



Affordable Housing Strategies

Regional Best Practices Toolkit

Cape Cod Commission

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Acknowledgments

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Cover photo:
Habitat for Humanity project on donated privately owned land,
Danvers Way, Hyannis, Massachusetts; see page 67.

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Affordable Housing Strategies: Regional Best Practices Toolkit

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Cape Cod Commission

The Cape Cod Commission was created in 1990 by an Act of the Massachusetts General Court and confirmed by a majority of Barnstable County voters as the regional planning and regulatory agency for the Cape. The major impetus for its establishment was the unprecedented growth boom of the 1980s, which appeared to threaten Cape Cod's unique natural, coastal, historical, and cultural amenities unless a more coordinated approach was taken to planning and regulating new development. The Commission was mandated to prepare and implement a regional land use policy plan for all of Cape Cod, review and regulate Developments of Regional Impact (DRIs),¹ recommend designation of certain areas as Districts of Critical Planning Concern,² and provide technical assistance in a number of areas, including affordable housing.

In addition to coordinating a wide range of planning and policy activities, the Commission also has secured over \$14 million in affordable housing funds for the region. It manages the allocation of a number of housing subsidy funds that are available to communities to support affordable housing efforts including the allocation of HOME Program funds on behalf of the Barnstable County HOME Consortium, the Soft Second Loan Program to subsidize mortgages for first-time home buyers, and the DRI Affordable Housing Mitigation Fund. The Commission also administers the Technical Assistance Program (TAP) that provides funds for consultants to assist communities, non-profits, and housing authorities in promoting affordable housing.

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¹ The Cape Cod Commission's regulatory powers are well defined and generally limited to reviews of large-scale developments, known as "Developments of Regional Impact" (DRIs), throughout Cape Cod (all 15 towns of Barnstable County). The Commission's authority supplements local authority. Towns refer projects to the Commission for DRI review as (1) mandatory referrals, which are required for any project exceeding specific thresholds, and (2) discretionary referrals, which towns use at their option to seek Commission consideration of specific project-related impacts. At the option of applicants, joint state/regional reviews are conducted for projects going through the Massachusetts Environmental Policy Act (MEPA) process.

² The Cape Cod Commission is charged with recommending the designation of "Districts of Critical Planning Concern" (DCPCs). When approved by the Barnstable County Assembly of Delegates and the County Commissioners, these districts allow a town or a group of towns to adopt special rules and regulations to protect natural, coastal, scientific, cultural, architectural, archaeological, historic, economic, or recreational resources or values of regional, statewide, or national significance. The rules then govern development in the designated DCPC area. New implementing regulations apply to all future development in the DCPC. To date (May 2008), Barnstable County has designated seven Districts of Critical Planning Concern that were nominated by their respective towns; two more were nominated but not yet designated at the time of this printing.

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Strategies by Community

Barnstable

Inclusionary Zoning Bylaw
Accessory Affordable Apartment Bylaw
Habitat for Humanity Project at Danvers Way
Rental Acquisition Program
Operation In From The Streets (OIFTS)
Homeownership and Rental Replacement Program*

Bourne

Affordable Housing Specialist

Chatham

Lake Street Project
MCI Development
Balfour Lane Development
Rental Voucher Program
First-time Homebuyers Assistance Program

Dennis

Affordable Housing Bylaw ("Local 40B")

Falmouth

704 Main Street Development
Habitat for Humanity Project at Sam Turner Road
CPA Development and Preservation Funds

Harwich

Sisson Road Project
Little Homesteads Project
Affordable Housing Special Revenue Fund
Renters Revolving Loan Program

Mashpee

Ashers Path Development
Scattered-site Habitat for Humanity Program

Orleans

Friends of Orleans Affordable Homes (FOAH)

Provincetown

Growth Management Bylaw
Change of Use Bylaw
Old Ann Page Way Project
Meadow Road Development
Rental Tax Abatement Bylaw
Real Estate Transfer Tax*
Wellfleet/Provincetown Housing Rehab Loan Program

Sandwich

Affordable Housing Conditional Density
Development Bylaw
Sandwich Home Ownership Program (SHOP)
Homesteads Project

Yarmouth

Motel Conversion Bylaw/Growth Incentive
Zone (GIZ)
Septic Rehab Program
Special Needs Housing on Brush Hill Road

Wellfleet

Affordable Accessory Dwelling Units Bylaw
Accessory Dwelling Unit Tax Abatement
Affordable Accessory Apartment Loan Program
Pilot Rental Assistance Program
Wellfleet/Provincetown Housing Rehab Loan Program

Capewide

Cape and Islands Project Prevention
Employer Sponsored Housing Program*

* Initiatives that have not yet been implemented

Introduction

Cape Cod housing prices have increased nearly 160% during the last decade, only recently softening, largely in response to a regional and national housing slump. The surge in housing costs has been exacerbated by unprecedented increases in energy costs, insurance premiums, and property taxes, creating additional barriers for more moderate-income newcomers who want to live on the Cape and straining the pocketbooks of many long-term residents.

While housing-related expenses have soared, median family incomes have increased only 58% over the last 10 years. The Cape's current average wage is about \$35,000, approximately 25% less than the state average. This combination of the high costs of living and lower wage jobs has resulted in substantial demographic shifts. Peter Francese, the director of demographic forecasts for the New England Economic Partnership, has conducted research on the Cape's demographic trends from 2000 through 2006 and has observed the following in his report entitled "Challenges and Opportunities in Cape Demographics":

- The growth in year-round residents has virtually ceased.
- More year-round Cape residents are moving away and most of this loss is from mid-Cape communities.
- There were 5,000 more deaths than births.
- Two thirds of the population growth occurred in the Upper Cape towns of Mashpee and Falmouth.
- The Cape is also losing working age adults from 35 to 44 years of age and their children plus early retirees.
- More than one quarter of the Cape's population is 65 years of age or older.

- About one third of all households include only a single person.
- Over 80% of the Cape's 155,000 housing units are single-family homes and 50,000 of the units are vacation homes.

Mr. Francese states, "The heavy reliance on property tax revenue from single-family units with so few occupants, many of whom are retired and with so few having any kids, means that annual increases in school spending are unsustainable." He further suggests, "Cape Cod's significantly older-than-average profile creates a far greater imperative to build workforce housing than for most other counties in the state. But other incentives to encourage young people to stay may also be needed."

Most Cape communities have recognized these population trends, and many have launched some impressive attempts to promote more affordable living conditions, particularly affordable housing. This report documents many of these new strategies as models for consideration and adaptation in other parts of Cape Cod or the state.

During the fall of 2006, the Cape Cod Commission underwent a review of its planning and regulatory policies and operations by an outside task force. This task force recommended that the Commission work with towns and appropriate agencies to develop a regional housing strategy, including a regional housing needs assessment. However, after another series of meetings with the region's affordable housing stakeholders as well as further research, the Commission determined that the best use of its resources would be to produce an affordable housing best practices toolkit. This toolkit would describe a wide range of affordable housing initiatives being implemented on Cape Cod and make this information widely available to Cape communities as a technical resource in their efforts to promote affordable housing.

This toolkit identifies various best practices that have or are being implemented on Cape Cod and divides them into several categories including:

- I. Zoning and Land Use Strategies
- II. Conversion/Improvement of Existing Housing
- III. Mixed Income or Mixed Use Development
- IV. Generation and Use of Local Resources
- V. Tax Incentives to Preserve Existing Housing
- VI. Partnerships/Alliances
- VII. New Initiatives/Possibilities

The toolkit describes each best practice “tool,” identifies factors that have allowed it to be successfully adopted and implemented, summarizes results as well as what might have been done differently, provides contact information for those who would like more information on the initiative, and offers other comparable examples of where the strategy has been implemented in the state when available. A summary of all the best practices is included in the Appendix.

In the process of researching this wide range of initiatives, the Cape Cod Commission and Project Advisory Committee also identified a number of broad lessons learned in promoting affordable housing on the Cape, which have been important ingredients in project development and implementation. **The best practices included in this report involve several, if not more, of the following components:**

- **an effective working partnership between the developer and the community in project planning and development**
- **Community Preservation funding to help determine project feasibility, leverage other necessary financing, and build local capacity**
- **town staff dedicated to the issue of affordable housing**
- **local leaders as effective advocates and brokers for necessary resources and approvals**
- **the Chapter 40B comprehensive permit process as an effective development tool**
- **involvement of experienced affordable housing developers, non-profit and for-profit, with local and regional credibility, specialized expertise, creative impulses, and perseverance**
- **publicly owned property donated for some amount of affordable housing development**
- **expertise of housing authorities to support new housing development, manage special programs, and provide direct services to qualifying residents**

- **opportunities to combine diverse housing types and mixed uses in target areas and in single projects**
- **town planners who understand affordable housing and how to provide sufficient incentives in local zoning and other regulatory provisions to attract and direct appropriate affordable housing development**
- **opportunities to go to some scale, including the expansion of existing programs to other communities**
- **identification and targeting of resources to the most affordable components of the existing housing stock for conversion to long-term affordability**

These items reflect recurrent themes that are evident throughout this report. Communities that plan to build these components into their affordable housing strategies will likely find that their efforts will result not only in new housing that is more in line with local housing needs and priorities but also in the more efficient delivery of these new units or services.

10 Zoning and Land Use Strategies

Housing production is contingent not only on actual development projects but on the planning and regulatory tools that enable localities to make well informed decisions to strategically invest limited public and private resources in housing creation. Zoning offers an opportunity not only to create necessary incentives to make affordable housing feasible but also to direct new development to the most appropriate locations. To effectively and efficiently execute the development strategies included in this toolkit, most communities will need greater flexibility in their zoning bylaws. The strategies included next highlight some effective models for consideration when regulating new development, promoting adaptive reuse, or enhancing the affordability of comprehensive permit projects.

A New Development Strategies

Cape communities have adopted a number of noteworthy zoning measures to better direct new development to appropriate locations and also integrate mandates and incentives for affordable housing. The following zoning “tools” have been selected as worthy of consideration and possible adaptation in other communities:

- » Provincetown – Growth Management Bylaw
- » Dennis – Affordable Housing Bylaw
- » Barnstable – Inclusionary Zoning Bylaw
- » Sandwich – Affordable Housing Conditional Density Development Bylaw

Community:	Provincetown
Tool:	Growth Management Bylaw
Contact:	Pam Parmakian, Community Housing Resource, Inc., 508-487-2426
Web Links:	www.provincetown-ma.gov for the zoning bylaw

■ *Description of Tool:*

Provincetown Town Meeting adopted Article 6, its Growth Management Bylaw, in 1986 to “maintain the rate of development in the town at a level that will allow the town to provide, in a planned and rational manner, adequate public services and facilities to meet the needs of its current and future population without overburdening the town’s natural resources or the capacities of existing and planned public facilities, particularly with respect to provision of potable water, wastewater disposal, and solid waste disposal.”³ If the agent from the Board of Health determines that any new development or improvement will increase the amount of “Title 5 Design Flow,” the property owner must obtain a Growth Management Allocation Permit sufficient to allow the increase, the amount permitted based on the category of use.⁴ The bylaw was intended both to address the impacts of development on the town’s sensitive resources and to encourage/prioritize the provision of affordable housing. “Gallongage” available for new development and redevelopment is limited, and the bylaw is structured to ensure that this limited gallongage is allocated based on an established priority of uses within the categories and how “leftover” gallongage is assigned.

In 1997 Town Meeting modified the bylaw to provide additional incentives to create affordable

housing. A key aspect of the modification was to allow the prior unused gallongage for market rate housing (91 bedrooms) to be allocated to affordable housing. This change provided an incentive for larger-scale affordable housing developments to be planned and implemented.

The bylaw provides that, following the application of all other necessary permits, a property owner should submit an application for a Growth Management Allocation Permit to the town’s Permit Coordinator, accompanied by the other applicable permit applications. These Growth Management Allocation Permits are then issued based on the allowed Growth Limitation Goal for the specific use category at the beginning of each calendar year including the following:

- » General Use Category 1 – Includes affordable housing units, medium-income community housing units, and middle-income community housing units.⁵
- » General Use Category 2 – The non-affordable housing components of a project identified by whether an application involves single-family, two-family, or multi-family properties and includes from 33% to 49.9% affordable units or from 50% to 99% affordable units.

³ Provincetown Zoning Bylaw, Section 6100.

⁴ Municipal uses, approved laundromats, the demolition or improvement of dilapidated properties on or before March 1, 2000, construction of single-family homes where title is recorded as of March 1, 2000, and single-family homes with a private well are exempt from this bylaw.

⁵ In Provincetown “affordable housing” includes two income ranges: low income is defined as household income at or below 65% of area median income; and moderate income as at or below 80% of area median income. The term “community housing” also includes two income ranges: medium income, at or below 100% of area median; and middle income, within 150% of area median income.

- » General Use Category 3 – The expansion or alteration of existing residential properties that result in increased Title 5 flow not to exceed the “Title 5 Design Flow” for one-bedroom per year per applicant not to exceed a total of 330 gallons per year. The use category also includes single-family or two-family homes on one lot and other market rate residential projects.
- » General Use Category 4 – Most other types of properties including but not limited to offices, lodging or tourist houses, health facilities, motels, hotels, inns, restaurants, and bars.
- » General Use Category 5 – Economic development pursuant to an Economic Development Permit.

Each use category and subcategories are assigned an annual Growth Limitation Goal and unassigned gallonage remaining at the end of each calendar year, or some portions of this unassigned gallonage, can be allotted for the next calendar year.

Affordable Housing and Community Housing Permits are authorized on a priority basis using criteria that includes housing quality standards, quality of design, degree of affordability, financial feasibility, etc., and must be approved by the Provincetown Community Housing Council. Developments where all units include affordable housing or community housing are considered a public service and exempt from the growth management requirements.

■ **Success Factors in Adoption and Implementation:**

Affordable housing advocates in 1997 realized that the amount of gallonage assigned to Categories 1 and 2 made it difficult to do projects of any scale and that there was an opportunity provided by the unused gallonage in market rate developments. A key to adoption was that the proposal to Town Meeting appeared to be a reasonable approach, i.e., proponents were not asking for affordable housing

to be exempt from the growth management bylaw but simply to be allowed to transfer the unused market rate gallonage in order to provide more opportunities for affordable housing creation.

■ **Results:**

To date, 58 affordable units have been created since the amended bylaw took effect. Because some of the projects involved redevelopment, not all of the units required a growth management permit allocation. The town discovered that this bylaw might have contributed to changes of use where property owners were converting commercial buildings to residential use. For example, businesses such as guest houses and inns and even restaurants were being regularly converted to what the market recognized as the highest and best use—market housing, typically condominiums. It should also be mentioned that several other factors, such as the waning viability of the lodging industry fueled by the appeal of condominium rentals over guest-house/inn stays and the subsequent impacts on restaurants and other services in town, have been major forces behind use conversions. In 2006 Town Meeting approved Section 4170 of the Zoning Bylaw in an attempt to address the change of use issue (see p. 23 for more information on 4170).

■ **Issues to Consider/Do Differently:**

The Planning Board has regularly reviewed the use categories and is looking at the use priority categories to see if there are changes that could provide more incentives for not just affordable housing units but also medium- and middle-income units as well. With concerns about providing and sustaining a year-round community just as prevalent as housing concerns, the bylaw is being examined to see how it could also better encourage year-round economic development activities. The Category 5 permit allocation is new so it will be interesting to monitor to see if it is effective.

Other Examples in Massachusetts



Many communities have adopted growth management bylaws that limit the number of building permits per year that can be issued for new development, compelling most large-scale projects to be conducted in discreet phases (i.e., Dighton, Grafton, Rowley). It should be noted that Chapter 40B comprehensive permits can override these local requirements.

Community: Dennis
Tool: Affordable Housing Bylaw
Contact: Dan Fortier, Town Planner, 508-394-8300
Web Links: www.town.dennis.ma.us/dept/planning/planning.htm
 for zoning bylaws

■ **Description of Tool:**

Dennis enacted Section 4.9 of its Zoning Bylaw in September 2001 to encourage the development of affordable housing and “further the goal of encouraging various lot sizes and housing types for persons of various age and income levels” by providing zoning incentives “for the creation of year-round housing for the purposes of

- a. helping people who, because of rising land prices, have been unable to obtain suitable housing at an affordable price, and
- b. maintaining a stable economy by preventing out-migration of residents who provide essential services.”

Sometimes referred to as Dennis’s Local 40B bylaw, Section 4.9 promotes affordable housing through new residential development, accessory apartments, motel or hotel conversions, and infill development on nonconforming lots.

Affordable Housing Development

Developers using this bylaw must obtain a special permit from the Planning Board and meet the following requirements:

- » All units created must be for year-round housing.
- » At least 25% of all housing units created must be affordable and meet the requirements under the Chapter 40B of the Massachusetts General Laws. The second unit created, and every fourth one created thereafter, must be deed restricted as permanently affordable.

- » At least 25% of the total number of bedrooms within any affordable housing development must be affordable.
- » An affordable housing development to be approved under the bylaw must have at least 2.5 acres of land.
- » The development must have at least 10,000 square feet of land for each bedroom unless the developer can demonstrate that the sewage disposal system servicing the development will result in nitrogen loading of less than five parts per million.
- » The development cannot have more than 16 units in any single building.
- » The tract of land must allow for at least 25-foot front, rear, and side buffers that are vegetated, unless the parcel is vegetated, and then the Planning Board has the discretion to reduce buffers to 10 feet.

Municipally Sponsored Development

Another section of this bylaw, Section 4.9.2.4.1, allows the Dennis Board of Selectmen to act as a sponsor for public or public/private joint-venture affordable housing developments that do the following:

- a. encourage practical residential development in the reuse of existing structures;
- b. promote in-fill residential development;
- c. are compatible with the adjacent neighborhood;

d. encourage development of economically priced housing and variety of types of housing; and

e. foster flexibility and creativity in the creation of affordable housing.

Once again, a special permit from the Planning Board is required once the Board of Selectmen are identified as the sponsor, and many of the requirements listed above and incorporated under Section 4.9 can be waived if no less than 50% of the units are affordable to those earning between 65% and 80% of area median income and the remainder of the units are affordable to those earning no more than 120% of area median income. All units must be created for year-round use and deed restricted in perpetuity.

Accessory Apartments

Dennis's Affordable Housing Bylaw also allows the development of accessory "affordable housing apartments" in residential and commercial zones under Section 4.93. These apartments, however, cannot be divided from the principal structure and are subject to deed restrictions. The apartments must have at least the following square footage:

- » Studios – 250 square feet
- » One-bedroom units – 700 square feet
- » Two-bedroom units – 900 square feet
- » Three-bedroom units – 1,200 square feet
- » Four-bedroom units – 1,400 square feet

Other requirements include:

- » The Planning Board has the discretion to reduce parking requirements where the number of affordable units exceeds 25% and the applicant demonstrates that the proposed parking is sufficient to meet the needs of the development.
- » Only basements with walkout capabilities can be converted into living space and garage-parking stalls can also be converted if an efficient and cost-effective method for integrating heat and other utilities can be demonstrated.

- » All units must be created for year-round use.
- » The second unit created, and every fourth one created thereafter, must be deed restricted as permanently affordable.
- » At least 25% of the units must be affordable and deed restricted.
- » Accessory apartments in residential structures are not allowed in structures built within the last five years and on lots of less than 20,000 square feet. Moreover, the footprint of the principal structure cannot be expanded to accommodate the accessory unit.
- » No accessory units are allowed within the industrial district.

Conversion of Hotels and Motels

The bylaw also allows affordable year-round housing units through the conversion of existing hotels and motels under Section 4.9.3.6 of the Zoning Bylaw based on a number of conditions including:

- » Units cannot be less than 250 square feet of living space.
- » The bylaw promotes a mix of unit sizes and no less than 25% of the units must have one-bedroom and be at least 700 square feet and size and not more than 25% of the units created can have a minimum floor area of less than 400 square feet. The Planning Board, the special permit granting authority under the bylaw, may also require up to 10% of the units have two-bedrooms with a minimum floor area of 900 square feet.
- » No existing building can be expanded to accommodate affordable units.
- » At least 25% of the units created must be deed restricted and affordable based on the requirements of Chapter 40B.

Affordable Lots

Section 4.9.5 of the bylaw is directed to the development of lots that are of record as of June 17, 2003, do not meet minimum lot size requirements and are not protected as nonconforming lots by law because they are in common ownership with adjoining lots. These lots may be built upon by special permit under the following conditions:

- » Each lot contains at least 10,000 square feet and satisfies other Board of Health requirements. Lots cannot be located within a Zone II Water Recharge Area.
- » Has safe and adequate access to a public or private way.
- » Is similar in size and shape to surrounding lots.
- » The dwelling cannot have more than three bedrooms with a minimum of 5,000 square feet per bedroom.
- » The applicable front, rear and side yard requirements are determined by establishing an average setback based on the homes adjacent to and across the street from the lot in question.
- » Where two lots are in common ownership, one of the two lots must be deed restricted to insure permanent affordability and, where more than two lots are held in common ownership, the second, third, and fifty percent of the remaining lots to be built upon shall be deed restricted as permanently affordable (the fourth lot may be market rate; fifth, affordable; sixth, market rate, etc.).
- » The bylaw does not prevent a lot owner from building a house on the lot and from transferring the lot to an income-eligible immediate family member by fit or inheritance, provided that the deed restriction is properly recorded prior to the issuance of a building permit and that the lot owner owned the lot as of October 18, 2005.

■ *Success Factors in Adoption and Implementation:*

The bylaw was adopted shortly after a contentious Chapter 40B comprehensive permit project was approved on Route 6A. Residents were concerned not only about this specific project, believing that the project was too large, but also about the lack of town control over 40B developments. The local bylaw was an attempt to provide for a town-controlled affordable housing program. Since its adoption, the town has not received a single Chapter 40B application. The involvement of the town planner was key to the passage of the bylaw.

■ *Results:*

Thus far, 86 housing units have been built under the affordable housing bylaw. Thirty-six of these units, or 41%, have been deed-restricted affordable to persons earning 80% or less of median income, and seven units have been built deed restricted to 120% of median income. Another 21 units are under construction, of which 10 are deed restricted to 80% of median income and two are deed restricted to 120% of median income. Additionally, 59 of the units at the 80% and 120% levels involve rentals.

Three projects have involved the conversion of seasonal motels or cottage communities to year-round housing, including some affordable housing. The first project was a traditional motel that was converted to 24 rental units, two one-bedroom units (the office was converted to residential use and the larger manager's unit was included), and 22 studios. The second project was a small cottage colony that required zoning relief to be developed. All 10 cottages were sold; however, the condo association has not allowed the units to be rented and, given market conditions, several of the units have been foreclosed on when young families secured more traditional homes and could not sell their cottages. The third project also involves a cottage community where the owner has rented the cottages to the Department of Mental Retardation for permanent housing for their clients.

Only one nonconforming lot has been developed thus far through Section 4.9.5. There has been some interest in this bylaw over the years, particularly from those interested in transferring a lot to a family member, typically their children, but only recently did the bylaw allow this. Moreover, some residents who have expressed some interest in the bylaw have instead chosen to expand their own residence, believing that they were making a more prudent investment in their property as the required deed restriction per the bylaw would not offer the same value.

■ *Issues to Consider/Do Differently:*

The original bylaw did not allow the transfer of the nonconforming lot to a family member, but the bylaw was amended and now makes this possible. However, recent changes to the state's Local

Initiative Program (LIP) guidelines do not allow units that are occupied by family members to count as part of the Subsidized Housing Inventory.

There is some discussion about allowing an existing motel or hotel buildings to be modified and expanded under the bylaw. For example, a second story could be added to an existing single-story motel as well as a number of other modifications to the bylaw to provide for new ideas that have arisen since its creation. Additionally, the Planning Board is working on a formula to allow developers to pay cash in lieu of an affordable unit where appropriate.

Other Examples in Massachusetts



Many examples of other bylaws are directed to specific components of this bylaw, for example, affordable accessory apartments and motel conversions. However, this bylaw is unique as it combines a number of affordable housing opportunities into one section and enhances the flexibility on the part of town government to sponsor affordable housing developments it deems responds to local goals and needs.

Community: Barnstable
Tool: Inclusionary Zoning Ordinance
Contact: Jo Anne Miller Buntich, Special Projects Coordinator, 508-862-4735
 joann.buntich@town.barnstable.ma.us

■ **Description of Tool:**

In June of 1999 Barnstable adopted an Inclusionary Zoning ordinance to assure “that an appropriate share of the remaining undeveloped land in the Town is used to meet the Town’s critical need for affordable housing, and to promote the inclusion of a fair share of the cost of construction of affordable housing in all residential and nonresidential land development activity in the Town.” Another component of the proposed bylaw attached a fee for projects with less than 10 units, computed as a fraction of the building permit fee. This part of the ordinance was challenged by the Homebuilders Association, which won in court.

Under the approved ordinance, in developments of 10 or more units, at least 10% of the residential units constructed must be dedicated by deed restriction to affordable housing. Single-family home developments are required to target the affordable units to those earning at or below 80% of area median income, condominium developments to those earning within 65% of area median income, and rental developments to those earning within 50% of area median. This inclusionary requirement also kicks in for changes of use, from commercial to residential use, or adaptive reuse projects. The existing ordinance does not include any density bonuses.

A developer may apply to the town to enter into a development agreement pursuant to the town’s Development Agreement Ordinance. In this case, the Barnstable Housing Committee would review any development agreement proposed, and advise the Town Council as to whether it provides benefits to the town that are at least as beneficial to the town as the affordable housing benefits provided for in

the ordinance. A Development Agreement could propose off-site affordable units, land conveyance, or cash payments. The Barnstable Housing Authority monitors the long-term affordability of the units.

■ **Success Factors in Adoption and Implementation:**

Persistence, as the path to the adoption of this ordinance was not easy. Also the town dedicates staff resources to housing, which allows coordination and oversight for this program.

■ **Results:**

To date, the Inclusionary Zoning ordinance has resulted in the permitting of five units of deed-restricted affordable rental housing units and \$1 million dollars given to the Affordable Housing Trust Fund in lieu of units. The ordinance was adopted after the single-family building boom on the Cape and has thus far only been used in the Growth Incentive Zone (GIZ) of downtown Hyannis where projects of 10 units or more have occurred.

■ **Issues to Consider/Do Differently:**

Determine early on if off-site units or payments in lieu of units will be allowed. If so, develop a comprehensive policy regarding this provision. The town has also approved funding to study the potential of extending inclusionary/incentive zoning to commercial properties, but this study has not been conducted to date.

Other Examples in Massachusetts



The National Housing Conference's NHC Affordable Housing Policy Review published a journal (Volume 2, Issue 1, January 2002) on "Inclusionary Zoning: Lessons Learned in Massachusetts" (www.mhp.net/uploads/resources/inclusionary_zoning__lessons_learned.pdf). This study describes the programs in Newton, Cambridge, and Boston. According to the Massachusetts Smart Growth Alliance, over 100 Massachusetts communities have adopted this provision.

Community: Sandwich
Tool: Affordable Housing Conditional Density Development Bylaw
Contact: Town Planner, 508-833-8001
Web Links: www.sandwichmass.org

■ **Description of Tool:**

In May 2003, Sandwich Town Meeting approved an Affordable Housing Conditional Density Development Bylaw⁶ that revised a previous zoning bylaw that went unutilized because it was unwieldy and complicated and did not offer adequate incentives. The new amendment simplified the town’s Zoning

Bylaw by providing requirements for increased density (units per acre) based on the percentage of affordable units and type of housing. Since 2003, the bylaw has been modified somewhat and a summary of current requirements are as follows:

	Number of Dwelling Units	Percent Affordable	Maximum Number of Units Allowed
Homeownership	4 units per acre	100% affordable units	40
	2 units per acre	50% affordable units	20
Rental: One-bedroom units or units deed restricted to age 55 and older	10 units per acre	100% affordable units	40
	6 units per acre	25% affordable units	20
Rental: Two-bedroom units	4 units per acre	50% affordable units	20

■ **Success Factors in Adoption and Implementation:**

This bylaw has been used for two projects, one only in the permitting stage, and demonstrates that the allowed density has provided some incentive for new development. Clearly the professional credibility of the former Town Planner who prepared the bylaw played a major role in its approval. Outreach to local developers to get input on the bylaw was also critical in making revisions that would likely provide sufficient incentives for applicants.

■ **Results:**

Two projects have used the bylaw thus far. The first project was The Homesteads, developed by Housing Assistance Corporation (HAC), that included 16 affordable new homes (see page 63 for details on this project). Nevertheless, The Homesteads project involved donated land and more than \$1 million in additional subsidies to insure financial feasibility. The second project, Seashell Village, was approved in 2007 and is securing its regulatory permits. This development includes 10 condominium units of which five will

⁶ Section 4450 of the Town of Sandwich Protection Zoning Bylaw.

be affordable, developed by the Heritage Group. However, given the declining housing market and increasing development costs (such as Building Code 7), it is unlikely that the project can proceed at the 50% affordability level without subsidies.

■ *Issues to Consider/Do Differently:*

From the original bylaw, the town determined that it was necessary to make some changes to provide more realistic incentives and more accurately reflect state LIP requirements. Changes included a decrease in the required number of units per acre for one-bedroom rental properties deed restricted to those age 55 or older from eight to six units

as well as a decrease in the percentage of affordable units required from 50% to 25%. Still another change involved increasing the maximum income for occupants of the affordable units from 70% to 80% of area median income to conform to the state's Local Initiative Program (LIP).

Once again, while this bylaw does allow higher densities for affordable housing, the densities for homeownership at least are insufficient to insure project feasibility without additional subsidies. It may be prudent changing the homeownership affordability level from 50% to 25% in line with what the community did for rental housing.

Other Examples in Massachusetts



M myriad flexible zoning provisions in local bylaws have density bonuses for affordable housing. This particular bylaw is unique as it establishes required affordability thresholds by type of project and level of density.

B. Conversion/Reuse Strategies

Opportunities to convert existing properties to more productive use, long-term affordability, and year-round housing are strategies that have particular resonance on Cape Cod given the predominance of high housing prices and abundant supply of seasonal units. The strategies that are summarized below involve the conversion of two types of properties that are particularly prevalent on the Cape—motels and single-family homes—both incorporating year-round apartments that include affordable housing. Another strategy is to insure that the conversion of primarily nonresidential properties to residential use incorporates affordable housing. These conversion strategies are all conducive to “smart growth” principles as they rely on existing buildings and infrastructure.

The examples provided below focus on several efforts on the Cape to promote accessory apartments and motels to affordable year-round housing and to insure that adaptive reuse projects include affordable housing:

- » Barnstable – Amnesty Accessory Apartment Bylaw
- » Wellfleet – Accessory Apartment Bylaw
- » Yarmouth – Motel Conversion Bylaw
- » Dennis – Motel Conversion Bylaw (see page 7 for details)
- » Provincetown – Change of Use Bylaw

Community: Barnstable
Tool: Accessory Affordable Apartment Program
Contact: Jo Anne Miller Buntich, Special Projects Coordinator, 508-862-4735
 joann.buntich@town.barnstable.ma.us
Web Links: www.town.barnstable.ma.us/growthmanagement/CommunityDevelopment/AssessoryHousing/default.asp

■ *Description of Tool:*

The Accessory Affordable Apartment Program (Section 9, Article II of the Code of the Town of Barnstable) is one component of the Town of Barnstable's overall Affordable Housing Plan. Since its inception in 2000, the main objective of the program has been to use existing housing to provide safe, clean, legal, and affordable housing while maintaining positive working relationships between the town and property owners. The program was amended in 2002 to allow for the creation of a new accessory affordable housing unit in an owner-occupied dwelling or within an existing detached structure on the property.

Participation is subject to the issuance of a Comprehensive Permit by the Zoning Board of Appeals Hearing Officer. The Accessory Affordable Housing Coordinator assists the property owner throughout the permitting process, beginning with their initial program inquiry through the final steps of the Comprehensive Permit application process by:

- » Helping the property owner to determine if they are eligible.
- » Helping to assemble application materials.
- » Coordinating various staff and committee comments on the application.
- » Assisting the property owner if seeking funding assistance for rehabilitation of an existing unit.

■ *Success Factors in Adoption and Implementation:*

The town is an entitlement community and offers CDBG funds to assist with any property improvements that are necessary to bring the units up to code. The town has also dedicated staff who have been key to program administration as well as enforcement. Moreover, the streamlined Chapter 40B process through use of a hearing officer has been another factor contributing to the success of this program.

■ *Results:*

Approximately 125 affordable housing units have been created by this Program.

■ *Issues to Consider/Do Differently:*

Consider lead paint abatement in older units and incorporate into overall strategy. Massachusetts Department of Environmental Protection (DEP) regulations seem to have changed regarding the addition of second kitchens in single-family homes. It now appears that additional septic capacity may be necessary. The expense involved with both these factors could limit the program.

Other Examples in Massachusetts



Many towns have accessory apartment bylaws, often modeled on Barnstable's program, including Yarmouth and Wellfleet. However, the more-restricted requirements under the state's Local Initiative Program (LIP) have stalled most local efforts to have the units count as part of the Subsidized Housing Inventory.

Barnstable monitors the affordability of the units and also provides small loans for code-required repairs, which some communities, such as Wellfleet are starting to do (see page 96 for a summary of Wellfleet's program).

Community: Wellfleet
Tool: Affordable Accessory Dwelling Units Bylaw
Contact: Rex Peterson, Assistant Town Administrator, 508-349-0349,
 rex@townofwellfleet.org
Web Links: www.wellfleetma.org
 (town's web site has a link to the zoning bylaw)

■ *Description of Tool:*

The Town of Wellfleet adopted the Affordable Accessory Dwelling Units (AADUs) Bylaw in 2002, which was modeled after a bylaw that was approved in Eastham. However, in an effort to incorporate as much flexibility and simplicity into the bylaw, the town determined that instead of requiring a deed restriction, which was adopted in Eastham, it would opt to have the affordable housing restriction be a condition of a special permit issued by the Zoning Board of Appeals (ZBA). The town's main objective was to create more affordable year-round rental units, and was less concerned about the resulting inability to count the units as part of the Subsidized Housing Inventory, which necessitates long-term deed restrictions. In addition to diversifying the existing housing stock through new rental opportunities, local leaders recognized that accessory apartments might be a practical solution for those seasonal homeowners who would prefer to have a year-round caretaker on site.⁷ There was also a strong interest in having the owners of illegal accessory units come forward to obtain the necessary regulatory approvals, insuring that all apartments meet health and safety codes.

The bylaw stipulates that the Affordable Accessory Dwelling Units (AADUs) comply with the following requirements:

- » Accessory units can be located within or attached to a principal dwelling, principal

structure, a garage, or constructed as a detached unit in residential or commercial buildings.

- » AADUs cannot be larger than 1,200 square feet of livable area.
- » Units within or attached to a pre-existing nonconforming building may not increase an existing nonconformity.
- » Newly constructed units must comply with the provisions of the Zoning Bylaw unless they are specifically waived by the AADU bylaw and comply with setback requirements.
- » Property owners may occupy the principal or accessory dwelling unit.
- » Septic systems must meet Title V requirements.
- » All units must comply with all health and safety codes.
- » Units must not be separated by ownership from the initial dwelling unit or principal structure. Any lot with an AADU will be subject to a recorded restriction that will not allow an owner to convey an interest in an AADU except for leasehold estates.

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

- » Property owner applies for a special permit.

⁷ Approximately 60% of Wellfleet's housing stock involves seasonal or occasional use.

- » Building Inspector and Board of Health visit and inspect the unit to determine if there are any health and safety violations that must be corrected prior to the owner obtaining the special permit. Those whose incomes are below 100% of area median are eligible for participation in Wellfleet's Affordable Accessory Dwelling Unit Loan Program that provides no-interest loans to support necessary improvements (see description of this program on page 92).
- » The ZBA reviews the application and the reports submitted by the Building Inspector and Board of Health, holds a public hearing, and grants the special permit.
- » The Building Inspector issues a Certificate of Occupancy prior to the unit being occupied.
- » Prospective tenants must submit income information to the Assistant Town Administrator that documents that they qualify for the units. Once qualified, property owners will be officially notified of the monthly rent they are able to charge based on HUD Fair Market Rents. A list of qualified tenants is available to property owners, or owners may be able to select their own.
- » The Town Assessor issues a tax abatement to the property owner based on a specified formula, without the need for the owner to submit to a separate application process.
- » The property owner annually submits forms that document the continued eligibility of the tenant and use of HUD Fair Market Rents.

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

The bylaw is supported by two forms of financial assistance: a tax exemption and rehab assistance. The town approved an article before Town Meeting to offer a tax exemption on the portion of the

property that includes the affordable accessory unit. This approved warrant article was given to Wellfleet's state representative who formatted it into special legislation that passed the state legislature. A subsequent bill is currently being processed by the legislature that would extend the local exemption to all property owners who have year-round rental units.

The town has referred property owners to rehab loan programs including the Cape Cod Commission's Affordable Housing Program and the Lower Cape Cod Community Development Corporation's Housing Rehabilitation Loan Program that was defunded last year by the state. In an effort to bolster housing rehab assistance, Wellfleet is implementing its own program, the Affordable Accessory Dwelling Unit Loan Program (see description of this program on page 92).

The town has undertaken several outreach efforts to notify residents of the bylaw and supportive programs. Initially it received a Technical Assistance Program (TAP) grant from the Cape Cod Commission to prepare and distribute a brochure describing the AADU Program. In addition to the brochure, the Assistant Town Administrator did significant outreach in the community, speaking at various meetings and events and sending a letter to all Wellfleet businesses to inform them that accessory units were allowed in commercial properties. Several years later, the brochure has been updated and recirculated.

■ ***Success Factors in Adoption and Implementation:***

Promoting accessory apartments as a means of providing needed year-round affordable rentals was identified as a sound strategy by the Affordable Housing Committee and town staff that the Wellfleet community could largely embrace. Because the bylaw does not require a deed restriction, property owners are not required to maintain their affordable accessory apartment over any specific period of time, but can opt out of the program at will.

Additionally, they have total control over to whom they rent their unit as long as the tenant meets the income requirements and the rents are within HUD Fair Market Rents. By not requiring deed restrictions, the focus was clearly on resolving a local need and insuring affordability instead of increasing the number of units included in the town's Subsidized Housing Inventory. It also insured that there would likely be less dissension over approval of the bylaw.

To effectively initiate the effort, the Town of Wellfleet sought the expertise of a regional non-profit housing organization, the Lower Cape Cod Community Development Corporation (CDC). The CDC helped the town establish the procedures for annually recertifying accessory units and trained the Assistant Town Administrator to do the work necessary to insure that the units remain rented to qualifying households (income at or below 100% of area median) within specified rent levels (HUD Fair Market Rents for the area). This monitoring has been manageable as it does not occur all at one time but is spread throughout the year based on the special-permit approval date for each unit.

The town has not incurred any costs related to the passage and ongoing administration of the AADU bylaw. Although the Assistant Town Administrator is responsible for the annual compliance monitoring of the accessory units, this work has been very manageable and has not consumed significant amounts of time. Outreach has been covered by the Cape Cod Commission TAP grant, and now Community Preservation funding has been allocated to provide financial assistance to eligible property owners in making necessary modifications to their properties.

■ **Results:**

It took some time before the town received its first several applications under the bylaw, as it appeared that property owners were initially hesitant to come forward to the ZBA for approval, particularly if they already had an illegal accessory unit. Initial applications provided useful examples of how relatively straightforward the review and approval process was and, with time, interest has increased. Fifteen permits have been issued to date and additional applications are currently being processed.

Although town leaders believed that this program would be particularly attractive to seasonal property owners looking for year-round caretakers, to date almost all applicants for the special permits have been year-round residents who have had particular tenants already in mind when they applied for the special permit.

■ **Issues to Consider/Do Differently:**

The town might reconsider at some point how it establishes its maximum rents. The HUD Fair Market Rents (FMRs) tend to lag behind actual market rents annually and HUD utility allowances have not kept pace with increasing energy costs. The town did undertake an analysis of how HUD FMRs have increased over time for various unit sizes, and found that annual increases have been fairly reasonable, and has, at least for now, decided to stay with the FMR limits.

Other Examples in Massachusetts



A number of communities have adopted provisions within their zoning bylaws to promote affordable accessory apartments. Only recently, for example, the Town of Truro passed a bylaw that was modeled after Wellfleet's.

Of particular note is Barnstable, which implemented a program a few years ago that has resulted in well more than 100 affordable accessory apartments added to the Subsidized Housing Inventory (see the Barnstable Amnesty Accessory Apartment Bylaw description on page 15).

The towns of Scituate, Yarmouth, and Brewster all have bylaws worth reviewing when considering adopting an accessory apartment bylaw, and all include affordability provisions. Yarmouth has a procedures manual for an Affordable Accessory Apartment Program as well. Brewster recently revised its bylaw that now allows accessory units as-of-right and in mixed-use and multi-family properties. The revised bylaw also leaves the decision to follow the affordability requirements up to the individual property owners. Scituate added affordable accessory apartment provisions to its bylaw several years ago. As of June 30, 2007, it had approved 63 accessory apartments and of these two were deed-restricted as affordable to those earning within 80% of area median income, the only ones that can now meet state guidelines for counting as part of the Subsidized Housing Inventory.

As noted above, while communities have created bylaws and programs that enable them to count accessory units as affordable through the Local Initiative Program, recent changes to LIP Guidelines established new requirements for the occupancy of these units. LIP now not only requires that all affordable accessory units be affirmatively marketed based on an affirmative fair marketing plan, but also the town needs to establish and maintain a waiting list of qualified households applying to rent affordable units, a Ready Renters List. Consequently, most of the communities with affordable accessory apartment programs have not put the necessary procedures in place to insure that the units will count as part of the Subsidized Housing Inventory.

Community: Yarmouth
Tool: Motel Conversion Bylaw/Growth Incentive Zone (GIZ)
Contact: Karen Greene, Yarmouth Office of Community Development,
 508-398-2231 ext. 275
Web Links: www.yarmouth.ma.us

■ **Description of Tool:**

The Town of Yarmouth approved a zoning amendment in April 2006 to permit the following for motel properties in the Hotel-Motel Overlay District (HMOD):

- » redevelopment as a motel property
- » redevelopment as mixed use (i.e., commercial and residential); and
- » redevelopment as multi-family housing

This bylaw was created to revitalize the town’s primary commercial corridor by providing the incentives necessary to redevelop outdated and non-competitive hotel/motel stock. Section 404 of Yarmouth’s zoning bylaw (the “motel bylaw”) was developed to counter the effects of a ban on motels that was put into place during the mid 1980s.

Where motel properties are redeveloped with a housing component, a number of provisions are made including:

- » Raze and replace – minimum unit size of 600 square feet for “top of the shop” and multi-family housing
- » Motel Conversion - minimum size requirements as follows:
 - minimum unit size is 250 square feet
 - 250 square feet to 400 square feet – up to 25% of the units may be in this range
 - 400 square feet to 600 square feet – up to 25% of the units may be in this range
 - 600 square feet – at least 25% of the units must be this minimum size

- 750 square feet – at least 25% of the units must be this minimum size

- » Densities are allowed up to 16 units per acre as long as affordable housing is provided at the following rates:

Affordability Requirements	
Units per Acre	Affordable Units per Acre
1–4	0
5–7	1
8–11	2
12–15	3
16	4

- » Affordable units must be generally comparable to market rate ones and dispersed throughout the development with affordability restrictions and other requirements of the state’s Local Initiative Program (LIP). Owners who are converting their building and who choose to limit the use of their property to no more than 305 days each year are exempt from the affordable housing requirements (note that this affordable housing exemption does not apply to raze and replace).
- » Maximum of 45 feet or three stories in height and 35 feet within 50 feet of adjoining residential zoning districts or on a parcel having less than 100,000 square feet of contiguous upland area.

To further incentivize the redevelopment of Route 28 properties, the Town of Yarmouth worked with the Cape Cod Commission to gain approval of a Growth Incentive Zone (GIZ) along Route 28, specifically applicable for motel properties affected by the motel bylaw. The Growth Incentive Zone facilitates the development of these properties by eliminating Cape Cod Commission review for properties that meet the Commission's requirements as spelled out in the Growth Incentive Zone. The town is required to monitor redevelopment continually and to report on a regular basis to the Commission.

■ *Success Factors in Adoption and Implementation:*

This bylaw was approved in April 2006 when the housing market was at its peak and the issue of housing affordability and how it relates to the town's workforce was particularly compelling. Because there is such a substantial concentration of motels in Yarmouth, most of which needed some upgrading, there was a clear opportunity to find solutions to convert some of the excess supply of outdated motel space into year-round housing, including affordable housing, that would also help revitalize Yarmouth's main thoroughfare, Route 28. The timely convergence of these two local issues helped win approval of the bylaw.

■ *Results:*

Yarmouth has approved one multi-family project to date through this bylaw involving the conversion of a 50-plus unit motel into 30 year-round housing units, five of which will be affordable. The project proposes to demolish the original structure and replace it with a new building. This project was approved prior to the adoption of the Growth Incentive Zone.

Subsequent to the adoption of the Growth Incentive Zone, the town has seen a number of motel properties transfer ownership, including a large property in West Yarmouth slated for redevelopment as a 136-room Hampton Inn hotel.

■ *Issues to Consider/Do Differently:*

The bylaw included minimum unit sizes that were smaller than those under the state's Local Initiative Program. Consequently, local officials have had to clarify the reasons for its provisions and advocate for DHCD's acceptance.

Other Examples in Massachusetts



Other communities on the Cape have motel conversion bylaws, including Dennis (see page 7 for details).

Community:	Provincetown
Tool:	Change of Use Bylaw/Non-Residential to Residential Use Conversions
Contact:	Pam Parmakian, Community Housing Resource, Inc., 508-487-2426
Web Links:	www.provincetown-ma.gov for the zoning bylaw

■ *Description of Tool:*

Section 4170 of its Zoning Bylaw establishes special permit requirements for converting the use of properties from commercial to residential and includes provisions for the integration of affordable housing.

The local Housing Partnership initially put forward the bylaw in an effort to try to slow down hotel/motel conversions to residential condominiums and address the impacts on the community. Initially approved in the fall of 2006 by Town Meeting, the bylaw did not address mixed-use projects that convert to primarily residential use, and when the first project subject to the bylaw was able to “get around” the affordable housing requirement, the Board of Selectmen directed the Planning Board to clarify and tighten up the language for the 2007 annual Town Meeting. The Planning Board did this and also reduced the mandatory affordable housing set-aside from 33% to 20%. The Planning Board members who supported the reduction in the housing requirement wanted the bylaw to function more as a mechanism to increase the town’s affordable housing stock rather than as a means to slow down conversions and thought the 33% affordability requirement was too punitive and as such would result in no affordable housing being built.

The bylaw requires that any conversion of a non-residential property to residential use involving five or more units have at least 20% of the units created be affordable in compliance with state Local Initiative Program (LIP) requirements and that occupancy permits would not be issued for any affordable unit until the deed restriction

had been executed and recorded. This provision also applies to changes of use from a boarding, lodging, or tourist home use to residential and changes involving mixed-use development when a predominantly non-residential development becomes predominantly residential. Such developments would require a special permit from the Zoning Board of Appeals.

■ *Success Factors in Adoption and Implementation:*

While the initial bylaw was quickly put together by the local Housing Partnership and did not receive broad-based input, including input from the Planning Board, substantial local concerns about the housing crisis, economic slump, and continuing loss of year-round businesses and people were sufficiently compelling to secure approval from Town Meeting. It is likely that several high-profile conversions that were happening during this time period helped galvanize community support. Initial efforts to implement the bylaw identified weaknesses in the bylaw that were addressed through Planning Board amendments to the bylaw and subsequently approved by Town Meeting.

■ *Results:*

To date four affordable units and eight median income units have been created through this bylaw.

■ **Issues to Consider/Do Differently:**

It is important to get broad-based support for zoning changes and maintain good communication between town boards and committees on affordable housing issues, particularly new regulation. In

the case of this bylaw, better communication and coordination between the Housing Partnership and Planning Board would have resulted in a better initial bylaw to take to Town Meeting in 2006.

Other Examples in Massachusetts



This bylaw would be relevant only to a community like Provincetown with serious septic capacity problems, a building boom such that residential development was the highest and best use given such high market values, and the resultant dwindling supply of affordable housing and other important uses. Although other communities have managed growth sections in their bylaws that cap building permits that can be issued annually, for example, this is the only bylaw that specifically ties changes of use to septic flow.

C. Friendly Chapter 40B Strategies

The Chapter 40B comprehensive permit process has been used to create affordable housing in 14 of the 15 communities on the Cape.⁸ Projects permitted via Chapter 40B account for 39% of the region's 5,100 affordable units, and, since 2001, 87% of the new affordable units created on the Cape have been done using Chapter 40B. Although Chapter 40B projects at times have been contentious, Chapter 40B is often a very effective tool to support town-sponsored or town-supported affordable housing developments.

The examples highlighted in this section show the versatility of Chapter 40B: from larger rental projects with a high level of affordability that use a complicated financing source, to smaller ownership projects on scattered parcels throughout town.

Chapter 40B only requires that at least 25% of the units be affordable to those earning at or below 80% of area median income; however, additional subsidies can be integrated into the project to enhance affordability, creating more affordable units and/or reaching lower income occupants. A number of projects in fact combined the comprehensive permit with Low Income Housing Tax Credits to provide affordable rental housing to most if not all units within a development.

The following two developments, both sponsored by local housing authorities—one developed by a non-profit organization and the other by a for-profit developer—provide noteworthy examples of how the comprehensive permit can be an effective local tool for promoting affordable housing in tandem in these cases with other financing, including Low Income Housing Tax Credits:

- » Chatham – Lake Street Development
- » Mashpee – Ashers Path

Mashpee's donation of town-owned parcels to Habitat for Humanity of Cape Cod provide a very different type and scale of the use of Chapter 40B.

⁸ 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.

Other projects on Cape Cod have also used the Chapter 40B comprehensive permit process effectively and are summarized in this report, including:

- » Provincetown – Meadow Road (see page 54 under Section III for a project summary)
- » Barnstable – Aunt Sarah’s Harbor View House (see page 46 in Section II for a project summary)
- » Harwich – Sisson Road Project (see page 42 in Section II for a project summary)

Another tax credit project, Old Ann Page Way in Provincetown, is summarized on page 39 in Section II.

Community: Chatham
Tool: Chapter 40B/Low Income Housing Tax Credits,
 Lake Street Development
Contact: Valerie Foster, Chatham Housing Authority, 508-945-0478
Web Links: www.mhp.net

■ *Description of Tool:*

Chatham has provided CPA funds (\$17,000 in pre-development funding and \$300,000 in gap financing) to help leverage state funding to increase the affordability of a “friendly” Chapter 40B project on an approximately seven-acre parcel on Lake Street. The parcel included about 5.4 acres owned by the Chatham Housing Authority, next to an existing affordable homeownership development (Chatham Homeownership Opportunities), and a one-plus acre lot owned and donated by the town to the project. The development includes 47 rental units developed by The Community Builders (TCB), and another three new homes built by Habitat for Humanity of Cape Cod. All of the units are affordable and are included in the Subsidized Housing Inventory. The TCB rental development included three units for those earning at or below 80% of area median income, and the remaining units were targeted to several income tiers below, including those earning at 30%, 50%, and 60% of area median income. The units have been occupied for about a year.

■ *Success Factors in Adoption and Implementation:*

A key contributing factor to the successful approval of this project was the partnership between the Housing Authority and town to proceed with the development through the “friendly” 40B process and CPA funding support. This strong partnership continues to be the foundation under which a number of Chatham affordable housing initiatives are based (see pages 59, 60, 69, and 71 for information



on these activities). Moreover, the selected developer, The Community Builders, had an abundance of experience in developing rental housing in many communities in Massachusetts and was joined by Habitat for Humanity of Cape Cod which enjoys large support as a developer of affordable homeownership housing throughout the Cape.

Another contributing element to the project’s success was that not only were the developers able to insure all of the units in this comprehensive permit project were affordable, but were able to accommodate those lower income households in the development as well who were earning within 60% of area median income, with five (5) units for those earning at or below 30% of area median income. CPA funds were an important factor in leveraging other necessary financing to maximize affordability including: Low Income Housing Tax Credits, Affordable Housing Trust Fund (\$1 million), state HOME funds (\$550,000), and Barnstable County HOME funds (\$150,000).

The development was also able to effectively accommodate both rental and homeownership. The Housing Authority worked closely with the Chatham Housing Partnership on the development and received important technical assistance from the Massachusetts Housing Partnership.

■ **Results:**

A typical comprehensive permit project would have resulted in 25% of the units actually being affordable to tenants earning at or below 80% of area median income, or about 13 units. Instead this project insured the affordability of all 50 units (47 rental units and 3 new homeownership opportunities), and covered a wide range of incomes, including those earning at extremely low-income levels at or below 30% of area median income. The development is comprised primarily of triplexes and duplexes that are clustered on the property with some preservation of open space.

■ **Issues to Consider/Do Differently:**

Initially the Town and CHA were looking for more units for households in the 60% to 80% of area median income range, however, the developer presented the mix it did because it stood the best chance of being competitive in DHCD’s tax credit funding round. It is useful for local organizations to have a solid understanding of funding requirements in the early stages of planning projects.

It is also important for local leaders to obtain more information on the ramifications of fair housing laws as they relate to the marketing and selection of occupants for any affordable housing project as early in the development process as possible. In this case, some local leaders did not fully grasp the importance of these requirements as well as confidentiality issues and therefore assumed that they would have greater influence and more information than they were allowed.

It also might have been helpful to bulk-up the landscaping a bit more including larger plantings and more vegetation on sloping sections of the site for aesthetic purposes and to better prevent erosion.

Other Examples in Massachusetts



Other efforts have been made to increase the number of affordable units in “friendly” Chapter 40B projects processed through the state’s Local Initiative Program (LIP), including Ashers Path in Mashpee (described next).

Community: Mashpee
Tool: Chapter 40B/Low Income Housing Tax Credits, Ashers Path
Contact: Betsy Collins, Peabody Properties, 781-794-1000, and
 Leila Botsford, Executive Director of the Mashpee Housing
 Authority, 508-477-6202

■ *Description of Tool:*

The Town of Mashpee donated a 6.2-acre, town-owned parcel to the Mashpee Housing Authority for the purpose of creating affordable housing. The Mashpee Housing Authority in turn prepared a Request for Proposals that involved updating a previous draft that had the benefit of technical assistance from the Massachusetts Housing Partnership. The Mashpee Housing Authority selected E. A. Fish Associates as the developer. The developer agreed to enter into a long-term land lease of 99 years with the Housing Authority and build 56 rental units for lower-income seniors aged 55 and over earning up to 50% of area median income, with a set-aside of six units for those earning within 30% of area median. The development required a number of regulatory waivers and was therefore processed through a “friendly” Chapter 40B comprehensive permit.

Financing came from a MassHousing First Mortgage Permanent Taxable Bond Loan and a loan from the Priority Development Fund in addition to Low Income Housing Tax Credits. The tax credits were syndicated by MHIC, which also provided the construction financing. MassHousing financed the permanent loan.

■ *Success Factors in Adoption and Implementation:*

This project provides another example of a successful partnership between town government and the local housing authority to mutually support new affordable housing development through the comprehensive permit process, recognizing it as a viable affordable



housing production tool. Once again, an experienced developer provided the necessary “know how” to actually produce the units, including obtaining the necessary subsidies to make all units affordable.

A total of 56 rental units for low-income seniors was developed within approximately a year and a half, from the time the developers were selected in late spring of 2006, to funding approvals by DHCD from the fall of 2006 funding round, to full occupancy in October 2007. The management arm of the developer, Peabody Properties, is currently managing the properties; however, the Mashpee Housing Authority will assume this function following a two-year training course on managing Low Income Housing Tax Credit projects.

Another factor that contributed to the project’s success was the cooperative working relationship between all parties. Although town officials were supportive of the project, they also provided very professional and sophisticated oversight during the regulatory process that limited delays and insured the excellent outcome.

■ **Results:**

In addition to 56 new one-bedroom rental units, the project was able to incorporate some open space with natural vegetation and a community room to serve the new residents as well. The project included a wastewater treatment facility as well.

■ **Issues to Consider/Do Differently:**

The developer is extremely pleased by the results and could not think of anything that might have been done differently.

Other Examples in Massachusetts



Many communities in the state have used the comprehensive permit process as the vehicle to produce affordable housing on publicly owned properties. For example, the Town of Holliston approved the redevelopment of a town-owned school into affordable condos through a comprehensive permit as well as the development of a parcel owned by the Housing Authority into family rental units. Both of these projects involved securing additional subsidies to make most if not all of the units affordable. See the Lake Street Development (previous section) as another example of model Chapter 40B developments.

Community:	Mashpee
Tool:	Chapter 40B – Habitat for Humanity/Donation of Scattered Town-owned Parcels
Contact:	Vicki Goldsmith, 508-775-3559
Web Links:	www.habitatcapecod.org

■ *Description of Tool:*

Habitat for Humanity is an ecumenical, non-profit Christian ministry dedicated to building simple, decent homes in partnership with families in need. The ministry seeks to eliminate homelessness and substandard housing by making decent affordable shelter a matter of conscience and action of all people. The organization has grown over the past two decades into one of the largest private homebuilders in the world with more than 2,100 U.S. affiliates as well as others in 100 countries around the world. One of the affiliates, Habitat for Humanity of Cape Cod, operates throughout the Cape.

Each Habitat for Humanity home is built in partnership between the community and the selected family that does not have adequate shelter and will purchase and occupy the home, relying on the following resources:

- » volunteer labor
- » donations of construction materials and professional services
- » land donations
- » cash donations to pay for materials and services that are not donated
- » sweat equity of the family of at least 250 hours

Each house costs approximately \$105,000⁹ to build, with an additional \$80,000 needed in cash to cover professional construction services and materials.

Vendors and the construction industry typically donate about \$25,000 in-kind value per house, and local churches, individuals, businesses, clubs, and civic organizations raise the remaining important cash contributions to insure that all of the necessary financing is in place before a purchaser is selected and construction begins. Key to the Habitat for Humanity model is a Habitat-financed no-interest, long-term mortgage that offers the purchasers “a hand up, not a hand out,” as Habitat’s founders, Millard and Linda Fuller, point out.

Habitat for Humanity has focused its efforts on building new homes for qualifying first-time homebuyers through donated land, materials, labor, and funding as well as other special financing strategies as follows:

- » House lots are identified and donated either by the private or public sector. If the property is owned by the municipality, it will have to secure Town Meeting or City Council approval for the conveyance for affordable housing and issue a Request for Proposals, to which the local Habitat affiliate responds. Because of the nature of the Habitat program and based on the criteria included in the RFP, local affiliates typically submit very competitive proposals and are likely to be selected to develop the parcels for affordable housing.
- » The local affiliate raises the necessary funding for the construction of the home(s). If the project involves more than one house

⁹This is the Cape Cod estimate in Fall 2007.

and/or involves costly infrastructure or other substantial cost items, the local affiliate may need to reach out for governmental support, including CPA funds if available in the community or HOME funding.

- » Local affiliates select a qualified purchaser for each new home. The affiliate provides the purchaser with a long-term mortgage of at least 20 years (20- to 27-year mortgage/length based on recommendation from the Cape Cod affiliate's Credit Committee for each purchaser)¹⁰ with no interest, reducing monthly payments considerably. Construction involves substantial sweat equity from the selected purchaser (usually 250 hours for a single adult household and 500 hours for households with two adults; 80% of these hours involve on-site construction and the remaining time in workshops and other associated meetings) and volunteer labor from the community.
- » Various national and local companies donate materials to bring down construction costs (for example, Whirlpool donates appliances).
- » The purchaser closes on the house upon completion and occupies the new home. The closing includes the execution of a deed rider that maintains the long-term affordability of the new home.¹¹
- » Purchasers pay back the monthly mortgage directly to the local affiliate.

The Habitat for Humanity program in Mashpee has focused on the incremental building of separate homes on scattered sites in various neighborhoods over a number of years. As the town identified individual parcels for the development of one to three houses, it has prepared and issued a Request for Proposals to which Habitat responded and was

selected as developer. The homes were developed through the state's Local Initiative Program (LIP), sometimes through a comprehensive permit when regulatory relief was required or as Local Action Units.

■ *Success Factors in Adoption and Implementation:*

Habitat for Humanity homes offer not only a strategy for building affordable housing but also a way for building community, engaging local churches, organizations, businesses, and individual volunteers in a grassroots effort of fund raising and actual hands-on home building. This type of development is perhaps the easiest to "sell" politically. It also tends to be an excellent way to do infill new development in existing neighborhoods where infrastructure is more likely to exist and therefore in line with smart growth principles. Based on the sweat equity and financing that is provided, Habitat can reach a lower income purchaser, generally within 45% and 65% of area median income, creating excellent opportunities for starter housing and making homeownership possible for stable, lower-income wage earners.¹² Also, often volunteers will learn about and come to personally "know the face of" the affordable housing crisis through volunteering on a Habitat site with their church or other group. Habitat hopes that many of these volunteers will thereby become new advocates for affordable housing in their communities.

Habitat developed a very positive working relationship with the Town of Mashpee (including a proactive Town Planner, supportive Board of Selectmen, and active Affordable Housing Committee), which sees the organization as a viable developer of affordable new homes and seeks to identify parcels for small developments of one to three houses at a

¹⁰ Some affiliates in very high-priced areas go as high as a 30-year mortgage term.

¹¹ Habitat for Humanity of Cape Cod, as well as other Massachusetts-based affiliates, requires deed restrictions in perpetuity. Nationwide, affiliates use various mechanisms to prevent speculative buys and sells and/or to preserve affordability, including deed restrictions and/or land trusts and/or a second mortgage that declines over 20 years.

¹² Housing for Humanity International encourages affiliates to serve the neediest local population possible, and affiliates in lower-priced areas can get below the 45% to 65% of area median income range necessary in higher-priced areas such as Massachusetts.

time. Also, the combination of the town's relatively straightforward regulatory process and the *pro bono* talent available to the organization has made it possible to do very small Chapter 40B comprehensive permit projects, even for a single house where lots have lost their grandfathering and do not meet all existing zoning requirements. In general, these lots have been about the same size and configuration as those in the surrounding neighborhood, but regulatory relief was required for small deviations from frontage and/or lot size requirements.

■ **Results:**

Ten new homes were built for lower-income families over a 12-year period, including seven in the last six years.

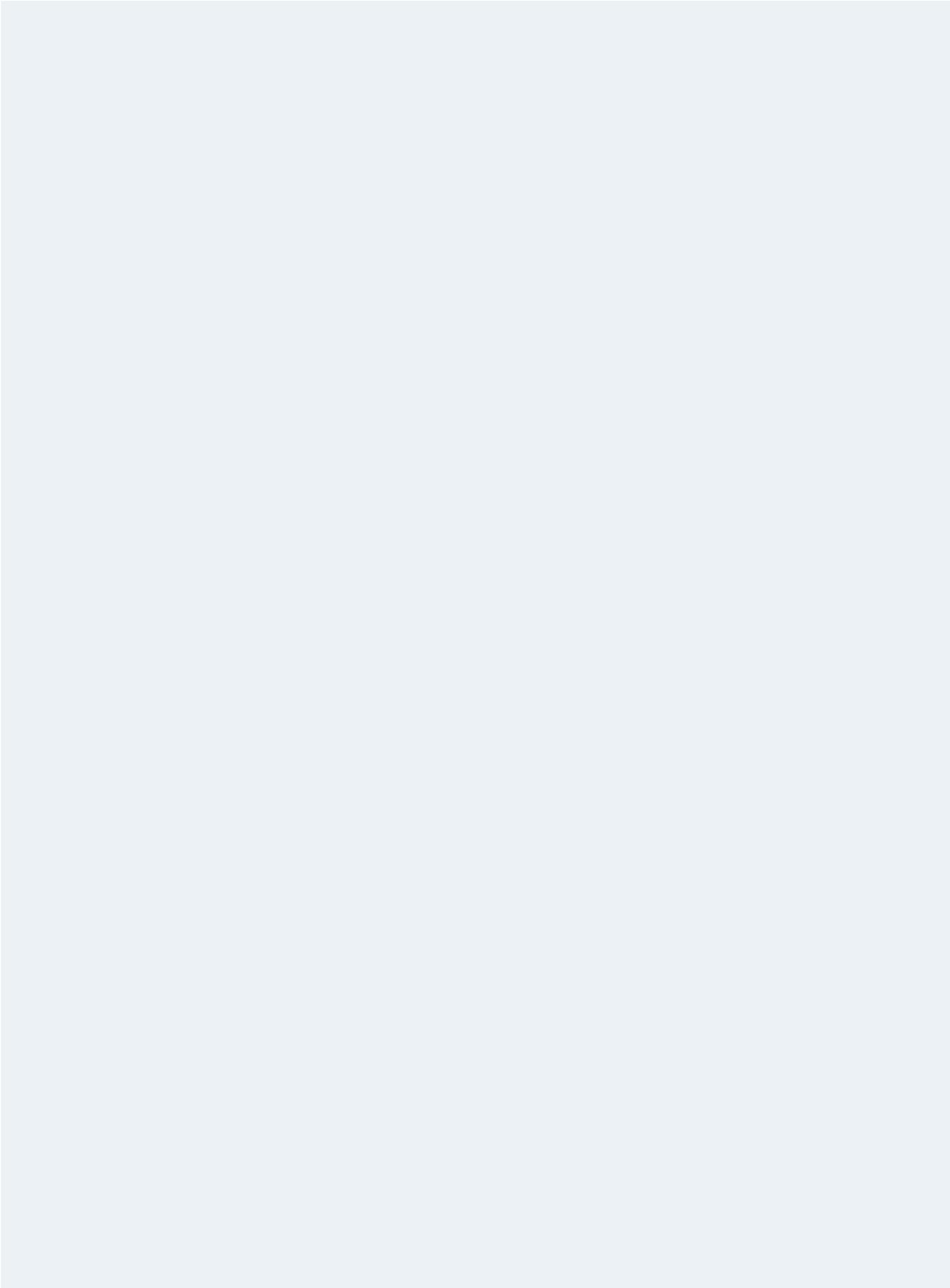
■ **Issues to Consider/Do Differently:**

Increasingly the town has been transferring several lots at a time, enabling Habitat to better plan for homebuyer selection and construction. This should continue to the greatest extent possible.

Other Examples in Massachusetts



Approximately 20 local Habitat affiliates are now operating in Massachusetts alone and each is active in building new homes and raising the necessary funds. For a list of Habitat affiliates in Massachusetts, see the web site www.habitatboston.org/links.html. See pages 65 and 67 for descriptions of other Habitat for Humanity developments on Cape Cod.





Conversion/Improvement of Existing Housing

A number of communities on the Cape have identified opportunities to purchase existing residential or nonresidential properties, make necessary improvements and sell or lease the units to qualifying households. All of the efforts that are included below have been sponsored by non-profit housing organizations or agencies and include:

- » Sandwich – Home Ownership Program (SHOP)
- » Provincetown – Old Ann Page Way Project
- » Harwich – Sisson Road Project
- » Harwich – Little Homesteads Project/Motel Conversion
- » Barnstable – Rental Assistance Program (RAP)

Additionally, some Cape residents, including seniors living on fixed incomes, are finding it increasingly difficult to afford the costs associated with rising taxes, utility bills, and insurance premiums, and necessary property improvements are often deferred, including important septic repairs. Programs that provide technical and financial support to these property owners are available in a number of Cape communities. This report highlights several of these initiatives, including:

- » Yarmouth – Septic Repair Program
- » Provincetown and Wellfleet – Housing Rehab Loan Program
(see the project summary on page 96 in Section VII)
- » Wellfleet – Affordable Accessory Apartment Loan Program
(see the project summary on page 92 in Section VII)

Community: Sandwich
Tool: Sandwich Home Ownership Program (SHOP)
Contact: Nancy Davison, Housing Assistance Corporation (HAC),
 508-771-5400
Web Links: www.haconcapecod.org

■ **Description of Tool:**

The Town of Sandwich secured \$1.25 million as a payment in lieu of four affordable units being built on a residential development project in East Sandwich that was under Cape Cod Commission review. This was accomplished via negotiations with the town, a private developer, the Cape Cod Commission, and the Housing Assistance Corporation (HAC). The Commission then selected HAC to coordinate an effort to invest this funding in a buy-down project involving the purchase of existing housing units, completion of necessary improvements, and the use of subsidies to enable first-time homebuyers earning at or below 80% of area median income to purchase the units. HAC was also able to secure some additional funding from the Federal Home Loan Bank and Barnstable County HOME Consortium of \$7,500 and \$20,000 per unit, respectively.

Eligible buyers were identified from HAC’s Ready to Buy list, which had been effectively used to identify potential buyers for the resale of deed-restricted homes. All applicants on this list had self-certified their household income and supplied a pre-approval letter from a lending institution. The Ready to Buy applicants were selected on a first-come, first-served basis. The list was affirmatively marketed to the community via print media, public information sessions, and by mailings to the Affirmative Marketing mailing list currently used by HAC to market affordable housing opportunities as they arise.



■ **Success Factors in Adoption and Implementation:**

Negotiations among the town, Commission staff, and HAC produced a plan for the use of the funds that would create more than the 10% affordable units required by the Commission. This plan was critical in enabling the Commission to be willing to relax its regulatory prohibition against cash in lieu of actual units.

While the developer’s liability was to provide enough funding to support a projected four affordable units, HAC was able to make the program work for seven instead, given their ability to purchase homes in the more affordable range of the private housing market, leverage some additional subsidy funds from the Federal Home Loan Bank and the Barnstable County HOME Consortium, control the costs of repairs, and efficiently oversee the project.

HAC had the capacity to coordinate the purchase of the units as well as the management of the purchaser selection process through its Cape Community Real Estate Program and insure that the

units would fulfill all state requirements under the Local Initiative Program (LIP) to allow them to count as affordable and part of the Subsidized Housing Inventory. It also had the internal capacity to make all necessary repairs to ensure that new owners would be free from any major expenses for at least the first five years, managed by HAC’s Development Department.

The project involved a true partnership between the public, private, and non-profit sectors with the town and the Commission negotiating with a private developer on the amount of subsidy for the project and working with HAC, the regional non-profit housing organization, on project development and implementation.

■ **Results:**

Seven existing single-family homes (one two-bedroom and six three-bedroom units) in the private housing stock were converted to long-term affordability, enabling qualifying first-time homebuyers to purchase their own homes and afford to remain in Sandwich. They were scattered throughout the town, indistinguishable from neighboring homes as subsidized. Five of the homes were sold to first-time buyers who lived, worked, or had immediate family living in Sandwich prior to purchasing.

HAC completed the project within 12 months, from designation as the project administrator to final occupancy of the units. The houses were sold for approximately \$150,000, and the subsidy per unit was a bit higher, at about \$170,000.

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

- » No additional land development or infrastructure is involved.

- » No public hearings are necessary, with the exception of possible approvals of funding such as CPA funds (this project did not involve CPA but negotiated fees from a developer).
- » No building ratios of three market units to get one affordable one and no comprehensive permitting are required.
- » The town realizes an increase in its inventory of affordable workforce housing in months, not years.
- » All housing units through this program are deed restricted in perpetuity and use a resale price multiplier dependent upon the area median income to determine the resale price, not fluctuations in market value.

■ **Issues to Consider/Do Differently:**

This is a prototype that could be used by communities with subsidies from the Community Preservation Fund and/or HOME funding. The following is a proposed breakdown of the budgetary requirements per unit, premised on being able to find a suitable home or condo on the market for \$300,000:¹³

PROPOSED USES

Acquisition costs	\$300,000
Legal fees	\$2,000
Home inspection.....	\$500
21E inspection ¹⁴	\$850
Two months mortgage/interest payments	\$2,000
Insurance.....	\$120
Repairs	\$5,000
Utilities/heat.....	\$1,000
Overhead/administration	\$15,000
Total Uses	\$326,470

PROPOSED SOURCES¹⁵

Selling price	\$150,000
CPA funds.....	\$176,470
Total Sources.....	\$326,470

¹³ More subsidy would be required for those communities with higher market values.

¹⁴ Environmental inspection required if HOME funding is used.

¹⁵ For some of the SHOP homes, HOME and Federal Home Loan Bank funds were used, which equaled \$20,000 and \$7,500 per home respectively.

Other Examples in Massachusetts



Buy-down efforts have been implemented in other communities. For example, the Town of Bedford approved \$161,200 in CPA funds to enable the Bedford Housing Trust to purchase market rate or previously restricted units that still did not meet all of the requirements for counting as part of the Subsidized Housing Inventory (SHI), insuring that the units would be affordable in perpetuity upon resale to qualifying households. The program was designed primarily to try to protect the affordability of six condominium units at the Shawsheen Ridge development that were initially targeted to be more affordable but did not include deed restrictions. One condominium unit has been purchased to date through this program.

The Bedford Housing Trust also purchased a duplex, conducted the necessary rehabilitation work, and converted it into two affordable condominiums that were sold to first-time homebuyers for \$125,000 each. The deed restrictions insure that the units will remain affordable in perpetuity.

On the Cape, Yarmouth is hoping to embark on an ambitious buy-down effort. The town has already committed \$500,000 in Community Preservation funding to subsidize the initiative and has selected the Housing Assistance Corporation (HAC) to oversee the program. HAC also received a commitment of \$130,000 from the Barnstable County HOME Consortium. HAC also submitted an application to the state requesting \$100,000 per unit in program subsidies, but Massachusetts Department of Housing and Community Development (DHCD) did not approve full funding for the initiative. HAC met with DHCD and subsequently DHCD agreed to commit \$20,000 per unit. Since the market has continued to soften from the time of the original application, HAC believes that it can still create seven affordable units with the committed funding rather than the nine units proposed in its original plan.

Also, the Bourne Housing Partnership is developing a buy-down model that involves CPA funds and USDA mortgages that will meet DHCD's criteria for inclusion on the SHI.

Community: Provincetown
Tool: Old Ann Page Way/Redevelopment of a Former Commercial Site into a Mix of Affordable Rental Housing and Artist Studios
Contact: Ted Malone, President and CEO, Community Housing Resource, Inc., 508-487-2426
Web Links: www.chrgroup.net

■ **Description of Tool:**

A few years ago, Community Housing Resource, Inc. (CHR)¹⁶ completed the development of Old Ann Page Way, a project that includes 18 rental units for households earning at or below 60% of area median income with pricing of rentals based on 40% and 50% of median income. The development also includes 10 non-residential artist studios available for rent to the general public. The project involved the redevelopment of a former supermarket site held by A&P after they relocated to another site in Provincetown. The property remained vacant for a considerable time, and was certainly a blight at one of the main entries to Provincetown from Route 6. Rumors about asbestos that deterred interest in the site were proven false by site inspection and testing of samples. CHR purchased the site and started initial site work in 1999, including some demolition, and construction was completed in 2002.

The project was among the first on Cape Cod to be financed with Low Income Housing Tax Credits and is still the only one on the Outer Cape. In addition to the tax credit equity investment, the project used Barnstable County HOME funds, state HOME funds, and the Affordable Housing Trust Fund, for a total public subsidy of more than \$3 million. Although CHR initially expected to need only tax credits to subsidize the project, higher-than-expected



construction costs created the need for additional subsidies. These higher costs were largely a result of problems in locating the necessary construction capacity to undertake a project that for this part of the Cape was considerably larger than most local contractors could handle. The tax credit equity investment was syndicated through the Equity Fund of the Massachusetts Housing Investment Corporation (MHIC).¹⁷ MHIC also provided the construction loan as part of the One Source Program, also involving permanent financing from the Massachusetts Housing Partnership.

The project was located in an area of Provincetown where multi-family housing is allowed; therefore, it was processed through normal regulatory channels.

¹⁶ Community Housing Resource, Inc. (CHR) was formed in 1996 as a private company whose mission is to provide affordable housing opportunities for year-round residents of Cape Cod. The company has developed 97 housing units and 52 art studio workspaces.

¹⁷ Massachusetts Housing Investment Corporation is a private, non-profit corporation that provides loans for affordable housing equity funds for low-income housing tax credit developments, and loan guarantees for lead paint removal.

The major constraint that limits density typically is accommodating sufficient septic capacity to meet Title V requirements.

■ **Success Factors in Adoption and Implementation:**

The infusion of additional state subsidies was critical to project feasibility, and DHCD was responsive to the developer's request for additional funding. Moreover, this was a fairly complicated deal at the time, and the developer's experience in affordable housing was critical to making the project work.

The developer has had a long-term commitment to supporting local artists and was able to integrate artist workspaces effectively into this affordable rental development, which contributes considerably to its vitality and financial viability while serving an important local need. Although the artist studios did not qualify for any subsidies, income has more than supported costs and proved to be a plus on the financing side. The project also incorporated passive recreational space that is well utilized by the families living in the development, providing opportunities for interaction and building a sense of neighborhood.

The initial concerns about the existence of hazardous substances on site, particularly asbestos, proved unfounded, which further contributed to the feasibility of the development.

The relatively progressive nature of Provincetown's zoning bylaw allowed the development to be approved without the need for the often more-contentious comprehensive permit process.

■ **Results:**

The development includes 18 affordable rental units of various sizes including four one-bedroom units, nine two-bedroom units, and five three-bedrooms, home to 43 residents, including 19 children. The units are aggregated, two to three per structure, and assembled to diversify the appearance of each building.

Ten artist studios were completed and have been fully occupied in two separate structures. Two of the studios are 90 square feet in size, another two are 190 square feet, and the remaining six are 290 square feet. The artist studios are located in two separate buildings on site and can be rented by those who are not living in the development.

■ **Issues to Consider/Do Differently:**

The project was initially conceived to be built through modular construction, but problems arose regarding costs and construction management issues. The developer, however, successfully integrated modular development in its Meadow Road project (see page 54 for a summary of this project).

CHR tried to better integrate the development into the neighborhood to provide greater connectivity between adjacent sites, an improved entry into the development, and a shorter and safer walk for kids to school. Unfortunately, they encountered problems with an unhappy abutter when they tried to access an adjacent street at the rear of the site. Over time, it is hoped the pedestrian access may be reconsidered by abutters as they become more comfortable with their new neighbors, who, while new to Old Ann Page Way, are mostly long-term Provincetown residents.

Also, 100% of the units in the development were included as Low Income Housing Tax Credit units, which the developer has decided not to do again to allow flexibility in moving over-income tenants into units that allow setting rents as a percentage of household income when tenant incomes increase above 80% of median income (such as HOME program).

Other Examples in Massachusetts



A considerable number of rental developments have used a similar mix of financing and have also involved the development of a previously developed property. However, few if any other projects include a mix of artist studios and low-income housing. For more information on artist housing, see www.artistlink.org.

Community: Harwich
Tool: Sisson Road Project – Redevelopment of Farm Property into Rental Units and a Day-care Facility (Rehab and New Construction)
Contact: Bob Murray, HECH/Falmouth Housing Corporation, 508-457-0287

■ **Description of Tool:**

Harwich Ecumenical Council for the Homeless (HECH) was formed in 1990 by clergy and lay people from seven Harwich churches for the purpose of providing housing for homeless families with children. In 2003, the organization purchased an old farmhouse on 1.67 acres on the open market for \$325,000 and redeveloped the property to accommodate 13 rental units and free space for HECH’s day care program. HECH continues to own and manage the property.



HECH received financing to acquire the property from Cape Cod Five Cents Savings Bank, construction financing from the Life Initiative, and the permanent mortgage from the Permanent Rental Financing Program of the Massachusetts Housing Partnership (MHP). Total development costs were approximately \$4 million. Subsidies were provided by the Barnstable County HOME Consortium, the AHTF, and MHP’s Perm Plus Program.

■ **Results:**

The farmhouse was reconfigured into three apartments upstairs, a free day-care facility on the first floor, two apartments in the former garage as well as eight more units in two quadrangles.

■ **Success Factors in Adoption and Implementation:**

The project fell relatively easily into place given the project sponsor’s technical capacity and experience in producing affordable housing as well as their ability to grasp the potential for redeveloping the farmhouse property. Town support of the project was helpful in HECH’s securing in a reasonably timely fashion the required comprehensive permit.

■ **Issues to Consider/Do Differently:**

HECH believes the project went relatively smoothly and found no outstanding issues or item it would do differently if another such project presented itself.

Other Examples in Massachusetts



Affordable housing has been produced through the redevelopment of existing residential properties in other communities in the state, including rental and for-sale housing as well as housing rehabilitation and new construction. A few examples include:

» Through its Webster Park project, the City of Newton provided \$1,110,000 for the acquisition (and related costs) of a 49,974-square foot parcel (1.15 acres) adjacent to the Dolan Pond Conservation Area in West Newton. The proposed acquisition would allow a substantial portion of the property (approximately 70%, or 35,000 square feet) to be deeded to the Newton Conservation Commission to expand the Dolan Pond Conservation Area, the remainder deeded to the Newton Housing Authority and Habitat for Humanity for the creation of community housing for low-income households. The Housing Authority is renovating the existing house, built in 1925, and Habitat is constructing two new units to the rear of the house.

» Citizens for Affordable Housing in Newton Development Organization, Inc. (CAN-DO), acquired an historic house and developed three units of community housing within a mixed-income development totaling five units (two units affordable to households with incomes at or below 80% of area median income and one unit of moderate-income housing affordable to households with incomes at or below 100% of area median income).

» The Amherst Housing Authority (AHA) acquired the Keet House that included four rental units with expiring use restrictions using \$85,000 of CPA funding and a conventional bank loan. The AHA also owned a vacant site that could accommodate another four units in two duplex buildings and decided to develop the two separate properties jointly as an eight-unit rental development. In addition to the acquisition funding for the Keet House, CPA provided \$45,000 in predevelopment funding on the Tamarack Road parcel and another \$40,005 as a “gap filler,” helping to subsidize the project’s development costs and leverage other subsidies including \$330,000 from the Massachusetts Affordable Housing Trust Fund, \$600,000 in MHP’s Perm Plus Program, and architectural fees paid by DHCD as part of a pilot program to promote modular construction. MHIC provided the construction financing.

» The City of Cambridge supported Scouting Way, a rental property that combined historic preservation with affordable housing by adding 13 affordable, family-sized rental units.

» The Town of Arlington also has an effective program to purchase and rehab existing housing, converting it to long-term affordability with CDBG and HOME Program funding. To date, 24 affordable rental units have been produced through this program.

Community: Harwich
Tool: The Little Homesteads Project/Motel Conversion
Contact: Elizabeth Bridgewater, Lower Cape Cod CDC, 508-240-7873
Web Links: www.lowercape.org

■ *Description of Tool:*

This project involves the rehabilitation of a former motel, schoolhouse, and historic captain's house on a single property on Route 28 in Harwich. The buildings had most recently been used as market-rate rentals. The Lower Cape Cod Community Development Corporation (CDC) purchased the property, rehabbed the units, and converted them into affordable apartments, deed restricted in perpetuity. The CDC purchased the property in 2005, using seller financing to bridge the gap between when state financing was committed and when funds were received. State Affordable Housing Trust Funds, HOME, Community Development Block Grant (CDBG), Barnstable County Rental Program, Community Economic Development Assistance Corporation (CEDAC), and Weatherization funds were awarded to the project, totaling \$1,252,164. The CDC was able to retain a number of the existing tenants and, at the time of purchase, filled the remaining units with households earning under 50% and 60% of area median income. The CDC conducted renovations while the units were occupied, completing the project in Spring 2006. The CDC has permanent financing through Cape Cod Five Cents Savings Bank.

■ *Success Factors in Adoption and Implementation:*

The CDC had an appreciation for how the property could be redeveloped as rental housing and was able to secure the necessary financing for the deal. Having been used previously as market-rate rental housing, the property lent itself to

conversion without excessive improvement costs. The project responds to the need for affordable year-round rentals by preserving existing rental units, insuring affordable rents in perpetuity, and retaining a number of existing residents. Improved energy efficiency will benefit the environment and reduce tenants' utility bills. Moreover, the property improvements helped upgrade a well-traveled section of a major thoroughfare in Harwich and preserved the integrity of the historic school and captain's house.

■ *Results:*

There are eight occupied units, consisting of two two-bedrooms units, five one-bedroom units, and one studio. The CDC converted the electric heating system to a more-efficient natural gas system, installed energy-efficient windows (including historic replica windows for a portion of the property), removed lead paint, and conducted other general exterior and interior repairs and improvements.

■ *Issues to Consider/Do Differently:*

The CDC experienced delays in the release of state-awarded funds, resulting in unanticipated interest payments through the seller financing. High interest costs resulted in under-funded operating reserves, which will take a number of years to restore to their desired level. Seller financing that looked attractive under anticipated conditions proved too costly as compared to traditional financing when the project experienced funding delays.

Other Examples in Massachusetts



Other examples of converting motels into affordable year-round rental housing exist, particularly on the Cape where small and outdated motels that are conducive to such conversion are concentrated. (See pages 7 and 21 for information on motel conversion activities by the Towns of Dennis and Yarmouth, respectively.)

Community: Barnstable
Tool: Rental Acquisition Program (RAP)
Contact: Sandra Perry, Executive Director of the Barnstable Housing Authority, 508-771-7223
Web Links: www.barnstablehousing.org

■ **Description of Tool:**

The Barnstable Housing Authority (BHA) has established an ongoing program to purchase and rehab existing buildings, creating new affordable rental opportunities in the villages of Barnstable, Hyannis, Hyannis Port, Osterville, Centerville, Marstons Mills, and Cotuit. This Rental Acquisition Program (RAP) has involved the acquisition of various types of properties for conversion to affordable apartments including but not limited to the following initiatives:

- » The BHA entered into agreements to acquire six units as part of three larger projects that were required to include affordable units due to the town’s inclusionary zoning bylaw. The developer conveyed the units to the BHA for a price based on the state’s Local Initiative Program (LIP) guidelines. The town will further subsidize the units with Community Preservation Act (CPA) or Community Development Block Grant (CDBG) funding to enable the units ultimately to be rented to those earning no more than 65% of area median income, projected to be about \$50,000 in subsidy per unit. The BHA acquired these four condominiums and two three-bedroom single-family homes with financing from the Cape Cod Five Cents Savings Bank. The units will be rented to qualifying tenants on the Housing Authority’s wait list.
- » The acquisition of a former rooming house, Aunt Sarah’s Harbor View House (see photo, above right), converted into 12 affordable rental units through a “friendly” comprehen-



sive permit. Compass Bank provided the construction financing to renovate the property, and the Massachusetts Housing Partnership financed the permanent loan through its Perm Plus Program, which unfortunately is no longer available. The BHA was also able to use Section 8 Project-based financing along with Barnstable County HOME funds for this development.

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

■ **Success Factors in Adoption and Implementation:**

In an effort to increase the stock of affordable rental housing, the Town of Barnstable dedicates a percentage of its CDBG allocation to fund the program. The program’s success has largely been a result of a close working partnership between the Town of Barnstable and the BHA with the town instrumental in identifying prospective properties for conversion through the Rental Acquisition Program and/or helpful in processing the necessary approvals as well as providing substantial subsidies.

Another successful element of the program is the participation of local lending institutions, Cape Cod Five in particular, in providing conventional financing for it. This relationship has enabled the BHA to respond quickly to market opportunities given its ability to expeditiously obtain acquisition financing if its own resources are insufficient. The lender clearly understands the program and has an effective working relationship with the BHA.

The partnership of a capable developer (in this case the Barnstable Housing Authority) and a service provider (Baybridge Clubhouse and the May Institute in the case of Career House for example), can provide permanent affordable housing for special needs populations. The use of project-based Section 8 assistance has been particularly effective in financing such developments—both the renovation of existing

properties as well as new construction. Clearly the staff capacity of the Barnstable Housing Authority has also been key to the program’s success.

■ **Results:**

Between 2000 and 2005, approximately \$365,000 in CDBG funds have been dedicated towards the purchase of 12 properties with deed-restricted affordable units. Thus far the BHA has acquired 47 units and is in the process of managing nine more, for a total of 56 units under RAP.

■ **Issues to Consider/Do Differently:**

A new deal involves taking over the management of nine units from an existing non-profit organization and helping this non-profit reorganize its board, providing the necessary support to reestablish it as a viable organization. The BHA will also have the ability to work in conjunction with this existing non-profit from time to time on development projects. It may be noted that by using the non-profit organization, the development is not subject to state procurement laws under Section 30, which would likely lower construction costs somewhat.

Most of the subsidies have thus far come from CDBG funding; however, the program might make some use of Community Preservation funds in the future.

Other Examples in Massachusetts



A number of non-profit organizations are purchasing and rehabilitating housing for long-term affordable rentals. For example, see the descriptions of the efforts of the Lower Cape Cod Community Development Corporation in Harwich and the Harwich Ecumenical Council for the Homeless in Harwich, pages 44 and 42, respectively.

Community: Yarmouth
Tool: Septic Rehab Program
Contact: Karen Greene, Yarmouth Office of Community Development,
 508-398-2231 ext. 275

■ **Description of Tool:**

Yarmouth operates the Septic Rehab Program that provides technical and financial support to help residents make necessary improvements related to updating their failing septic systems and complying with Title 5. This program is operated by the Yarmouth Board of Health and provides assistance in drawing up plans for improvements and installing the systems. Assistance is in the form of a 0% deferred loan that is paid back when the property is sold or transferred during 15 years. In exchange for the technical and financial assistance, homeowners sign deed restrictions for at least 15 years that ensure the pay back of funds and, coupled with the utilization of Community Development Block Grant (CDBG) funds, allows the inclusion of the property in the Subsidized Housing Inventory (SHI).

■ **Success Factors in Adoption and Implementation:**

This program is modeled on tried and true rehab programs that have operated throughout the state for decades, and the Board of Health has been an effective program manager. This program has also effectively contributed to the improved environmental health of individual properties as well of the town.

Another supportive element has been the local Septic Pumping Program that provides funding to help qualified homeowners afford the costs of pumping their septic systems. The Board of Health also manages this program.

■ **Results:**

Over the last five years, 29 property owners have participated in this program with an average grant of \$6,900 in CDBG funds per property with a total cost of \$200,000.

■ **Issues to Consider/Do Differently:**

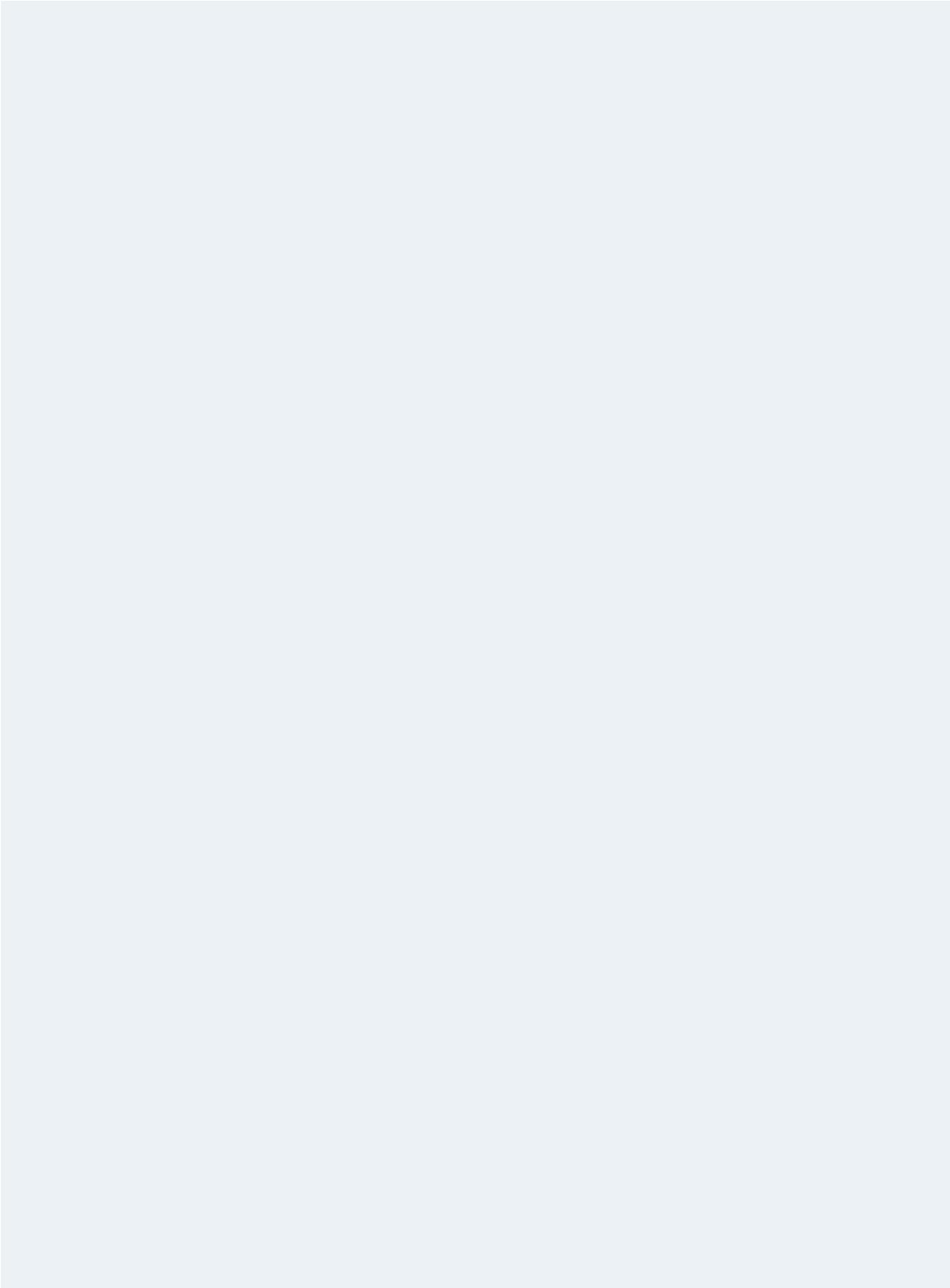
The town is considering having the funds repaid upon the eventual transfer of the property even if it is beyond the 15-year period that is currently in effect.

A recent (March 2008) Housing Appeals Committee ruling in the case of *South Center Realty LLC v. Town of Bellingham ZBA* has put into question the existence of these types of units on the SHI. The committee ruled that simply having a repayment provision for at least 15 years is not sufficient to qualify as a use restriction. In order to qualify for the SHI, the use restriction must require the sale of the unit to another low-income household.

Other Examples in Massachusetts



Comparable septic repair programs operate in the state, including a program funded by MassHousing and administered by regional non-profit organizations. Barnstable County also provides low-interest loans to income-eligible households. Some funding is available through the USDA. See the county's web pages: www.barnstablecountyhealth.org/CommSepticLoan/communityseptic.htm and www.barnstablecountyhealth.org/CommSepticLoan/applicationdownload.htm





Mixed Income and Mixed Use Development

Many affordable housing developments incorporate different income tiers to accommodate a wider range of local needs, some including a mix of affordable and market-rate units, others at least three tiers, such as affordable units, community workforce housing, and market units. There is also a growing awareness that mixed use development is well suited to village or town centers and commercial corridors to add to the vitality of the areas; provide housing for small households within easy walking distance to goods, services, and transportation; and reduce the amount of traffic. Because of these reasons and emerging new financial tools, many communities are exploring variations of mixed income and mixed use development as part of meeting local needs and satisfying “smart growth” policies that are increasingly gaining favor in urban, suburban, and rural settings.

This report offers summaries of the following two initiatives:

- » Falmouth – 704 Main Street
- » Provincetown – Meadow Road Development

The first involves a complex development on Main Street in Falmouth that includes three income tiers as well as a mix of residential and commercial uses. The second project, Meadow Road in Provincetown, includes a combination of affordable and market units and artists’ work space.

It should also be noted that the Sisson Road development in Harwich, summarized under Section II on page 42, also combines the mixed uses of housing and a day-care facility. Moreover, the Old Ann Page Way project in Provincetown incorporates a mix of rental housing and artist studios; it is summarized under Section II, page 39.

Community: Falmouth
Tool: Mixed Income and Mixed Use Development/704 Main Street – Combination of housing and commercial space
Contact: Bob Murray, Executive Director of Falmouth Housing Corporation, 508-457-0287

■ **Description of Tool:**

The Falmouth Housing Corporation (FHC) developed a mixed use property at 704 Main Street in Falmouth that included the following important components:

- » The property is just under three acres in size and that included two parcels purchased separately, one including an existing dilapidated building that was demolished and the other a manufacturing plant that was also demolished to make way for new development.
- » One of the parcels was purchased with seller financing under very favorable terms. The owners sold the property to the Falmouth Housing Corporation for \$500,000 less than its appraised value, requiring a down payment of \$200,000, on which it agreed to take back the mortgage.
- » Boston Community Capital provided \$300,000 in acquisition financing for the adjacent parcel that was important for assembling the site. The existing building on site was being rented by the Associates of Cape Cod, a firm that works extracting certain chemicals from horseshoe crabs. The rent from this company covered all expenses and predevelopment activities for the project.
- » Financing included Low Income Housing Tax Credits that were syndicated by Affirmative Investments (AI), a partner in the deal. Sovereign Bank was the prime investor and, as such became a partner in the tax credit portion of the project. The FHC has subsequently bought AI out of the commercial space and



is now sole owner. Other sources of financing included HOME funding from the state and Barnstable County HOME Consortium, Affordable Housing Trust Fund, Federal Home Loan Bank Board’s Affordable Housing Program, and the Massachusetts Housing Partnership’s Perm Plus Program. Total development costs were approximately \$14 million.

- » On the residential side, the property included 58 rental units, 44 tax credit units targeted to those earning at or below 60%, 50%, and 30% of area median income and representing one of the three condominiums in the building. Fourteen other units, the second condominium, were purchased by the FHC as rental units, four units for those earning between 60% and 80% of area median income, and 10 workforce units for those earning between 80% and 120% of area median income.
- » On the commercial side, 10,000 square feet of space was created on the first floor, the 3rd condominium, that is being leased by a

hairdresser, a branch of The Community Bank, and including 4,100 square feet for the Cape Cod Child Development, a local day-care facility (the FHC is offering the program below market rent). Another 2,600 square feet is currently unleased but there may be opportunities to sell the space.

- » Three separate condominium associations were created: one for the commercial space, another for the 14 non-tax credit units, and the third for the 44 tax credit units.
- » The housing units were all occupied within three months of receiving the occupancy certificate and remain full.
- » The Falmouth Housing Authority manages the property.

■ *Success Factors in Adoption and Implementation:*

Fundamental to the project’s approval and completion was the project sponsor’s credibility locally and with the state as a capable and conscientious developer. Additionally, securing the seller financing under extremely advantageous terms was a big boost to getting the project off the ground. Also the stream of rent in an existing building on site provided the project with enough money to cover expenses for all the predevelopment activities in

the early stages. The project was located on sewer, was in an area that the town was looking to be redeveloped, and secured its required comprehensive permit in a reasonably timely fashion.

■ *Results:*

Many consider this project the best “smart growth” affordable housing development on the Cape.

A total of 58 rental units were produced with three different income tiers, including low-income units (within 60% of area median income), moderate-income units (60% to 80% of area median), and workforce units (80% to 120% of area median). Another 10,000 square feet of commercial space was created, most of which is currently rented.

■ *Issues to Consider/Do Differently:*

This was a complicated deal that involved a significant learning curve for the developer, which had been used to producing affordable housing, the largest building at the time being a quadraplex. Moreover, it is important to insure that the project architect can follow through on both the macro and micro levels to insure not only a good design but also construction details that work well for this type of project.

Other Examples in Massachusetts



This development involved a pioneering effort on the part of the Falmouth Housing Corporation and Affirmative Investments in developing a mixed income and mixed use project and has become a model for putting such deals together.

Community:	Provincetown
Tool:	Mixed Income and Mixed Use Development/Meadow Road – Combination of new homes and art studio work spaces
Contact:	Ted Malone, President and CEO of Community Housing Resource, Inc., 508-487-2426
Web Links:	www.chrgroup.net

■ *Description of Tool:*

The Meadow Road development involves the reuse of a previously developed property, in this case, the site of a former 1950s-style motel, the Meadows Motel. Developed by Community Housing Resource, Inc. (CHR), the project includes 39 condominium units of varying sizes (including one-, two-, and three-bedroom units) as well as four nonresidential art studio work spaces, together in a planned neighborhood on 5.2 acres in Provincetown's West End. Sixteen of the condos include accessory artist work spaces that are accessed from a garden and from the upper-story residential space by an external spiral staircase. Fourteen of the condos are affordable to those earning at or below 80% of area median income and another three are targeted to those earning between 80% and 100% of area median. Consequently, 44% of the residential units are priced well below market. Five of the 17 below-market units will be owned and operated by the Fine Arts Work Center (FAWC) as rental housing for income-eligible former FAWC fellows.¹⁸

The project was initiated when the former owner was approached by a local philanthropist about possibly selling the property. Without even coming on the market, CHR was able to purchase the property, initially financed by a generous \$500,000 gift to the Fine Arts Work Center in Provincetown



(FAWC) from the philanthropist. FAWC loaned the gifted funds to CHR to cover the down payment of \$200,000 and predevelopment expenses of \$300,000. Instead of requiring repayment of this loan, FAWC requested that the project incorporate five artist live/work spaces to be set aside for fellows of the Fine Arts Work Center (FAWC) as affordable rental units. Besides this special funding, the project was subsidized through the internal subsidies created by the market units as well as a mere \$70,000 from the Barnstable County HOME Consortium. Having this HOME funding in place enabled the Barnstable County HOME Consortium to serve as the subsidizing agency that could provide the necessary site-eligibility letter to enable the developer to apply for a comprehensive permit under Chapter 40B. CHR decided to proceed with the comprehensive permit to avoid the local review process by the

¹⁸ The Fine Arts Work Center (FAWC) is a 25-year old organization that promotes the arts in Provincetown and provides prestigious fellowships to 25 selected artists per year, paying their expenses for nine months as well as a stipend. Given the high costs of living in Provincetown, most of these artists are forced to leave despite an interest in remaining in town.

Conservation Commission, which had no jurisdiction under Massachusetts Department of Environmental Protection wetland regulations. Regardless of avoiding the local review process, the project was planned to respect the more stringent requirements regarding set-backs from the lowland wet meadow.

CHR initially planned to have at least 50% of the units reserved as below-market and proceeded to do so in the first phase of construction. For this first phase, CHR was able to sell the highest priced units quickly, selling them for about \$500,000. However, as the real estate market began to soften, the developer encountered problems selling the remaining market units and, as of March 2008, still has three of the first 25 units left unsold. The affordable and median income units built in the first phase are now fully occupied. The developer is just finishing the second phase, and there appears to be greater interest in the market units. The unforeseen costs associated with carrying the unsold market units for more than a year, increased construction costs from the time the budget was prepared for the comprehensive permit application in 2001, and a small public subsidy forced the developer into reducing the number of affordable units from 18 to 13, with three of the affordable units priced for median income affordability instead.

■ **Success Factors in Adoption and Implementation:**

The philanthropic contribution gave the project a special boost, allowing the developer to proceed with the purchase of the property and predevelopment activities in an expeditious manner.

The design of the structures places the living space above the garden-level work space. This will allow the artist studios to be accessible to the public and particularly conducive to open studio events. It also incorporates open garden space that provides a common area to enable the project’s community of artists to come together more easily.

■ **Results:**

A total of 39 condominium units have been developed, of which 16 involve both live/work space. There are also an additional four nonresidential artist work spaces. The breakdown of this mix of uses and income tiers is as follows:

Meadow Road Development Unit Distribution

Types of Units	Affordable	Median Income	Market	Total
Residential Ownership	5	1	17	23
Live/Work Ownership	4	2	5	11
FAWC Rental Live/ Work	5			5
Total	14	3	22	39

■ **Issues to Consider/Do Differently:**

The developer overestimated the market demand for live/work space for this project and notes that they are beginning to reach a saturation point for artists spaces, largely a result of so many artists moving away. CHR also acknowledged that there is a learning curve in figuring out how to develop good design outside of the simple box within the constraints of modular construction. They have made progress towards coming up with a design that might be useful elsewhere and yet not look like a cookie-cutter approach. Also, for mixed income developments internally subsidized by the income from market rate sales, caution should be taken about market expectations.

Other Examples in Massachusetts



For more information on artist housing, see the web site: www.artistlink.org

IV. Generation and Use of Local Resources

Most municipalities on Cape Cod have been resourceful in pulling together a range of technical and financial resources in support of affordable housing. Certainly the Community Preservation Act (CPA) has generated important and flexible local funding for new initiatives that create new affordable units, make important improvements on existing ones, and offer financial assistance to qualifying households to help them afford to live on the Cape. Other important local resources have included donated land, both public and private, as well as private funds from concerned local citizens.

This toolkit summarizes how a handful of communities have utilized locally raised resources, often with matching state funding, to support their affordable housing agendas including:

Donation of land and/or CPA support and private fundraising for new unit production:

- » Chatham – MCI Development
- » Chatham – Balfour Lane Development
- » Orleans – Friends of Orleans Affordable Homes
- » Sandwich – Homesteads Project
- » Falmouth – Habitat for Humanity Project at Sam Turner Road
- » Hyannis – Habitat for Humanity Project at Danvers Way

Direct financial assistance to qualifying households with CPA funding:

- » Chatham – Rental Voucher Program
- » Chatham – First Time Homebuyers Assistance Program

Use of Community Preservation funds and other dedicated local funding to build local capacity:

- » Bourne – Affordable Housing Specialist
- » Falmouth – CPA Development and Preservation Funds
- » Harwich – Affordable Housing Special Revenue Fund

Community: Chatham
Tool: MCI Development/Use of Community Preservation Funds, Donation of Property and Town Budget Funds
Contact: Valerie Foster, Chatham Housing Authority, 508-945-0478

■ **Description of Tool:**

The Chatham Housing Authority (CHA) has rehabilitated four existing houses on property included in the National Register of Historic Places that was formerly owned by MCI Communications, the site of the first Marconi Radio Station where wireless communication began. The property was conveyed to the Town of Chatham, which currently leases it to the CHA for one dollar. The first two houses on the site were renovated with \$160,000 from the town’s budget and the other two houses from \$160,000 in Community Preservation funding towards two use categories: community housing and historic preservation.

After the necessary improvements were made to these houses, the CHA leased them to qualifying tenants through a lottery process. While half of the rents go to special escrow accounts for each of the tenants to use to purchase their own homes after the five-year program term, the other half is used by the CHA for ongoing maintenance and management of these old houses.

■ **Success Factors in Adoption and Implementation/Results:**

The town/CHA partnership was vital from Day One—from project conception, to securing necessary funding, and to occupancy. With the town, the CHA was able to combine an effort to rehabilitate houses of historic significance with a rental-assistance program for tenants that offers them support to purchase their own homes after the five-year program term.

Four historic homes were renovated and are leased to those at or below 80% of area median income. Four families have already reached self-sufficiency by purchasing their own homes in the area, and another four families are currently in place.

■ **Issues to Consider/Do Differently:**

To date the units have not been included in Chatham’s Subsidized Housing Inventory; however, after the current occupants purchase their own homes, an affordable housing use restriction will be put in place to insure long-term affordability and inclusion in the SHI.

Other Examples in Massachusetts



Quite a few communities have undertaken purchase/rehab programs involving the acquisition and improvement of existing homes for lease or sale to qualifying households with long-term affordability provisions; see Section II, starting on page 35, for information on several of these initiatives on the Cape. However, this development is unique in its combination of the purchase/rehab model with the rental assistance and self-sufficiency components.

Community: Chatham
 Tool: Balfour Lane Development/Use of Community Preservation Funds and Private Fundraising
 Contact: Elizabeth Bridgewater, Lower Cape Cod CDC, 508-240-7873
 Web Links: www.lowercape.org

■ **Description of Tool:**

The Lower Cape Cod Community Development Corporation (CDC) and the Friends of Chatham Affordable Housing (FoCAH) redeveloped a large commercial condominium unit on the first floor and basement of an existing building on Balfour Lane. The building also houses three market-rate units on the second floor, which were not purchased and remain as market-rate housing. The commercial condominium unit that is being redeveloped formerly served as the offices of the Cape Cod Visiting Nurses Association. The space was converted into four affordable homeownership condominiums that will be ready for occupancy in early 2008. The condos are all two-bedroom units available to households earning under 80% area median income (AMI), and have purchase prices of \$154,000.

The project was initially conceived by the Friends of Chatham Affordable Housing (FoCAH), a local organization that raises private funds and provides advocacy for affordable housing. FoCAH identified the property and raised money from the local community, including a CPA funding commitment of \$135,000, to fund the cost of acquisition. Working with FoCAH, the Lower Cape Cod CDC purchased the space in 2006, and assumed responsibilities for redevelopment.

Funding for the rehabilitation of the property included an additional \$150,000 of Community Preservation funding, substantial private funding raised by FoCAH, and a grant from Bank of America. FoCAH and the Lower Cape Cod CDC worked with an abutting property owner to secure a donation of excess sewer capacity, which resulted in the

ability to hook-up to the town sewer and support the property's change in use from commercial to residential. The Lower Cape Cod CDC also contributed funding towards the project by lowering its developer's fee. The Chatham Housing Authority was hired to conduct marketing and buyer qualification. TD Banknorth was used for construction period financing.

■ **Success Factors in Adoption and Implementation:**

This project clearly demonstrates how effective private fundraising efforts can be in affordable housing development, led by a local organization of concerned citizens. It also shows how a partnership of citizens, local government, a capable housing authority, and an experienced regional non-profit development corporation can effectively work together, each contributing their own resources and skills.

The project involved substantial town support through the permitting process, which was done locally without the use of Chapter 40B. The Board of Selectmen, in their role as Sewer Commissioners, approved a connection to the town sewer in spite of a moratorium on sewer transfers and connections. The Chatham Planning Board approved a special permit for the change of use from commercial to residential, and the Historic Business District Committee approved improvements to the structure and grounds. Support resulted from the recognized need for affordable homeownership opportunities in town, the strong partnership between FoCAH

and the CDC, the use of local donations, and the redevelopment of an existing property within a designated growth zone. A change in use from commercial to residential was also appropriate because of the existing market-rate residential units on the second floor. The Lower Cape Cod CDC worked with the existing market-rate owners to allay concerns about the affordable units, and to lay the groundwork for a healthy condominium association. The existing owners were reassured by the CDC's plans for significant improvements to the shared grounds and building exterior. Existing residents were also interested to learn that their new neighbors would be purchasing the units at prices fairly comparable (with inflation) to what the market-rate units had originally sold for when built 20 years ago. The new owners would therefore not have significantly different incomes than the original occupants.

This project is also an example of Cape Cod appropriate "smart growth." The project reused an existing building, created density in a designated growth zone, supported residential development in a mixed-use village center, and incorporated "green" or "sustainable" design principles in the construction.

■ **Results:**

The project produced four affordable condominiums. The Chatham Housing Authority held the lottery and received 24 applications, of which six were qualified. The four first-time buyers closed on February 29, 2008.

■ **Issues to Consider/Do Differently:**

For this particular project, the town wanted all of the units to be reserved exclusively for qualifying Chatham residents and therefore the units might not be included in the Subsidized Housing Inventory, which has not been the case for other local developments. Nevertheless, the units are restricted as affordable in perpetuity, and still fill a compelling local need for affordable housing. There may be some opportunities to include a few of the units in the Subsidized Housing Inventory in the future.

The lottery agent should be brought on board as early as possible to insure that the project sponsors, including all those who are raising funds, are aware of Fair Housing laws and other requirements for ensuring that the units meet relevant state and federal laws and regulations such as being affirmatively marketed throughout the region and with community preference reserved for no more than 70% of the affordable units.

Other Examples in Massachusetts



A number of communities have used Community Preservation funding for the purchase and rehabilitation of existing properties for conversion to long-term affordability. For example, the cities of Newton and Cambridge have done quite a bit of this work, also using local community development corporations.

The Friends of Chatham of Affordable Homes was instrumental in locating the property for development and in raising a significant amount of private funds. The Friends of Orleans Affordable Homes just raised \$100,000 for an affordable housing development on town-owned property that is currently in the planning stage.

Community: Orleans
Tool: Friends of Orleans Affordable Homes (FOAH)/Private Fundraising Support
Contact: Jackie Philbrick, 508-255-3415

■ **Description of Tool:**

Several Orleans residents who had been involved in local housing efforts through the Housing Authority and local Housing Committee established the Friends of Orleans Affordable Homes (FOAH) in the late 1990s to raise private funds and provide local advocacy for affordable housing initiatives. These residents recognized that the town was quickly losing young families because of the high costs of living, particularly housing costs, and wanted to continue to live in a community with children as well as an employment base for local services. They determined that affordable housing was key to keeping young families in town and wanted to offer “a leg up” to those who needed it to continue living in Orleans.

The organization sponsors a host of fundraising efforts including an annual fund drive through a letter campaign in the fall and another round with a newsletter in the spring. Special fundraising events are also organized including musical events and dinners. Each effort typically raises at least \$5,000 to \$6,000.

■ **Success Factors in Adoption and Implementation/Results:**

Over the past few years approximately \$30,000 has been raised to provide charitable support to families in need and to organizations such as Habitat for Humanity. More recently the organization met its goal of raising \$100,000 towards the development costs of a 1.5-acre town-owned property into a projected eight affordable rental units. Another \$100,000 in CPA funds have been committed to the project along with \$100,000 from Shaw’s Supermarket. The Town of Orleans expects to issue a Request for Proposals in spring 2008 to select a developer.

In addition to raising funds, Friends of Orleans Affordable Homes has raised awareness of the issue of affordable housing through local events and advocacy on housing initiatives. The group credits the coverage from newspapers, such as the *Cape Cod Times* and *The Cape Codder*, on the issue of affordable housing and workforce shortages that have helped the Friends of Orleans raise funds.

Other Examples in Massachusetts



Chatham also has a Friends of Chatham Affordable Homes that has comparable programmatic goals. (See Balfour Lane project description on page 60.)

Community: Sandwich
Tool: The Homesteads Development/Private Land Donation
Contact: Gisele Gauthier, Housing Assistance Corporation, 508-778-7535
Web Links: www.haconcapecod.org

■ **Description of Tool:**

The Homesteads project includes 16 single-family homes, 11 affordable to those earning at or below 80% of area median income and five more moderately priced for those earning between 80% and 110% of area income. It was the first development to be approved under Sandwich’s Affordable Housing Conditional Density Development Bylaw, which allowed higher densities for various types of affordable housing projects. Key to this development was the donation of almost 15 acres from Lucile and Ben Fleet, the second largest land donation for affordable housing in the state. The property had been in the family since the 1800s, used as a wood lot. Although the parcel was land-locked, the adjacent property was owned by the Sandwich Housing Authority, which provided the necessary access through an easement.

The Fleets sold the land to Housing Assistance Corporation (HAC) for one dollar. The architect was Brown Lindquist Fenuccio & Raber, and the builders were the Valle Group.

Despite an increase in the allowed density and no acquisition costs, the project required substantial amounts of subsidy including \$120,000 from the Barnstable County HOME Consortium, \$550,000 from state HOME funds, and \$500,000 from the state’s Affordable Housing Trust Fund. The state awarded this funding in early 2006. The Life Initiative provided HAC with a letter of credit for predevelopment work, and The Community Bank provided the construction financing. In fact, The Community Bank closed on the construction loan in May 2006, before the closing on the state funds



had occurred, in order to avoid delays in starting construction. Construction was completed in November 2007.

HAC also conducted the outreach and lottery for the new homes. It was able to sell the affordable units quickly to qualifying purchasers but experienced more difficulty in selling the moderate-income units targeted to those earning between 80% and 110% of area median. Although the resale restrictions on the moderate-income units were reduced to 30 years instead of in perpetuity, declines in the housing market have made market-priced homes without resale constraints more within reach of households in the moderate income range.

■ **Success Factors in Adoption and Implementation:**

Clearly the donation of the land not only provided a substantial subsidy to the project by eliminating

acquisition costs, but also garnered significant local support and community good will during the permitting process.

In addition to the creation of 16 new homes, the project set aside 70% of the land area as preserved open space, owned by the Sandwich Conservation Commission, with the Sandwich Conservation Trust enforcing the conservation restriction. One compelling reason for this large amount of open space was the identification that the site included habitat for box turtle, an endangered species on Cape Cod.

■ **Results:**

Sixteen new homes produced, 11 affordable sold to those earning at or below 80% of area median income and five directed to those earning between 80% and 110% of area median and still priced out of the local housing market. Of the five more moderately priced homes, four have sold thus far, with the final home still on the market.

■ **Issues to Consider/Do Differently:**

The project originally included an equal number of affordable and moderately-priced units, but HAC decided to offer more affordable units given the softening of the housing market and consequently accepted a lower developer fee.

Other Examples in Massachusetts



Other examples of private land donations including Habitat for Humanity developments (see pages 31, 65, and 67 for summaries of several Habitat projects on Cape Cod). Another large donation of private property for affordable housing is the Dickson Meadow Condominium in Weston, a mixed-income development of 18 single-family homes, six sold to first-time homebuyers earning at or below 80% of area median income.

Community: Falmouth
 Tool: Habitat for Humanity/Donation of Public and Privately Owned Land – Sam Turner Road
 Contact: Vicki Goldsmith, 508-775-3559
 Web Links: www.habitatcapecod.org

■ **Description of Tool:**

In 1999 the Town of Falmouth voted to convey a half-acre town-owned parcel on Sam Turner Road to Habitat for affordable housing. Under Title V, only two bedrooms could be built on the parcel, however, the organization was able to negotiate additional donations from abutters to configure a 110,000-square-foot parcel to allow 11 bedrooms. While two abutters donated land to the project, one in turn received some favorable frontage as part of the trade, and the other was able to retain a small half-acre parcel for a future two-bedroom home. The Habitat director likes to refer to this project as an example of YIMBY: Yes in My Backyard!

In addition to the land donations, the organization received funding from the Barnstable County HOME Consortium (\$100,000), \$60,000 from the Falmouth Community Preservation Fund, a \$15,000 donation and a \$20,000 challenge grant from Charlesbank Homes Trust, as well as other diverse contributions from foundations, banks, churches, businesses, and individuals, totaling approximately \$693,500 for the project (this includes the estimated \$120,000 in in-kind contract services and donated construction materials) or \$177,375 per unit, including all soft and modest infrastructure costs.

For more information on the Habitat for Humanity model see the summary of the Mashpee development on page 31.

■ **Success Factors in Adoption and Implementation:**

Habitat for Humanity on Cape Cod has earned a reputation as a credible and conscientious developer of affordable new homes that has made it easier for the organization to strike deals with abutters and communities. Moreover, the current president of the organization, who is a long-standing lead volunteer for land acquisitions, was particularly enterprising in reaching out to the abutters and effectively negotiating deals to expand the allowed number of bedrooms from two to 11.

To maximize yard space, allow for necessary parking, etc., the organization presented plans for two duplex-style buildings, still considered single-family homeownership because of the zero lot line down the center of each. One structure includes two three-bedroom units and the other has two two-bedroom units. The only shared maintenance systems are the roof and foundations.

■ **Results:**

Four new affordable homes are being built in two duplex structures including two three-bedroom units and two two-bedroom units.

■ **Issues to Consider/Do Differently:**

Like most affordable housing developments, particularly complicated deals, this project took considerable time and the organization continues to seek ways to move development along more expeditiously.

Other Examples in Massachusetts



Approximately 20 local Habitat affiliates are now operating in Massachusetts alone, and each is active in building new homes and raising the necessary funds.

For a list of Habitat affiliates in Massachusetts, visit the Web site www.habitatboston.org/links.html. See pages 31 and 67 for descriptions of other Habitat for Humanity developments on Cape Cod.

Community: Hyannis
Tool: Habitat for Humanity/Donation of Privately Owned Land – Danvers Way
Contact: Vicki Goldsmith, 508-775-3559
Web Links: www.habitatcapecod.org

■ **Description of Tool:**

Danvers Way involved the development of 16 homes on slightly less than three acres in Hyannis on land donated by Cape Cod Five Cents Savings Bank. The land was in the bank’s portfolio for a number of years as a result of a failed and foreclosed subdivision, which the bank had unsuccessfully tried to market. Habitat for Humanity was the coordinating developer of the project and marketed and built 10 of the homes, four targeted to those earning at or below 60% of area median income and six sold to those earning at or below 50% of area median income. Habitat contracted with a private developer, the McShane Corporation, to build the remaining six homes under more conventional terms without sweat equity, marketing to households at or below 80% of area median income, a conventional first-time homebuyer mortgage, and homeowner selection by Housing Assistance Corporation (HAC). In addition to a mix of the Habitat and the more conventional affordable housing model, the project aimed to deliver a mix of unit sizes including 2 one-bedroom units, 2 two-bedroom units, 10 three-bedroom units, and 2 four-bedroom units to accommodate families of various sizes.

Public funding was also incorporated into the project. For example, \$50,000 in Barnstable County HOME funding and \$15,000 in Community Development Block Grant funds were used largely to subsidize the costs of building the necessary infrastructure such as roads and utilities. An additional grant of \$313,000 from the Federal Home Loan Bank Board’s Affordable Housing Program supported infrastructure and some house costs. Moreover, Habitat was successful in raising significant funding from a wide range of



private local sources as well as considerable support through community volunteerism and sweat equity.

For more information on the Habitat model see the summary of the Mashpee development on page 31.

■ **Success Factors in Adoption and Implementation:**

The donation of this land to Habitat was a result of the good will and credibility the organization had developed on the Cape, and after Cape Cod Five’s failed efforts to market the parcel that came to them in a foreclosure, the bank decided to contribute it to a good cause. Because the project was larger than most Habitat efforts, it was prudent to divide responsibilities between the organization and another affordable housing developer to insure units were built in a timely manner.

This project represented the first time the organization used zero lot line development to achieve single-family homeownership in duplex-style buildings. All

owners belong to a neighborhood association and pay into a two-party escrow account to cover long-term maintenance needs for their own building, focusing on roof and foundation repairs.

Another successful outcome of the project was the agreement of all parties to use the deed restriction that explicitly survives foreclosure. This was an issue with the six more-conventional units when lenders noticed the language and initially balked at its acceptance. After further review Cape Cod Five Cents Savings Bank and Cape Cod Cooperative Bank agreed to accommodate it for the project. Since then the state's universal deed rider, developed with Fannie Mae, has adopted similar language and no longer is a problem for affordable homeownership financing. This was not a problem for the 10 Habitat homes, as the organization provides mortgages directly to its purchasers.

■ **Results:**

Habitat for Humanity built its 10 homes over a three-year period. The six additional McShane homes were built in the first phase of construction. Homes were deeded over as each attained its certificate of occupancy between Spring 2004 and early 2006.

■ **Issues to Consider/Do Differently:**

The organization is likely to stagger the construction of homes in multiple unit developments more intentionally to address staff capacity for overseeing construction and volunteer efforts. For example,

instead of clustering the construction of four to six units at a time, a more realistic focus on two to three, staggered according to major phases, is more amenable to the structure of Habitat's program.

The organization is also now more aggressive about raising funds in advance of a build to insure that all funding is in place before the construction starts.

It is likely that future developments will not intentionally target purchasers earning at or below 50% of area median income unless other substantial subsidies are involved. The standard target income for Habitat homes in higher price areas, such as Massachusetts, is directed to those earning at a slightly higher level of up to 65% of area median. However, the program finds that those earning substantially less can still qualify, but cannot predict who, within the income range of up to 65%, will end up being the qualifying applicants.

Also, although this project represents a successful partnership between Habitat and another developer, in this case a for-profit developer, it is likely that any future partnerships should culminate through a competitive instead of a sole-source process and be more contractual in nature. There was also some effort to mix volunteerism and sweat equity into the contract homes. This would not be done in the future; homes either would be contract conventional affordable without volunteerism, sweat equity, or donor funding, or would be true Habitat for Humanity homes that include all components of its traditional program.

Other Examples in Massachusetts



Approximately 20 local Habitat affiliates are now operating in Massachusetts alone, and each is active in building new homes and raising the necessary funds.

For a list of Habitat affiliates in Massachusetts, visit the Web site www.habitatboston.org/links.html.

See pages 31 and 65 for descriptions of other Habitat for Humanity developments on Cape Cod.

Community: Chatham
Tool: Rental Voucher Program/Use of Community Preservation Funds
Contact: Valerie Foster, Chatham Housing Authority, 508-945-0478

■ **Description of Tool:**

The Chatham Housing Authority has developed a Town Rental Voucher Program that offers qualifying households a subsidy for a period of five years that consists of two parts: a shallow rent subsidy of not more than \$400 per month, and an automatic contribution to a monthly escrow account, deducted from the rent subsidy, to help them save for homeownership. The Housing Authority calculates the voucher amount based on a participant's income, expenses, and rent level. The subsidy is paid directly to the landlord, and the participant is responsible for promptly paying the balance of the rent amount. The Chatham Housing Authority determines the amount put in escrow monthly for each eligible participant, which is comparable to an Individual Development Account (IDA), used for the purpose of a down payment should the participant wish to pursue homeownership.

Program participants must meet a number of eligibility criteria including:

- » Must live and/or work in Chatham, be a graduate of Chatham High School, or have close family ties with those currently living in Chatham.
- » Be current on their rental payments and be a tenant in good standing with their current landlord.
- » A household member must remain employed full time over the course of the five-year term of the program.
- » Must meet the income guidelines established by the Barnstable County HOME Consortium.
- » Cannot be receiving other housing subsidies.

- » Cannot have a tax lien or evidence of bankruptcy on their credit report.
- » Cannot have owned any property within the last five years.

Participants are required to sign a five-year participation agreement that states their and the Housing Authority's obligations under the program and also enter into a Limited Funding Agreement, which further explains the program, particularly as to how it relates to the CPA funding. All participants must also attend local first-time homebuyers seminars and budgeting classes. Participants are also expected to identify a local financial adviser who will provide additional assistance in helping them move to self-sufficiency and who will provide regular progress reports to the Housing Authority.

The program is funded with \$200,000 of CPA funds in two \$100,000 increments over two years, including \$12,500 per year in administrative costs, to allow at least four program participants, assuming the \$400 maximum monthly subsidy is granted. Participants must "graduate" after five years, either purchasing their own homes or maintaining self-sufficiency in their current rental units or another apartments.

■ **Success Factors in Adoption and Implementation:**

Once again, this initiative not only grew out of the town's recognition of the pressing need to support the needs of lower income renters, but also demonstrates the continued confidence that the town has

in the Chatham Housing Authority’s ability to manage a range of affordable housing initiatives.

The Housing Authority conducts annual recertifications and inspections of these privately owned units. This insures that the properties are well managed and remain in good condition. It also keeps the Housing Authority in close contact with the participants.

■ **Results:**

The program graduated a total of seven participants in its first round: two have purchased their first homes (one through a Habitat for Humanity project and another was able to purchase the house

they were renting), two are self sufficient and renting their own units, two moved into the Chatham Housing Authority’s Lake Street development (see page 27 for details on this project), and another confronted a health condition and was able to move into family public housing.

■ **Issues to Consider/Do Differently:**

The Housing Authority is committed to securing an agreement from landlords to secure a program participant’s rental unit as “project-based” that will enable the unit to count as part of the Subsidized Housing Inventory.

Other Examples in Massachusetts



Wellfleet has recently initiated a pilot rental assistance program.

Community: Chatham
Tool: First-time Homebuyers Assistance Program/Use of Community Preservation Funds
Contact: Valerie Foster, Chatham Housing Authority, 508-945-0478

■ **Description of Tool:**

Chatham has committed \$130,000 in Community Preservation funding to fill the gap between the market price of a home and an affordable one for first-time homebuyers. Up to \$60,000 per household is available in subsidy. The maximum affordable purchase price is now \$180,000 and therefore the maximum market price is currently \$240,000. Purchasers are also required to attend first-time homebuyer workshops and encouraged to explore more affordable mortgage financing, such as loans through the state’s Soft Second Loan Program.

This program requires communities to affirmatively advertise the availability of assistance and prepare a Ready Buyers List that includes those qualifying applicants that have submitted income and asset documentation as well as a letter of interest from a lending institution per the requirements of the Local Initiative Program (LIP). Once an applicant from this list is successful in selecting a unit to purchase, additional documentation is required such as a home inspection, appraisal, signed Purchase and Sale Agreement, and mortgage commitment. Participants must also enter into deed restrictions.

■ **Success Factors in Adoption and Implementation/Results:**

The program was initially the idea of the town’s Affordable Housing Committee, which approached the Chatham Housing Authority (CHA) about submitting a joint application for Community Preservation funding. The program is administered by the CHA, which has substantial experience in qualifying applicants for program assistance, working with the town on a range of new housing initiatives, and using Community Preservation Funds.

The town has processed one purchaser to date, but was unable to count the unit as part of the Subsidized Housing Inventory because they had not undertaken all the affirmative marketing required under the state LIP, including the preparation of a Ready Buyers List. At this time, six applicants are on this pre-qualified Ready Buyers List.

■ **Issues to Consider/Do Differently:**

Given changes in LIP guidelines and early experience, the CHA has adapted its program guidelines accordingly and now incorporates a rigorous affirmative marketing and buyer pre-qualification process.

Other Examples in Massachusetts



Acton, Marshfield, and Bourne are in the process of implementing similar programs.

Community: Bourne
Tool: Affordable Housing Specialist/CPA Funds for Staff Support of Local Housing Partnership
Contact: Sue Ross, Chair of the Bourne Housing Partnership, 508-564-6365

■ *Description of Tool:*

In 2006, the Bourne Housing Partnership requested Community Preservation funds to hire a housing professional to staff their efforts towards implementing strategies included in the town's Affordable Housing Plan. The plan stated that if Bourne were to assume a more proactive role in promoting affordable housing and effectively implement the range of actions included in this housing plan, it would need to augment its capacity to coordinate these activities. Although most of the strategies included in the plan did not by themselves involve substantial amounts of staff time from existing town officials and volunteers, when considered altogether they required a significant time commitment and involved some specialized expertise in housing programs, policy, and development. It was determined that adding at least a part-time position would provide the essential support that the town needed to insure the efficient and effective coordination of the basic activities outlined in the Affordable Housing Plan.

In November 2006, the Housing Partnership hired the part-time Affordable Housing Specialist, who has reported directly to the partnership. The position initially involved 15 hours per week, increased to 20 hours in July 2007, and recently to 24 hours; the pay per hour also increased over this period. The specialist initially focused on overseeing the rehabilitation of a donated house, including putting procedures in place to insure that affordable units get counted as part of the Subsidized Housing Inventory per Local Initiative Program requirements. Other work has included:

- » Conducted preliminary planning for the adoption of a Municipal Affordable Housing Trust in Bourne, planned for Spring 2008 Town Meeting.

- » Pursued the development of a program to use Community Preservation funds to further subsidize USDA mortgages and provide affordable first-time homebuyer opportunities in Bourne. The program, referred to as the Bourne Housing Opportunity Purchase Program (B-HOPP), involves establishing a "ready to buy list" of pre-approved first-time homebuyers (chosen in order by lottery), who will be able to afford existing condominiums or modest single-family homes. The Board of Selectmen and DHCD are reviewing the final program design and a funding request to the USDA has been submitted for \$2.5 million in mortgage financing. After months of discussion and negotiations, which included the approval of the USDA on the use of the state's deed rider, it appears that both the USDA and DHCD are in support of this new initiative.
- » Set up files in Town Hall for each affordable unit that has included the deed restrictions, which has substantially assisted resales and monitoring activities as different deed riders were used for different units. These files are easily accessible to the Town Administrator, Town Planner, Housing Partnership, and other local officials.
- » Started an outreach program to communicate with current owners of affordable units to keep them informed on the town's affordable housing issues, to remind them of their obligations concerning their deed restrictions, and to pursue their participation in the Housing Partnership.
- » Created Project Review Guidelines, which are set up as a questionnaire to be completed by applicants for comprehensive permits to help standardize the review process in Bourne.

- » Provided professional input into development proposals for consideration by the Bourne Housing Partnership and other town boards and committees.
- » Provided education on affordable housing by preparing outreach materials and attending special events.
- » Attended conferences and training sessions to remain up-to-date on affordable housing issues and to build relationships with other communities and organizations.
- » Helped a non-profit organization obtain technical assistance funding from the Cape Cod Commission.
- » Spent time developing an affordable accessory apartment bylaw that was put on hold given changes in the state's Local Initiative Program guidelines that would make the implementation of the bylaw more difficult to implement locally.

■ **Success Factors in Adoption and Implementation:**

The Affordable Housing Specialist reports directly to the Bourne Housing Partnership that has already demonstrated experience in producing affordable housing and a housing plan that provides further direction on the implementation of priority housing activities. The availability of Community Preservation funding has also been key to covering the costs of this position and putting the town in a good position to

spend more than the minimum 10% on community housing. Certainly the Housing Partnership's support from the Community Preservation Committee and Town Meeting have been important in its efforts to promote affordable housing and fund for this position. The Housing Specialist also had significant housing experience that has allowed him to hit the ground running concerning the work that needed to be done and to make progress on new program development.

■ **Results:**

The town now has the necessary procedures in place to insure that new affordable housing units meet the necessary requirements to be counted as part of the Subsidized Housing Inventory and existing affordable units continue to meet these requirements through annual recertification. Additionally, this position has enabled the town to standardize its review of new development proposals, providing technical input as well. In only a year the specialist has provided community education on affordable housing, has established ongoing communication with the owners of affordable homes, and has embarked on the development of promising new initiatives.

■ **Issues to Consider/Do Differently:**

The Housing Partnership indicated that there is nothing that they would likely have done differently, most likely related to the effectiveness of the person they hired as the Affordable Housing Specialist.

Other Examples in Massachusetts



Quite a few communities have hired housing professionals to support various local housing activities, most using Community Preservation funding to cover the costs. For example, Yarmouth recently hired a consultant to support its ongoing community housing work with funding from both CDBG and CPA. The towns of Marshfield, Sudbury, Weston, and Randolph have also brought on important expertise by hiring housing professionals to support local housing initiatives.

Community: Falmouth
Tool: Affordable Housing Retention and Development/CPA Funds
Contact: Bob Murray, Falmouth Housing Authority and Falmouth Housing Corporation, 508-457-0287

■ **Description of Tool:**

The Town of Falmouth has established two special housing funds. The first one, the Affordable Housing Retention Fund, was created in 2005 to maintain the affordability of units in which the older deed riders, based on appraised value, made the units no longer affordable for families at 80% of the area median income. The fund provides write-down money not only to make the unit affordable, but also to change the deed restriction to the newer income-based deed restriction, thereby insuring affordability over a longer time. Three units have been sold and kept affordable under this program, with a fourth unit purchased by the Falmouth Housing Corporation. This fund was awarded \$500,000 in Community Preservation Funds by Town Meeting, and requires at least three out of five votes of the Board of Selectmen for an allocation.

The second one, the Affordable Housing Development Fund, was created in 2006 by Town Meeting. The fund initially received \$250,000 in Community Preservation funding to support new housing production activities in Falmouth and was later allocated an additional \$250,000. Any proposals for the use of this funding must be presented to the Chairperson/President of all three local housing organizations, including the Falmouth Housing Corporation (local non-profit housing development organization), the Falmouth Housing Trust (smaller non-profit housing organization), and the Falmouth Affordable Housing Committee (municipal entity charged with overseeing affordable housing issues). At least two of these three individuals must approve the funding request before the proposal is brought before the Board of Selectmen for final approval. If one of the individuals has a conflict of interest, the Assistant Town Planner replaces them in the review process.

■ **Success Factors in Adoption and Implementation:**

The availability of these special funds has enabled affordable housing developers to respond quickly to market conditions, address expiring use properties, and get a good start on new development opportunities as they arise. Also, once funding is allocated to the funds, there is no need to go back to Town Meeting for approval of individual deals. However, communities that have established these funds typically have a process in place that gives them the necessary assurances that the funding will be appropriately allocated and spent based on established rules and procedures and sometimes the credibility of those who propose and will use the funds.

■ **Results:**

So far three units have been purchased by first-time homebuyers using write-down money from the Affordable Housing Retention Fund. One required \$23,000, one \$30,000, another \$32,000. The units remain affordable and continue to be included in the Subsidized Housing Inventory. A fourth unit was purchased by the Falmouth Housing Corporation with \$85,000 in CPA funds and is being used as a temporary affordable rental. When an eligible buyer is found, the Housing Corporation will repay \$42,500 to the CPA.

A grant of \$75,000 was awarded from the Affordable Housing Development Fund to the Falmouth Housing Corporation for predevelopment activities associated with the restoration of the second schoolhouse ever built in Falmouth, the creation of a linear park, and the development of 39 affordable housing units.

■ **Issues to Consider/Do Differently:**

There is an interest in promoting lease-to-buy in the future, where the tenants of affordable units build up the necessary capacity to purchase the units they occupy with potential subsidies from the funds.

The funds have not yet established a revolving mechanism that might enable the town to recapture some of the funding it has allocated to particular projects.

Other Examples in Massachusetts



Many communities have established dedicated funds for affordable housing, including almost 40 that have created Municipal Affordable Housing Trust Funds.¹⁹ Communities have also created dedicated housing funds through other means such as a municipal gift fund or through a home rule petition to the state legislature. A special affordable housing fund has also been established in Harwich and is summarized on page 76. Yarmouth has also adopted a Municipal Affordable Housing Trust Fund.

¹⁹ On June 7, 2005, the Municipal Affordable Housing Trust Fund Act was enacted, which simplified the process of establishing such funds. Previously cities could create trusts through their own resolution, but towns had to get approval from the legislature through a home rule petition. The law provides guidelines on what trusts can do and allows communities to collect funds for housing, segregate them out of the general budget into an affordable housing trust fund, and use these funds without going back to Town Meeting for approval. It also enables trusts to own and manage real estate, not just receive and disburse funds. The law further requires that local housing trusts be governed by a five-member board of trustees, appointed and confirmed by the Board of Selectmen, in the case of towns. Although the new trusts must be in compliance with Chapter 30B, the law that governs public procurement as well as public bidding and construction laws, it is likely that most trusts will opt to dispose of property through a sale or long-term lease to a developer to clearly differentiate any affordable housing development project from a public construction project.

Community: Harwich
Tool: Affordable Housing Special Revenue Fund
Contact: Sue Leven, Harwich Planning Department, 508-430-7511

■ **Description of Tool:**

As proposed by the local Housing Committee, the Harwich Board of Selectmen established an Affordable Housing Special Revenue Fund in September 2005 that “may be used for any purpose related to the planning, development, administration and occupancy of affordable housing. These activities may be further defined or expanded from time to time by policy of the Board of Selectmen.”²⁰

Approval of any expenditure from the fund requires a majority vote of the Board of Selectmen at two consecutive meetings. The board seeks the advice of the Housing Committee and Housing Authority prior to its approval. Funding applications must be submitted in writing to the Board of Selectmen. The board forwards copies to the Housing Committee and Housing Authority at least 14 days prior to the first scheduled meeting to discuss the request, also notifying these groups on the date and time of the meeting. These rules can be suspended however, such as approving a proposal at one instead of two meetings, with an unanimous vote of the Board of Selectmen.

■ **Success Factors in Adoption and Implementation:**

The Town of Harwich has effectively dedicated special dedicated resources towards the support of affordable housing initiatives through the creation of this fund, in this case rents from a cell tower lease that averages about \$30,000 per year and sale of town-owned property that, although assessed at \$250,000, sold for \$1.6 million. The local Housing Committee was instrumental in getting

early approval of the use of these funds for affordable housing. Also, additional public funds can be appropriated to the fund by Town Meeting and other gifts or grants can be directed to the fund pursuant to an affirmative vote of the Board of Selectmen. The policy that has been established provides the Board of Selectmen with significant flexibility regarding which affordable housing initiatives to fund.

■ **Results:**

As of the end of 2007, \$1,730,971.44 had been deposited into the fund from proceeds of a cell tower lease and the sale of a piece of town-owned property several years ago. Allocations from the fund have totaled \$469,704, including a recent allocation of \$325,000 to Habitat for Humanity of Cape Cod for its Gomes Way project, \$120,000 to subsidize the resale price of two affordable homes where deed restrictions would have resulted in unaffordable prices (the deed restrictions were rewritten to insure that the resale price formulas were no longer tied to market values), support for Barnstable’s homelessness prevention program (see page 84 in Section VI for a summary of this program, Operation In From The Streets), and some additional funding for predevelopment work on potential developments.

■ **Issues to Consider/Do Differently:**

The town is in the process of preparing a home rule petition to the state for official approval of the fund. The vote to pursue this legislation was approved at a special Town Meeting in February 2008.

²⁰ Harwich Board of Selectmen vote on Harwich Affordable Housing Special Revenue Fund, September 6, 2005.

Other Examples in Massachusetts



Many communities have established dedicated funds for affordable housing, including almost 40 communities that have created Municipal Affordable Housing Trust Funds, including Yarmouth. In addition to the increasing use of Municipal Affordable Housing Trust Funds, some communities have also established dedicated housing funds in the past, usually through a municipal gift fund or a home rule petition to the state legislature. Special affordable housing funds have been established in Falmouth and are summarized on page 74. Brewster has a similar fund that is also under total control of the Board of Selectmen, which was a model for the Harwich fund.





Tax Incentives to Preserve Existing Housing

Several communities have adopted tax reforms to support their efforts in promoting year-round affordable housing. These measures must be approved locally by Town Meeting or City Council and then submitted through a home rule petition for state legislative approval. The approval process continues when the tax provisions are brought back to the community for vote on a referendum.

This reports summarizes several of these programs including:

- » Provincetown – Rental Tax Abatement Program
- » Wellfleet – Accessory Dwelling Unit Tax Abatement (see pages 18, 92, and 96 for details associated with its use in conjunction with Wellfleet’s efforts to promote affordable accessory apartments)

Community:	Provincetown
Tool:	Affordable Housing Property Tax Exemption for Owners of Affordable Year-round Rental Housing
Contact:	Paul Gavin, Principal Assessor, 508-487-7017
Web Links:	www.provincetown-ma.gov/assessor.html

■ **Description of Tool:**

On May 6, 2003, at the Annual Town Election, Provincetown voters approved Chapter 408 of the Acts of 2002 to provide property tax exemptions for affordable year-round rental units. The exemption involves a number of key components including:

- » The portion of the property that qualifies under the program as affordable rental housing is exempt from the property tax. “The amount of the exemption is equal to the tax otherwise due, multiplied by the square footage of the units set aside for affordable housing purposes, divided by the total square footage of the structure.”²¹
- » The exemption is available only to owners of year-round rental property.
- » No deed restrictions are required.
- » Property owners must apply for the exemption on an annual basis, applying to the Board of Assessors.
- » The town’s Principal Assessor determines eligibility under the program by reviewing the lease as well as tenants’ income information verified by the previous year’s tax return or a copy of one monthly bank statement showing the electronic transfer of Social Security payments.

- » Property owners must have a lease in place for the entire fiscal year, and the lease must conform to income limits for low-income households earning at or below 60% of area median, adjusted for household size and determined annually by HUD. Owners may not charge rents, including utilities, which exceed allowable rent levels for qualifying tenants based on the tenants paying no more than 30% of their income for rent/utilities. If the owner does not pay utilities, then an allowed utility allowance must be subtracted from the allowed rent.

■ **Success Factors in Adoption and Implementation:**

The process for approving a special tax exemption is a lengthy and complicated one, and Provincetown’s success in this instance is a testament to the community’s recognition of the importance of not only holding onto its affordable rental housing given soaring real estate prices, but also providing incentives to promote additional year-round, affordable rental units. The eventual approval of the tax exemption involved the following process:

- » Provincetown voters approved a measure (Article 9) to submit a home rule petition for

²¹ Town of Provincetown, FY2007 Affordable Housing Property Tax Exemption for Owners of Affordable Year-round Rental Housing, web site www.provincetowngov.org.

special state legislation at its April 1, 2002, Special Town Meeting to allow the town to implement the exemption.

- » This Town Meeting article was introduced to the state legislature as Senate Bill Number 2325 and was subsequently approved by both the House and Senate.
- » The Governor signed the bill into law on December 19, 2002.
- » On May 6, 2003, Provincetown voters approved the acceptance of the bill at a town election.
- » The program was implemented on July 1, 2003.

■ **Results:**

In FY 2007 there were 30 properties participating in the program, involving 60 rental units. The program is funded through the Assessor’s “Overlay Fund” (used for exemptions, abatements), which is absorbed by all taxpayers in town. In FY 2007 the amount included \$57,168.

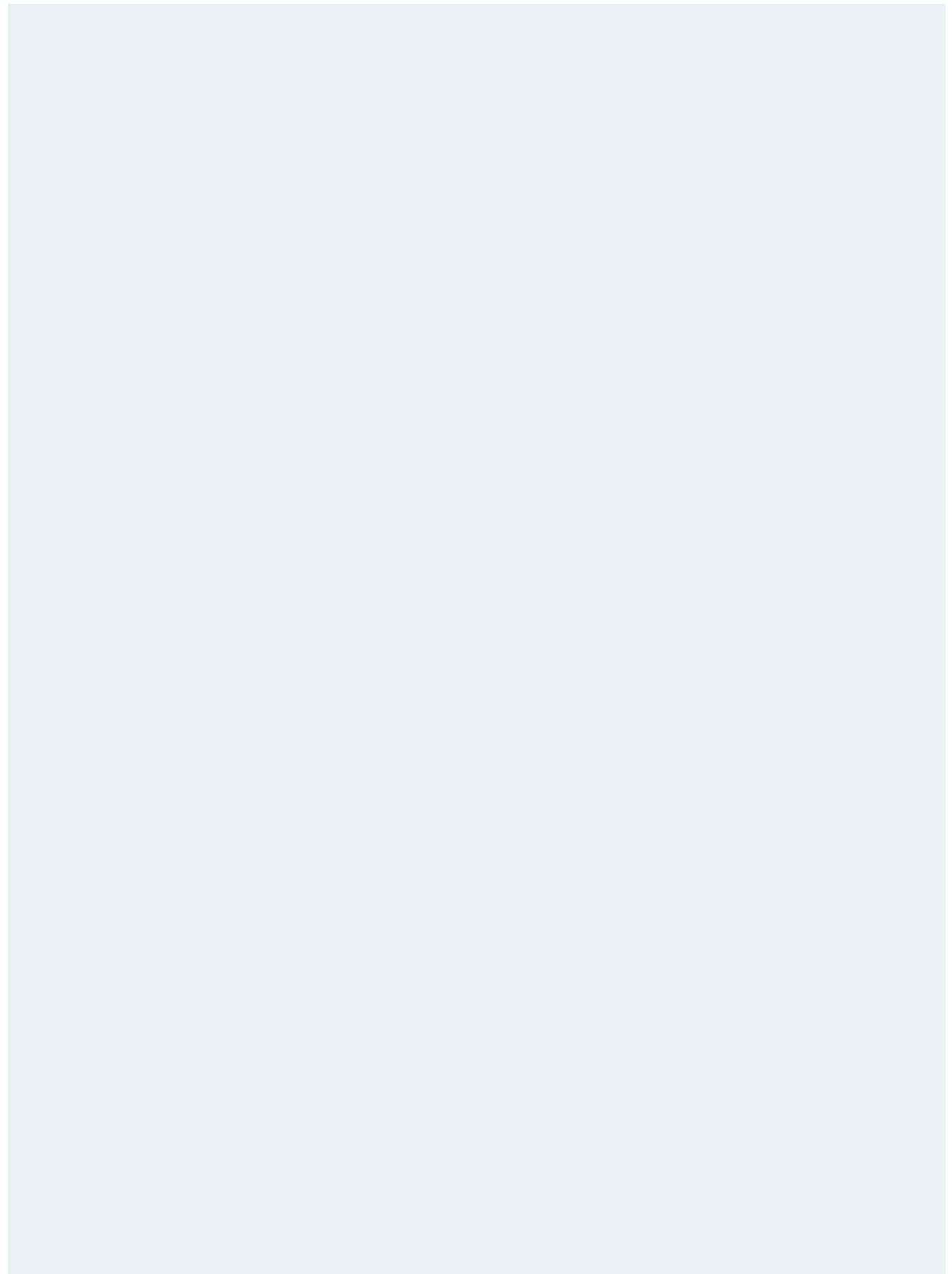
■ **Issues to Consider/Do Differently:**

Although the program is directed to tenants earning at or below 60% of area median income, the bill states that the program is for affordable housing, which in Provincetown is defined as earning at or below 80% of area median income. This has caused some confusion, and there may be a rationale for revising the bylaw to correct this problem.

Other Examples in Massachusetts



This exemption has not yet been implemented in another community.



VI. Partnerships/Alliances

These strategies represent efforts on Cape Cod to create partnerships with other community service providers or employers to help meet pressing local housing needs, whether to help the homeless or special needs groups. They include:

- » Barnstable – Operation In From The Streets (OIFTS): Partnering with social service agencies and the Police Department to provide the homeless with both housing and supportive services
- » Cape and the Islands – Project Prevention: A partnership between the Housing Assistance Corporation (HAC) and other organizations to help prevent homelessness
- » Yarmouth – Special Needs Housing on Brush Hill Road: A partnership between HAC and capeAbilities to provide service-enriched special needs housing in a community setting

Another HAC initiative that has not yet been implemented, Employer Sponsored Housing Program, also involves creating alliances with employers in support of affordable housing and is summarized in Section VII.

Community: Barnstable
Tool: Operation In From The Streets (OIFTS)
Contact: Janice Barton, Barnstable Town Councilor, 508-648-1918

■ *Description of Tool:*

Operation In From The Streets (OIFTS) beginning its second year of operation, is an extension of the Town of Barnstable Human Services Committee's 2005 initiative, Operation In From The Cold (OIFTC), that brought 25 individuals who were homeless and living outside in for the cold winter months. At the end of the OIFTC Program, 10 individuals had been placed in housing, 11 were referred into treatment, and 16 were linked to support services (some of these outcomes overlap), all for a cost of less than \$1,000 per person. The program was sparked by public concerns about the plight of the Cape's most critically in-need population—the chronically homeless. The Barnstable Human Services Committee responded and quickly established a subcommittee to create the program, including developing a screening process, acquiring the necessary funding, obtaining housing, coordinating services, and locating the people to serve.

Using the OIFTC and "Housing First"²² models, the Operation In From The Streets Program involved a collaboration of local human service agencies, the Barnstable police and volunteers, spearheaded again by the town's Human Services Committee. Individuals were located through the program's Emergency Response Network Team, a collaboration of outreach workers. After initial screening, they received supported housing in local motels

that had vacancies in the winter months and were further assessed and linked to services, with the goal of having them become contributing members of the community once again. The motels were used as temporary shelters while the case managers located funds and support services for the individuals to assist them to move to more stable housing alternatives. Using smaller motel units allowed the clients the privacy and security they needed to start their work toward wellness.

The program relied on donations from public and private entities including church groups, business organizations, and individuals from all over Cape Cod. Countless volunteer hours have been donated by individuals connected with human service organizations and members of the Human Services Committee. All of the donations went directly to providing the housing and, in many instances, the homeless individuals themselves contributed to the cost of their housing to the greatest extent they were able. The cost again averaged about \$1,000 per person, or about \$50 per person per night. The OIFTS Program began in the winter of 2006 and continued well into April 2007 before it had to reduce activities because it had depleted its funding. By October 2007, sufficient funds had been received to allow the program to start again, and

²²"Housing First" is an alternative to the current emergency and transitional shelter system of providing temporary housing for the homeless and is premised on the belief that vulnerable and at-risk homeless families and individuals are more responsive to interventions and social service support after they are in their own housing, rather than while living in temporary facilities. With permanent housing these people can begin to regain the self-confidence and control over their lives they lost when they became homeless. Created as a time-limited relationship designed to empower participants and foster self-reliance, not engender dependence, the Housing First intervention (1) helps the homeless move directly to affordable rental housing in residential neighborhoods as quickly as possible and (2) then provides six months to one year of individualized, home-based social services support "after the move" to help each household transition to stability.

fundraising efforts will continue. This year, individuals from Falmouth to Provincetown have been assisted by OIFTS, with the concentration of clients, funds and assistance remaining in the Hyannis area.

The program, which is still really in its infancy, is continuing to work on the procedures for tracking clients and funds. In addition, two grants were applied for on behalf of OIFTS, and one has already been received. Efforts have also expanded to garner support from all towns on the Cape.

■ *Success Factors in Adoption and Implementation:*

Through this program, the Town of Barnstable was able to raise community awareness on the issue of homelessness and was able to clarify some of the misperceptions about the chronically homeless living on the streets of Hyannis. For example, most of these homeless individuals were not originally from Hyannis but from other communities on the Cape; they gravitated to Hyannis because of the availability of services.²³ As a result, the town tried to get other communities on the Cape involved in the program.

The program has also proved to be a very cost-effective one. During this year alone, 39 people have been located by outreach workers, 25 have participated in the program and are now in housing or in the process of obtaining affordable housing—all for about \$9,000 in actual subsidy funds.

During the first year the towns of Eastham and Chatham donated to the program, following the lead of the Town of Barnstable, which contributed \$10,000 to the initiative. In 2007 other towns joined in, including Harwich, Dennis, Yarmouth, and Orleans, with the original three communities continuing their support.

■ *Results:*

OIFTS served 54 individuals, with 16 placed in housing, 15 entering into supportive programs, and six returning to their families and/or their towns of origin. Both OIFTC and OIFTS have enjoyed a 42% or higher success rate in bringing people inside and back into society. This success can be attributed to the unprecedented degree of cooperation and collaboration of the human services agencies and the Town of Barnstable's legislative leadership, administration, and police and rescue.

■ *Issues to Consider/Do Differently:*

While the program was operating in 2006–2007, the Barnstable Human Services Committee held three roundtable meetings to address the issue of chronic homelessness by gathering additional information, facilitating greater collaboration among agencies, and identifying gaps in the provision of services to the homeless as well. The most notable gap was the lack of a 24/7 single point of entry for those who were entering or at risk of homelessness. A subcommittee has been established to develop a concept for and create a facility and point of entry process to fill this gap. The concept, known as The BRANCH (Barnstable County Regional Assessment Network for the Care of the Homeless), is now in the planning stages. A Project Manager, funded by the Town of Barnstable's Community Preservation Committee, has been hired to develop the facility, which will include supported temporary housing for clients.

It is anticipated that the function of Operation In From The Streets, as well as other stop-gap programs currently in place, will be integrated into The BRANCH with continued success.

Clearly a consistent annual funding stream should be identified to maintain program operations until it can be integrated into The BRANCH, and funding streams to sustain The BRANCH facility will be sought as well.

²³ A preliminary survey by the Barnstable Police Department found that less than 22% of those surveyed came from the Town of Barnstable. A significant number also come from off Cape, mostly other areas of Massachusetts

Other Examples in Massachusetts



A number of *Housing First* programs operating in Massachusetts, for the most part in cities. A program similar in design to *The BRANCH* was developed by the South Middlesex Opportunity Council (SMOC) in the Framingham area.

Community: Cape and the Islands (Barnstable, Dukes, and Nantucket Counties)
Tool: Project Prevention
Contact: Allison Rice, Housing Assistance Corporation (HAC), 508-771-5400
Web Links: www.haconcapecod.com

■ **Description of Tool:**

Project Prevention represents an innovative effort to prevent homelessness by promoting the purchase of gift certificates from local supermarkets and other fundraising events to provide the necessary first, last, or security deposit, back rent, or mortgage payments to help families and individuals on Cape Cod, Nantucket, or Martha’s Vineyard remain in their homes. HAC administers the program but has two important partners, the Dennis-Yarmouth Ecumenical Council for the Prevention of Homelessness (D-YECH) and the Barnstable Interfaith Council (BIC). These organizations buy the gift certificates in bulk and resell them at local churches, banks, and other businesses. By buying in bulk, the groups earn a 5% profit on every gift card sold, all of which goes to support the program, helping individuals and families who are at risk of becoming homeless.

■ **Success Factors in Adoption and Implementation:**

This program exemplifies how a simple idea can generate substantial results. The commitment by the two participating faith-based organizations, combined with the experience and expertise of HAC, has produced a sound and important initiative.

■ **Results:**

The Dennis-Yarmouth Ecumenical Council for the Prevention of Homelessness (D-YECH) has raised more than \$1 million to support families since the early 1990s. In addition to selling the gift certificates, the organization sponsors various special fundraising events as well.

The Barnstable Interfaith Council (BIC) has raised about another \$200,336 since 2001, directed primarily to prevent homelessness among individuals. In the past six months, BIC has assisted 95 individuals into housing, and the typical subsidy per individual ranges from just \$200 to \$400.

■ **Issues to Consider/Do Differently:**

HAC now requires that those who need assistance a second time attend classes to develop a spending plan to use their limited funds to their best advantage. Completion of the class is mandatory to receive the money requested. In the case of monies needed to prevent foreclosure, foreclosure counseling is required and workshops on issues of post purchase are offered.

Other Examples in Massachusetts



Housing Assistance Corporation (HAC) has been the recognized leader of prevention programs in the state and is frequently asked to speak to groups about existing programs and to offer assistance in developing such programs around the Commonwealth.

Community: Yarmouth
Tool: Housing Assistance Corporation and capeAbilities/Special Needs Housing
Contact: Gisele Gauthier, Housing Assistance Corporation, 508-778-7535
Web Links: www.haconcapecod.org

■ *Description of Tool:*

The Housing Assistance Corporation (HAC) has partnered with the service agency, capeAbilities, to provide service-enriched housing for developmentally disabled older adults with the onset of Alzheimer's in two homes on town-donated land in Yarmouth.

In 1989, Yarmouth's Town Meeting voted to transfer title of 16 acres on Brush Hill Road to the Yarmouth Housing Authority (YHA) for the nominal amount of \$1.00 for the purposes of building affordable housing. At that time, the YHA had planned to develop 12 units of Chapter 705 rental housing, however, all development projects were halted in 1991 due to state budget problems.

In 2000, the Housing Authority was able to issue an RFP for four house lots that were subsequently developed by the winning respondent, a local nonprofit organization, Our First Home, Inc. (OFH), which obtained the regulatory approvals for the subdivision plans on YHA's 16-acre parcel and built the road into the subdivision. Another RFP, issued in July 2006, also resulted in Our First Home, Inc. being designated as the developer of six additional homes for first-time homebuyers on Brush Hill Road.

The YHA issued another Request for Proposals to develop two of the other lots (Lots 3 and 8) as affordable housing for special needs populations. The regional non-profit housing organization, Housing Assistance Corporation (HAC), was the successful respondent. HAC subsequently secured the necessary financing from HUD through its Section 811 Program and from the Barnstable



County HOME Consortium and negotiated a long-term land lease with the Yarmouth Housing Authority. Construction began in the spring of 2006, and the units have been occupied since July 2007.

A house was built on each lot, one to accommodate two residents and the other for four. Three-season porches were added to both homes to extend the living space, and construction included a number of special handicapped adaptations to lower maintenance costs and to improve handicapped accessibility. For example, walls were partially carpeted and tracking systems were put in some of the ceilings to help lift residents out of bed.

■ *Success Factors in Adoption and Implementation:*

This project would not have happened without the town's recognition of the need for additional special

needs housing and the identification of these two lots as likely locations. Moreover, the partnership between the developer, HAC, and a non-profit service organization, capeAbilities, was critical to developing new permanent and affordable housing for those with special needs. Both entities had substantial experience in fulfilling their missions on Cape Cod, each reliant on the other partner to create an effective program that serves important local needs.

Another factor contributing to the project's success is that the homes are located in a community setting, nestled among new homes for first-time homebuyers and designed to fit in well among neighboring homes.

■ **Results:**

The project has produced six new homes for disabled residents, supervised by an organization that has almost 40 years of experience in providing support for people with disabilities on Cape Cod.

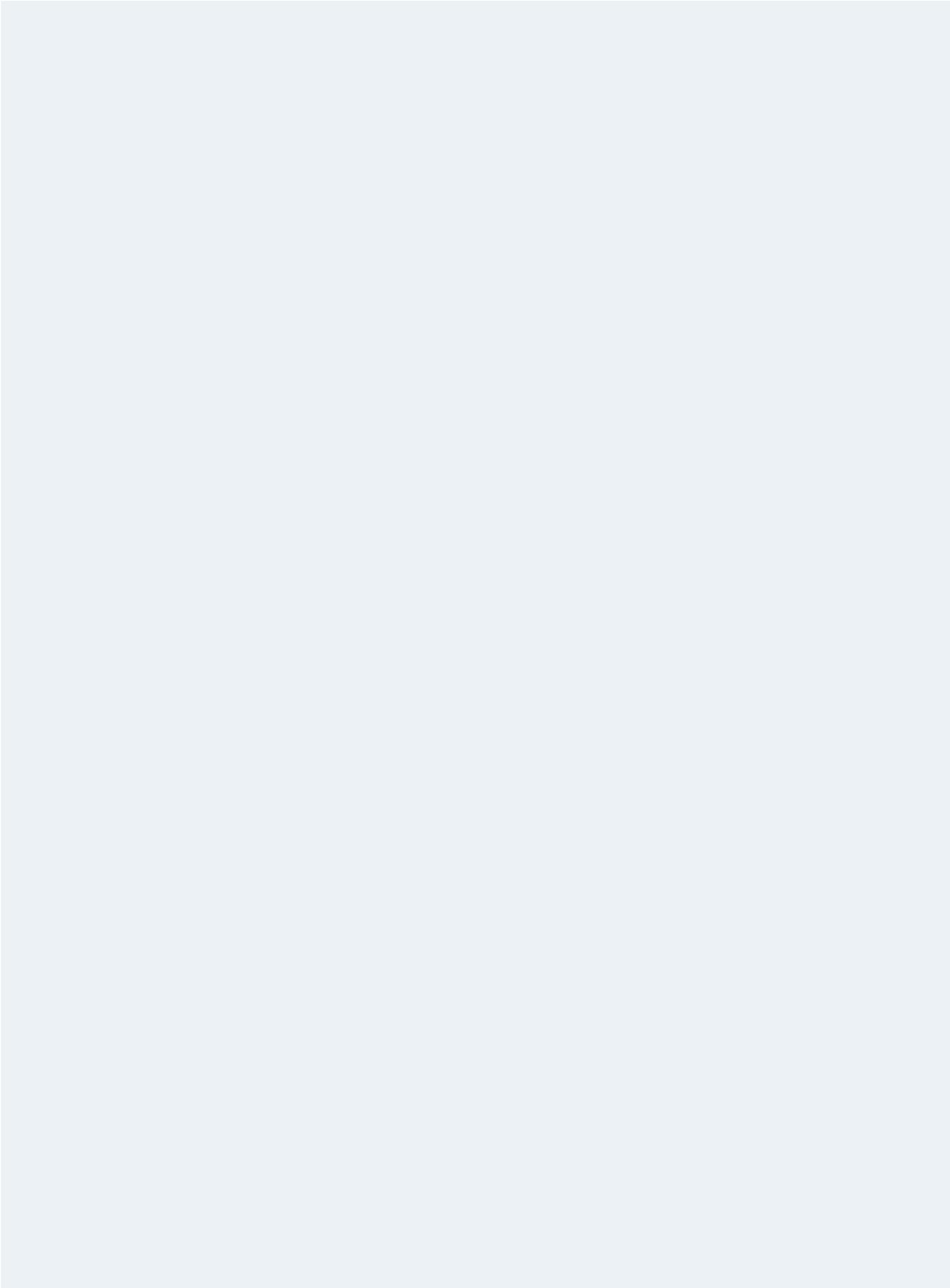
■ **Issues to Consider/Do Differently:**

The project was delayed for several years because it took awhile to address the state's concerns regarding the process that was used to construct the road. This was finally resolved between the developer of the road and subsequent affordable homes on the street, Our First Home, Inc., the Yarmouth Housing Authority, and DHCD.

Other Examples in Massachusetts



The organization, capeAbilities, operates a number of residential homes in community settings throughout the Cape and comparable organizations do the same in many communities in Massachusetts, although most group homes operate out of existing structures.



VIII. New Initiatives/Possibilities

The following initiatives have only recently been implemented, are in the conceptual or planning stages, or have not yet received state or local approval. The first several projects have recently been introduced in their communities and therefore are not fully tested. They all involve direct assistance to qualifying households to promote affordable, year-round rental housing, including:

- » Wellfleet – Affordable Accessory Apartment Loan Program
- » Wellfleet – Pilot Rental Assistance Program
- » Wellfleet/Provincetown – Housing Rehab Loan Program
- » Harwich – Renters Revolving Loan Program

The following strategies have not yet been approved for actual implementation. The first is a Capewide effort to provide matching funds to employer contributions in support of local affordable housing. Another strategy involves a real estate transfer tax that did not receive the requisite support at Town Meeting. Finally, and only in the early stages of discussion, is a program to convert existing public housing units to homeownership, replacing the rental units that are lost.

- » Capewide – Employer Sponsored Housing Program
- » Provincetown – Real Estate Transfer Tax
- » Barnstable – Homeownership and Rental Replacement Program (HARRP)

Community: Wellfleet
 Tool: Affordable Accessory Apartment Loan Program/Use of Community Preservation Funds
 Contact: Paul Pilcher, Wellfleet Housing Authority, 508-349-5114
 Cheryl Gayle, Lower Cape Cod Community Development Corporation, 508-240-7873

■ *Description of Tool:*

The Town of Wellfleet has recently initiated a new pilot initiative, the Affordable Accessory Dwelling Unit (AADU) Loan Program, for qualifying local property owners interested in creating affordable accessory rental units. Town Meeting approved \$20,000 in Community Preservation funding to provide no-interest loans that will be due as a balloon payment in 30 years or when the unit is no longer used as an affordable accessory unit, whichever comes first. The funding is meant to cover two to four loans to address outstanding health and/or safety repairs in order to obtain special permit approval from the Zoning Board of Appeals for the accessory unit.

This loan program was developed by the Wellfleet Housing Authority (WHA) in conjunction with the Lower Cape Cod Community Development Corporation (Lower Cape Cod CDC) and is meant to support Wellfleet's existing effort to promote year-round rental units, providing another incentive for property owners to convert part of their residential or commercial properties to an affordable residential accessory unit. The town approved an Affordable Accessory Dwelling Unit bylaw in 2002 (see page 17 for a description) that has thus far created 16 accessory units in town. Wellfleet has also passed special legislation to offer tax exemptions on the portion of the property rented affordably.

■ *Success Factors in Adoption and Implementation:*

This project would not have been implemented without the strong local political will to promote affordable accessory apartments. This program also complements an existing bylaw and tax relief to promote accessory apartments. The pilot nature of the initiative will allow the WHA and Lower Cape Cod CDC to make appropriate changes based on how the program functioned during the first funding round.

■ *Results:*

Applications were due on September 15, 2007, and will continue to be accepted on a rolling basis. Already one promising application is being processed.

■ *Issues to Consider/Do Differently:*

This is a pilot program and therefore the guidelines are a work in progress. Certainly after the first round of applications has been processed, the WHA, in concert with the Lower Cape Cod CDC, will have an opportunity to make changes as needed in time for a second round of funding and new applications. It is likely that additional outreach and education will be required on the specific program and accessory apartments in general. Initial interest has been expressed by several owners, however, the funding required to bring the units up to strict building codes was more than the \$20,000 initially allocated in Community Preservation funds, suggesting more funding from CPA and other possible funding sources.

Other Examples in Massachusetts



Many other communities throughout Massachusetts are providing home improvement financing, especially cities that receive Community Development Block Grant (CDBG) funding on an entitlement basis. Also, there are non-profit organizations on Cape Cod that provide home improvement loans, such as the Lower Cape Cod CDC and Housing Assistance Corporation (HAC), and smaller communities can refer interested applicants to existing programs, such as those administered by MassHousing. However, rehab programs directed specifically to accessory apartments are rare, but the City of Newton has adopted such a program.

Community:	Wellfleet
Tool:	Pilot Rental Assistance Program/Use of Community Preservation Funds
Contact:	Paul Pilcher, Wellfleet Housing Authority, 508-349-5114 Cheryl Gayle, Lower Cape Cod Community Development Corporation, 508-240-7873

■ *Description of Tool:*

The Town of Wellfleet has allocated \$20,000 in Community Preservation funding to support a new pilot program to provide rental assistance to local families and individuals to maintain affordable year-round housing by ensuring that their monthly rent contribution does not exceed 30% of their monthly income. The program was developed in recognition that the high costs of living in Wellfleet, housing in particular, is putting serious financial strains on existing residents who struggle to pay their rent and utilities each month.

This program was developed by the Wellfleet Housing Authority (WHA) in cooperation with the Lower Cape Cod Community Development Corporation (Lower Cape Cod CDC), which will provide education to program participants on money management and assist in guiding the tenants towards self-sufficiency. Those who will be eligible for program assistance must have incomes below 100% of area median income, with priority being given to those whose income is less than 80% of area median, live and/or work in Wellfleet, have lived in Wellfleet while attending a local high school, or have close family ties currently living in the Town. The Wellfleet Housing Authority currently plans to provide the rental assistance for one year, but participants may request additional assistance for another year if needed. The WHA reserves the right to conduct a lottery if the number of qualified applicants exceeds the amount of funds available. All qualified applicants will be placed on a wait list once the existing funds are committed.

The WHA and Lower Cape Cod CDC held two public hearings in November 2007 to present an overview of the program and make application packages available to potentially interested applicants. Applications continue to be available at the Town Administrator's Office in Town Hall, the Wellfleet Public Library, the Town of Wellfleet's web site: www.wellfleetma.org or by calling Cheryl Gayle at the Lower Cape Cod CDC at 508-240-7873, x19.

■ *Success Factors in Adoption and Implementation:*

This program is a pilot effort, only recently initiated, and therefore will take some time to produce results. Nevertheless, because it is a pilot project, it will allow the WHA and Lower Cape Cod CDC to fine-tune program guidelines to more effectively and efficiently meet local needs and priorities.

■ *Results:*

The deadline for submitting applications is January 11, 2008. After this time applications will be accepted on a rolling basis and will be processed in the order they are received. During November 2007, the WHA and Lower Cape Cod CDC held public meetings to present the program and make applications available; some clear interest was demonstrated.

■ **Issues to Consider/Do Differently:**

Because this is a pilot program, the WHA and Lower Cape Cod CDC will be able to review the results of the first funding round and tweak program guidelines in time for new additional funding, if approved by Town Meeting. It is likely

that additional outreach, education, and technical assistance will be important to provide both potential property owners and tenants with the necessary information to make this program work effectively in Wellfleet.

Other Examples in Massachusetts



Chatham has a comparable program, which is described on page 69 in Section IV.

Community: Wellfleet and Provincetown
Tool: Housing Rehab Loan Program
Contact: Wendy Palliser, Program Manager at Lower Cape Cod CDC,
 508-240-7873
Web Links: www.lowercape.org

■ **Description of Tool:**

Lower Cape Cod Community Development Corporation (CDC) is the non-profit agency responsible for the delivery of housing rehabilitation funds obtained by the Town of Wellfleet through a Small Cities Grant from the DHCD to serve residents of Wellfleet and Provincetown.

The grant priority for Wellfleet and Provincetown is to address code, safety and health repairs, and upgrades in single-family properties owned and occupied by year-round residents with low to moderate incomes. The current FY07 funds, all which must be committed by year-end 2008, are earmarked to pay for approximately 25 rehab projects in the two towns.

Performing implementation, monitoring and reporting tasks according to DHCD guidelines, the CDC delivers and manages the grant monies as deferred, forgivable loans (mortgages) at 0% interest. The loan term is 15 years, with no payments due unless the homeowner sells or transfers the property outside of the family in that timeframe; in such cases, the amount outstanding on the loan is paid back to the Town of Wellfleet for use in community improvement projects.

Full terms of the program are spelled out in an information/application packet available from the CDC.

The CDC sees its role as a significant component of its overall mission to promote a vibrant and diverse community on the Lower Cape, which includes focusing on the preservation of existing housing by

working to deliver affordable rehab loans. In addition, the rehab program offers work and income opportunities to licensed, insured contractors and their crews, many of whom work or live in Lower Cape communities.

■ **Success Factors in Adoption and Implementation/Results:**

CDC launched the program on November 7, 2007; however, homeowner applications are coming in on a rolling basis as marketing and outreach efforts continue through print, broadcast, public meetings, and other outlets. The CDC also likes to remind residents, as stakeholders in these local communities, to spread the word among their eligible neighbors.

Other Examples in Massachusetts



Many programs provide rehabilitation loans to address the repair needs of properties occupied by qualifying households. For example, Housing Assistance Corporation (HAC) operates the Barnstable County HOME Consortium Homeowner Repair Program that provides 0%, deferred payment loans to homeowners earning at or below 50% of area median income and with substantial home repair needs. Priority is given to those with multiple home deficiencies and on the basis of need, particularly those of the elderly, physically handicapped, and single-parent heads of households. Contact erd@haponcapecod.org for more information.

Community: Harwich
Tool: Renters Revolving Loan Program/Use of Community Preservation Funds
Contact: Valerie Foster, Chatham Housing Authority, 508-945-0478

■ **Description of Tool:**

The Harwich Housing Authority recently introduced a Rental Assistance Revolving Loan Program to provide qualifying households with first, last, and/or security deposits for rental units in Harwich. The Harwich Housing Authority presented the program to the town and received initial funding of \$100,000 through the town's Community Preservation Fund for the purpose of making it easier for households to access year-round housing and to build opportunities for lower income households to budget for homeownership.

Participants receive a voucher that is, in fact, a loan, the amount of which is based on their income, expenses, and rent level and is paid directly to the landlord. This amount is repaid by the program participants in monthly installments and deposited into the program's Revolving Loan Fund and thus is available for further lending to other eligible participants. The program requires all participants to sign a one-year loan agreement outlining their obligations under the program and also sign a Limited Funding Agreement, which explains the program. Moreover, each participant must enroll in a Budgeting Class within six months of receiving the voucher/loan and each is encouraged to attend first-time homebuyer classes.

Participants must meet a number of eligibility criteria, which are the same as those for Chatham's Rental Voucher Program listed on page 69 except residency requirements are in Harwich.

The Harwich Housing Authority has established a separate account for the program and submits quarterly reports to the Harwich Community Preservation Committee.

■ **Success Factors in Adoption and Implementation:**

There was very little opposition and a great deal of local support for the program. The fact that the funds had to be paid back was a deciding factor. Additionally, the Chatham Housing Authority is managing the program and has considerable credibility and experience in qualifying households for housing assistance, in working with tenant issues and rental properties, in managing public subsidy funds, in using Community Preservation funding, and in working with the Town of Harwich. Marketing and outreach have been successful through the use of flyers at the local schools and a classified ad in the "For Rent" sections of local newspapers.

■ **Results:**

Thus far two families have benefited from this program, one receiving \$3,000 and the other \$3,900 as well as the requisite education classes related to budgeting and homeownership.

■ **Issues to Consider/Do Differently:**

This program might be effectively used in conjunction with the Rental Voucher Program that is being implemented in Chatham. Therefore, the Town of Harwich will be requesting additional Community Preservation funding at Town Meeting this May to initiate a comparable rental assistance program.

Other Examples in Massachusetts



Housing Assistance Corporation is establishing an Employer Sponsored Housing Program that will incorporate funding from the state matched with funds from employers, some of which will be set aside for assistance to renters (see page 100 for more details).

Community: Capewide
Tool: Employer Sponsored Housing Program
Contact: Vicky Marchant, Housing Assistance Corporation (HAC),
 508-771-5400
Web Links: www.haconcapecod.org

■ *Description of Tool:*

Housing Assistance Corporation (HAC) has received \$250,000 in state funding from DHCD to support a pilot effort to engage employers on the Cape in helping their employees buy or rent homes close to work, matching the funds provided by the state. The program, called the Employer Sponsored Housing Program, has a number of components, including:

- » HAC will reach out to employers, including municipal governments, and conduct an information session on the program and how it would benefit their employees. HAC will then enter into a participation agreement with each employer that lays out relative roles and responsibilities under the program.
- » HAC will provide an Employee Housing Needs Survey for employers interested in obtaining more information on the particular housing issues and needs of their employees. This information is also useful feedback to HAC in better determining the most appropriate means of serving the employees.
- » HAC will provide education classes at the employment site, including its first-time homebuyer workshops and understanding and building credit classes.
- » The program will provide financial assistance to renters—\$2,500 in program funds to be matched by the employers—for help with first and last month's rent, a security deposit, or a shallow rental subsidy for a couple of months.
- » Program assistance will be available to homeowners that includes \$5,000 in program

funds to be matched by employers to support down payments and/or closing costs. No less than 50% of the program funding available must benefit workers earning at or below 80% of area median income; the remaining funds are earmarked to those earning no more than 110% of area median.

- » Eligibility under the program will be determined mutually by HAC and the employer, typically through the employer's human resources representative or department.

This effort builds on a community awareness campaign, the Home At Last Program, sponsored by Citizens Housing and Planning Association (CHAPA) in affiliation with other organizations on Cape Cod, to provide outreach on the pressing workforce housing issue in communities throughout the Cape.

HAC is working with the state on the final documents to enable the organization to begin actual operations in early 2008.

■ *Success Factors in Adoption and Implementation/Results:*

This program grew out of a Capewide effort to address pressing workforce issues such as the high costs of living, particularly housing costs, juxtaposed to the availability of employment opportunities, especially well-paying ones. Interested stakeholders on the Cape established the Workforce Housing Task Force, which met initially in April 2006

to discuss how to develop programmatic solutions to the problem. Through the initial meeting, a number of subcommittees were formed to explore various aspects of the workforce problem. The Employment Benefits Subcommittee came across an existing program, the Regional Employer-Assisted Collaboration for Housing (REACH) Illinois Employer-Assisted Housing Program, which has operated effectively in Chicago and provided a tested model that has demonstrated impressive results. Through the REACH Illinois Program, employers have experienced the following benefits:

- » improved employee retention;
- » reduced recruitment and training costs;
- » a benefits package with a competitive edge;
- » subsidized housing assistance for relocating employees;
- » reduced commutes, stress, and absenteeism for staff;
- » state and federal tax benefits;
- » leveraged state assistance for employees; and
- » community reinvestment.

Employees have received substantial benefits as well through the REACH Illinois Program, including:

- » down payment and closing cost assistance or rental assistance;
- » help in resolving poor credit;
- » ability to live closer to work and reduce stressful commutes;
- » ability to put down roots through homeownership; and
- » preparation for homeownership through education courses.

The Subcommittee then reached out to HAC to develop a comparable program and approached DHCD for support.

There have already been about a dozen employers that have expressed a serious interest in participating in the program.

Other Examples in Massachusetts



This pilot effort is being tried initially on Cape Cod given the area's compelling need for workforce housing. There have been other efforts in the state involving employer assistance to employees related to housing. Some large employers, in recognition that it is becoming more difficult to attract and keep employees, are finding it advantageous to offer financial benefits that will make living in the area more affordable, referred to as Employer Assisted Housing (EAH). These benefits might include grant funding to support down payment and closing costs; a forgivable, deferred, or repayable second loan to write-down the costs of the new home; a matched savings plan; and homebuyer education. One particular effort has been the Employer Assisted Housing Initiative sponsored by the Greater Boston Chamber of Commerce, with the Citizens' Housing and Planning Association (CHAPA) providing assistance to employers to design programs tailored to the needs of their particular employees and provide information on community housing resources.

Community:	Provincetown
Tool:	Real Estate Transfer Tax
Contact:	Pam Parmakian, Community Housing Resource, Inc., 508-487-2426
Web Links:	www.provincetown-ma.gov

■ *Description of Tool:*

Provincetown proposed a real estate transfer tax at its spring 2007 Town Meeting based on projections that at least \$3 million are required per year in subsidy funds to meet the town's affordable and community housing needs²⁴ and that additional resources were required. The focus was to tax sellers of high-priced properties or second homes in effect to channel a small portion of the profits in support of local housing needs. The town estimated that approximately \$2 million in 2005 and \$1.3 million in 2006 might have been raised by the transfer tax.

The key components of this proposed tax included:

- » The transfer fee, to be paid by the seller, was based on 1.5% of the difference between the median house value for Barnstable County for the prior year and the value of the property for primary residences and 1.5% of the full value for non-primary residences.
- » Ten years after the fee becomes law it automatically ceases, a key program component for securing the support of most of the real estate interests.
- » The funds raised must be used to support the creation and retention of housing for those earning up to 150% of area median income who are virtually shut out of the private housing market.

- » The Provincetown Community Housing Council (PCH) would assume the role of the advisory board for the Provincetown Housing Office, which was to administer the funding and enforce the terms and conditions of the bylaw. The PCH is appointed and accountable to the Board of Selectmen.
- » The tax also applied to commercial property, mixed-use property, and land based on the total value of the property.

■ *Success Factors in Adoption and Implementation/Results:*

This provision did not pass when it was first presented at Town Meeting in April 2007; it was defeated by Town Meeting by only 10 votes despite substantial opposition by the real estate community. It has been suggested that more education, hearings, public input, and some additional compromises in the requirements might lead to adoption in the future. The tax still provides a model for possible consideration and adaptation in the future or by other communities.

²⁴ Provincetown defines affordable housing as units that are directed to those earning at or below 80% of area median income (less than 65% referred to as low-income, and from 65% to 80% as moderate-income housing) and community housing directed to households earning between 80% and 150% of area median income (from 80% to 100% of area median as median-income housing and from 100% to 150% as middle-income housing).

Other Examples in Massachusetts



In 2005 all six towns on Martha's Vineyard as well as the Town of Nantucket passed warrants petitioning the state legislature to allow them to charge a real estate transfer fee, which were approved last year by the Senate but defeated in the House. All intend to resubmit the legislation for reconsideration. No other municipalities have received such approval to date. It should also be noted that if the legislature had approved the home rule petition on the transfer tax, the measure would still have had to go back to local voters for final approval.

Community: Barnstable
Tool: Homeownership and Rental Replacement Program (HARRP)
Contact: Sandra Perry, Executive Director, Barnstable Housing Authority, 508-771-7223
Web Links: www.barnstablehousing.org

■ *Description of Tool:*

The Barnstable Housing Authority has conceptually identified a potential future opportunity that might enable current public housing tenants who are paying relatively high rents through the Chapter 705 Program²⁵ to purchase the units they are currently occupying. The BHA would then replace the lost rental units as part of the program.

Tenants enrolled in the BHA's Chapter 705 Self Sufficiency Program receive counseling on financial literacy, including improving credit and moving towards homeownership, through several education programs. Some are enrolled in Individual Development Account Programs, sponsored by Housing Assistance Corporation (HAC) or Community Action, that match CDBG funding with the tenants' own monetary contributions, the funding placed in escrow accounts to be used for special moves towards self-sufficiency

including homeownership. There are 52 Chapter 705 units in Barnstable, all but eight units in single-family homes that, if available for purchase and with additional subsidies for necessary improvements, would make excellent first-time homeownership opportunities.

Initial calculations suggest that with an affordable purchase price of \$150,000 and another \$30,000 for essential property improvements, approximately \$120,000 would be available to reinvest in new replacement housing, most likely through the BHA's Rental Acquisition Program (see Section II on page 46 for details on this program).

The Barnstable Housing Authority has commenced some very preliminary conversations with DHCD on a pilot program to test the concept in Barnstable.

²⁵ The Chapter 705 Program was funded by the state and administered by local housing authorities (LHAs) to provide rental housing for families in smaller-scale developments and in neighborhood settings. During the late 1980s and early 1990s, some 705 funding was made available to allow LHAs to purchase units on the private market.

- **Appendix:
Summary of Strategies**

Cape Cod Commission
Affordable Housing Strategies — Regional Best Practices Toolkit

Strategy	Type of Activity	Community	Status	Sponsor
Growth Management Bylaw	Zoning	Provincetown	58 affordable units	Town
Affordable Housing Bylaw/ Local 40B	Zoning	Dennis	Almost 50 affordable units	Town
Inclusionary Zoning	Zoning	Barnstable	5 affordable units plus \$1 million cash	Town
Affordable Housing Conditional Density Development Bylaw	Zoning	Sandwich	2 projects with 21 affordable units	Town
Accessory Affordable Apartment Bylaw	Zoning and 40B	Barnstable	125 affordable units	Town
Affordable Accessory Dwelling Units Bylaw	Zoning	Wellfleet	15 affordable units	Town/ LCCDC
Motel Conversion Bylaw	Zoning/GIZ	Yarmouth	1 project to date/5 affordable units	Town
Change of Use Bylaw	Zoning	Provincetown	4 affordable units	Town
Lake Street Development	Chapter 40B/tax credits	Chatham	47 affordable rentals 3 affordable homeownership	CHA/ Community Builders
Ashers Path	Chapter 40B/tax credits	Mashpee	56 affordable rentals for seniors	MHA E.A. Fish Assoc.
Sandwich Home Ownership Program	Purchase/rehab/first-time homebuyer	Sandwich	7 affordable homeownership units	HAC
Old Ann Page Way	Conversion of commercial site/tax credits/mix of rental housing and artist space	Provincetown	18 affordable rentals 10 artist studios	CHR

Strategy	Type of Activity	Community	Status	Sponsor
Sisson Road	Redevelopment of farm with rehab and new construction/mix of rental units and day care facility	Harwich	11 affordable rentals Day care	HECH/Falmouth Housing Corp.
Little Homesteads Project	Motel conversion to rentals	Harwich	8 affordable rentals	LCCDC
Rental Acquisitions Program	Purchase and rehab/rental units/some special needs units	Barnstable	56 affordable rentals	BHA
Septic Repair Program	Loan Program/CDBG	Yarmouth	29 loans	Town
704 Main Street	Mixed commercial and residential/rental units/tax credits	Falmouth	48 affordable rentals 10,000 sq.ft. commercial space	Falmouth Housing Corp./ Affirmative Investments
Meadow Road	Mix of new homes and artist studios	Provincetown	14 affordable condos 4 artist studios	CHR
MCI Development	Historic rehab/rental units/tie-in with self-sufficiency program/donation of town-owned property/town funding, including CPA	Chatham	4 affordable rentals	CHA
Balfour Lane	Conversion of office space to condos/first-time homebuyer/CPA funding/private fundraising	Chatham	4 affordable condos	LCCDC
Friends of Orleans Affordable Homes (FOAH)	Private fundraising	Orleans	More than \$130,000 in private funds raised	FOAH
Homesteads Project	Mixed affordable and workforce condos/private land donation	Sandwich	11 affordable homes 5 workforce homes	HAC
Scattered-site Habitat for Humanity project	Town-donated parcels/first-time homebuyer/40B	Mashpee	10 new affordable homes	Habitat for Humanity
Sam Turner Road	Donation of public and private land/first-time homebuyer/Habitat for Humanity	Falmouth	4 new affordable homes	Habitat for Humanity

Strategy	Type of Activity	Community	Status	Sponsor
Danvers Way	Donation of private land/mix of Habitat and more conventional affordable housing model	Hyannis	16 new affordable homes	Habitat for Humanity McShane Corp.
Rental Voucher Program	Direct rental assistance to qualifying tenants/use of CPA funds	Chatham	7 participants	CHA
First-time Homebuyers Assistance Program	Direct financial assistance to qualifying first-time homebuyers/use of CPA funds	Chatham	1 participant New program	CHA
Affordable Housing Specialist	CPA funding to hire someone to coordinate housing activities	Bourne	New initiatives in place or in planning	BHP
Development and Preservation Funds	CPA funding dedicated in special funds for affordable housing	Falmouth	3 units retained in SHI; predevelopment funding for new initiatives	Town
Affordable Housing Special Revenue Fund	Dedicated local resources committed to special housing fund	Harwich	More than \$1.7 million raised; \$470,000 spent	Town
Rental Tax Abatement Bylaw	Tax exemption for owners of year-round rental housing	Provincetown	30 participating properties/60 units	Town
Operation In From The Streets (OIFTS)	Homelessness prevention program/coordination of agencies for service provision and housing placement	Barnstable	54 served in 1st year	Collaboration of agencies
Project Prevention	Homelessness prevention/fundraising	Capewide and the Islands	More than \$1 million raised	HAC/BIC/D-YECH
Brush Hill Special Needs Housing	Permanent supportive housing/group homes	Yarmouth	Supportive housing for 6 disabled residents	HAC/ capeAbilities
Affordable Accessory Apartment Loan Program	Rehab loans for accessory apartments/CPA funding	Wellfleet	Program just started	WHA/ LCCDC
Pilot Rental Assistance Program	Direct rental assistance to qualifying tenants/CPA funding	Wellfleet	Program just started	WHA/ LCCDC

Strategy	Type of Activity	Community	Status	Sponsor
Housing Rehab Loan Program	CDBG funding for home improvements	Wellfleet Provincetown	Program just started	LCCDCD
Renters Revolving Loan Program	Direct assistance to tenants to cover first or last month's rent and/or security deposit/use of CPA funding	Harwich	2 participants New program	CHA
Employer Sponsored Housing Program	Coordinated efforts with employers to promote workforce housing/ matched state funding	Capewide	Not yet implemented	HAC
Real Estate Transfer Tax	Tax sellers of high-priced properties and use to support affordable housing	Provincetown	Not yet approved	Town
Homeownership and Rental Replacement Program*	Enable Chapter 705 tenants to purchase units and create replacement housing	Barnstable	Conceptual	BHA

