildings in locations consistent with the Local Comprehensive Plan.

Land Conservation

- Create affordable housing that is consistent with community land conservation goals and objectives, including rehabilitation of existing structures, infill development in existing neighborhoods, and Open Space Residential Design projects.

Target Populations

- Low- income households with incomes up to 80% of the Area Median Income (AMI)
- Larger families needing 3+ bedrooms
- Seniors and elderly units with support services for programs/projects to support "aging in place"
- Persons with disabilities
- First time home buyers

Increase # of Affordable Units in Proposed Developments

- Create more affordable units than proposed in affordable housing developments, including those proposed and required through Comprehensive Permit Applications
- Workforce housing for households with income up to 100% of the AMI for units in excess of the 25% required by a comprehensive permit
- Workforce housing for households with income up to 100% of the AMI for units that are created without a comprehensive permit.

Preservation of Deed Restricted Affordable Units

- Preserve deed restricted units that are subject to re-sale or foreclosure

Program: Owner Occupied Rehabilitation

- Create a rehabilitation assistance program for low- and moderate income owners unable to afford necessary improvements. Such a program would need to be crafted for compliance with the Community Preservation Act or funded from a source other than CPA.

Appendix 8
Summary of Community Housing Forum

July 12, 2018
Meeting Summary

The Falmouth Affordable Housing Committee sponsored a Community Housing Forum on July 12, 2018 at the Falmouth Public Library to present key findings from a Housing Needs Assessment and obtain community input into the next phase of its work in preparing a Housing Production Plan. Following a brief introduction from Falmouth Housing Coordinator, Carla Feroni, Project Consultant, Karen Sunnarborg, provided a PowerPoint presentation on the highlights of the Housing Needs Assessment and facilitated a brief question and comment period.

Participants were then provided with instructions on proceeding with Breakout Group Brainstorming, and asked to identify a Facilitator to keep the group on track in fulfilling the assigned tasks within allotted timeframes and to further identify 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 these comments:

The Town's greatest challenge related to preserving and producing housing affordability and diversity is __________________________

- Limited rental housing
- Limited land available for development
- Limited funds
- Lack of infrastructure (water and sewer)
- Local opposition (largely due to concerns about higher density and lack of public transportation)
- Zoning
- Environmental issues
- Limited public transportation, which is especially hard on lower income households
- Parking requirements
- Not enough smaller year-round units or handicapped accessible units including first-floor units or buildings with elevators
- Declining school enrollments
- High annual housing production goal of 74 units
- Some subsidy is needed even for some Chapter 40B developments
- Political will
- Imbalance of housing demand and supply that is pricing even middle-income earning households out of the housing market
- Higher income retirees are driving up housing prices
- Seasonal nature of the housing market

- The quality of housing is relatively poor for those earning between 60% and 100% of area median income
- High cost of land
- Stigma against housing voucher holders
- Market rents are higher than HUD Fair Market Rents (FMRs) making it difficult to use rental subsidies

My hope for the future of housing in Falmouth (an aspirational goal to strive for) would be for the Town to___________________________?

- Insure that new housing is harmonious to the existing architectural fabric
- Strive to meet the state's 10% affordability goal
- Provide affordable housing for all who need it
- Provide sufficient housing to meet the needs of our workforce
- Achieve a more proactive citizenry
- Promote community support
- Provide greater amounts of CPA funding for housing
- Promote housing that is walkable to goods, services and transportation in the Town Center and villages and reconsider parking requirements
- Promote greater housing sustainability and energy efficiencies
- Extend water and sewer services
- Promote higher density in commercial areas
- Bring younger folks back to the community
- Become a community that is more open to higher densities and multi-family housing
- Focus on smart growth development
- Develop creative solutions to addressing housing needs (communal living, co-housing, intergenerational housing)
- Obtain greater community buy-in for higher density development

The best <u>locations</u> for new housing development include_____________________________?

- Davis Straits
- Town-owned property accessible to schools and public amenities
- Older neighborhoods where some subdivision of existing parcels and increased density makes sense
- Falmouth Mall
- Behind the Administrative Building
- Sandwich Road (28 acres)
- Potential development off Route 151 near Balleymeade
- Hospital campus area
- Lawrence Middle School campus
- Along Brick Kiln Road
- Land off of Davisville Road in the East Falmouth Elementary School area

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 six actions that received the most support 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, however none chose to do so.

This prioritizing and voting process produced the following actions and corresponding number of votes:

Regulatory Strategies

- Promote by-right permitting for higher density development in appropriate areas (11 votes)
- Adopt zoning to allow tiny houses, micro units or small houses as workforce housing on unbuildable lots (8 votes)
- Reduce minimum lot sizes (6 votes)
- Get a better handle on sewer treatment plants as a means of treating wastewater without extending sewer services (3 votes)
- Provide funding support and further incentives for accessory dwelling units (ADUs) (3 votes)
- Establish zoning for more multi-family housing development (1 vote)
- Improve water quality management practices (1 vote)

Town Programs and Services

- Find ways to increase the capacity of non-profit developers such as predevelopment loans (6 votes)
- Provide more education on affordable housing issues within Town Hall and throughout the community (3 votes)
- Identify housing types and scale of development that the Town can support (2 votes)
- Prepare a land use map that identifies areas where growth, including affordable housing, should be encouraged (1 vote)
- Prepare a demographic study of residents who are moving into the community (1 vote)
- Commit more local funding to affordable housing initiatives (1 vote)
- Conduct research on senior housing types such as shared/communal housing for able-bodied persons (not assisted living) (1 vote)
- Pursue grants for supportive housing for vulnerable populations (case management, support services)
- Expand transportation options such as a school to school trolley

Development Opportunities

- Prioritize multi-family rental housing for Town subsidized units (6 votes)
- Aggressively promote use of ADU bylaw (3 votes)
- Redevelop Davis Straits area (1 vote)

Participants were informed that the Town will be working with the Consultant on the next sections of the Housing Production Plan that will include priority actions that were discussed during the public forum as well as annual production goals. After the draft is prepared, the Affordable Housing Committee and Planning Board will schedule another public meeting to present the highlights of the Plan for further input from local leaders, housing stakeholders and residents. Both the Planning Board and Board of Selectmen will have to approve the Plan before it can be submitted to the state for their approval.