

TOWN OF BOURNE

24 Perry Ave
Buzzards Bay, MA 02532

HOUSING PRODUCTION PLAN

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Coordinated and prepared by the Bourne Affordable Housing Trust

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TOWN OF BOURNE HOUSING PRODUCTION PLAN

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TOWN OF BOURNE HOUSING PRODUCTION PLAN

I. EXECUTIVE SUMMARY

A. Purpose of Project

In 2005, the Town, through its Housing Partnership, prepared an Affordable Housing Plan that was approved by the state in early 2006. In 2014, the Housing Partnership, jointly with the Affordable Housing Trust, prepared an updated Housing Production Plan that was approved by the state in 2015. This Housing Production Plan represents an opportunity to provide another update to accomplish the following purposes:

- Obtain a current understanding of the housing dynamic in Bourne based on updated U.S. Census figures, market information, and other important indicators of housing need.
- Reflect on what has been accomplished towards meeting local housing needs since the 2014 Housing Plan was approved.
- Reflect on what housing strategies have worked to promote affordable housing, what actions should be taken to expand and/or modify these approaches, and what new actions should be introduced.
- Review what other communities have done with respect to affordable housing policies, regulation, programs and projects that Bourne might consider adapting.
- Obtain approval from the state under Housing Production regulations and guidelines that offer communities greater local control over housing development, including the potential to deny inappropriate comprehensive permit projects.¹
- In light of limited resources and other local constraints to development, determine the most effective avenues for addressing local housing needs, charting the town's affordable housing agenda for the next five years.
- Help establish better communication and coordination among Town boards and committees with updated information and guidance from this document.

B. Housing Goals

Bourne revisited its Local Comprehensive Plan (LCP) in 2019, updating it with the following housing goal:

Create an adequate supply of housing that is safe, healthy, and attainable for people of all income levels and diverse needs to purchase or rent.

The LCP also identified the following three housing policies that provide further context for the recommendations that are included in this Housing Production Plan to address identified housing needs:

- Foster development of diverse neighborhoods with housing for all age and income groups, and with a focus on higher density developments in community activity centers.

¹ Massachusetts General Law, Chapter 40B, 760 CMR 56.03 (4).

- Actively promote development and preservation of affordable housing in sufficient amounts to meet the needs of first-time homebuyers, renters, and others in need with limited incomes.
- Protect and expand the supply of housing available and suitable for persons who are aging, physically or mentally challenged, or have other acute needs.

Bourne has in fact made significant progress in producing affordable housing. The Town currently has 589 units of state-approved affordable housing as part of its Subsidized Housing Inventory (SHI), the equivalent of 6.87% of the town's 8,572 year-round units.² More than 93% or 552 units involve rentals compared to 6% and 37 ownership units. A total of 117 or 22% of the units were processed through Chapter 40B comprehensive permits.

C. Affordability Challenges

Demographic Changes

Demographic shifts are occurring which also have a bearing on housing needs. Trends indicate that gains in the proportion of older residents and declines in younger people will likely continue. Older adults will be most able to move into Bourne, as they are more likely to possess the significant equity needed to participate in the local housing market, which is increasingly dominated by owner-occupied units. Demand for second homes has also been a driving force behind rising housing prices. The growth in Airbnb's has also removed units from year-round use as owners can earn about the same amount of money on temporary rentals while still being able to use the units themselves, also with less wear and tear on the property.

Despite a growing population of seniors, buoyed by the Baby Boom generation and the community's desirability as a retirement destination, housing for younger people is critically needed because of the ongoing losses from the younger age groups and the expected continued prevalence of homeownership among seniors. To attract a more stable labor force, it is important to work towards providing more affordable and appropriately-sized housing opportunities. Consequently, the Town will largely target its affordable housing efforts on the development of affordable rental options for younger households and the increasing numbers of older, long-term residents with fixed incomes. The Town recognizes, however, that homeownership opportunities for first-time purchasers and low-to moderate-income income empty nesters should also be part of its housing agenda.

Because of their increasing numbers, reliance on fixed incomes, and unique needs, a substantial segment of seniors will require smaller more affordable and accessible dwelling units as well as assisted living arrangements. When asked what the major housing problem was for seniors, the representatives of the Council on Aging immediately responded, "the lack of it."

Rising Affordability Gaps and Cost Burdens

The Town of Bourne, like much of Cape Cod, continues to have a pressing need for more affordable housing, particularly in the context of growing affordability gaps and cost burdens. The median single-family home price was \$542,450³ based on *Banker & Tradesman* data as of November 2022, up from \$288,000 in 2010. This represents an 88% increase, more than twice the 37% rate of inflation during this

² Year-round units of 8,572 units are based on total housing units minus seasonal/occasional units (11,140 minus 2,568 units) based on 2020 decennial census data, down marginally from 8,584 units in 2010.

³ The Warren Group's *Banker & Tradesman* as of January 2023 based on actual sales data.

period. To afford this median price, a household would have to earn an estimated \$136,500 based on 80% financing.⁴ This income is substantially higher than the median household income for the Town per 2021 census estimates of \$82,119 as well as the 2022 HUD area median income limits for a family of four (4) of \$115,600, thus pointing to a sizable affordability gap.

First-time home purchasers are particularly challenged by increasing interest rates as well as stringent

A total of 394 renter households with incomes at or below 80% of median family income (MFI) were spending more than half of their income on housing costs and should be primary targets for new subsidized housing. These severely cost burdened households represent 17% of all renter households in Bourne, and most have incomes at or below 50% AMI or \$48,950 for a household of 3 in 2022.

lending criteria in response to the recession that occurred more than a decade ago and precipitated high down payment requirements and rigorous credit standards. Some homeowners lost their homes to foreclosure while others have found that rising energy, flood insurance, and other housing-related costs are much more difficult to afford. Moreover, of the 2,195 owner households with incomes at or below 80% of median family income (MFI), 1,390 or 63% were spending too much on housing costs including 625 or 28% who were spending more than half of their income on housing costs.

The situation is challenging for renters as well. More affordable rentals are urgently needed in Bourne, based largely on the concentration of service-sector and seasonal jobs and the related high degree of job turnover. While a median income-earning renter household (\$43,101) could afford a rent of approximately \$878 based on spending no more than 30% of income on housing and average monthly utility costs of \$200, median market rents are closer to \$2,400. Even the median

income-earning household in Bourne (\$82,119) would be hard-pressed to pay more than \$1,853 in rent. No wonder that about half of renters with incomes at or below 80% AMI are paying too much for their housing.⁵

Rentals also exact high up-front cash requirements, often including first and last month's rent and a security deposit. Credit checks and other references also place barriers to securing housing for some. Information from the Bourne Housing Authority further suggests that there are hundreds of applicants for their subsidized units.

Given its location on Cape Cod, Bourne will continue to be a place for commuters as well as a tourist destination that is also attractive to second-homeowners and retirees. Moreover, the ability to work and attend school remotely, further fueled by COVID-19, has put additional pressures on the existing housing stock, further draining the supply of housing and driving up prices.

As would be expected from a community in a tourist area, seasonal housing use is high and consequently, in the summer months Bourne's population increases substantially, putting considerable demands on local services but bolstering the town's economy. Having one in five homes unavailable for year-round occupancy further limits the supply of affordable housing for year-round residents.

⁴ Figures based on 80% financing, interest of 6.5%, 30-year term, annual property tax rate of \$8.81 per thousand, and insurance costs of \$6 per thousand. Also based on the purchaser spending 30% of gross income on mortgage, taxes and insurance.

⁵ Defined as spending more than 30% of total income on housing costs.

Nevertheless, more housing is also needed in the summer months to house seasonal workers which are essential to Bourne's economy but, given low wages and a lack of inventory, struggle to find places to live.

The Concord Group Report found that the "Great Mismatch" will continue to have long-lasting impacts on Cape communities' sustainable development if actions are not taken promptly to better control it. The report indicates that a widening wealth gap, negative job growth, polarized industry composition, top-heavy age structure with growing unmet demand for care are a few of the apparent consequences of having too little attainable housing inventory.

To further exacerbate local and regional housing and economic challenges is the mismatch between what jobs are available and the housing that is affordable. The Housing Assistance Corporation (HAC) hired The Concord Group to study and report on the Cape's regional economy and housing market and provide solutions for addressing the housing crisis and increasing affordability gaps which bears some consideration.⁶

The report claims, "Continuing to build "capital A Affordable" housing is critically important, however, focusing too heavily on strictly affordable efforts will not fully solve resident displacement. The housing crisis will only be fully corrected when municipalities make legislative efforts (zoning to make building legal and offering density bonuses by adding capital A units) to incentivize denser multi-family development. It is not feasible to strictly continue to deliver capital A affordable housing as the costs of doing so does not allow for the scalability of this product type. This will never significantly reduce the imbalance of supply and demand. The development of more market-rate rental units is

a necessity to give current and future community members a chance for residency on the Cape." The report also identified 28,789 households on the Cape earning \$50,000 or less as of 2020 and only 1,789 "capital A Affordable" SHI units.

D. Summary of Housing Production Goals

The state administers the Housing Production Program that enables cities and towns to adopt an affordable housing plan that demonstrates production of 0.50% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory (SHI). Bourne would have to produce at least 43 affordable units annually based on these goals, a formidable challenge.

If the state certifies that the locality has complied with its annual production goals, the Town may be able, through its Zoning Board of Appeals, to deny comprehensive permit applications without the developer's ability to appeal the decision.⁷ Production goals over the next five (5) years include the creation of about 140 SHI units.

⁶ The Concord Group, *Housing Market Overview and Economic and Fiscal Benefits of Housing Development in Barnstable County, MA*, prepared for the Housing Assistance Corporation, October 2022.

⁷ If a community has achieved certification within 15 days of the opening of the local hearing for the comprehensive permit, the ZBA shall provide written notice to the applicant, with a copy to DHCD, that it considers that a denial of the permit or the imposition of conditions or requirements would be consistent with local needs, the grounds that it believes have been met, and the factual basis for that position, including any necessary supportive documentation. If the applicant wishes to challenge the ZBA's assertion, it must do so by providing written notice to DHCD, with a copy to the ZBA, within 15 days of its receipt of the ZBA's notice, including any documentation to support its position. DHCD shall review the materials provided by both parties and issue a

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

E. Summary of Housing Strategies

The Town of Bourne has implemented many of the housing strategies that were included in its 2005 and 2014 Housing Plans, and has most of the building blocks of this Housing Production Program already in place, including local entities for undertaking the work and housing programs and projects underway. Table I-1 summarizes these proposed strategies.

Table I-1 Summary of Housing Strategies	Priority for Implementation		# Affordable Units	Responsible Parties***
	In Years 1-2	In Years 3-5		
V.A Capacity Building Strategies				
1. Conduct ongoing community education	X		*	HP
2. Capitalize the Affordable Housing Trust Fund	X		*	AHT/BOS/CPC
3. Consider future consolidation of housing Responsibilities		X	*	BOS/HP/AHT
V.B Zoning Strategies				
1. Comply with Section 3A of the Zoning Act	X		10	PB
2. Amend accessory dwelling unit bylaw	X		*	PB/HP
3. Explore adoption of town-wide inclusionary zoning		X	*	PB/HP
4. Revise open space community bylaw		X	*	PB/HP
5. Consider short-term rental restrictions		X	*	PB
6. Allow housing for seasonal workers under proper conditions		X	*	PB
C. Housing Production and Preservation Strategies				
1. Work with developers on fine-tuning affordable housing projects	X		138	HP
2. Continue funding local housing Initiatives	X		8	BOS/CPC/AHT
3. Make suitable public property available for affordable housing	X		1	BOS/AHT
4. Create affordable living options for seniors	X		11	AHT/BHA
5. Encourage special needs housing	X		16	HP/AHT
6. Monitor and ensure SHI units remain affordable	X		*	HP
7. Pursue new buy-down strategies		X	10	HP/AHT

decision within 30 days of its receipt of all materials. The ZBA shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be consistent local needs, provided, however, that any failure of the DHCD to issue a timely decision shall be deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days.

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

Abbreviations

Bourne Housing Partnership = HP

Bourne Affordable Housing Trust = AHT

Board of Selectmen = BOS

Planning Board = PB

Zoning Board of Appeals = ZBA

Bourne Housing Authority = BHA

Community Preservation Committee = CPC

II. HOUSING NEEDS ASSESSMENT⁸

This Housing Needs Assessment provides an overview of the current housing situation in the town of Bourne providing the context within which a responsive set of strategies can be developed to address housing needs.

A. Demographic Profile

Detailed information on population characteristics and trends is summarized below with the following major findings:

- Continued population growth, down from the highest 199% growth in the 1960s to 3.5% between 2010 and 2020, representing an increase of 698 residents.
- Significant gains in minority residents with a 60% increase in non-White residents between 2010 and 2020.
- While those under age 18 decreased by 15.4% between 1990 and 2020, those 65 years and over increased by 126% in the context of a 23.4% growth in town population during this period.
- MAPC population projection suggest a further gain to 7,120 older adults by 2030 from 5,383 in 2020.
- The 44.5% increase in the number of households between 1990 and 2021 is much higher than the total population growth during the same period of 26.8% and reflective of increasing numbers of smaller households. This suggests the need for small units to accommodate increases in those living alone and small families.

1. *Population Growth – Continued but slower population growth*

The 2020 decennial census data indicates that the town of Bourne had a total population of 20,452, representing a 3.5% increase over the 2010 population of 19,754. As shown in Table II-1, the greatest population growth occurred in the 1950s when the population almost tripled in size, from 4,720 residents to 14,111. During the following decade, Bourne experienced a loss of 1,475 residents, largely due to reductions in the workforce at the Otis Air National Guard Base, now Joint Base Cape Cod. After that the population steadily climbed once again, increasing by 15.8% and 16.5% during the 1980s and 1990s, respectively, and representing a 42.4% population increase between 1980 and 2010. The 2021 census estimates (five-year estimates between 2017 and 2021 from the Census Bureau's American Community Survey) show a very small decrease to 20,261 residents.

Town records indicate that the population increased to 20,452 residents as of January 5, 2023, to the 2020 census decennial level.

The Metropolitan Area Planning Council (MAPC) has projected population growth, summarized by age range in Table II-5, which estimates that the population will increase to 20,838 by 2020, somewhat higher than the decennial census count of 20,452, and then further to 22,033 residents by 2030. This represents a growth rate of 11.5% since 2010 when the population was 19,754.

⁸ It should be noted that this Housing Needs Assessment includes the most up-to-date data available, noting 2020 decennial data, when available, as well as the most recent figures from the Census Bureau's American Community Survey (ACS) Five-year Estimates 2017-2021. Because the ACS is based on sample data, it is subject to sampling error and variation.

Table II-1: Population Change, 1930 through January 2023

Year	Total Population	Change in Number	Percentage Change
1930	2,895	--	--
1940	3,315	420	14.5%
1950	4,720	1,405	42.4%
1960	14,111	9,391	199.0%
1970	12,636	- 1,475	- 10.5%
1980	13,874	1,238	9.8%
1990	16,064	2,190	15.8%
2000	18,721	2,657	16.5%
2010	19,754	1,033	5.5%
2020	20,452	698	3.5%
2021	20,361	-91	-0.4%
1/5/2023 Town Records	20,452TT	91	0.4%

Source: U.S. Census Bureau, Decennial Figure 2020, the University of Massachusetts Donahue Institute State Data Center, American Community Survey Five-year Estimates, 2017-2021, and the Bourne Town Clerk's Office.

The Cape Cod Commission (CCC) and Barnstable County commissioned a Regional Housing Market Analysis which was completed in June 2017.⁹ This report suggested some population growth for the county in general and for Bourne as well to an estimated population of 19,932 residents by 2025, representing a 0.9% rate of growth between 2010 and 2025. This projection is lower than the Metropolitan Area Planning Council (MAPC) forecast for 2020 of 20,828 residents and undercounts actual growth as identified by the 2020 census of 20,452 residents. The report, which was prepared by Crane Associates, Inc. and Economic & Policy Resources, relied largely on the forecasts from Moody's Analytics related to the structural economy in the county, forecasting the county's future economic performance and demographic changes within a larger prospective view of its economic and demographic dynamic.

Projections from the State Data Center at the Donahue Institute of the University of Massachusetts estimate that Bourne will continue to grow with a projected total population of 20,440 residents by 2020, on target with the 2020 census figure 20,452 and Town census figure for early 2023. These projections estimate a downward population trajectory to 20,254 residents by 2030 and 18,916 by 2040.

2. Racial Composition – Significant gains in minority residents

While Bourne's total population increased by 3.5% between 2010 and 2020, minority residents increased from 1,287 to 2,053, or by about 60%.

As shown in Table II-2, the racial composition of Bourne's population is predominately White at 90.0% of all residents, representing a small proportionate decrease from 94.7% in 2000 and 93.5% since 2010. While Bourne's Non-White population increased significantly between 2010 and 2020, there were even greater gains on a county-wide basis. For example, Barnstable County's Non-White minority population increased by 85.5% between 2010 and 2020, from 8.6% of all

⁹ Crane Associates, Inc. and Economic & Policy Resources, "Regional Housing Market Analysis and 10-year Forecast of Housing Supply and Demand for Barnstable County, Massachusetts", prepared for the Cape Cod Commission, June 30, 2017.

residents in 2010 to 15.0% by 2020, representing a gain of 15,874 residents.

Table II-2: Population by Race, 2000, 2010 and 2020

Race	2000		2010		2020	
	#	%	#	%	#	%
Total	18,721	100.0	19,754	100.0	20,452	100.0
White alone	17,732	94.7	18,467	93.5	18,399	90.0
Black or African American alone	261	1.4	300	1.5	312	1.5
American Indian/Alaska Native alone	100	0.5	106	0.5	107	0.5
Asian alone	132	0.7	234	1.2	309	1.5
Native Hawaiian/Other Pacific Islander alone	2	0.0	8	0.0	9	0.04
Some other race alone	185	1.0	208	1.1	285	1.4
Two or more races	309	1.7	431	2.2	902	4.4
Hispanic or Latino (of any race)	273	1.5	356	1.8	498	2.4

Source: U.S. Census Bureau, decennial data for 2000, 2010 and 2020.

3. Age Distribution – Declines in younger residents and gains in older adults

As shown in Table II-3, census data indicates that the median age of Bourne residents has increased significantly from 39.2 years in 2000 to 51.2 years by 2021. This median is lower than 54.6 years for Barnstable County but much higher than the state at 39.9 years. Bourne's median age is also considerably lower than Lower Cape communities such as Chatham at 62.5 years. When looking at the median age breakdown by sex, the differentials suggest a somewhat greater disparity between the medians for men and women in Bourne of 4.9 years in comparison to 3.5 and 2.3 years for the County and State, respectively.

Table II-3: Median Age, 2000 and 2021

Gender	Bourne		Barnstable County		Massachusetts	
	2000	2021	2000	2021	2000	2021
Both Sexes	39.2 years	51.2 years	44.6 years	54.6 years	36.5 years	39.9 years
Male	37.0 years	48.2 years	42.9 years	52.8 years	35.4 years	38.8 years
Female	41.3 years	53.1 years	46.1 years	56.3 years	37.7 years	41.1 years

Source: U.S. Census Bureau, 2000 Summary File 1 and American Community Survey 5-year Estimates 2017-2021.

Census data regarding changes in the age distribution from 1990 to 2021 is provided in Table II-4 and visually presented in Figure II-1. In general, there were significant declines in the younger age categories and major population gains in the older ones as summarized below.

- *Children – Declining population*
The number and proportion of children has declined markedly over the past several decades. While the total population increased by 26.8% between 1990 and 2021, those children under age 18 decreased by 11.1%, going from almost one-quarter of the population to 17.4%.
- *College age residents – Numbers have fluctuated somewhat with modest net gains*
Young residents in the 18 to 24-age range decreased between 1990 and 2000, from 11.3% to 9.4% of the population, and then increased to 12.0% by 2010. By 2021, this population dropped

to 2,086 residents and 10.2% of all residents. This represented a net growth rate of 14.9% and a gain of 271 residents in this age range which is somewhat surprising given general declines in younger residents.

- *Young adults – Decreased significantly*
Younger adults in the family formation stage of their lives, the 25 to 34-age range, decreased significantly between 1990 and 2021, dropping to 8.6% of the population in 2021 from 16.6% in 1990, or by 34.6%. There were even greater declines in those who were somewhat older, age 35 to 44, decreasing by 34.2% despite the overall population growth of 26.8% during these decades. Clearly an increasing number of those who were raised in Bourne are choosing to live elsewhere. The high cost of housing is likely a factor although the relative scarcity of well-paying jobs is probably the greatest contributing factor.
- *Middle-age residents – Major gains*
Those in the 45 to 64-age range, many of the Baby Boomer generation during these decades, increased significantly, going from 17.9% of the population in 1990 to 28.3% by 2021. This growth represented a net gain of 2,762 residents during this period, doubling the size of this age group.

The aging of the Baby Boom generation will result in continuing increases of older adults during the coming decades, which will require housing for empty nesters including increased handicapped accessibility and supportive services.

- *Older adults – Substantial gains in the population of those 65 years or older*

The number of those 65 years of age and older increased by 3,309 residents between 1990 and 2021, from 14.9% of the population in 1990, 18.8% by 2010, and then 28.0% by 2021. This represented a 139% increase in growth. Between 2010 and 2021 alone, this population showed a net gain of 1,983 residents or 53%. Of particular note were the frail elderly of at least age 85 who increased by 221% during these decades.

Table II-4: Age Distribution, 1990 to 2021

Age Range	1990		2000		2010		2021	
	#	%	#	%	#	%	#	%
Under 5 Years	1,278	8.0	1,171	6.3	888	4.5	914	4.5
5 – 17 Years	2,696	16.8	2,920	15.6	2,754	13.9	2,620	12.9
18 – 24 Years	1,815	11.3	1,756	9.4	2,361	12.0	2,086	10.2
25 – 34 Years	2,667	16.6	2,355	12.6	1,833	9.3	1,743	8.6
35 – 44 Years	2,349	14.6	2,756	14.7	2,268	11.5	1,545	7.6
45 – 54 Years	1,412	8.8	2,598	13.9	3,003	15.2	2,591	12.7
55 – 64 Years	1,461	9.1	1,866	10.0	2,935	14.9	3,170	15.6
65 – 74 Years	1,380	8.6	1,783	9.5	1,863	9.4	3,482	17.1
75 – 84 Years	784	4.9	1,138	6.1	1,309	6.6	1,500	7.4
85+ Years	222	1.4	378	2.0	540	2.7	713	3.5
Total	16,064	100.0	18,721	100.0	19,754	100.0	20,364	100.0
Under 18	3,974	24.7	4,091	21.9	3,642	18.4	3,534	17.4
Age 65+	2,386	14.9	3,299	17.6	3,712	18.8	5,695	28.0

Source: U.S. Census Bureau, 1990 and 2000 Summary File 3 and American Community Survey 5-Year Estimates for 2006-2010 and 2017-2021.

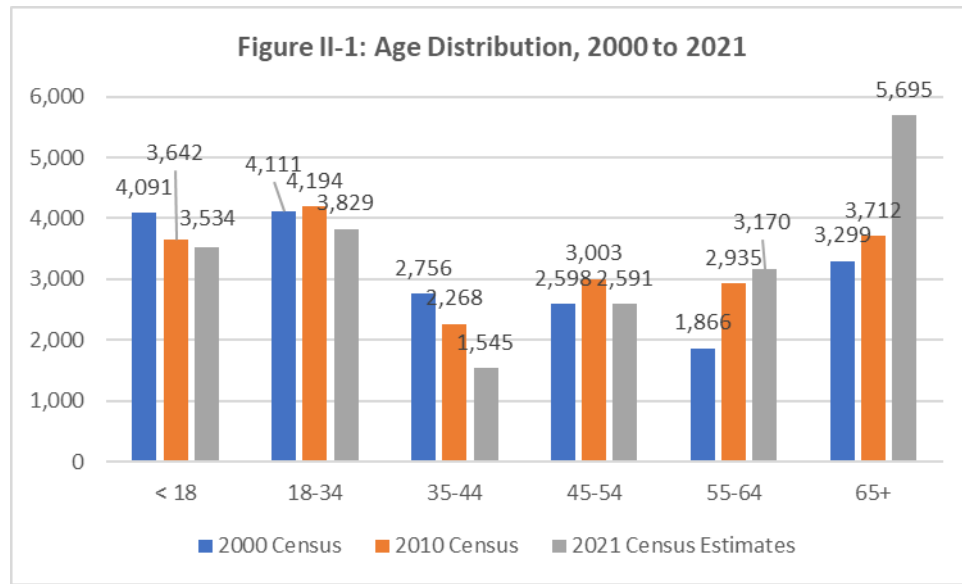


Table II-5 presents population projections by age range through 2020 and 2030, prepared by the Metropolitan Area Planning Council (MAPC). These projections suggest modest increases in younger residents and substantial increases in older ones. For example, those older adults aged 65 years or more are projected to almost double between 2010 and 2030. The 2020 projection of 5,250 such residents is close to the 2020 census estimate of 5,383, however, projections identify a further gain of 1,737 older adults over the next decade. The Town will need to strategically plan to accommodate this increase in seniors while finding ways to attract younger families with children to maintain the social and economic vitality of the community.

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

Age Range	2010 Census	2020 Estimates	2030 Estimates
Less than 5 years	888	960	935
5 to 19 years	3,516	2,460	2,402
20 to 34 years	3,432	3,736	3,462
35 to 64 years	8,206	8,432	8,114
65+ years	3,712	5,250	7,120
Total	19,754	20,838	22,033

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

4. Household Composition – Growing number of smaller households

Demographic shifts to smaller households further suggest a need for smaller units to accommodate a growing population of single-person households and small families.

As shown in Table II-6, the number of households increased by 33.4% between 1990 and 2010, from 5,898 to 7,866, and then increased another 8.4% to 8,525 households by 2021. The increase in households of 44.5% between 1990 and 2021 is much higher than the total population growth during the same period of 26.8% and reflective of increasing numbers of smaller households. While families remained the predominant type of household in Bourne, they decreased from 72.1% of all households in 1990, to 63.8% by 2010, and to 62.5% by 2021.

Non-family households,¹⁰ including individuals who are living alone, increased significantly during this period, from 27.9% in 1990 to 37.5% by 2021. Demographic shifts to smaller households are also reflected in changes in the median household size, from 2.60 persons in 1990, to 2.34 persons by 2021, up a bit from 2.30 persons in 2010. This level is higher than the county average of 2.19 persons but lower than the state at 2.44 persons. It is also worth noting that female-headed households with children, typically among the most vulnerable residents in any community, have fluctuated in number but have decreased proportionately from 5.1% of all households in 1990 to 4.2% by 2021.

Table II-6: Household Characteristics, 1990 to 2021

Household Type	1990		2000		2010		2021	
	#	%	#	%	#	%	#	%
Total Households	5,898	100.0	7,439	100	7,866	100.0	8,525	100.0
Family Households	4,254	72.1	5,013	67.4	5,015	63.8	5,330	62.5
Female Headed Families w/Children <18	303	5.1	405	5.4	388	4.9	358	4.2
Non-family Households	1,644	27.9	2,426	32.6	2,851	36.2	3,195	37.5
Persons Living Alone 65+	679	11.5	881	11.8	1,099	14.0	1,534	18.0
Average Household Size	2.60 persons		2.39 persons		2.30 persons		2.34 persons	

Source: U.S. Census Bureau, Census 1990 and 2000 Summary File 3 and American Community Survey Five-year Estimates, 2006-2010 and 2017-2021.

B. Economic Profile

This section focuses primarily on income and employment trends over the past several decades with a particular focus on income disparities that have been growing in Bourne. Major findings include:

- The community is on average becoming more affluent as the median household income in 2021 was \$82,119, which was up 38.6% from the 2010 median of \$61,418 and significantly higher than the 19.5% rate of inflation during this period. Moreover, 23.4% of households had incomes of \$150,000 or more, up from 9.7% in 2010.
- Despite growing prosperity, there are still residents with very limited incomes. Of the 8,525 total households counted in 2021, 850 or 10% had incomes below \$25,000.
- The income disparity between owners and renters is clearly reflected in median income levels of \$93,144 and \$43,101, respectively, for 2021.
- Poverty has declined over the past several decades except for older adults.
- State labor market information shows an expanding employment base in terms of the number of establishments between 2012 and 2022, including total wages, average employment, and the average weekly wage.
- The average weekly wage increased from \$825 to \$1,171 during this period for an average estimated annual wage of about \$43,000 to \$61,000, respectively, between 2012 and 2022. This represents a 42% increase during this period, higher than the rate of inflation of 30%.
- The 2021 census estimates indicate that 14.2% of Bourne's civilian noninstitutionalized residents claimed some type of disability. This is higher than 13.0% and 11.7% for the county and state, respectively.
- Increasing educational attainment but declining school enrollments.

¹⁰ Non-family households include those whose members are not related or single individuals.

1. Income Distribution – Growing affluence for many but significant income disparities

The median household income in 2021 was \$82,119, which was up 38.6% from the 2010 median of \$61,418. This increase was significantly higher than the 19.5% rate of inflation during the period. This median income is somewhat lower than the 2022 HUD area median income (AMI) limit of \$86,950 for a household of four (4) with income at or below 80% of area median income for Barnstable County. *In fact, despite increasing income levels, about 42% of all Bourne households were earning within the 80% AMI and potentially eligible for housing assistance based on income alone.*

A comparison of 1990, 2000-, 2010- and 2021-income figures is presented in Table II-7 and Figure II-2. What is particularly notable is that 23.4% of households had incomes of \$150,000 or more, up from 9.7% in 2010. Figure II-2 clearly presents the recent spike in this higher income range. This level of higher-income earners was somewhat lower than the county and state, at 24.8% and 28.1%, respectively, however.

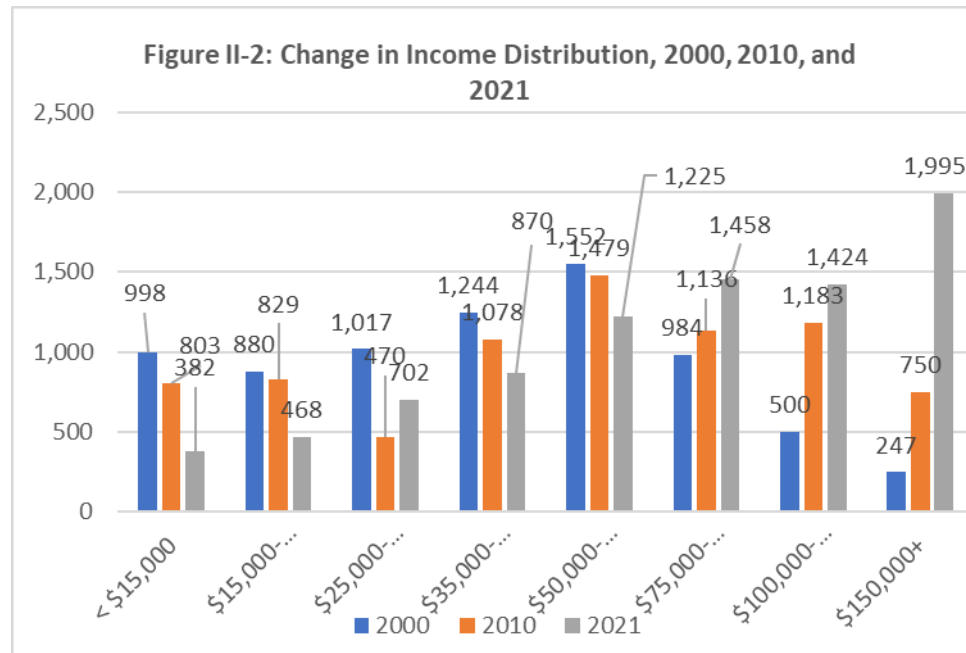
A total of 1,552 households, or 18.2% of all households, had incomes under \$35,000, 850 or 10% under \$25,000, many if not most likely struggling to afford to remain in the community.

Despite growing prosperity, there are still residents with very limited incomes. Of the 8,525 total households counted in 2021, 382 or 4.5% had incomes below \$15,000, down from 803 households and 10.4% in 2010. Another 1,170 households had incomes in the \$15,000 to \$35,000 range, representing 13.7% of households, still with limited incomes. In fact, all income ranges under \$75,000 saw proportional declines between 2000 and 2021.

Table II-7: Household Income Distribution, 1990-2021

Income Range	1990		2000		2010		2021	
	#	%	#	%	#	%	#	%
Under \$10,000	691	11.7	613	8.3	388	5.0	184	2.2
\$10,000-14,999	464	7.9	385	5.2	415	5.4	198	2.3
\$15,000-24,999	889	15.1	880	11.9	829	10.7	468	5.5
\$25,000-34,999	998	16.9	1,017	13.7	470	6.1	702	8.2
\$35,000-49,999	1,221	20.7	1,244	16.8	1,078	13.9	870	10.2
\$50,000-74,999	1,104	18.7	1,552	20.9	1,479	15.1	1,225	14.4
\$75,000-99,999	528	9.0	984	13.3	1,136	14.7	1,458	17.1
\$100,000-149,999			500	6.7	1,183	15.3	1,424	16.7
Over \$150,000			247	3.3	750	9.7	1,995	23.4
Total	5,895	100.0	7,422	100.0	7,728	100.0	8,525	100.0
Median	\$34,159		\$45,113		\$61,418		\$82,119	

Source: U.S. Census Bureau 1990 and 2000, Summary File 3 and American Community Survey Five-year Estimates 2006-2010 and 2017-2021,



Another comparison of income levels is provided in Table II-8, which presents 2011 and 2021 census estimates of median income levels for Bourne and neighboring communities, showing that Bourne falls within the mid-range among income levels. Median income levels are still largely lower than the county and state and higher than several neighboring communities including Wareham, Yarmouth, and Falmouth in some cases.

Table II-8: Comparison of Median Income Levels, 2011/2021

Place	Median Househd Income	Median Family Income	Median Non-family Income	Median Per Capita Income
Barnstable	\$62,191/\$82,816	\$75,620/\$105,750	\$35,845/\$54,820	\$36,121/\$46,996
Bourne	\$62,531/\$82,119	\$79,613/\$99,913	\$36,838/\$49,986	\$32,330/\$47,950
Falmouth	\$61,244/\$78,884	\$106,247/\$106,446	\$35,258/\$47,424	\$38,334/\$51,645
Mashpee	\$62,763/\$83,563	\$73,560/\$113,231	\$40,391/\$43,500	\$33,492/\$48,569
Plymouth	\$76,631/\$97,956	\$90,764/\$120,123	\$43,246/\$50,605	\$33,891/\$52,711
Sandwich	\$82,485/\$111,610	\$95,273/\$137,233	\$39,835/\$59,844	\$36,047/\$54,994
Wareham	\$52,556/\$68,274	\$64,891/\$85,333	\$31,532/\$43,997	\$28,066/\$39,692
Yarmouth	\$50,228/\$72,124	\$63,973/\$93,259	\$34,963/\$41,469	\$33,251/\$45,471
Barnstable County	\$49,453/\$83,537	\$76,334/\$110,803	\$33,933/\$46,743	\$35,066/\$52,113
Massachusetts	\$65,339/\$89,645	\$82,977/\$113,822	\$37,769/\$52,250	\$34,907/\$49,746

Source: U.S. Census Bureau, American Community Survey Five-year Estimates 2007-2011 and 2017-2021 for the towns and 2011 and 2021 One-year Estimates for the county and state.

Table II-9 provides median income levels for various types of Bourne households based on the 2021 census estimates. The income distribution for those households that include children – families – is somewhat higher with a median family income of \$99,913. These higher income levels are highly correlated with the greater prevalence of two workers in families. The median income of non-family households was about half the family level at \$49,986. The Town's per capita income was \$47,950, somewhat lower in comparison to \$49,746 for the state and lower still compared to \$52,113 for the county.

Not surprisingly, incomes were highest for families, men, and homeowners. Also, among the highest was the median income for those ages 45 to 64, well along in their career paths. The median income of seniors, age 65 or older, was \$68,909, largely reflective of a significant number of retirees on fixed incomes. The median income of veterans was surprisingly low, at \$41,033.

Table II-9: Median Income by Household Type, 2021

Type of Household/Householder	Median Income
Individual/Per capita	\$47,950
Households	\$82,119
Families	\$99,913
Nonfamilies*	\$49,986
Male full-time workers	\$53,021
Female full-time workers	\$43,156
Renters	\$43,101
Homeowners	\$93,144
Householder less than age 25	\$55,781
Householder age 25 to 44	\$88,125
Householder age 45 to 64	\$109,572
Householder age 65 or more	\$68,909
Veterans	\$41,033

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates for 2017-2021.

*Includes persons living alone and unrelated household members.

Growing income disparities are also reflected in a comparison of income levels for owners and renters as presented in Table II-10. About 35% of renter households had incomes of less than \$35,000 in 2021 compared to almost half in 2011. When compared to homeowners, 13.1% had incomes in this range in 2021, down from 18.2% in 2011. On the other hand, 47.1% of homeowners earned more than \$100,000 which is up considerably from 31.5% in 2011 and much higher than 24% and 5.6% of renters in 2021 and 2011, respectively. The income disparity between owners and renters is also reflected in median income levels of \$93,144 and \$43,101, respectively, for 2021. The increase in median income levels for owners and renters during this period was relatively comparable at 23.4% and 22.7%, respectively.

Table II-10: Income Distribution by Tenure, 2011 and 2021

Income Range	Homeowners				Renters			
	2011		2021		2011		2021	
	#	%	#	%	#	%	#	%
Under \$10,000	168	2.7	90	1.4	221	12.2	94	4.7
\$10,000-24,999	701	11.2	320	4.9	490	27.1	346	17.4
\$25,000-34,999	271	4.3	446	6.8	187	10.4	256	12.9
\$35,000-49,999	907	14.5	394	6.0	376	20.8	476	24.0
\$50,000-74,999	1,038	16.6	945	14.4	298	16.5	280	14.1
\$75,000-99,999	1,192	19.1	1,265	19.3	132	7.3	189	9.5
\$100,000-149,999	1,197	19.2	1,137	17.4	85	4.7	287	14.5
\$150,000 +	771	12.3	1,945	29.7	17	0.9	55	2.8
Total	6,245	100.0	6,542	100.0	1,806	100.0	1,983	100.0
Median	\$75,455		\$93,144		\$35,140		\$43,101	

Source: U.S. Census Bureau, American Community Survey Five-year Estimates 2007-2011 and 2017-2021.

These income figures are also based on the Town's year-round population, not those who live in town for parts of the year. This group of occasional residents, who occupy about one-fifth of Bourne's housing units, are likely to have significantly higher average incomes in order to afford the high costs of seasonal units or second homes, thus further widening income disparities within the community.

2. **Poverty – Declining levels of poverty except for older adults¹¹**

The 2021 census estimates identify 1,677 individuals and 405 families that are living below the poverty level, representing 8.2% of all residents and 7.6% of all families. These households are an extremely vulnerable group within the community. Poverty for female-headed households with children under age 18 also declined.

While some of those with incomes below the poverty level are likely living in subsidized housing, there are others whose limited means suggest a pressing need for more subsidized housing.

On the other hand, those older adults, age 65 or older, whose incomes have fallen below the poverty level, have increased over the years with 849 such individuals living in poverty, including almost 15% of all such residents.

Table II-11: Poverty Status, 1990-2011

Types of Residents	1990		2000		2011		2021	
	#	%	#	%	#	%	#	%
Individuals	1,027	6.7	1,267	7.1	1,758	8.9	1,677	8.2
Families	226	5.3	290	5.8	386	7.7	405	7.6
Female-headed households with children < 18	210	43.5	209	38.6	182	47.0	142	39.8
Children < 18	NA	NA	412	10.4	608	16.7	315	8.9
Individuals 65+	133	5.8	145	4.7	531	14.3	849	14.9

Source: U.S. Census Bureau 1990 and 2000 Summary File 3 and 2007-2011 American Community Survey estimates

3. **Employment – Significant economic growth with a diverse economic base**

Bourne has a relatively diverse employment base, however, a large segment of the labor force is tied to the service and retail industries that fuel not only year-round residents but seasonal tourism as well. Of

An estimated 1,407 Bourne residents, or about 14% of employed workers, worked in town based on 2021 census estimates, up from 1,019 workers and 10% in 2011.

those 16,333 Bourne residents over the age of 16 in 2021,¹² 10,203 or about 62.5% were in the labor market with an unemployment rate of 3.7%.

It should also be noted that 87.5% of workers drove alone to work, another 4.5% carpooled, and another 6.3% either worked at home or walked to work according to the 2021 American Community Survey estimates. Only 64 residents claimed they commuted by public transportation. The average commuting

¹¹ The 2022 federal poverty level from the U.S. Department of Health and Human Services was \$13,590 for an individual and \$23,030 for a three-person household for example.

¹² Based on the US Census Bureau's 2017-2021 estimates from the American Community Survey.

time was an estimated 27.3 minutes, suggesting employment opportunities were typically located within a reasonable commute.

The 2021 Census Bureau's American Community Survey data also provided information on the concentration of Bourne workers by industry, indicating that 39.0% were involved in management, business, science, or arts occupations with the remainder employed in the lower paying retail and service-oriented jobs that support the local economy including sales and office occupations (24.9%), service occupations (16.2%), production and transportation (9.2%), and construction and maintenance (10.7%). About three-quarters of Bourne's labor force involved private salaried or wage workers, another 18.1% were government workers, and 7.4% were self-employed.

The state provides detailed labor and workforce data on employment patterns in Bourne.¹³ This information indicates that from a labor force of 9,919 as of November 2022, 9,598 were employed, down from 10,927 workers in July, demonstrating the seasonality in Bourne's workforce driven by seasonal visitors during the summer. There have also been some increases in Bourne's workforce over the years as the average annual employment was 9,359 workers in 2010.

Unemployment rates have fluctuated, increasing from 9.5% in 2010, declining to 3.6% by 2019, and then climbing to 10.5% in 2020 as a result of COVID-19. It has since returned to pre-pandemic levels of 3.2% in the fall of 2022.

The state workforce data, as presented in Table II-12, also confirms a mix of employment opportunities ranging from a concentration of lower paying retail and service sector jobs to increasing employment in higher-paying professional jobs. The information also demonstrates an expanding employment base in terms of the number of establishments between 2012 and 2022 as well as total wages, average employment and the average weekly wage. The average weekly wage increased from \$825 to \$1,171 during this period for an average estimated annual income of about \$43,000 to \$61,000. This represents a 42% increase during this period, higher than the rate of inflation of 30%.

Table II-12: Average Employment and Wages by Industry, 2012/2022

Industry	# Establishments	Total Wages	Average Employment	Ave. Weekly Wage
Agriculture, forestry, fishing, etc.	9/6	\$2,491,716/ \$1,534,620	54/39	\$887/\$757
Construction	91/98	\$18,632,623/ \$39,760,046	384/575	\$933/\$1,330
Manufacturing	28/24	\$26,041,781/ \$46,116,979	389/461	\$1,287/\$1,924
Utilities	5/7	\$2,047,560/ \$3,171,410	37/36	\$1,064/\$1,694
Wholesale trade	39/39	\$16,308,520/ \$21,029,400	286/278	\$1,097/\$1,455
Retail trade	90/80	\$42,484,188/ \$59,662,778	1,235/1,158	\$662/\$991
Transportation/warehousing	28/27	\$11,883,057/	264/321	\$866/\$998

¹³ Massachusetts Executive Office of Labor and Workforce Development, Municipal Employment Data, September 22, 2013 and December 22, 2022.

		\$16,653,703		
Information	14/20	\$12,863,307/ \$10,516,323	209/125	\$1,184/\$1,618
Finance/Insurance	18/18	\$5,455,253/ \$7,066,503	96/89	\$1,093/\$1,527
Real estate/rental/leasing	24/31	\$4,058,675/ \$7,764,786	110/153	\$710/\$976
Professional/technical services	75/87	\$23,259,311/ \$51,086,780	397/674	\$1,219/\$1,458
Administrative/waste services	42/50	\$10,002,489/ \$20,074,199	224/337	\$859/\$1,146
Educational services	12/14	\$50,876,570/ \$58,823,923	870/868	\$1,125/\$1,303
Health care/social assistance	50/118	\$36,006,245/ \$39,259,780	899/764	\$770/\$988
Arts/entertainment/recreation	17/16	\$6,422,862/ \$7,644,859	199/196	\$621/\$750
Accommodation/food services	63/61	\$15,448,841/ \$25,983,865	1,007/900	\$295/\$555
Other services	84/61	\$9,382,274/ \$12,746,373	304/269	\$594/\$911
Public administration	16/24	\$31,538,464/ \$52,512,794	644/664	\$942/\$1,521
Total	705/782	\$325,203,736/ \$481,468,738	7,578/7,908	\$825/\$1,171

Source: Massachusetts Executive Office of Labor and Workforce Development, June 2012 and December 22, 2022. Shaded industries involve those industries with more than 400 employees.

4. **Disability Status – About 15% of residents claimed a disability**

According to 2021 census estimates summarized in Table II-13, a total of 2,824 residents, or 14.2% of the civilian noninstitutionalized residents, claimed some type of disability. This is higher than 13.0% and 11.7% for the county and state, respectively. Disability levels were on the whole higher for the older age groups in Bourne than the county and state with 23.6% of those in the age 65 to 74 age category and 47.4% in the age 75 and older range claiming some type of disability.

Table II-13: Civilian Noninstitutionalized Population with a Physical Disability, 2021

Age Range	Bourne		County	MA
	#	%*	%	%
Under 5 years	0	0.0	0.5	0.8
5 to 17 years	157	6.0	8.5	6.0
18 to 34 years	197	5.5	4.7	6.7
35 to 64 years	635	8.8	9.9	10.2
65 to 74 years	822	23.6	16.0	20.4
75+ years	1,013	47.4	40.0	46.0
Total	2,824	14.2	13.6	11.7

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2017-2021.

*Based on a total civilian noninstitutionalized population of 19,943.

The 2021 census estimates also identify numbers of residents with particular disabilities, as summarized in Table II-14. It should be noted that some residents will have multiple challenges but 56% the 2,824

residents who claimed a disability experienced an ambulatory difficulty and about 41% and 31% had a hearing or cognitive problem, respectively.

Table II-14: Types and Distribution of Disabilities, 2021

Type of Disability	# Residents	% Disabled	% All Civilian Noninstitutionalized Residents
Hearing Difficulty	1,171	41.5	5.9
Vision Difficulty	497	17.6	2.5
Cognitive Difficulty	880	31.2	4.6
Ambulatory Difficulty	1,583	56.1	8.3
Self-care Difficulty	525	18.6	2.8
Independent Living Difficulty	790	2.8	4.8

Source: U.S. Census Bureau, Census American Community Survey 5-Year Estimates for 2017-2021.

5. Education – Increasing educational attainment and decreasing school enrollments

The educational attainment of Bourne residents has improved over the last couple of decades. Census figures indicate that the level of those 25 years and older who had a high school diploma or higher has remained stable over the last decade, at 95.9% for both 2011 and 2021. However, those with a college degree or higher increased from 36.3% to 43.5% during this period. This level of at least college attainment is only a bit lower in comparison to 46.4% for the county and 46.6% for the state.

The census also provides information on student enrollments, showing that those enrolled in school (nursery through graduate school) in 2021 totaled 4,170 residents, representing 20.4% of the population, down from 4,545 such residents in 2011 and 4,712 in 2000. There were 2,812 students enrolled in nursery through high school, also down from 3,291 in 2011.

The Bourne Public Schools reported a student enrollment of 1,554 students in 2022-2023, down significantly from 2,104 students a decade ago and 2,548 in 2000-2001. The highest level of enrollment over the past couple of decades was in 2002-2003 when the number of students reached 2,612. This general decline is reflective of the overall decrease in the number of children living in Bourne and throughout much of Cape Cod.

C. Housing Profile

This section of the Housing Needs Assessment summarizes housing characteristics and trends, analyzes the housing market from different data sources and perspectives, compares what housing is available to what residents can afford, summarizes what units are defined as affordable by the state, and establishes the context for identifying priority housing needs. Major findings include:

Housing Growth and Occupancy

- Bourne has experienced slower housing growth over the past decade, however, the level of growth, at 5.1% between 2010 and 2021, is higher than countywide growth of 3.3%.
- While year-round owner-occupied units increased by 9.9%, year-round rental units increased by only 68 units or by 3.6% between 2010 and 2021, decreasing in proportion to all units from 24.3% to 23.3%.

- Seasonal units or second homes increased by 147 such units between 2010 and 2021, to 20.8% of all units from 20.6% in 2010.
- Low vacancy rates with declines in the vacancy rates to 0.7% and 5.8% for year-round owner and rental units, respectively, by 2021.
- Most of the housing growth over the past decade has occurred in single-family homes as well as in larger multi-family developments of ten or more units with losses in the smaller multi-family housing stock.
- Housing units are getting larger as 10.2% of Bourne's housing, or 1,158 units, had nine rooms or more in 2021, up from 8.1% and 842 units in 2010.

Housing Costs

- Housing prices continue to rise with median prices of \$542,450 for single-family homes and \$450,000 for condos as of November 2022 according to Banker & Tradesman.
- Market rents are also increasing, now hovering about \$2,400 for a two-bedroom apartment.
- Not surprising with rising housing costs are widening affordability gaps, estimated to be about \$216,000 - the difference between the price of the median priced single-family home (\$542,450) and what a median income household can afford (\$326,400).¹⁴ These calculations are also based on the ability of the purchasers to secure sufficient upfront cash of about \$112,000 to afford 80% mortgage financing, a true challenge for first-time homebuyers.
- The affordability gap widens to about \$270,000 if the analysis focuses on those low- and moderate-income households earning at or below 80% of area median income (AMI), or \$78,300 for a family of three (3), who can afford a house costing no more than about \$270,500.¹⁵
- In regard to rentals, the typical market rent for a two-bedroom apartment is about \$2,400, requiring an income of an estimated \$104,000 based on average monthly utility bills of \$200 and spending no more than 30% of income on housing costs. This income is considerably higher than Bourne's median household income of \$82,119 according to 2021 census estimates.
- The 2021 census estimates identify 2,791 households or more than 33% of all Bourne households as living in housing that is by common definition beyond their means and unaffordable as they were paying more than 30% of their income on housing costs.
- HUD obtains special tabulations of data from the American Community Survey that can be analyzed to determine cost burdens by tenure, income level and type of household. This data suggests that there were 2,645 (841 renters and 1,804 owners) or 30.6% of all households who were spending too much on their housing. Additionally, 12% were experiencing severe cost burdens as they were spending more than half their income on housing (395 renters and 639 owners).
- There were 3,668 households with incomes at or below 80% of median family income (MFI), and 2,082 or 57% were spending more than 30% of their income on housing (702 renters and 1,380 owners) and of these 1,019 or about 28% were spending more than half of their income on housing costs, referred to as having severe cost burdens (394 renters and 625 owners).

¹⁴ Figures based on 80% financing, interest of 6.5%, 30-year term, annual property tax rate of \$8.81 per thousand, and insurance costs of \$6 per thousand. Also based on the purchaser spending no more than 30% of gross income on mortgage, taxes and insurance.

¹⁵ This analysis assumes the ability of the purchaser to obtain subsidized mortgage financing from the ONE Mortgage Program or MassHousing mortgage offerings. Therefore, no private mortgage insurance (PMI) was included in the calculations and 95% mortgage financing was assumed.

- Of Bourne's 8,572 year-round housing units, 589 units or 6.69% have been determined to be eligible for inclusion in the Subsidized Housing Inventory (SHI), leaving a gap of 268 units to get to the state 10% affordability goal.

1. Housing Growth – Much slower recent housing growth

Because 57% of Bourne's housing units were built prior to 1980, it is likely that some units might contain lead-based paint that can be hazardous to young children as well as deferred maintenance problems, including failing septic systems.

The 2020 decennial census counted 11,140 total housing units which increased to 11,357 based on the more recent 2021 census estimates.¹⁶ This represents a 5.1% level of growth since 2010, with an increase of 552 housing units as shown in Table II-15. This level of growth is higher than Barnstable County at 3.3% but lower than the statewide increase of 7.5%. It is also

well above Falmouth's negative growth rate but much less than the population growth of 14.3% in Plymouth during this period.

Table II-15: Housing Growth for Bourne and Neighboring Communities, 1990 to 2021

Place	Total Number of Housing Units				Percentage Change		
	1990	2000	2010	2021	1990-00	2000-10	2010-2021
Bourne	8,999	9,648	10,805	11,357	7.2%	12.0%	5.1%
Falmouth	18,168	20,055	21,970	21,897	10.4%	9.5%	-0.3%
Mashpee	7,002	8,325	9,882	10,229	18.9%	18.7%	3.5%
Plymouth	19,658	21,250	24,800	28,353	8.1%	16.7%	14.3%
Sandwich	7,236	8,748	9,476	9,485	20.9%	8.3%	0.09%
Wareham	11,383	10,670	12,256	13,055	- 6.3%	14.9%	6.5%
Barnstable County	135,192	147,083	160,281	165,542	8.8%	9.0%	3.3%
State	2,472,711	2,621,989	2,808,254	3,017,772	6.0%	7.1%	7.5%

Source: U.S. Census Bureau decennial figures for 1990, 2000, and 2010 and American Community Survey Five-year Estimates 2017-2021 for Towns and One-year Estimates for the County and State.

In regard to older historical development, Table II-16 indicates that 17% of Bourne's housing stock, predates World War II, and 57% of units were built before 1980. Most of the housing development occurred between 1950 and 2010 with steady increases in growth ranging between about 9% to 16% per decade. Since then, housing construction has slowed considerably. This declining production is continuing to exert an imbalance in housing supply and demand, leading to increasing housing costs.

¹⁶ The year-round housing figure used for calculating the Subsidized Housing Inventory (SHI) percentage and progress towards housing production goals is based on subtracting the 2020 number of seasonal, occasional and recreational units (2,568 units) from the decennial housing unit total (11,140 units) to get 8,572 year-round units. This is only a bit lower than the 2010 year-round total of 8,584 units.

Table II-16: Housing Units in 2010 by Year Structure Was Built

Time Period	#	%
2020 or later	0	0.0
2010 to 2019	360	3.2
2000 to 2009	1,362	12.0
1990 to 2000	1,342	11.8
1980 to 1989	1,842	16.2
1970 to 1979	1,710	15.1
1960 to 1969	1,006	8.9
1950 to 1959	1,275	11.2
1940 to 1949	515	4.5
1939 or earlier	1,945	17.1
Total	11,357	100.0

Source: U.S. Census, American Community Survey Five-year Estimates 2017-2021.

Table II-17 summarizes the numbers of units that have been built since 2020, when the decennial census figures were released. Approximately 94 new housing units were produced during this period, bringing the total number of housing units to 11,234, less than the 2021 census estimate of 11,357 units. Moreover, the Bourne Building Department reported that four single-family homes involved teardown activity during this period that would bring the net new units down to 11,230 units. In fact, the Building Department estimates that approximately one-quarter of all permits for new dwelling units involve demolition/replacement activity which is likely to increase with reductions in available land. Consequently, it is likely that the census count on total housing units overestimates the actual number of new units.

This rate of housing growth is substantially lower than what occurred in the past. For example, the level of annual residential permits issued between 2000 and 2003 averaged 121, down somewhat from an average of 136 permits during the latter half of the 1990's. The slow-down in construction is likely related to the relative reduction in the amount of land most amenable to development as well as COVID-19 related supply chain problems and rising housing costs. Additionally, more residents are choosing to remain in their current homes due to higher costs associated with "buying up".

Table II-17: New Residential Building Permit Activity, 2020 to 2022

Year	Single-family Homes	Two- to Four-family Units	Units in Multi-family Structures with 5+ Units	Total
2020	37	10 (2 two-family and 2 three-family)	10 (1 building)	57
2021	23	2	0	25
2022	12	0	0	12
Total	72	12	10	94

Source: Donahue Institute of the University of Massachusetts, State Data Center, and Bourne Building Department, January 23, 2023.

2. *Types of Units and Structures*

Table II-19 provides information on housing characteristics related to occupancy, tenure and vacancy rates, suggesting the following trends:

- *Increases in year-round occupancy*

While Bourne's housing stock increased by 5.1% between 2010 and 2021, year-round units increased by 8.4%. This is largely explained by the almost 10% growth in year-round owner-occupancy. Some of this growth was likely affected by the pandemic when Cape Cod became a desirable refuge for those looking for a safer place to live. During this time, demand for housing was significantly higher than the supply, draining the inventory and driving up prices.

As shown in Table II-18, unlike Bourne which experienced some growth in year-round units, most of Bourne's neighbors, as well as the Cape and state, experienced declines in such units. Bourne's level of year-round units, at 75% in 2021, from 73% in 2010, was significantly higher than the 63% level for the county.

Table II-18: Change in Year-Round Housing Stock for Bourne and Neighboring Communities, 1990 to 2021

Place	Number of Occupied Year-round Units				Percent of Total Units			
	1990	2000	2010	2021	1990	2000	2010	2021
Bourne	5,898	7,439	7,866	8,525	65%	77%	73%	75%
Falmouth	11,274	13,859	14,870	14,043	62%	69%	68%	64%
Mashpee	3,158	5,256	6,473	6,603	45%	63%	66%	65%
Plymouth	15,875	18,423	22,285	23,10	81%	87%	90%	84%
Sandwich	5,557	7,335	8,183	7,918	77%	84%	86%	83%
Wareham	7,370	8,200	9,880	9,447	65%	77%	81%	74%
Barnstable County	77,586	94,822	103,418	104,733	57%	64%	64%	63%
State	2,247,110	2,443,580	2,692,624	2,749,225	91%	93%	96%	92%

Source: U.S. Census Bureau 1990, 2000, 2010 and American Community Survey Five-year Estimates 2017-2021.

- *Small proportionate decreases in year-round rental housing*

While year-round owner-occupied units increased by 9.9%, year-round rental units increased by only 68 units or by 3.6% between 2010 and 2021, decreasing in proportion to all units from 24.3% to 23.3%. It is likely that new development was not only focused on homeownership but also that some portion of the rental housing stock was converted to ownership or seasonal use during this period. This level of renter-occupancy is still higher than county level of 17.7%.

- *Increases in seasonal units/second homes*

After a decline in the number of units for seasonal or occasional use between 1990 and 2000, the 2010 census showed an increase close to the 1990 level. This trend towards somewhat higher levels of seasonal units or second homes has continued with an increase of 147 such units by 2021, to 20.8% of all units from 20.6% in 2010. There was a 6.6% increase in these units between 2010 and 2021, somewhat higher than the 5.1% increase in total housing growth.

- *Decreasing vacancy rates*

Homeowner and rental vacancy rates have largely remained low throughout the past several decades with only a spike in the rental vacancy rate to 14.6% in 2010. Since 2010, vacancy rates have declined to 0.7% and 5.8% for owner-occupied and renter-occupied units, respectively. It should be noted that any vacancy rate below 5% represents very tight market conditions.

Table II-19: Housing Characteristics, 1990-2021

Housing Characteristics	1990		2000		2010		2021	
	#	%	#	%	#	%	#	%
Total units	8,999	100.0	9,648	100.0	10,805	100.0	11,357	100.0
Occupied units	5,898	65.5*	7,439	77.1*	7,866	72.8*	8,525	75.1*
Occupied owner units	3,854	65.3**	5,324	71.6**	5,951	75.7**	6,542	76.7**
Occupied rental units	2,044	34.6**	2,115	28.4**	1,915	24.3**	1,983	23.3**
Vacant units/ Seasonal, occasional, recreational units	3,101/ 2,187	34.5/ 24.3*	2,209/ 1,861	22.9/ 19.3*	2,939/ 2,221	27.2/ 20.6*	2,832/ 2,368	24.9/ 20.8*
Owner vacancy rate	4.2%		2.8%		2.3%		0.7%	
Rental vacancy rate	4.5%		3.9%		14.6%		5.8%	

Source: U.S. Census Bureau 1990, 2000 and 2010 and American Community Survey Five-year Estimates 2017-2021. * Percentage of total housing units ** Percentage of occupied housing units

Table II-20 provides information on the number of units in various types of structures, indicating the following trends:

- *Predominance of single-family structures*

Figure II-3 clearly shows that most of the housing units are in single-family detached structures, 79.6%, with another 7.1% in single-family attached dwellings, largely townhouses. The percentage of single-family units, detached and attached, for the county was about the same level at 86.9%.¹⁷

Table II-20: Units in Structure, 1990-2021

Type of Structure	1990		2000		2011		2021	
	#	%	#	%	#	%	#	%
1-unit, detached	6,950	77.2	7,622	79.0	8,820	80.3	9,040	79.6
1-unit, attached	453	5.0	389	4.0	487	4.4	807	7.1
2 to 4 units	779	8.7	853	8.8	784	7.2	573	5.0
5 to 9 units	465	5.2	503	5.2	482	4.4	289	2.5
10 or more units	162	1.8	151	1.6	200	1.8	605	5.3
Mobile homes	190	2.1	123	1.3	211	1.9	43	0.4
Boats, RV's, vans, etc.			7	0.1	0	0.0	0	0.0

Source: U.S. Census Bureau, 1990 and 2000 Summary File 3 and American Community Survey Five-year Estimates for 2007-2011 and 2017-2021.

¹⁷ U.S. Census Bureau, American Community Survey One-year Estimate for county data.

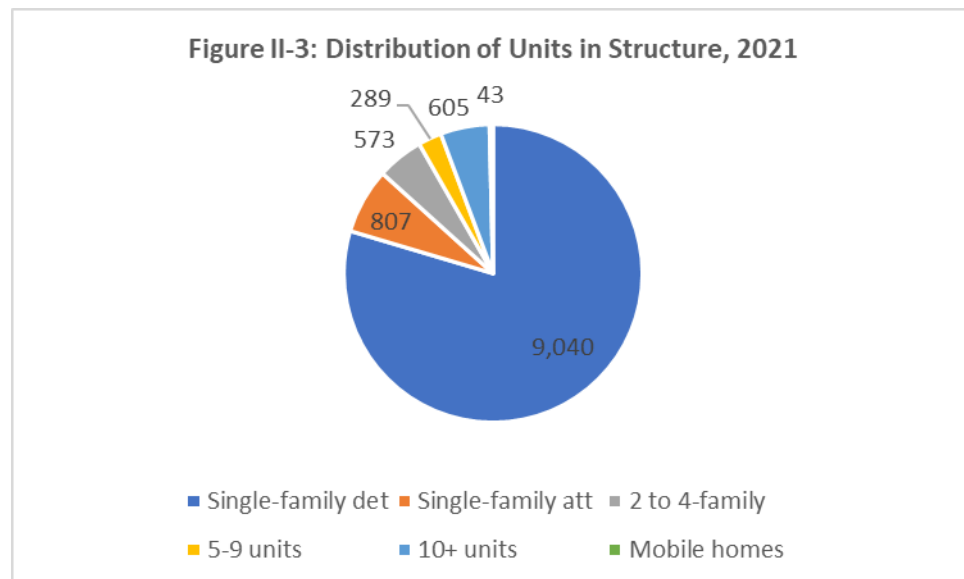
- *Continuing loss of small multi-family units*

Census estimates indicate that Bourne had 5.0% of its units in small multi-family dwellings of two to four units, down from 7.2% in 2011 and with a loss of 211 such units. The multi-family housing stock of five or more units also declined from 4.4% to 2.5% of all units with a loss of 193 units.

The decline in small, multi-family homes represents the loss of a valuable segment of the town's existing housing stock. Many of these units were probably more affordable, as private landlords, particularly owner-occupied ones, tend to value good tenants and frequently maintain below market rents to keep them. It also suggests the loss of some particularly affordable homeownership stock since owners with rentals benefit from rental income that helps them finance and afford the property. Lenders typically count about 75% of the estimated rental income towards mortgage underwriting calculations thus allowing a lower income homeowner to purchase a home. As a result, small multi-family homes have offered important starter housing in many communities. The Town should consider strategies to replace some of this housing.

- *Significant increase in units as part of larger multi-family properties*

Bourne has experienced major gains in the production of multi-family housing in structures of ten or more units, growing from 162 units in 1990 to 200 by 2011 and 605 by 2021. Such developments included the Coady School Residences and Clay Pond Cove projects for example.



- *Decrease in mobile homes*

The 2021 census estimates counted 43 mobile homes, which represent an affordable segment of the community's housing stock. Assessor records include the mobile home park at Barlows Landing Road but not the specific number of units.

- *Relatively modest unit sizes but increasing numbers of larger units*

The median number of rooms per housing unit was 5.9, indicating that the average home had three bedrooms. This median is comparable to the county as a whole at 5.8 rooms. An

estimated 59% of Bourne housing units had between five and seven rooms, with 8.4% having three rooms or less and 10.2% or 1,158 units with nine rooms or more, up from 8.1% and 842 units in 2010.

3. **Housing Values**

Homeownership – Rising prices due to an imbalance in supply and demand, made worse by COVID-19

Census data also provides information on housing values as presented in Table II-21. The 2021 census estimates identify a median value of \$415,000 for owner-occupied units, up from \$353,700 a decade ago and \$166,100 in 2000. This represents an increase of 17.3% between 2010 and 2021. In comparison, the median value was higher for the County at \$500,800.

A local realtor characterized the increasing demand in the housing market as the perfect storm as off-Cape people sought a potentially safer place to ride out the pandemic, draining inventory and driving up prices in tandem with lower interest rates at the time. “Potential purchasers can’t find a house in Bourne much less one they can afford.”

The significant increase in housing values is also shown in the number and percentage of relatively affordable units. In 2000, 3,282 units, or more than two-thirds of Bourne’s housing stock (68%), were valued below \$200,000. By 2011 the number of units priced in this range had decreased to 461 units or 7.4% and declined further to 398 units or 3.5% by 2021. It is likely that all of the town’s 43 mobile homes fall within this range and the remaining units are small and in poor condition.

By 2011, the bulk of housing units had shifted from the \$100,000 to \$200,000 range in 2000 to the \$200,000 to \$500,000 price range. This trend continued further to the majority of units valued in the \$300,000 to \$1 million range by

2021. Of particular note is the number of high-end units priced above \$500,000, which included only 202 units in 2000, increased to 1,333 units by 2011, and to 1,776 in 2021.¹⁸

Table II-21: Housing Values for Owner-occupied Units, 2000, 2011 and 2021

Value	2000		2011		2021	
	#	%	#	%	#	%
Less than \$50,000	29	0.6	92	1.5	79	1.2
\$50,000 to \$99,999	336	7.0	19	0.3	50	0.8
\$100,000 to \$149,999	1,478	30.6	68	1.1	96	1.5
\$150,000 to \$199,999	1,439	29.8	282	4.5	173	2.6
\$200,000 to \$299,999	889	18.4	1,545	24.7	839	12.8
\$300,000 to \$499,999	456	9.4	2,906	46.5	3,538	54.1
\$500,000 to \$999,999	170	3.5	1,217	19.5	1,400	21.4
\$1,000,000 or more	32	0.7	116	1.9	367	5.6
Median	\$166,100		\$353,700		\$415,000	

Source: U.S. Census Bureau 2000 Summary File 3 and American Community Survey Five-year Estimates 2006-2010 and 2017-2021.

Information on historical median sales prices from *Banker & Tradesman* is presented in Table II-22 and confirms that housing prices are increasing, surpassing pre-recession levels in 2005 of \$384,500. The

¹⁸ Census housing values are derived from Assessor’s data.

median declined to a low of \$255,000 in 2012 and has since largely increased to \$492,500 in 2021 and significantly higher at \$542,450 as of November 2022.

The number of single-family homes sales reached a low of 177 in 2011 and fluctuated a bit until it climbed to 290 in both 2015 and 2016 and 334 in 2017. The sales volume decreased somewhat after that, involving 316 sales in 2021 and down as low as 228 sales as of November 2022, demonstrating a significant fall-off in listings.

A local realtor indicated that home listings are down from previous years. In early 2023, there were only 27 homes for sale, up from about 12 at the same time last year, but down considerably from 50 to 60 historically. It is not surprising that listings are typically attracting multiple offers, some over the asking price.

The *condominium* market is fluctuating somewhat with a median of \$226,000 in 2010 and then down to \$190,000 in 2013, largely because of the financial recession during this period. The condo market then experienced relatively steady increases in prices to \$299,950 in 2021 and more recently as high as \$450,000 as of November 2022. Some of this recent increase may be explained by new expensive units coming on to the market such as those on Shore Road.

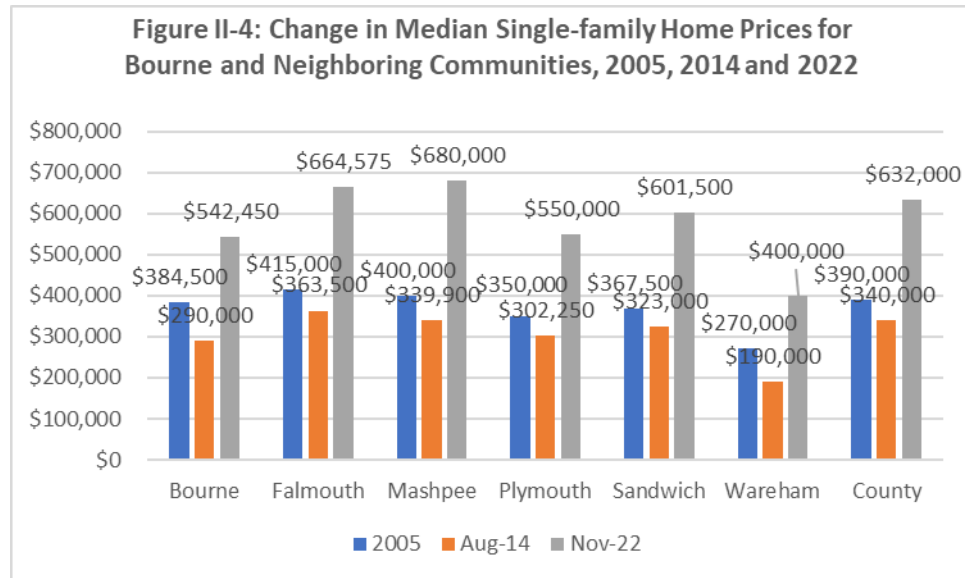
The number of condo sales has also fluctuated with a low of 40 sales in 2014, substantially lower than 2004 and 2005 levels at 123 and 125 sales, respectively. The volume of sales then climbed to 86 in 2017 and then decreased somewhat since then to 63 sales as of November 2022. While the condos have largely been considerably more affordable than single-family homes in recent years, this has not always been the case in Bourne.

Table II-22: Median Sales Prices, 2010 through November 2022

Year	Months	Single-family Homes	# Home Sales	Condo Sales	# Condo Sales
2022	Jan – Nov	\$542,450	238	\$450,000	63
2021	Jan – Dec	\$492,500	328	\$299,950	68
2020	Jan – Dec	\$429,500	316	\$260,000	75
2019	Jan – Dec	\$378,000	285	\$251,000	70
2018	Jan – Dec	\$370,000	271	\$259,000	85
2017	Jan – Dec	\$347,953	334	\$235,000	86
2016	Jan – Dec	\$330,000	290	\$212,250	68
2015	Jan – Dec	\$318,750	290	\$192,500	56
2014	Jan – Dec	\$294,500	214	\$205,000	40
2013	Jan – Dec	\$310,504	230	\$190,000	43
2012	Jan – Dec	\$255,000	243	\$184,750	58
2011	Jan – Dec	\$265,590	177	\$218,250	50
2010	Jan – Dec	\$288,000	194	\$226,000	58

Source: The Warren Group, *Banker & Tradesman*, December 29, 2022.

Bourne single-family housing prices have been somewhat lower in comparison to the Cape including neighboring Falmouth, Mashpee and Sandwich as demonstrated in Figure II-4. All communities experienced declines in housing values after 2005, the height of the market for most communities, due to the financial recession. The housing markets have since rebounded substantially, reaching unprecedentedly high levels.



Bourne has a growing luxury housing market with 63 single-family homes selling for more than \$700,000, including 19 that sold for more than \$1 million in 2022 (as of December 15th), up from 18 and 7 homes, respectively, in 2013.

Another analysis of housing market data is presented in Table II-23, which breaks down sales data from the Multiple Listing Service as compiled by *Banker & Tradesman* of The Warren Group for single-family homes and condominiums in Bourne from January 1, 2022 through December 15, 2022. There were 346 total sales of single-family homes and condos during this period at 276 sales and 70, respectively, up from 283 total sales in 2013. Units that sold below \$200,000 included 12 single-family homes and 6 condominiums for a total of 18 units, significantly lower than the 68 units in 2013. There was also a

considerable fall off of units that sold in the \$200,000 to \$299,999 range, from 82 units in 2013 to 23 units as of mid-December 2022. About 46% of the single-family home sales fell within the \$400,000 to \$600,000 price range. While almost 25% of condos sold in this range, more condos were relatively more affordable with 44% below \$400,000 compared to 18% of single-family homes.

Table II-23: Single-family House and Condo Sales, January 1 to December 15, 2022

Sales Price Range	Single-family Homes		Condominiums		Total	
	#	%	#	%	#	%
Less than \$200,000	12*	4.4	6	8.6	18	5.2
\$200,000-299,999	12	4.4	11	15.7	23	6.6
\$300,000-399,999	25	9.1	14	20.0	39	11.3
\$400,000-499,999	70	25.4	6	8.6	76	22.0
\$500,000-599,999	57	20.6	11	15.7	68	19.6
\$600,000-699,999	37	13.4	18	25.7	55	15.9
\$700,000 -799,999	22	8.0	1	1.4	23	6.6
\$800,000-899,999	13	4.7	0	0.0	13	3.8
\$900,000-999,999	9	3.3	3	4.3	12	3.5
Over \$1 million	19	6.9	0	0.0	19	5.5
Total	276	100.0	70	100.0	346	100.0
Median Price	\$525,000		\$450,000		--	

Source: The Warren Group, *Banker & Tradesman*, January 3, 2022. *Several do not appear to be arms-length sales.

The erosion of affordability is also reflected in median sales prices with the median single-family home price increasing from \$300,000 in 2013 to \$525,000 by mid-December 2022, or by 75%, which was almost three times the rate of inflation of 27% during this period. The median condo sales price increased even more from \$190,000 to \$450,000, or by 137%.

Town Assessor data on the assessed values of residential properties in Bourne is presented in Tables II-24 and II-25, which provides insights into not only the diversity of the existing housing stock but also the range of values for each dwelling type.

These shifts in housing values towards higher housing prices are visually presented in Figure II-5. The top of the distribution of curves in assessments moved clearly from \$300,000 to \$500,000 for single-family homes and \$200,000 to \$300,000 in the case of condominiums between 2013 and 2023. Also, of particular interest, is the uptick in the luxury market.

Table II-24 summarizes information on the assessed values of single-family homes and condominiums. This data shows that Bourne had 7,830 single-family properties in Fiscal Year 2023, up from 7,671 in Fiscal Year 2013. Only 12 of these units were assessed for less than \$200,000, down considerably from 598 in FY 2013. About 42% of the homes were assessed between \$200,000 and \$300,000 in FY 2013, still relatively affordable, down to 2.8% in FY 2023. This erosion of relative affordability is occurring in the \$300,000 to \$400,000 range as well, including 20.4% of units in FY 2023 compared to 23.3% in FY 2013. The median assessed value was \$298,000 in FY 2013, now up to \$492,500. It is also important to note the assessments typically underestimate market values, particularly in rising housing markets, and median market values are higher, at about

\$525,000, as shown in Tables II-22 and II-23.

There were 1,169 condominiums, up from 1,131 condominiums in FY 2013, representing about 10% of all housing units. Not surprisingly, the condos were assessed more affordably than the single-family homes on a whole with 198 units assessed below \$200,000 compared to only 24 single-families. The bulk, or 54% of the condos, were assessed between \$200,000 and \$400,000 compared to 23% of single-family homes. The upward shift in prices between FY 2013 and FY 2023 was significant, with the median assessed value increasing from \$166,300 to \$293,700 during this period with the more recent actual market median at \$450,000.

Table II-24: Assessed Values of Single-family Homes and Condominiums, FY23

Range of Value	Single-families		Condominiums		Total	
	#	%	#	%	#	%
\$0-\$99,999	2	0.03	8	0.7	10	0.1
\$100,000-199,000	12	0.2	190	16.2	202	2.2
\$200,000-299,999	222	2.8	427	36.5	649	7.2
\$300,000-399,999	1,597	20.4	206	17.6	1,803	20.0
\$400,000-499,999	2,126	27.2	118	10.1	2,244	24.9
\$500,000-599,999	1,343	17.2	184	15.7	1,527	17.0
\$600,000-699,999	813	10.4	17	1.4	830	9.2
\$700,000-799,999	490	6.3	3	0.3	493	5.5
\$800,000-899,999	300	3.8	0	0.0	300	3.3
\$900,000-999,999	201	2.6	15	1.3	216	2.4
Over \$1 million	724	9.2	1	0.09	725	8.1
Total	7,830	100.0	1,169	100.0	8,999	100.0

Source: Bourne Assessor, Fiscal Year 2023.

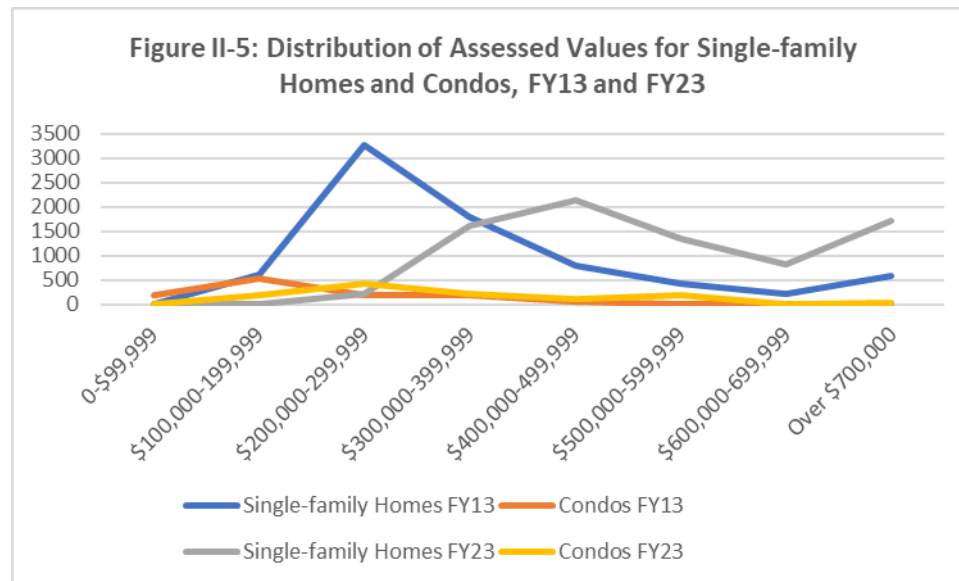


Table II-25 summarizes the range of values for multi-family properties. There were 112 two-family homes representing 224 units, up a bit from 108 two-family homes and 216 units in FY 2013. Assessor records also counted 11 three-family structures with 33 units, down from 12 a decade ago. The medians were \$458,800 and \$524,300 for the two-family and three-family properties, respectively.

Altogether there were also 229 properties that included multiple houses on a single lot, up from 197 a decade ago. More than half of these properties were assessed for more than \$700,000, 13% for more than \$1 million. The median valuation was \$884,100.

Table II-25: Assessed Values of Multi-family Properties, Fiscal Year 2023

Range of Value	Two-Unit Structures/Units		Three-Unit Structures/Units		Multiple Houses on 1 Lot*	
	#	%	#	%	#	%
\$0-\$99,999	0/0	0.0	0/0	0.0	0	0.0
\$100,000-199,000	0/0	0.0	0/0	0.0	0	0.0
\$200,000-299,999	5/10	4.5	0/0	0.0	0	0.0
\$300,000-399,999	32/64	28.6	3/9	27.3	10	4.4
\$400,000-499,999	34/68	30.4	2/6	18.2	24	10.5
\$500,000-599,999	18/36	16.1	4/12	36.4	37	16.2
\$600,000-699,999	12/24	10.7	1/3	9.1	36	15.7
\$700,000 or more	11/22	9.8	1/3	9.1	122	53.3
Total	112/224	100.0	11/33	100.0	229	100.0

Source: Bourne Assessor, Fiscal Year 2023. *Figures represent properties not units.

Additionally, Assessor's records indicate that there were 17 properties that included four (4) to eight (8) housing units and another seven (7) with more than eight (8) units. Most of the larger 8+-unit properties were valued at more than \$1 million with a median of \$3.7 million while the four (4) to eight (8) unit properties were in the \$456,500 to \$825,200 range with a median of \$577,800. Assessor's data also indicates that there were 32 mixed-use properties that were primarily residential and valued between \$274,800 and \$2,045,900 and with a median of \$463,300.

Rentals – Rents rising well above \$2,000 for two-bedroom apartments

A realtor suggested that market rents are now more typically about \$1,800 for a 1-bedroom apartments and \$2,400 for 2 bedrooms. Single-family homes are at least \$3,000 per month.

Table II-26 presents comparative information on rental costs for 2000, 2011 and 2021 based on the U.S. Census estimates for year-round occupied units. As shown, the rental market has changed substantially as the median rent increased by 56% between 2000 and 2011, from \$665 to \$1,037, and then by another 30% to \$1,346 by 2021. This median rent is somewhat lower than the county at \$1,470. Of the 2,094 rental units analyzed in 2000, 425 units or 20.3% had gross rents of less than \$500 compared to 268 units or 14.8% by 2011 and 195 units in 2021. It is also important to note that the census counts

include subsidized units, which represent about 27% of all rental units in Bourne, and thus make the rental market appear more affordable than it really is.

At the other end of the range, 185 units or 8.8% were rented at more than \$1,000 per month in 2000, 699 units or 38.7% by 2011, and 1,165 or almost 60% by 2021. In 2000, Bourne did not have any units renting for more than \$1,500, however, by 2011 there were 277 such units, or 15.3% of all rentals, and 688 and 34.7% in 2021, including 237 with rents of \$2,000 or more.

Table II-26: Rental Costs, 2000, 2011 and 2021

Gross Rent	2000		2011		2021	
	#	%	#	%	#	%
Under \$200	135	6.4	0	0.0	195	9.8
\$200-299	101	4.8	74	4.1		
\$300-499	189	9.0	194	10.7		
\$500-749	592	28.3	159	8.8	311	15.7
\$750-999	452	21.6	195	10.8		
\$1,000-1,499	185	8.8	422	23.4	477	24.0
\$1,500 +	0	0.0	277	15.3	688	34.7
No Cash Rent	440	21.0	485	26.9	312	15.7
Total*	2,094	100.0	1,806	100.0	1,983	100.0
Median Rent	\$665		\$1,037		\$1,346	

Source: U.S. Census Bureau, Census 2000 Summary File 3 and American Community Survey Five-year Estimates 2007-2011 and 2017-2021.

Updated information on recent rental listings from early 2023 on the internet suggest a wide range of rents. The lowest rent was for a very small one-bedroom apartment in a house at \$1,250 per month. Other one-bedroom units were listed for \$1,800. The listings for two-bedroom units were priced from \$2,200 to \$2,700 and included a winter rental of 670 square feet for \$2,050.¹⁹ The three-bedroom listings included two units with a listed rent of \$2,500 and a winter rental of \$2,800. The larger houses with four or five bedrooms were considerably more expensive at \$3,900 and \$4,300, respectively. Rental listings were about half these amounts a decade ago when they generally fell within the Fair Market Rents (FMRs) issued by HUD for its rental subsidy programs.²⁰ Most of the current rents are now

¹⁹ Winter rentals are generally priced somewhat lower than year-round units and certainly lower than seasonal units.

²⁰ The 2023 Fair Market Rents are as follows: \$1,401 for efficiencies, \$1,553 for one-bedroom units, \$2,044 for two-bedrooms, \$2,501 for three-bedrooms, and \$2,781 for four-bedroom units.

higher than FMRs. The limited number of listings is largely due to the lingering effects of COVID-19 when people were drawn to the Cape in search of a safer refuge from the pandemic which drained the inventory of available units, both rentals and ownership, and drove up prices.

Table II-27: Market Rental Listings, January 2023

Property Type	# Bedrooms	# Baths	Square Feet	Rent
Apt. in house	1	1	460	\$1,250
Apartment	1	1	335	\$1,800
Condo for Rent	1	1	750	\$1,800
House (Winter Rental)	2	1	670	\$2,050
House	2	2	1,234	\$2,200
Condo for Rent	2	2	1,875	\$2,700
House	3	1.5	1,278	\$2,500
Apartment	3	2.5	1,800	\$2,500
House (Winter Rental)	3	1.5	1,539	\$2,800
House	4	3	3,208	\$3,900
House	5	3	2,671	\$4,300

Source: Internet listings (apartments.com, craigslist, Zillow, Trulia), January 5, 2023.

Other challenges for the rental market include a dwindling of winter rentals that some residents have relied on over the years, as they are typically more affordable, as well as the conversion of existing rentals from year-round to seasonal use or temporary rentals such as Airbnb's.

Rents during the summer also range in price depending on size, location, and amenities but \$3,000 per week and more are typical. There is in fact a wide range of seasonal rental prices, from \$250 to \$1,000 per night for example.

It is also important to note that most landlords require first and last month's rent plus a security deposit equivalent to as much as a month's rent. For a \$2,500 apartment, that can total as much as \$7,500 in up-front cash, an amount that many prospective tenants just do not have available. Some listings include just a half-month's rent up-front, in addition to the first month's rent, as a "finder's fee" however.

4. Housing Affordability Analysis – Widening affordability gaps

Single-family Homes

As housing prices escalate the affordability gap widens, the gap being the difference between the cost of housing and the proportion of income that is reasonable to pay for housing, typically defined as 30% of gross income. To afford the median sales price of a single-family home of \$542,450,²¹ a household would have to earn an estimated \$136,500 based on 80% financing.²² This income is substantially higher than the median household income for the Town per 2021 census estimates of \$82,119 as well as the HUD area median income limit for a family of four (4) of \$115,600.

²¹ Banker & Tradesman as of November 2022.

²² Figures based on 80% financing, interest of 6.5%, 30-year term, annual property tax rate of \$8.81 per thousand, and insurance costs of \$6 per thousand. Also based on the purchaser spending 30% of gross income on mortgage, taxes and insurance.

The average Bourne household, based on the median income of \$82,119 per census estimates, could likely afford a home costing about \$326,400.²³ *The affordability gap is then about \$216,000 - the difference between the price of the median priced single-family home (\$542,450) and what a median income household can afford (\$326,400).* These calculations are also based on the ability of the purchaser to secure sufficient cash to afford 80% mortgage financing of about \$112,000, a true challenge for first-time homebuyers. While financing with less than 5% down payments were common before the financial crisis of more than a decade ago, they are now more the exception than the norm.

These calculations reflect recent increases in interest rates, and affordability gaps should decrease as mortgage rates decline. However, housing costs may be somewhat offset by continuing challenges in boosting housing production as a continuing limited supply drives up housing prices.

The affordability gap widens to about \$270,000 if the analysis focuses on those low- and moderate-income households earning at or below 80% of area median income (AMI), or \$78,300 for a family of three (3), who can afford a house costing no more than about \$270,500.²⁴ The segment of Bourne's housing stock within this purchase price is diminishing given rising market prices and conversions to temporary or seasonal use or second homes. It is also likely that many of these units are small and require significant improvements.

It is important to note that this cost analysis is based on the maximum HUD limit for a household earning at 80% AMI, not the affordable purchase price that would be calculated according to the formula used in the Local Initiative Program (LIP) that is based on a household earning at 70% AMI to allow for a marketing window.

Condominiums

The median condominium price was \$450,000 as of November 2022,²⁵ which would require an income of approximately \$122,250.²⁶ In fact a median income-earning household could likely afford a condo in Bourne for about \$248,000, and a household of three (3) earning at 80% AMI could likely afford a condo for an estimated \$235,000 price. Consequently, the affordability gap is \$202,000 and \$215,000 for the median income earning household and 80% AMI earning household, respectively.

Owner-Occupied Two-Family House

The owner-occupied, small multi-family house is considerably more affordable than the single-family home or condo due to the income that is generated from the rental unit. Because lenders calculate about 75% of rental income in mortgage underwriting criteria, these structures are more accessible to

²³ Figures based on 80% financing, interest of 6.5%, 30-year term, annual property tax rate of \$8.81 per thousand, and insurance costs of \$6 per thousand. Also based on the purchaser spending no more than 30% of gross income on mortgage, taxes and insurance. Assumes the purchaser could access

²⁴ This analysis assumes the ability of the purchaser to obtain subsidized mortgage financing from the ONE Mortgage Program or MassHousing mortgage offerings. Therefore, no private mortgage insurance (PMI) was included in the calculations and 95% mortgage financing was assumed.

²⁵ Banker & Tradesman as of November 2022.

²⁶ Figures based on 95% financing, interest of 6.5%, 30-year term, annual property tax rate of \$8.81 per thousand, insurance costs of \$4 per thousand, and monthly condo fee of \$300. Also based on the purchaser spending 30% of gross income on mortgage, taxes, insurance, and condo fee and the ability of the purchaser to obtain subsidized mortgage financing from the ONE Mortgage Program or MassHousing mortgage offerings.

lower income households. For example, the median valued two-family house, based on Assessors data, was \$458,800 in Fiscal Year 2023, requiring an income of approximately \$55,450, based on 80% mortgage financing and the ability to come up with at least \$96,500 in down payment and closing costs. Assuming the purchasers could qualify for a subsidized mortgage with 95% financing, the income required would be \$72,850. Efforts should be made to better promote these typically more affordable dwelling types.

Rentals

Regarding rentals, the gross median rent of \$1,346, reported by the 2021 census estimates, requires an income of about \$61,840, assuming an estimated \$200 in monthly utility bills and paying 30% of income on housing costs. This median figure includes subsidized units, and actual listings of rental units and discussions with realtors suggest higher market prices of about \$2,400 for a typical two-bedroom unit, requiring an income of \$104,000 based on the same assumptions – out of reach of those earning at the 80% AMI limit. Those earning the median wage of \$15 per hour might have an annual income of \$31,200 if they worked full-time and year-round, not nearly enough to afford market rentals. It is therefore not surprising that so many renters have cost burdens as they are paying far too much to live in Bourne.

The median income earning household (\$82,119) could likely afford a rental of 1,853, much lower than typical market rents, demonstrating a sizable affordability gap.

Cost Burdens

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

Based on 2021 estimates from the Census Bureau's American Community Survey, there were 372 homeowners in Bourne with a mortgage who were spending between 30% and 34% of their income on housing and another 1,077 owners spending more than 35% of their income on housing expenses. Even some without a mortgage were overspending on their housing including 140 spending between 30% and 34% and another 278 spending more than 35% of their income on housing expenses. *Thus 1,867, or about 29% of all year-round owners, were overspending on housing based on these census estimates.* This is down somewhat from the 2,520 and 42% of owner households with cost burdens in 2011.

Regarding renters, 131 renter households were spending between 30% and 34% of their income on housing and another 793 were allocating 35% or more of their income for housing, *for a total of 924 renters who were overspending or about 47% of all renters.* This is higher than the 817 renter households with cost burdens in 2011 that represented 45% of all year-round renter households.

This data suggests that *altogether 2,791 households or more than 33% of all Bourne households were living in housing that is by common definition beyond their means and unaffordable.* This represents a decline, however, from 3,337 households and 42% with cost burdens a decade ago.

HUD also obtains special tabulations of data from the American Community Survey that can be analyzed to determine cost burdens by tenure, income level and type of household as summarized in Table II-

28.²⁷ This data suggests that there were 2,645 (841 renters and 1,804 owners) or 30.6% of all households included in the analysis who were spending too much on their housing. For the most part, this represents a decline in cost burdens since 2009 that included 2,734 households (624 renters and 2,110 owners) or 37% of all households. Additionally, 12% were experiencing severe cost burdens as they were spending more than half their income on housing (395 renters and 639 owners) compared to 15.8% (350 renters and 1,170 owners) in 2009. Additional findings included the following:

Total Households by Income Range

- There were 3,668 households with incomes at or below 80% of median family income (MFI), and 2,082 or 57% were spending more than 30% of their income on housing and of these 1,019 or about 28% were spending more than half of their income on housing costs (having severe cost burdens). This level of cost burdens is somewhat lower than 2009 with 2,940 with cost burdens and 1,045 with severe cost burdens at 58% and 36% of low- and moderate-income households, respectively.
- Of the 1,473 renter households earning at or below 80% MFI (**up from 1,170 in 2009**), 308 or 21% were spending between 30% and 50% of their income on housing and an additional 394 or 27% were spending more than half of their income on housing expenses.
- Of the 2,195 owner households earning within 80% MFI, altogether 755 or 34% were spending between 30% and 50% of their income on housing with another 625 or 28% spending more than half their earnings on the costs of housing.
- Those with incomes of more than 80% MFI were experiencing substantially lower cost burdens as there were 563 households with incomes of more than 80% MFI with cost burdens (down from 904 in 2009), representing only 6.5% of all households. Only 14 such households were experiencing severe cost burdens.
- Of the 753 households with incomes at or below 30% MFI (down from 910 in 2009), 64% were spending more than half of their income on housing including 160 renters and 320 owners.
- There were 1,300 households who earned between 30% and 50% MFI (**up from 720 in 2009**), including 590 renters and 710 owners. A total of 755 households were spending too much on their housing (up from 590 in 2009) that included 315 renter households and 440 owner households with 185 (14.4% of all these renter households) and 205 (28.9% of these owner households) spending more than half of their income on housing, respectively.
- Of the 1,615 households who earned between 50% and 80% MFI (**up from 1,310 in 2009**), 178 renters (33.6% of renters in this income category) and 590 owners (54.4% of all owners in this income category) were spending too much that included 49 renter households and 100 owner households spending more than half of their income on housing.

Total Households by Type of Household *Seniors*

Seniors 62 years of age or older had the highest number of severe cost burdens, including 195 renters and 450 owners, compared to other types of households.

- A considerable number of seniors were experiencing cost burdens including 253 renters and 955 owners.
- A total of 129 or 58% of seniors who rented and earned less than 30% MFI were overspending on their housing, including almost half who were spending at least 50% of their incomes on housing. Another 75 seniors who

²⁷ This data is somewhat older than the 2021 census data summarized above; however, it provides additional breakdowns of cost burdens by tenure, income range and types of households.

were renting and earning between 30% and 50% MFI were also overspending on their housing, with 27% spending more than half of their income on housing. These seniors should be the targets for new subsidized housing units.

- There were also 49 seniors with incomes in the 50% to 80% MFI range with cost burdens, almost all with severe cost burdens representing one-quarter of all seniors who were renting in this income category.
- There were no cost burdens for seniors who were renting and earning more than 80% MFI.
- Of the 3,075 seniors who were homeowners, 950 or 31% were spending too much on their housing including 445 or 14% with severe cost burdens.
- A total of 850 of the 1,450 seniors who were owners with incomes at or below 80% AMI had cost burdens.
- Cost burdens were particularly high for those earning at or below 30% MFI, all with cost burdens and 90% with severe cost burdens. The combination of fixed incomes and rising utility, property taxes, and insurance costs, is likely contributing to these high cost burdens

Small Families

- There were 2,815 small family households that included 730 renters and 2,085 homeowners. Of these, 183 renters and 375 owners were experiencing cost burdens, 39 and 90 with severe cost burdens, respectively.
- Of the 325 small-family renters and 345 such owners with incomes at or below 80% MFI, 169 renters or 52% and 225 owners or 65% had cost burdens.
- Only 14 small family renters and 150 such homeowners with incomes of more than 80% MFI had cost burdens.

Large Families

- There were only 178 renter households that involved large families, none with cost burdens except for 80 households with incomes in the 30% to 50% MFI range, all with cost burdens. These included 65 families with severe cost burdens.
- The data indicated that there were no owners with large families earning below 50% MFI living in Bourne, which is not surprising given the relatively high cost of purchasing a home or even a condo for those in this income category. A total of 30 of the 50 large family owners with incomes between 50% to 80% MFI had cost burdens, none with severe cost burdens.

Other Nonelderly Nonfamily Households

- “Other” households (meaning non-family and non-elderly households such as single persons living alone) were encountering the greatest cost burdens for both renters and owners in proportion to their numbers. For example, 43% of all “other” households who rented had cost burdens compared to 36% of seniors and 25% of small families. While 45% of large families were encountering cost burdens, they included only 80 households compared to 325 “other” households. including one-third with severe cost burdens.
- Of the 405 “other households” with incomes at or below 80% MFI who were renting, 200 or about half had cost burdens, 95 with severe cost burdens, all with incomes at or below 50% MFI.
- There were 350 “other households” with incomes at or below 80% MFI who were owners, 320 or 91% with cost burdens. Of these, 100 or 29% had severe cost burdens.

Table II-28: Type of Households by Income Category and Cost Burdens, 2019*

Type of Household By Tenure	Household Incomes <30% MFI/# with cost burdens *	Household Income > 30% to < 50% MFI/ # with cost burdens *	Household Income > 50% to < 80% MFI/# with cost burdens *	Household Income > 80% and < 100% MFI /# with cost burdens *	Household Income > 100% MFI/ # with cost burdens *	Total
Elderly Renters	224/24-105	165/30-45	180/4-45	25/0-0	105/0-0	699/58-195
Small Family Renters	55/25-15	190/75-20	80/30-4	150/10-0	255/4-0	730/144-39
Large Family Renters	4/0-0	80/15-65	90/0-0	0/0-0	4/0-0	178/15-65
Other Renters	70/0-40	155/10-55	180/95-0	290/105-0	70/20-0	765/230-95
Total Renters	353/49-160	590/130-185	530/129-49	465/115-0	434-24-0	2372/447-394
Elderly Owners	305/30-275	520/160-120	625/180-40	290/60-0	1335/75-10	3075/505-445
Small Family Owners	75/0-25	80/15-50	190/120-15	220/85-0	1520/65-0	2085/285-90
Large Family Owners	0/0-0	0/0-0	50/30-0	95/40-0	195/20-0	340/90-0
Other Owners	20/0-20	110/60-35	220/160-45	95/25-0	340/40-4	785/285-104
Total Owners	400/30-320	710/235-205	1085/490-100	700/210-0	3390/200-14	6285/1165-639
Total	753/79-480	1300/365-390	1615/619-149	1165/325-0	3824/224-14	8657/1612-1033

Source: U.S. Department of Housing and Urban Development (HUD), SOCHS CHAS Data, American Community Survey, 2015-2019 Five-year Estimates (latest figures available based on HUD special table data).

*First number is total number of households in each category/second is the number of households paying between 30% and 50% of their income on housing – and third number includes those that are paying more than half of their income on housing expenses (with severe cost burdens). Elderly households involve heads 62 years of age or older. Small families have four or fewer family members while larger families include five or more members. The “Other” category, for both renters and owners, includes those under age 62 and non-family households, largely single individuals.

5. *Subsidized Housing Inventory (SHI)*

Of the 8,572 year-round housing units in Bourne, 589 units or 6.87% have been determined to be eligible for inclusion in the Subsidized Housing Inventory (SHI). The state has ruled that if a municipality has less than 10% of its year-round housing stock set-aside for low- and moderate-income residents, it is not meeting the regional and local need for affordable housing. Not meeting this affordability standard makes the locality vulnerable to a state override of local zoning if a developer wants to build affordable housing through the comprehensive permit process.²⁸ If Bourne were to reach the state 10% standard, it would have to create about another 268 units of SHI-eligible housing not counting future growth – an ambitious task in the short-run.

Definition of Affordable Housing

Affordable housing is generally defined by the income of the household in comparison to housing costs. For example, the federal government and the state of Massachusetts define housing affordability as spending no more than 30% of gross income on housing costs. A detailed analysis of affordability is included in Section II.C.4 above.

²⁸ 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.

Affordable housing is also defined according to its availability to households at various percentages of median income for the area as shown in Table II-29,²⁹ and most housing subsidy programs are targeted to particular income ranges depending upon programmatic goals. HUD updates these income limits annually. Extremely low-income housing is directed to households with incomes at or below 30% of area median income (AMI) as defined by HUD³⁰ for the Barnstable County area, and very low-income is defined as households with incomes of 31% AMI to 50% AMI. Low- and moderate-income generally refers to the range between 51% and 80% AMI.

Table II-29: HUD Affordable Housing Income Limits for Barnstable County – 2022

# in Household	30% AMI	50% AMI	80% AMI	100% AMI
1	\$22,850	\$36,050	\$60,900	\$80,920
2	\$26,100	\$43,500	\$69,600	\$92,480
3	\$29,350	\$48,950	\$78,300	\$104,040
4	\$32,600	\$54,350	\$86,950	\$115,600
5	\$35,250	\$58,700	\$93,950	\$124,848
6	\$37,850	\$63,050	\$100,900	\$134,096
7	\$41,910	\$67,400	\$107,850	\$143,344
8+	\$46,630	\$71,750	\$114,800	\$152,592

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

2021 Median Household Income for the Barnstable Metropolitan Statistical Area (MSA) = \$89,300

2022 Median Household Income for the Barnstable Metropolitan Statistical Area (MSA) = \$115,600

In general, programs that subsidize rental units are targeted to households earning at or below 60% AMI. However, first-time homebuyer programs typically apply income limits of up to 80% AMI. It is worth noting that an estimated 42% of Bourne's households would likely fall at or below the 80% AMI limits. Consequently, they might be eligible for housing assistance based on income alone.

The state typically counts a housing unit as affordable if it is subsidized by a state or federal program that supports low- and moderate-income households at or below 80% AMI. Units must also be deed restricted and affirmatively marketed. 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% AMI 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 or other statutory minima have not been met, including meeting annual housing production goals).

It should be noted that those earning up to 100% AMI are eligible for assistance from the Community Preservation Fund, however, only those units occupied by households earning at or below 80% AMI can be counted as part of the Town's Subsidized Housing Inventory (towards the state's 10% affordability goal under Chapter 40B or annual housing production goals) as long as the state's other requirements are met.

²⁹ Bourne is part of the Barnstable County MSA.

³⁰ The average household size was 2.34 persons based on the 2021 U.S. census estimates.

Current Inventory

Bourne's current state-approved Subsidized Housing Inventory is summarized in Table II-30, indicating that more than 90% of the units were rentals as opposed to homeownership. Of the rental units, 27 units were directed to special needs populations.

Table II-30: Bourne Subsidized Housing Inventory (SHI)

Name of Project	# Affordable Units	Owner	Housing Type (Expiring Use Date)	Type of Financing	Village Location
Roland Phinney Place	56	BHA	Elderly/Disabled Rental	MHFA Section 8	Pocasset
Continental Apartments	36	BHA	Elderly/Disabled Rental	State Chap. 667	Buzzards Bay
Waterhouse Road	16	BHA	Special Needs Rental	Chapter 689	Confidential
Windswept Acres	14	BHA	Family Housing Rental	State Chap. 705	Bourne Village
Bourne Oaks	105	Bradford Group	Elderly Rental (2028)	FmHA 515	Buzzards Bay
Canalside Apartments	112	Canalside Apts. Assoc.	Rental (3/2018)	MHFA Sec. 236	North Sagamore
Cherry Hill*	28	Cherry Hill Court Realty Trust	Rental	State TELLER Program	North Sagamore
Nightingale Pond Estates*	15	Individual owners	Single-family Homeownership	DHCD LIP	Buzzards Bay
Waterhouse Road*	2	Individual owners	Homeownership	LIP	Bourne Village
Pocasset Assisted Living	84	Realty Resources Chartered	Elderly/Disabled Rental	DHCD	Pocasset
Department of Developmental Services (DDS)	11/13	DDS	Special Needs/ Rental	--	Confidential
Pilgrim Pines*	33/26	Hebb Builders	Ownership	FHLBB	Buzzards Bay/ Bournedale
Bourne Housing Partnership	3	Individual Owners	Ownership (2012)	DHCD LIP	Cataumet and North Sagamore
Habitat for Humanity (Tattler Circle)	1	Individual Owner	Ownership	DHCD	Cataumet
HOR Program (Cape Cod Commission)	3	Individual owners	Ownership/ Rehabilitation	DHCD	Scattered Sites
Cape Cod Commission	2	Individual owners	Ownership/ Rehabilitation (2040)	DHCD for 2 and HUD for 1	North Sagamore

Cape Cod Commission/ HOME Consortium	1	Individual Owner	Ownership (2040)	HUD	Buzzards Bay
Hunters Brook Rd.	1	Individual Owner	Ownership (2019) Rehab	DHCD	Sagamore
Canal Crossing*	4	Individual Owner	Ownership	DHCD	Buzzards Bay
Canal Bluffs*	28	HAC	Rentals	DHCD	Monument Beach
Adams Street	1	Individual Owner	Ownership	DHCD	N. Sagamore
Waterhouse Road	1	Individual Owner	Ownership	DHCD	Bourne Village
Bayhead Shores Rd.	1	Individual Owner	Ownership	DHCD	Buzzards Bay
Habitat for Humanity (Flintlock Lane) *	1	Individual Owner	Ownership	DHCD	Sagamore
Adams Street	1	Individual Owner	Ownership	DHCD	N. Sagamore
Shearwater Drive	1	Individual Owner	Ownership	DHCD	Cataumet
Clay Pond Cove at Canal Bluffs/Phase II*	45	HAC	Rental	DHCD MassHousing MHP	Monument Beach
Old Plymouth Road/ Nonconforming lot	1	Bourne Housing Trust	Ownership	DHCD	
Clay Pond Cove at Canal Bluffs/Phase II*	44	HAC	Rental	DHCD MassHousing MHP	Monument Beach
Coady School Residences*	58	Stratford Capital Group	Rental	DHCD	Bourne Village
Wing Road/ Nonconforming lot	1	Bourne Housing Trust	Ownership	DHCD	
Total	589				

Source: Massachusetts Department of Housing and Community Development, December 5, 2022.

Shaded rows involve units that have been added to the SHI since 2015.

* Indicates projects that were approved through the Chapter 40B comprehensive permit process.

The *Bourne Housing Authority (BHA)* owns and manages 122 units through two senior developments that also include younger disabled residents (Roland Phinney Place and Continental Apartments), a family development (Windswept Acres) and a special needs facility (Waterhouse Road). Given the state's centralized waitlist through the Common Housing Application for Massachusetts Programs (CHAMP), when BHA pulls the waitlists for those who have applied for their units, it can take months to process the applications. While turnover is low for family units and waits thus longer, there are also typically waits of at least a year for units in their elderly developments for local residents, longer for

those who do not live in Bourne³¹ At least 13.5% of the units in these senior developments are reserved for those who are under the age of 60 and have a disability, and long waits can be expected for these units. As noted above, units in the Housing Authority's family developments rarely become available, as turnover usually occurs only upon eviction or when children move out.

In addition to housing management, the BHA manages rental assistance programs through the Section 8 Program with 76 vouchers. They also administer 13 Massachusetts Rental Voucher Program (MRVP) vouchers and 20 Disabled Individual Adult Living (DIAL) vouchers. These programs subsidize the rents of qualifying households who locate rental units in privately-owned properties. Because the rental housing supply is becoming increasingly more expensive, some rental voucher recipients are forced to look beyond Bourne or even the Cape for a qualifying apartment. While current state regulations do not count tenant-based subsidies as part of a community's SHI, these units are important in reducing cost burdens for low- and moderate-income households in Bourne.

Most of the developments that are included in the SHI have been produced by private developers including five units that have been created as part of Bourne Housing Partnership/Housing Trust efforts.

Those projects that have been added to the SHI since the last Housing Production Plan was prepared in 2014 are shaded in Table II-30 and include:

- *Additional Phase at Canal Bluffs*
Beyond producing 28 units as part of its Canal Bluffs project, the Housing Assistance Corporation (HAC) completed a second phase with 45 rental units, referred to as Clay Pond Cove at Canal Bluffs, and a third phase with 44 units. All phases were permitted through the "friendly 40B" process as part of the state Local Initiative Program (LIP).
- *Coady School Residences*
The Town made its vacant Coady School available for development, and through a Request for Proposals process selected the Stratford Capital Group as the developer. The project was permitted through the "friendly" 40B process, the ZBA granting the approval on February 6, 2013. The project involved the rehabilitation of the school, per National Park Service Guidelines for Historic Renovations, as well as the construction of an addition, created 58 affordable rental units for seniors. Financing included Low Income Housing Tax Credits that enabled all units to be affordable to those earning at or below 60% AMI, including 20% of the units for those extremely low-income individuals or families with incomes at or below 30% AMI. All income and age limitations will continue in perpetuity. The unit mix includes a studio apartment, 31 one-bedroom units, and 26 two-bedroom units for a total of 84 bedrooms.
- *Ongoing BHP and BAHT Initiatives*
The Town of Bourne, through its Bourne Housing Partnership and Bourne Affordable Housing Trust, have been involved in creating affordable units on nonconforming lots, including homes on Old Plymouth Road and Wing Road.

³¹ Top priority goes to applicants confronting an emergency, such as homelessness or domestic violence, and veterans. Local residents become the next priority for BHA units.

Pipeline Projects

The following projects are in the development pipeline that could potentially produce more than 500 total units with 137 SHI units, and 107 units to be occupied by those with incomes at or below 80% AMI as summarized in Table II-31:

- *Cape View Way*
Cape View Way is a new construction project sponsored by the Housing Assistance Corporation (HAC) and Preservation of Affordable Housing (POAH), also involving the BHA. The project involves the development of 42 units of rental housing for seniors on six parcels that were formerly owned by the Town of Bourne, taken through tax foreclosure and assembled for this project. Permitting will be through the “friendly Chapter 40B” process with Low Income Housing Tax Credits and other public financing, including funds from the American Rescue Plan Act (ARPA). The Cape Cod HOME Consortium is also expected to provide funding for the project. All units will be affordable to households earning at or below 60% of AMI, with 16 units further restricted for households earning less than 30% AMI, and in some cases, transitioning from homelessness.
- *Horne Avenue*
The Bourne Affordable Housing Trust received a donated lot that it in turn conveyed to Habitat for Humanity of Cape Cod for the construction of a new home for a qualifying first-time homebuyer.
- *Chase Estates*
Chase Estates will be permitted as a Chapter 40B development. Located on Sandwich Road, it will provide 24 total units of which six will be actually affordable. Because it is a 40B rental development, all 24 units will count as part of the SHI.
- *Tides at Bourne (also known as Connect 55)*
The Tides at Bourne/Connect 55 is age-restricted to those 55 years of age or older. The project includes 120 rental units, and because development requires all occupants to be 55 years of age or older, it is unlikely that the units will be eligible for inclusion on the SHI given DHCD’s requirement that, while you can require at least one occupant to be age 55 or over, you cannot deny younger residents occupancy.
- *2 Kendall Rae Place*
This project proposes 167 units across from Town Hall that was permitted as part of Bourne’s Downtown District zoning. Ten percent or 17 units will be required as affordable and included in the SHI.
- *223 Main Street*
Another Downtown project will be located at 223 Main Street and include 72 units of family rentals, seven of which will be affordable for inclusion on the SHI. This project will also involve a special permit as part of Bourne’s Downtown District zoning.
- *340 Main Street*
The 340 Main Street project, also to be permitted through Downtown District zoning provisions, includes two phases. Phase 1 is a commercial building with six apartments on upper

floors. Phase II is planned with 24 apartments in the rear of the building. If the two phases can be considered together, the 10% affordability requirement would likely include three units.

- Canal Street Crossing**
 Canal Street Crossing involves a Continuing Care Retirement Community in Sagamore that will include a medical office, independent living units, as well as a skilled nursing facility and memory care units. Permitting will be part of the Senior Care Overlay District that was created for the project. A total of 11 affordable units is anticipated.
- 194 Shore Road**
 Another possible Chapter 40B development is being discussed at 194 Shore Road to include 16 rental units. Four of the units would have to be affordable to households with incomes at or below 80% AMI although all units would be eligible for counting as part of the SHI.
- 9 Sandwich Road**
 This potential project is proposed to be permitted through Chapter 40B and include between 16 to 20 total rental units. As it would be a 40B rental project, all units would count as part of the SHI although only four to five might be actually affordable. The property includes the oldest house in Bourne, which is in poor condition but might be worth saving and potentially moved to another location.
- Christmas Tree Shop**
 There has been some very early discussion on the potential for redeveloping the Christmas Tree Shop property into mixed uses once the bridge has been replaced.

Table II-31: Development Pipeline Projects

Projects	Total Units	SHI Units	Affordable Units	Permitting
Cape View Way	42	42	42	40B/LIP
Horne Avenue	1	1	1	By-right
Chase Estates	24	24	6	40B
Tides of Bourne/ Connect 55	120	0	12	DTD
2 Kendall Rae Place	167	17	17	DTD
223 Main Street	72	7	7	DTD
340 Main Street	30	3	3	DTD
Canal Street Crossing		11	11	Senior Care Overlay District
194 Shore Road	16	16	4	40B
9 Sandwich Road	16-20	16-20	4-5	40B
Total		137-141	107-108	

D. Priority Housing Needs

Fundamental to the rise in housing prices is the imbalance between housing supply and demand. This is not just a local problem but one that is occurring throughout much of the Commonwealth, Cape Cod and the Islands in particular.

Given the high numbers of residents who are paying too much for their housing (see Table II-28) and growing affordability gaps, there is a pressing need to produce more housing that is affordable in Bourne, not only for the most financially-vulnerable residents, but also for those who may not meet all affordable housing requirements but are still struggling to remain in the community. The major obstacle to meeting underserved needs is the gap between these needs and the resources available, including real property, which has been exacerbated by unprecedentedly high housing prices. Constraining regulations and the pandemic have also

contributed to rising housing prices.

Based on input from a wide variety of sources including updated census data, market information, input from local stakeholders, and recent reports; the following priority housing needs have been identified:

Significant numbers with limited incomes and growing income disparities – Need subsidized rental units for those with very limited incomes

- About 42% of all Bourne households had incomes at or below 80% AMI and were therefore potentially eligible for housing assistance based on income alone.
- Based on 2021 census estimates, a total of 1,552 households, or 18.2% of all households, had incomes under \$35,000 including 850 households or 10% under \$25,000 in income, all most likely struggling to afford to remain in the community.
- About half (49.7%) of renters had incomes of less than \$35,000 compared to only 18.2% of homeowners. The income disparity between owners and renters is also reflected in median income levels of \$93,144 and \$43,101, respectively, for 2021.
- The 2021 census estimates identify 1,677 individuals and 405 families that are living below the poverty level, representing 8.2% of all residents and 7.6% of all families. These residents represent an extremely vulnerable group within the community.
- While those living in poverty generally declined over the past decade, poverty among older adults, age 65 or older, has increased to 849 such individuals living in poverty, including almost 15% of all such residents.
- The 589 units that are part of the SHI as well as 109 rental vouchers do not come close to meeting the needs of all those living in poverty.

Long waits for subsidized rental housing – Need more subsidized rentals

- The Bourne Housing Authority has a substantial waiting list of several hundred applicants with limited turnover of units.
- Cape Cod Senior Residents of Pocasset, the manager of the Pocasset Assisted Living Project that included 84 affordable units, received approximately 400 applications representing substantial demand for this type of housing.
- The Bourne Housing Authority also suggests that there is a need for funding to support budgeting classes for their existing tenants to help them move towards self-sufficiency, thus opening their units to others in need of public housing.

- The BHA also recommends that workforce housing is needed for those with incomes in the 80% to 120% AMI range to help stabilize those in Bourne's workforce who are priced out of the existing housing market but are over income for affordable housing.

Decreases in the rental housing stock – Need to replace some of this valuable housing stock

- While year-round owner-occupied units increased by 9.9% between 2010 and 2021, year-round rental units increased by only 68 units or by 3.6%, decreasing in proportion to all units from 24.3% to 23.3%. It is likely that new development was not only focused on homeownership but also that some portion of the rental housing stock was converted to ownership or seasonal use during this period. This level of renter-occupancy is still higher than county level of 17.7%.
- Census estimates indicate that Bourne had 5.0% of its units in small multi-family dwellings of two to four units, down from 7.2% in 2011 with a loss of 211 such units. The multi-family housing stock of five or more units also declined from 4.4% to 2.5% of all units with a loss of 193 units.

This decline in small, multi-family dwellings represents the loss of a valuable segment of the town's existing housing stock. Many of these units were probably more affordable, as private landlords, particularly owner-occupied ones, tend to value good tenants and frequently maintain below market rents to keep them. It also suggests the loss of some particularly affordable homeownership stock since owners with rentals benefit from rental income that helps them finance and afford the property.

Widening affordability gaps – Need a mix of affordable rental and ownership units

- The affordability gap is estimated to be about \$216,000 - the difference between the price of the median priced single-family home (\$542,450) and what a median income household can afford (\$326,400).³² These calculations are also based on the ability of the purchasers to secure sufficient cash of about \$112,000 to afford 80% mortgage financing, a true challenge for first-time homebuyers.
- The affordability gap widens to about \$270,000 if the analysis focuses on those low- and moderate-income households earning at or below 80% of area median income, or \$78,300 for a family of three (3), who can afford a house costing no more than about \$270,500.³³ The segment of Bourne's housing stock within this purchase price is diminishing given rising market prices and conversions to seasonal use or second homes. It is also likely that many of these units are small and require significant improvements.
- The median income earning household (\$82,119) could likely afford a rent of about \$1,853, much lower than typical market rents and demonstrating a sizable affordability gap.

³² Figures based on 80% financing, interest of 6.5%, 30-year term, annual property tax rate of \$8.81 per thousand, and insurance costs of \$6 per thousand. Also based on the purchaser spending no more than 30% of gross income on mortgage, taxes and insurance.

³³ This analysis assumes the ability of the purchaser to obtain subsidized mortgage financing from the ONE Mortgage Program or MassHousing mortgage offerings. Therefore, no private mortgage insurance (PMI) was included in the calculations and 95% mortgage financing was assumed.

High cost burdens – Need more affordable living options for both existing renters and owners who are spending too much on their housing

- The 2021 census estimates identify 2,791 households or more than 33% of all Bourne households as living in housing that is by common definition beyond their means and unaffordable as they were paying more than 30% of their income on housing costs.
- HUD obtains special tabulations of data from the American Community Survey that can be analyzed to determine cost burdens by tenure, income level and type of household. This data suggests that there were 2,645 (841 renters and 1,804 owners) or 30.6% of all households who were spending too much on their housing. Additionally, 12% were experiencing severe cost burdens as they were spending more than half their income on housing (395 renters and 639 owners)
- There were 3,668 households with incomes at or below 80% of median family income (MFI), and 2,082 or 57% were spending more than 30% of their income on housing (702 renters and 1,380 owners) and of these 1,019 or about 28% were spending more than half of their income on housing costs, referred to as having severe cost burdens (394 renters and 625 owners).

Significant numbers of people with disabilities – Need to incorporate handicapped accessibility, “visitability,” and supportive services into new development

- According to 2021 census estimates, a total of 2,824 residents, or 14.2% of the civilian noninstitutionalized residents, claimed some type of disability. This is higher than 13.0% and 11.7% for the county and state, respectively.

Increases in smaller households – Need to focus on producing smaller units for increasing numbers of persons living alone and smaller families

- The number of households increased by 33.4% between 1990 and 2010, from 5,898 to 7,866, and then increased by another 8.4% to 8,525 households by 2021. The increase in households of 44.5% between 1990 and 2021 is much higher than the total population growth during the same period of 26.8% and reflective of increasing numbers of smaller households.
- Demographic shifts to smaller households are also reflected in changes in the median household size, from 2.60 households in 1990 to 2.34 persons by 2021.
- There were very limited cost burdens for those living in large families compared to small families of four or fewer members.

Older housing stock – Need resources to make necessary home improvements for units occupied by low- and moderate-income individuals and families

- Because 57% of Bourne’s housing units were built prior to 1980, it is likely that some units might contain lead-based paint that can be hazardous to young children as well as deferred maintenance problems, including failing septic systems.
- While the Town has been fortunate to receive CDBG funding in support of a Housing Rehabilitation Program and other commercial improvements in the past, continued funding for such improvements is important to improving the Town’s substandard housing which is occupied by low- and moderate-income households.

There is therefore a sizable population of those who are seniors, have special needs and or have very low incomes who have significantly reduced capacity to secure decent, safe and affordable housing. The current supply of affordable housing, including affordable units and rental subsidies, does not meet this existing need and a broader range of subsidized housing options is required.

It is important to note that while cost burdens for homeowners are substantial and affordability gaps are widening, the ability to make substantial progress on the production of affordable homeownership is limited. Consequently, priority needs, as summarized in Table II-31, are directed largely to rental units based on the following considerations:

- Target the needs of the community’s most vulnerable residents with very limited financial means as rental housing is typically more affordable and requires less up-front cash.
- Promote greater housing diversity as 77% of Bourne’s housing stock is owner-occupied and 87% involves single-family homes (detached and attached). More housing options are necessary to meet the needs of local workers and younger individuals and families who are priced out of the housing market, people who grew up in Bourne and want to remain in the community, and empty nesters, for example.
- Better leverage other funds as state and federal resources are almost exclusively directed to rental housing development, family rentals in particular. Consequently, most of the financial support for homeownership development will remain largely limited to local resources, CPA and Affordable Housing Trust Funds that are insufficient to support more than a few affordable units per year.
- Invest locally-available subsidy funds (e.g., CPA, Affordable Housing Trust Funds, CDBG funding, HOME Program funds) in support of greater numbers of households/occupants over time as rentals turnover more regularly than ownership units.
- Respond to new state guidelines for MBTA communities in creating new transit-oriented zoning districts with by-right permitting for a minimum gross density of 15 units per acre.³⁴
- Provide opportunities for some older residents who are “over-housed” and spending far too much on their housing to relocate to more affordable and less isolated settings, opening up their homes to families requiring more space.
- Create new income opportunities (e.g., through Accessory Dwelling Units or conversions to two-family homes) that could also address high cost burdens.
- Enhance the ability to qualify occupants for housing subsidies as state requirements for including units on the SHI make it very difficult for long-term homeowners to be eligible for subsidized or assisted housing given asset limits.³⁵
- Provide opportunities for mixed-income housing where several different income tiers can be accommodated within the same project.

Table II-31 summarizes the distribution of units to be produced over the next five (5) years based on the housing production goal of 43 units per year, with about 90% of the units directed to subsidized rentals to meet the increasing needs of the most vulnerable and financially-strapped households and the considerations listed above. Three-quarters of these rentals would be developed for qualifying

³⁴ Bourne has been identified by the state as “an adjacent small town” as it does not have a transit station within its boundaries but within 0.5 miles of its boundaries.

³⁵ The state Local Initiative Program (LIP) guidelines prescribe financial asset limits of \$75,000, including another \$200,000 from the net equity of a previous home for those 55 years of age and older. This means that many of the lower income owners who are particularly cash burdened might not qualify for subsidized housing given the value of their existing homes.

individuals or families and the remainder for seniors. The remaining 10% of the projected affordable units would be developed for homeownership.

Given the aging of the population and the relatively high level of people with disabilities in Bourne, the housing goals include the integration of handicapped accessible and/or service enriched housing units equivalent to about 10% of all new units produced. Moreover, the goal of supporting necessary home improvements of a projected five (5) units per year are also included in production goals, although these units are unlikely to be included in the SHI.

Table II-32: Housing Production Goals Based on Types of Units

Type of Units	1-Year Goal	5-Year Goals
Rental Housing	38 units	190 units
Families	28 units	140 units
Seniors/Individuals	10 units	50 units
Homeownership Units	5 units	25 units
Total	43 units	85 units
Handicapped accessibility and/or supportive services/about 10% of new units produced	5 units	25 units
Promote housing assistance for property Improvements	5 participants in improvement programs	25 participants in improvement programs

III. CHALLENGES TO PRODUCING AFFORDABLE HOUSING

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

Limited Developable Property

Most prime properties have been developed, and there are fewer parcels available that do not involve development restrictions or environmental issues, such as wetlands. The Local Comprehensive Plan (LCP), revised in 2019, stated, "With the notable exception of downtown Buzzards Bay, and the potential exception of Joint Base Cape Cod,³⁶ Bourne appears to be close to practical buildout under current zoning. On the Cape side of the canal, only the former "Canal Commons" site at the Bourne Bridge Rotary remains in play for new development that could have a notable influence on the town's population growth. Three relatively large parcels on the mainland side of the canal will likely be developed within the next decade...with the greatest potential for growth in downtown Buzzards Bay."³⁷

The LCP includes a buildout analysis that projects a total of 14,500 housing units at buildout based on existing zoning. This is also based on the assumption that about 80% of all new units will be for year-round use. It also assumes accessibility to commuter rail service to Buzzards Bay, the construction of the new wastewater treatment facility in Buzzards Bay, and major increases in wastewater treatment elsewhere being pursued as a regional solution with the Towns of Wareham, Plymouth, and Marion, including the Massachusetts Maritime Academy. While buildout projections are typically riddled with questionable assumptions, these figures highlight the decreasing amount of property that is available for development and the need for continuing a proactive strategy on the part of the Town to guide any future development in ways that will have a significant impact on public benefits, including affordable housing.

Mitigation Measures:

It will be important to guide future development to appropriate locations, maximizing density in some areas and minimizing the effects on the natural environment and preserving open space corridors and recreational opportunities. Therefore, changes to the Town's Zoning Bylaw will be necessary which will consequently alter buildout calculations.

Because of the limited amount of developable property, it is all the more important that the new units that are created help diversify the housing stock and provide greater affordability. This Plan suggests several zoning mechanisms to mandate and incentivize affordable units as well as strategies to promote more housing choices within the community (see Section V).

Zoning

As is the case in most American communities, a zoning by-law is enacted to control the use of land including the patterns of housing development. Zoning in most Massachusetts communities embraces large-lot subdivisions to maintain low housing densities and thus severely constrains the construction of affordable housing that typically relies on economies of scale. Bourne is no exception with minimum lot size requirements of 40,000 and 80,000 square feet in many areas. Moreover, there are no areas of

³⁶ Includes about 39% of Bourne's land area.

³⁷ Town of Bourne Local Comprehensive Plan, Revised 2019.

town where multi-family housing can currently be built as-of-right although this will change given eventual compliance with the MBTA Communities Guidelines under Section 3A of the state Zoning Act.

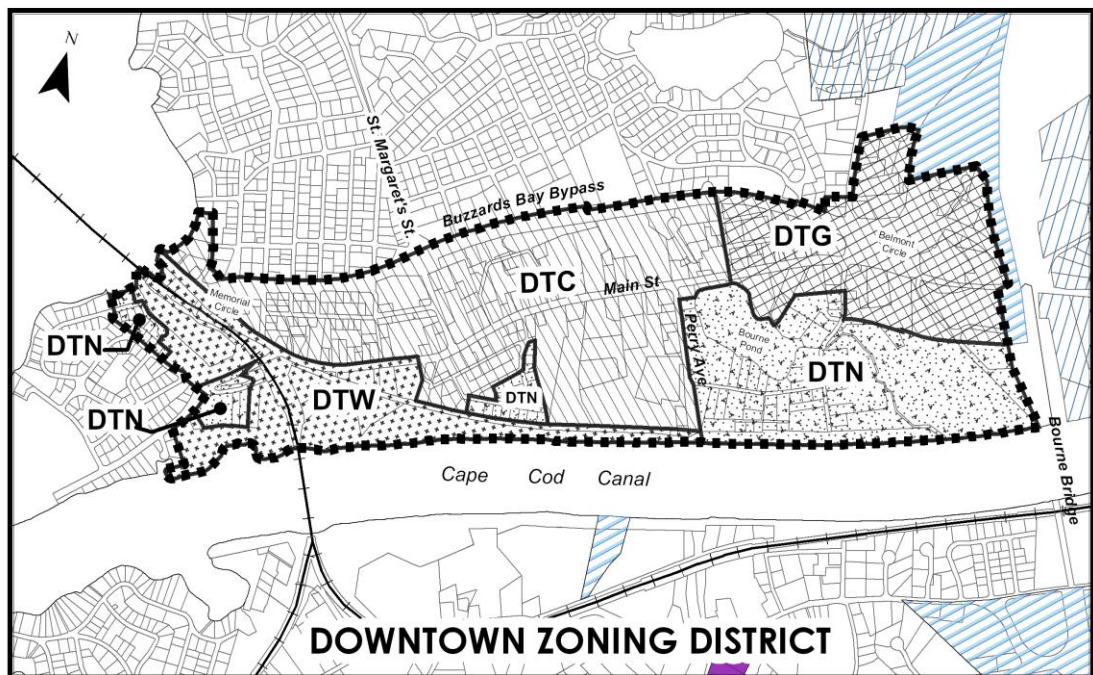
The Town has several provisions in its Zoning By-law that are relevant to the issue of boosting affordable housing and smart growth development including.

- In 2010, the Town approved *inclusionary zoning* as part of Section 2842 of the Zoning Bylaw, requiring 10% of all units in projects of 10 or more units be affordable and eligible for inclusion in the SHI. These provisions pertain to all types of residential or mixed-use development on a town-wide basis.
- There is a provision to approve *accessory dwellings* through the special permit process, however, this bylaw has not been well utilized. A strategy to revisit and amend this bylaw is included as strategy V.B.2.
- The Bylaw also allows *mixed uses* through a special permit in the B-1 and B-2 districts and may include single, two-family, or multi-family dwellings as a co-occupant of a building together with one or more nonresidential uses. The Bylaw states that the purpose of this provision is “to contribute to housing affordability and to add residential activity to village centers.”³⁸ These units must be serviced by the Town’s municipal sewerage system and non-residential uses must occupy a majority of the first-floor area.
- Another provision is the *Flexible Resource Development bylaw* within the Bournedale Overlay District that allows some flexibility and creativity of design and site planning beyond the Town’s subdivision requirements and includes density bonuses for senior housing, one-bedroom units to limit children and school impacts, and the preservation of existing natural areas. The bylaw is perceived as being relatively complicated and has not been used to date.
- The Bylaw also includes an *Open Space Community* provision that allows density bonuses for projects with ten (10) acres or more where at least 25% of the units are affordable, are targeted to seniors and thus avoid excessive school impacts, and protect existing natural areas and open space. Density bonuses are limited when the applicable land area per dwelling unit in the entire development is reduced below 30,000 square feet. This bylaw also has not been used.
- Another bylaw relates to *nonconforming affordable lots* to increase the supply of permanently affordable housing by allowing the building of such units on nonconforming or non-complying lots through a special permit from the Planning Board. The lot must be at least 10,000 square feet, located in a residential district, contain at least 90% of the area as upland, have at least 80 feet of frontage, and satisfy Board of Health regulations.
- Another important section of the Zoning Bylaw involves the creation of a *Downtown District (DTD) in Buzzards Bay* through a form-based code to produce a mixed-use zone with the following goals:³⁹

³⁸ Town of Bourne Zoning Bylaw, Section 4250.

³⁹ Town of Bourne Zoning Bylaw, Section 2800.

- To facilitate a higher density mix of commercial, entertainment, civic, educational, recreational, marine and residential uses throughout the district;
- To create an environment that is a desirable place to live, work and socialize;
- To create a network of attractive streets, intermodal transportation modes and open space;
- To create a downtown that serves residents, students and visitors alike;
- To connect the downtown with the waterfront; and
- To preserve and enhance the distinctive characteristics of buildings and places significant in their architecture or to the history of Bourne, and to maintain and improve settings for such buildings and places with compatible designs.



The Downtown District is divided into four (4) subdistricts that include:

- The *Downtown Neighborhood District (DTN)* remains residential with either single-family or two-family dwellings under the requirements of the Residential 40,000 (R-40) District, not regulated under Section 2800.
- The *Downtown Core District (DTC)* is a higher density, mixed-use area where residential uses are generally included in multiple-use structures.
- The *Downtown Waterfront District (DTW)* is identical to the DTC District except certain uses are limited.
- The *Downtown Gateway (DTG)* District includes areas around Belmont Circle and is also identical to the DTC District except certain travel-related uses are permitted.

In addition to promoting a higher density, mixed-use area in downtown Buzzards Bay, the Bylaw includes a provision to encourage some *affordable housing*. Section 2842 specifies that all residential developments of ten (10) or more units must include a minimum of 10% of the total

number of units as affordable per state requirements and thus be eligible for inclusion in the Subsidized Housing Inventory. This bylaw has been proven to be particularly effective in the last several years with five projects completed or proposed, including 389 total units and 39 affordable SHI units.

- The Downtown District has also been designated a *Growth Incentive Zone (GIZ)*, endorsed by the Board of Selectmen on March 20, 2012 and authorized by the Cape Cod Commission (CCC) on April 26, 2012. The Cape Cod Commission allows communities to adopt Growth Incentive Zones (GIZ) pursuant to the Cape Cod Commission Act, Chapter 716 of the Acts of 1989. This enables the Commission to establish a process for approving such zones, the purpose of which is to enable towns to “enhance downtowns and other areas of existing development by promoting greater density and a mix of residential and commercial uses within these locations while ensuring that all growth is properly served by infrastructure.”⁴⁰ By encouraging a mix of uses, Towns may request changes in the thresholds (generally size and use limits) that trigger the Cape Cod Commission’s regulatory review of Developments of Regional Impact (DRI) in the Growth Incentive Zones.

The GIZ establishes that development and redevelopment projects that would typically be reviewed by the CCC as Developments of Regional Impact (DRI) would not be subject to this review process until the total amount of development reaches a designated cap/threshold. In 2019, the Town amended this bylaw by eliminating the three phases of specified development potential and allowing up to 360 units to be developed through the GIZ. The changes also included eliminating the reference to offsets in unit development through transfers of development rights.

- *Senior Care Overlay District*⁴¹
Town Meeting approved a Senior Care Overlay District in 2018 to support the development of a Continuing Care Retirement Community as part of the Canal Street Crossing project. The property includes about 11 acres that will accommodate a medical office, townhouses, a skilled nursing facility and a memory care unit. Plans also include the integration of about 24 affordable units.

Mitigation Measures

This Housing Production Plan includes several strategies that are directed to reforming local zoning regulations and making them “friendlier” to the production of affordable housing and smart growth development. These strategies include complying with MBTA Communities Guidelines under Section 3A of the Zoning Act, modifying the accessory apartment and open space community bylaws, exploring town-wide inclusionary zoning provisions, placing some restrictions on short-term rentals, and allowing housing for seasonal workers.

Environmental Concerns

Wastewater

Most Cape residents are aware of the Cape’s natural treasures and are rightly concerned about conserving the environment. The Town has very limited municipal sewer services including a new

⁴⁰ Growth Incentive Zone Regulations, Section 1.

⁴¹ Town of Bourne Zoning Bylaw, Section 4840.

wastewater treatment facility in Buzzards Bay and several special treatment plants.⁴² Consequently most properties must still rely on on-site septic systems that contribute significant amounts of nitrogen into the groundwater. To exacerbate the problem in some areas, former seasonal homes on small lots are being replaced by larger homes that can compromise septic systems.

Nitrogen loading affects the community's drinking water and is a serious threat to surface water as well, particularly salt ponds and estuaries that are so environmentally sensitive. The substantial reliance on wells⁴³ and septic systems also significantly restricts development, limiting higher densities in areas that could provide a wider range of residential and commercial opportunities in Bourne.

The Massachusetts Department of Environmental Protection (MassDEP) recently notified the Town that it is developing two regulatory approaches to help restore and protect coastal estuaries that have experienced excessive nitrogen pollution and will be seeking input on these proposals prior to publication. The first involves revising Title 5 regulations to establish "Nitrogen Sensitive Areas" (NSAs) for watersheds draining into estuaries where there is an identified impairment due to nitrogen loading. This would require that the Town introduce new on-site systems to enhance nitrogen treatment within five years of the effective NSA designation unless the Town decides to take advantage of an alternative watershed approach.

The second regulatory revision involves the formal establishment of the "watershed permit" which are for 20 years and based on long-term wastewater plans to improve water quality through a range of approaches, including centralized sewer treatment and innovative approaches. If communities take advantage of this approach and obtain a watershed permit for an area that would be subject to new NSA regulations, the system-by-system approach can be avoided. While making important environmental strides, these regulations will also increase the costs of development and hence further challenge affordable housing production.

Water Services

While fortunate to have abundant water resources, most of Bourne lies over a portion of the Sagamore groundwater lends, a sole source aquifer, that provides the town with its drinking water and is environmentally threatened. Protecting water resources is at the top of list of concerns among residents. As such, Bourne has focused on protecting well recharge areas through the adoption of aquifer protection laws.

Wildlife and Plant Habitats

Bourne has extensive wildlife habitats with much of the town mapped as a rare species habitat, including all the coast. According to the Town's Open Space and Recreation Plan, approximately 65% of the town's land area is mapped as a Priority Habitat. Additionally, about 39% of the town's land area is within Joint Base Cape Cod with about two-thirds of the Base Area determined as permanently protected open space that provides a habitat for many plant and animal species.

⁴² The Town has constructed a 100,000 gallon per day treatment facility to serve Downtown Buzzards Bay, and has an Inter-Municipal Agreement with the Town of Wareham that allocates 200,000 gallons per day of wastewater capacity to Buzzards Bay.

⁴³ A water district in Buzzards Bay currently provides water service of up to 530,000 gallons per day.

The Open Space and Recreation Plan also identifies numbers of wildlife and vegetative species that have been determined by the state and/or federal government to be threatened with extinction or endangered.

Mitigation Measures:

The Town recognizes the need for the development of new infrastructure to facilitate growth through its Local Comprehensive Plan, particularly in Buzzards Bay. As such the Town is continuing to plan for some increased wastewater treatment capacity, particularly in densely developed neighborhoods, and to actively seek grants and other funding to carry out a Comprehensive Wastewater Management Plan. Moreover, the Town will continue to carefully assess the impacts of any new development in order to reduce any adverse environmental impacts that might result before approvals are issued.

The LCP includes several actions that the Town plans to take to further protect its water resources. For example, it plans to identify, remediate, treat, or contain identified sources of pollution and assist the Buzzards Bay and North Sagamore Water Companies to identify and develop new well locations to serve expanding development north of the canal.

Availability of Subsidy Funds

While the Town has more housing resources available than it has had in the past to promote affordable housing, including Community Preservation funding⁴⁴ and the Affordable Housing Trust Fund, subsidy funds still remain in short supply and are highly competitive. Unlike most cities, Bourne does not receive an annual allocation of federal CDBG or HOME Program funding that provides substantial housing support for a wide range of housing activities. HOME funding is available by application from the Barnstable County HOME Consortium for the acquisition and rehabilitation of rental housing, homeowner repairs, rental assistance and first-time homeownership. Specific down payment assistance for first-time homebuyers, administered by the Housing Assistance Corporation, has also been funded through HOME. To date Bourne has received \$550,000 in HOME funding for the Pocasset Assisted Living Project, Canal Bluffs I, and Clay Pond Cove.

The Bourne Housing Partnership also applied and received \$900,000 of Community Development Block Grant (CDBG) funding in fiscal year 2011 to support a Housing Rehabilitation Program in Buzzards Bay that included the rehabilitation of 15 units plus important improvements to the Bourne Housing Authority's Colonial Apartments. In fiscal year 2013 the Town applied and received \$891,350 in CDBG funding for the rehabilitation of 12 units (estimated at \$30,000 per unit) as well as funding for commercial façade improvements and new signage in Buzzards Bay.⁴⁵ Bourne has also been a pioneer in developing a town-wide Housing Rehab Program in cooperation with the U.S. Department of Agriculture and the Cape Cod Commission, and has committed CPA funding for a Housing Coordinator to support housing efforts.

⁴⁴ A total of \$1,186,195 in CPA funding has been allocated in support of affordable housing since the funding became available in 2003, representing 9.75% of all CPA funds that have been spent through June 30, 2013. This funding included \$218,500 for rental production efforts, \$262,835 for homeownership production, \$288,260 for buy-down programs such as B-HOPP, \$100,000 for the preservation of existing affordable units, and \$316,600 for professional support.

⁴⁵ Twenty percent (20%) of the funding for the Housing Rehab Program can be used outside of the Buzzards Bay target area.

Regarding state funds, several sponsors of developments in Bourne (i.e., for-profit and non-profit housing developers, Bourne Housing Authority, sponsors of group homes) have received financing from a number of state programs for affordable housing development. These awards have been essential to ensuring the financial feasibility of the units, but remain extremely competitive sources of financing. Moreover, the Town has access to rental assistance vouchers, but these are in very short supply with only 76 units managed by the Bourne Housing Authority.

Mitigations Measures:

This Housing Plan provides guidance on the use of Community Preservation Funds, Bourne's Affordable Housing Trust Fund, USDA, CDBG and HOME funding for affordable housing initiatives that will enable the Town to support the production of new affordable units and leverage other public and private funding sources.

Community Perceptions

In most communities, residents are concerned about the impacts that new development have on local services and the quality of life. They may also have negative impressions of affordable housing and question whether there is a real need for such development in their town. Therefore, local opposition to new affordable units is more the norm than the exception. On the other hand, given high and rising real estate prices and community education, more people are recognizing that the new kindergarten teacher, their grown children, or even their elderly neighbor may not be able to afford to live or remain in the community without some financial or technical assistance.

Mitigations Measures:

Ongoing community outreach and education (see strategy V.A.1) will be necessary to continue to acquaint the community with unmet housing needs and garner local support and ultimately approvals for new and continuing housing initiatives. This Housing Production Plan also offers an excellent opportunity to showcase the issue of affordable housing, providing information to the community on local needs and proactive measures to meet these needs. It will be important to continue to be sensitive to community concerns and provide opportunities for residents to not only obtain accurate information on housing issues, whether they relate to zoning or new development, but have genuine opportunities for input.

IV. HOUSING PRODUCTION GOALS

The Massachusetts Department of Housing and Community Development (DHCD) introduced the Planned Production Program in December 2002, in accordance with regulations that were meant to provide municipalities with greater local control over housing development. Under the Program, cities and towns were required to prepare and adopt a Housing Plan that demonstrated the production of an increase of 0.75% over one year or 1.5% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.⁴⁶ If DHCD certified that the locality had complied with its annual goals or that it had met two-year goals, the Town could, through its Zoning Board of Appeals, potentially deny what it considered inappropriate comprehensive permit applications for one or two-years, respectively.⁴⁷ The Town of Bourne submitted its 2005 Affordable Housing Plan under this particular program.

Changes to Chapter 40B have established some new rules.⁴⁸ For example, Planned Production Plans are now referred to as Housing Production Plans. Moreover, annual goals changed from 0.75% of the community's year-round housing stock to 0.50%, meaning that Bourne will now have to produce at least 43 affordable units annually to meet annual production goals, still a formidable challenge. If the Town produces 1.0% of its year-round housing units in any calendar year, or 86 units, it will have a two-year period during which it will likely be able deny inappropriate 40B applications that do not meet local needs, without the developer's ability to appeal the decision.

Considering the priority needs established in Section II.D and the strategies summarized under Section V, the Town of Bourne has developed a Housing Production Program to chart affordable housing activity over the next five (5) years. The projected goals, as summarized in Table IV-1, are best guesses at this time, and there is likely to be some fluidity in these estimates from year to year.

⁴⁶ Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

⁴⁷ If a community has achieved certification within 15 days of the opening of the local hearing for the comprehensive permit, the ZBA shall provide written notice to the applicant, with a copy to DHCD, that it considers that a denial of the permit or the imposition of conditions or requirements would be consistent with local needs, the grounds that it believes have been met, and the factual basis for that position, including any necessary supportive documentation. If the applicant wishes to challenge the ZBA's assertion, it must do so by providing written notice to DHCD, with a copy to the ZBA, within 15 days of its receipt of the ZBA's notice, including any documentation to support its position. DHCD shall review the materials provided by both parties and issue a decision within 30 days of its receipt of all materials. The ZBA shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be consistent local needs, provided, however, that any failure of the DHCD to issue a timely decision shall be deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days.

⁴⁸ Massachusetts General Law Chapter 40B, 760 CMR 56.00.

Table IV-1: Bourne Housing Production Program

Strategy	Strategies by Year Name/Housing Type	Affordable Units < 80% AMI	SHI Units	Market Units or Ineligible for SHI	Total # Units
	Year 1 – 2023				
V.C.1	Private development@ Kendall Rae Place/DTD bylaw/rental	17	17	150	167
V.C.1	Private development @ 340 Main Street/DTD bylaw/rental	3	3	27	30
	Nothing else in pipeline likely to be eligible				
	<i>Subtotal</i>	20	20	177	197
	Year 2 – 2024				
V.C.1	Private development @ 194 Shore Road/40B/rental*	4	16*	12	16
V.C.1	Private development @ 9 Sandwich Road/40B/rental*	5	20*	15	20
V.C.3	Development of public property @ Horne Ave./ownership	1	1	0	1
V.C.2	Development of nonconforming lots or tax title property/ownership	2	2	0	2
V.C.7	Conversion of existing housing – Buy-down/ownership	4	4	0	4
V.C.2	Housing Rehab Program/ownership	0	0	5	5
	<i>Subtotal</i>	16	43	32	48
	Year 3 – 2025				
V.C.4	Private development for seniors @ Canal Street Crossing/rental	11	11	?	?
V.B.1	Private development/ Multi-family housing under Section 3A	10	10	90	100
V.C.5	Encourage special needs housing/ rental	8	8	0	8
V.C.1	Private development/40B/ ownership	10	10	30	40
V.C.2	Development of nonconforming lots or tax title property/ownership	2	2	0	2
V.C.7	Conversion of existing housing – Buy-down/ownership	2	2	0	2
V.B.2	Accessory apartments/rental	0	0	3	3
V.C.2	Housing Rehab Program/ownership	0	0	5	5
	<i>Subtotal</i>	43	43	?	?
	Year 4 – 2026				
V.C.1	Private development/"friendly 40B"/rentals with financing to make all units affordable	40	40	0	40
V.C.2	Development of nonconforming lots or tax title property/ownership	2	2	0	2
V.C.7	Conversion of existing housing – Buy-down/ownership	2	2	0	2

V.B.2	Accessory apartments/rental	0	0	3	3
V.C.2	Housing Rehab Program/ownership	0	0	5	5
	<i>Subtotal</i>	<i>44</i>	<i>44</i>	<i>8</i>	<i>52</i>
	Year 5 – 2027				
V.B.1	Private development/40R/condo ownership	8	32	24	32
V.C.5	Encourage special needs housing/rental	8	8	0	8
V.C.2	Development of nonconforming lots or tax title property/ownership	2	2	0	2
V.C.7	Conversion of existing housing – Buy-down/ownership	2	2	0	2
V.B.2	Accessory apartments/rental	0	0	3	3
V.C.2	Housing Rehab Program/ownership	0	0	5	5
	<i>Subtotal</i>	<i>20</i>	<i>44</i>	<i>32</i>	<i>52</i>
	Total	143	194	?	?

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

V. HOUSING STRATEGIES

This Housing Production Plan builds on the substantial progress the Town of Bourne has made to proactively promote affordable housing. Through its Housing Partnership, Affordable Housing Trust and the Bourne Housing Authority, the Town has implemented many of the strategies that were included in its 2005 and 2014 Housing Plans including the following notable actions:

Strategies to build local capacity to promote affordable housing

- Adoption of the Community Preservation Act (CPA) in 2005 with substantial local support based on a surcharge of 3% and no exemptions.
- Hiring of an Affordable Housing Specialist in November 2006 to provide professional support to the Bourne Housing Partnership in the implementation of the Affordable Housing Plan with steadily increasing hours as the years progressed and more time was required to coordinate housing-related activities.
- Establishment of a Municipal Affordable Housing Trust in May 2009.
- The tapping of many additional local, state, and federal resources in support of affordable housing through sponsors of affordable developments including the Bourne Affordable Housing Trust (BAHT) and private developers.
- Ongoing community outreach and education on affordable housing.

Regulatory Strategies

- Introduction of inclusionary zoning requirements as part of the Downtown District (DTD) zoning in Buzzards Bay in 2008 to promote mixed uses and affordable housing which has led to the potential development of 389 units, including 39 affordable SHI units, in proposed projects.
- Ongoing work to identify potential opportunities for affordable housing development including tax-foreclosed properties.
- Waiver of permitting fees for affordable housing.
- Amendment of the Zoning Bylaw to establish a non-conforming lot special permit process to allow for the use of nonconforming lots to build deed-restricted affordable homes.
- Streamlining of the permitting process through adoption of the Growth Incentive Zone (GIZ) in Buzzards Bay in 2012.

Housing Production and Preservation Strategies

- Conveyance of tax-foreclosed lots to the Housing Trust for development of affordable housing being developed by the Bourne Housing Authority (BHA), HAC and Preservation of Affordable Housing (POAH) as part of its Cape View Way project.
- The introduction of the Bourne Housing Opportunity Purchase Program (B-HOPP) to assist eligible households in purchasing homes that become deed restricted in perpetuity, subsidized by CPA funds.
- The adaptive reuse of the Town-owned Coady School into affordable rental housing. While the project is not age-restricted, it is expected that much of the target market will be seniors.
- Involvement of the Bourne Housing Partnership in providing early input into Chapter 40B private development proposals.
- The coordination of special housing rehab programs.
- Monitoring by the Housing Partnership to ensure continued compliance of affordable units with state requirements including coordinating resales, returning four affordable units to the SHI, and saving another affordable unit from foreclosure.

- The amendment of the comprehensive permit for Pilgrim Pines and Nightingale Pond so that the universal deed rider could be used.
- The establishment of a state-approved Ready Buyers List.

The strategies outlined below are derived primarily from the Local Comprehensive Plan, 2005 and 2014

The Town of Bourne has implemented most of the housing strategies that were included in its 2005 Affordable Housing Plan that was approved by the state under former Planned Production requirements, many of which were highlighted for continuing in its 2014 HPP. The Town in fact has most of the building blocks of this Housing Production Program already in place, including local entities for undertaking the work and programs and projects underway.

Housing Plans, Housing Needs Assessment in Section II, local housing goals, existing local initiatives, the experience of other comparable localities in the area and throughout the Commonwealth, and the significant progress that has been made to date. The strategies are grouped according to type of action including those that help build local capacity to better promote affordable housing, those related to creating more flexibility in the Zoning Bylaw, as well as those that directly produce affordable units and help preserve the existing housing stock. They are also categorized according to priority – those priority actions that are of a high priority and feasibly implemented within Years 1 and 2 and those for Years 3 to 5 that take greater lead time to implement or are of somewhat lower priority. A summary of these actions is included in Table I-1 of the Executive Summary.

The strategies also reflect state requirements that ask communities to address all the following major categories of strategies to the greatest extent applicable:⁴⁹

- *Identification of zoning districts or geographic areas in which the municipality proposes to modify current regulations for the purposes of creating affordable housing developments to meet its housing production goal*
 - Comply with MBTA Communities Guidelines (strategy V.B.1)
- *Identification of specific sites for which the municipality will encourage the filing of comprehensive permit projects*
 - Make suitable public property available for affordable housing (strategy V.C.3)
 - Work with developers on fine-tuning affordable housing projects (strategy V.C.1)
- *Characteristics of proposed residential or mixed-use developments that would be preferred by the municipality*
 - Comply with MBTA Communities Guidelines (strategy V.B.1)
 - Amend accessory dwelling unit bylaw (strategy V.B.2)
 - Create affordable living options for seniors (strategy V.C.4)
 - Encourage special needs housing (strategy V.C.75)
 - Revise Open Space Community bylaw (strategy V.B.4)
 - The Town will continue to explore the acquisition and conveyance of Town-owned property and work with developers to create affordable housing in line with smart

⁴⁹ Massachusetts General Law Chapter 40B, 760 CMR 56.03.4.

growth principles including the development of nonconforming lots, adaptive reuse, and cluster development (strategy V.C.3).

- *Municipally owned parcels for which the municipality commits to issue requests for proposals to develop affordable housing*
 - Make suitable public property available for affordable housing (strategy V.C.3)
- *Participation in regional collaborations addressing housing development*
 - Help qualifying residents access housing services (see strategy V.A.1)
 - Encourage special needs housing including contributions to projects in other communities (strategy V.C.5)
 - Participation in the Barnstable County HOME Consortium and Cape Cod and the Islands Continuum of Care

More commonly, housing affordability is being referred to as either little “a” affordability, meaning that

It should be noted that a major goal of this Plan is not only to strive to meet the state’s 10% affordability threshold under Chapter 40B, but to also to serve the wider range of local needs. Consequently, there are instances where housing initiatives might be promoted to meet these needs that will not necessarily result in the inclusion of units in the Subsidized Housing Inventory (examples potentially include the promotion of accessory apartments, housing rehab program units, and mixed-income housing that includes “community housing” or “workforce housing” units),¹.

the units do not meet all state requirements for inclusion in the Subsidized Housing Inventory (SHI) but still meet local housing needs, versus big “A” affordability for those units that can be counted as part of the SHI. The Town plans to promote both to address a wide range of incomes and housing needs. This Housing Plan also encourages developers to incorporate universal design and “visitability” standards, particularly given the high number of seniors and those with special needs in the community, as well as green design approaches. Also, as emphasized in the Local Comprehensive Plan (LCP) the Town will promote private development of affordable housing through private/public partnerships, regulatory incentives, and tools such as the Local Initiative Program (LIP), also referred to as the “friendly 40B” program.

The Concord Group report that was commissioned by the Housing Assistance Corporation (HAC) suggests that Cape communities promote larger numbers of multi-family rental units, focusing less on the SHI and more on boosting housing supply for a wide range of income ranges. The report claims that economic forces are creating the exclusionary displacement of working households due to three distinct

mismatches including: 1) Labor vs. High-Income Residents; 2) Attainable Housing Demand vs. Current Inventory; and 3) Aging Population vs. Caregivers. The report suggests, “Housing is infrastructure, but current zoning laws prohibit large-scale multi-family structures in many areas across the Cape. Without these developments, residents are forced to compete in an extremely expensive market which offers very little housing options to households earning \$75K or less per year. This

With more than 500 potential housing units in the development pipeline, including 106 units targeted to those with incomes at or below 80% AMI, the Town of Bourne is more than fulfilling the recommendations in the Concord Group report.

causes workers to look elsewhere, and typically off Cape, for housing options suitable for their budgets or to be cost burdened.” It calls for the following actions to be taken to help mitigate the mismatch challenges including:

- Focus beyond the 10% SHI limits.
- Boost the supply of multi-family housing, catering to the need of workers.
- Commit to getting closer to the 1/3 year-round rental ratio each year, adding 250 multi-family housing units to provide more opportunities for households in addition to bolstering the local and regional economy.
- Reform zoning laws and provide development incentives to multi-family builders.
- Target affordability to be between 15%-25% of all units, depending on the needs of a community.
- Work with development partners to ensure that housing development and future projects meet the needs of a variety of income ranges.
- Unite around legislation that pools funds for financial assistance, rental housing preservation, housing trust funds, and homeowner education programs.

Within the context of regulatory requirements, identified priority needs, existing resources, and LCP housing goals and objectives (see Section II.B), the following housing strategies are proposed. *It is important to note that these strategies are presented as a package for the Town to prioritize and process, each through the appropriate regulatory channels.* Moreover, these actions present opportunities to judiciously invest funding to subsidize actual unit production (predevelopment funding and/or subsidies to fill the gap between total development costs and the affordable rent or purchase prices) and leverage additional resources, modify, or create new local zoning provisions and development policies, and help preserve the existing affordable housing stock.

REPORT THIS AD

A. Capacity Building Strategies

The following strategies are intended to augment the Town’s capacity to better promote housing affordability and diversity. While these strategies are helpful in engaging the community and bolstering existing housing entities, they only indirectly create affordable housing.

1. Continue to Conduct Ongoing Community Education on Affordable Housing

Timeframe: Years 1-2

Responsible Party: Bourne Housing Partnership

Background: Because most of the housing strategies in this Housing Production Plan rely on local approvals, including those of Town Meeting, community support for new initiatives has and will continue to be essential. Continued and strategic efforts to inform residents and local leaders on the issue of affordable housing and specific new initiatives builds support by generating a greater understanding of the benefits of affordable housing, reducing misinformation, and dispelling negative stereotypes. These outreach efforts are mutually beneficial as they provide useful information to community residents and important feedback to local leaders on concerns and suggestions.

The Town has utilized numerous methods for conducting outreach on affordable housing that have included the following:

- Prepared a Guide to Housing Programs that describes housing opportunities in Bourne and the region that is included on the Town's website and has been distributed widely.
- Offered written materials on the range of local and regional assistance programs that can help residents make necessary home improvements, avoid foreclosure, afford weatherization measures, modify their homes to make them more accessible to those with disabilities, make repairs to their septic systems, remove lead paint, etc.
- Prepared a guide to help developers with local permitting requirements.
- Sponsored a series of special meetings to present affordable opportunities to residents in Bourne and the area such as those involved in the Town's special programs (see strategy V.C.2.
- Provided referrals to local and regional housing lotteries for available affordable housing units, both homeownership and rentals, as well as homebuyer education programs and down payment assistance.
- Sponsored tables at Town Meeting with information on affordable housing programs and developments.
- Inserted information in the Council on Aging's newsletter on housing resources and opportunities in the community.
- Participated in the Council on Aging's Health Fair at the Senior Center, sharing a table with the USDA, to provide information on available housing-related assistance.
- Provided ongoing information and referral services to those seeking to develop or buy/rent affordable housing through the Town's CPA-funded Affordable Housing Specialist.

The presentation of this Housing Production Plan represents another opportunity to showcase the issue of affordable housing, offering updated information on housing characteristics, trends and needs as well as proposed strategies to build community support for existing and new affordable housing initiatives. A public meeting occurred on TBD? with presentations to the Planning Board and Board of Selectmen to obtain their questions and comments and also hear from the community.

Recommendations: The Town, largely through the Housing Partnership, will continue to develop educational programs and keep residents informed on efforts to boost housing affordability and diversity in Bourne. In addition to considering some of the above activities to provide education and outreach to the community, the Housing Partnership should pursue the following efforts:

- Enhanced Town webpages to clearly articulate the respective missions of the Housing Partnership and Housing Trust with more information on housing resources, including links to these resources, and instructions for how residents might qualify and gain access to them.
- Greater use of social media platforms.
- Special forums on new housing initiatives.
- Enhanced use of public access television.
- Educational opportunities for board and committee members as well as professional staff.
- Efforts to educate the public on fair housing laws to avoid any discriminatory impacts with respect to access to housing within the community.

2. Continue to Capitalize the Bourne Affordable Housing Trust Fund

Timeframe: Years 1-2

Responsible Parties: Bourne Affordable Housing Trust with support from the Board of Selectmen and Community Preservation Committee

Background: On June 7, 2005, the Municipal Affordable Housing Trust Fund Act was enacted as MGL Chapter 44, Section 55C which simplified the process of establishing housing funds that are dedicated to subsidizing affordable housing. 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 at least a five-member board of trustees, appointed by the Board of Selectmen and confirmed by Town Meeting. Per statute, the chief elected official must be one of the members of the Trust. While the new trusts must follow Chapter 30B, the law which governs public procurement as well as public bidding and construction laws, most trusts 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 one.

The Town of Bourne approved the establishment of the Bourne Affordable Housing Trust at its Annual Town Meeting in May of 2009. There are five (5) Trustees appointed by the Board of Selectmen with part-time staff support through cooperation with the Bourne Housing Partnership and CPA funding.

Housing Trust Funds have been used for a variety of initiatives including, and as of March 2023, the Fund had a balance of almost \$570,000, largely through CPA support.

Recommendations: The Town should find ways to not only increase funding for affordable housing initiatives, but to also expand the types of funding that can be dedicated to such efforts. While it may be recognized that seasonal rentals and second-home owners help support the Town's tax base without utilizing the costliest of services, education, most of the new housing stock developed in recent years has been for seasonal or occasional use. This has contributed towards pushing housing prices beyond the means of most year-round residents and thus has driven the need for more affordable year-round units. This situation was only aggravated by the COVID-19 pandemic. Moreover, given that Cape communities have some of the lowest property tax rates in the Commonwealth, other opportunities to raise funding from temporary residents and landlords should become priorities.

The following options might be explored for tapping into additional funding streams, some of which could potentially be adopted in concert with neighboring communities:

- Commit a *larger share of CPA funding for affordable housing* and the Housing Trust Fund. On average, the Town has allocated approximately ?% of its annual CPA allocation to community housing efforts.
- An expanded *inclusionary zoning bylaw with a payment-in-lieu of units option* would provide another opportunity for capitalizing the Fund (see strategy V.B.3).

- The dedication of some amount of the *taxes raised from short-term rentals* to the Affordable Housing Trust should be considered.
- Support of state legislation or a Home Rule petition for *transfer tax or impact fees* on high-value home sales to help capitalize the Affordable Housing Trust Fund. For example, to provide some disincentive for transferring property and to secure funding for more affordable housing development, sought state legislative approval for a transfer tax fee as part of House Bill 4201. This bill required that the seller pay ½% of the sales price to the Town of Nantucket or its designee with some exceptions, the fees to be deposited in the Affordable Housing Trust Fund.

A proposed bill, Senate Bill 868, would enable Massachusetts cities and towns to also impose a fee on certain real estate transfers for use in supporting affordable housing. This bill has been winding its way through the state legislature and would involve a transfer fee of no less than 0.5% and up to 2% on the purchase price of property. The city or town would have the authority to designate whether the fee will be paid by the buyer, the seller, or how it would be allocated between the two. The fee itself was to be paid to the city or town, or its designee. If this bill passes, Bourne would have another resource for supporting its affordable housing efforts, and potentially, the fee would serve as a deterrent to some sales.

- Obtaining *funding contributions from area institutions and major employers* that have a vested interest in helping solve the community's housing crisis. Partnerships through these institutions and other local businesses might not only result in new funding contributions, but also help in producing new housing units for their employees.
- Exploring a *two-tier tax system* that provides a somewhat lower tax rate for year-round units as opposed to seasonal or occasional ones. Vermont has implemented such a system. This would also involve a home rule petition and state legislative approval.
- Using *regional appropriations of CPA funding* based on the premise that housing that is developed in one community is likely to benefit residents of other nearby communities on the Cape as well. Examples of this approach is the development of the Cape Cod Village project in Orleans and Governor Prentice development in Eastham (funds were offered and pulled-back when the project stalled). The Housing Trust recently approved a proposal for Bourne to provide funding support for the Forward project in Dennis for \$75,000. The project will provide eight units for adults with autism.
- Providing information to owners on the *potential tax advantages* of donating property or selling property at a discounted price for charitable purposes.
- Requiring a *special teardown fee* on permitting that involves the demolition of units when they are replaced with much larger homes above a certain size that are likely to exert greater environmental impacts on the parcel, nitrogen loading in particular. This would also involve a home rule petition and state legislative approval.
- The Housing Trust might also consider holding *special fundraising events or an annual appeal* as a means of raising additional funds. Bourne is fortunate to have residents with considerable resources who might be persuaded to further invest in the community, particularly second

homeowners. “Affordable” or “attainable” housing may have a special appeal given the reliance that residents have on local services provided by a workforce that confronts considerable challenges affording to live in the community.

3. Consider Future Consolidation of Housing Responsibilities

Timeframe: Years 3-5

Responsible Party: Board of Selectmen with support from the Bourne Housing Partnership and Bourne Affordable Housing Trust

Background: There are several Town boards and committees that have some designated responsibilities related to housing, including affordable housing, such as the Board of Selectmen, Community Preservation Committee, Planning Board, and Zoning Board of Appeals. The Housing Partnership and Affordable Housing Trust have been pivotal to the progress the Town has made in promoting housing affordability and diversity in the community as summarized below.

- *Bourne Housing Partnership (BHP)*
The Bourne Board of Selectmen established the Bourne Housing Partnership (BHP) in 1991 as the municipal entity to oversee issues related to affordable housing. Consisting of seven (7) members, BHP’s mission includes increasing community awareness about the seriousness of the need for safe and affordable housing, reviewing and providing feedback on proposed affordable housing development projects, initiating new zoning related to promoting affordable housing, and advising the Town on issues related to affordable housing as they arise. The Partnership has sponsored several special housing initiatives to create new housing opportunities including assisting qualifying buyers of affordable homes and existing property owners in making home improvements. It also serves as a monitoring agent in reviewing the initial sale and resale of affordable homes. In these efforts, BHP has worked closely with the Town Planner and Planning Board, the Bourne Housing Authority (BHA, the Bourne Affordable Housing Trust (BAHT), the Cape Cod Commission (CCC), Housing Assistance Corporation (HAC), the Massachusetts Department of Housing and Community Development (DHCD), and the U.S. Department of Agriculture (USDA). Beginning in November 2006, BHP secured part-time professional staff support with CPA funding for an Affordable Housing Specialist to help them coordinate the wide range of BHP activities and maintains some support from a Project Administrator.
- *Bourne Affordable Housing Trust (BAHT)*
The Bourne Affordable Housing Trust (BAHT) was established by Town Meeting in May 2009 to manage a fund dedicated to the production of affordable housing. The Board of Selectmen is responsible for appointing the five (5) members of the Housing Trust, and in cooperation with BHP, the Housing Trust has also benefited from part-time professional support from the CPA-funded staff. In addition to establishing a fund, the Bourne Affordable Housing Trust also has the authority to own and manage real estate, not just receive and disburse funds, which can potentially enable it to create and preserve affordable housing.

The division of local responsibilities for housing with a Housing Partnership or Housing Committee accountable for strategic planning and project review plus a Housing Trust focused on fiscal management of a Housing Trust Fund is not an unusual structure for coordinating local housing activities. However, many communities have decided to maintain a single housing entity to oversee housing-related projects and issues, including the implementation of a Housing Production Plan. Some

have found that it has been challenging to attract the necessary interest and expertise to two separate housing entities and have preferred to concentrate on developing the appropriate capacity on a single board, typically a Housing Trust that brings with it the advantage of additional statutory powers under Chapter 44, Section 55C. Other anticipated outcomes of a single entity include greater accountability and improved coordination of housing activities without the confusion of respective roles and responsibilities.

Recommendations: Some discussion may be warranted about eventually folding the Housing Partnership and its responsibilities into an expanded Housing Trust that becomes responsible for the oversight of affordable housing activities in Bourne. The Housing Partnership and Housing Trust have been meeting jointly on a regular basis and have already established a productive working relationship. The turnover of key committee members in the future may present a compelling rationale to explore such a consolidation of entities, integrating Housing Partnership members into the Trust.

B. Zoning Strategies

Housing production is contingent not only on actual development projects but on the regulatory tools that enable localities to guide development. To most effectively and efficiently execute the strategies included in this Plan and meet production goals, greater flexibility will be needed in the Town's Zoning Bylaw.

The State Economic Development Bill and Housing Choice legislation enacted in 2021 changed zoning approval requirements for housing-related amendments from a supermajority to a simple majority, making the passage of such new zoning somewhat less daunting.

Bourne's Zoning Bylaw includes minimum lot requirements ranging from 40,000 and 80,000 square feet in many areas as well as frontage, setback and other provisions that are not conducive to affordable housing. With modifications to the existing Zoning Bylaw, greater flexibility can be created that would promote "smart growth" objectives and affordable housing.

1. Comply with Section 3A of the Zoning Act

Timeframe: Years 1-2

Responsible Party: Planning Board

Background: The State, through the Department of Housing and Community Development (DHCD), issued Draft Guidelines on December 15, 2021 for new requirements in complying with Massachusetts General Law, Chapter 40, Section 3A of the Zoning Act. The final MBTA Communities Guidelines were released on August 10, 2022.

A principle of DHCD's guidelines is that MBTA communities benefit from having transit stations and should provide the opportunity for multi-family housing development around these assets. The required "unit capacity" is a percentage of the total existing housing units in the municipality, determined by the type of MBTA community. Section 3A identifies Bourne as an adjacent small town with the requirement that the district(s) minimum unit capacity be at least 5% of the town's total housing units or 557 units.

The purpose of Section 3A is to encourage the production of multi-family housing by requiring MBTA communities⁵⁰ to adopt zoning districts where multi-family housing is allowed as of right and then meet other requirements set forth in the statute. These Guidelines require that an MBTA community have at least one zoning district of reasonable size with the following additional provisions:

- Amend existing zoning within ½ mile of MBTA transit stations to accommodate multi-family housing at an average minimum density of 15 units per acre, which must be allowed by-right, not by Special Permit, though site plan review may be required.
- Zoning target areas are to be a minimum of 50 acres with at least one site of 25 contiguous acres within ½ mile of a transit station in most MBTA communities, but there is no such minimum land area for adjacent small towns such as Bourne.
- Zoning districts may allow mixed-use buildings that include both commercial and residential uses provided that the allowed density for housing units is at least 15 units per acre and the housing units are all allowed by-right, including stand-alone multi-family housing.
- Zoning cannot include age restrictions.
- An affordable housing mandate was initially limited to 10% of the units to be created unless such requirements were part of existing district zoning that predates January 2021. These requirements have been changed to enable communities to require higher affordability levels, but not more than 20%, provided the community can demonstrate to DHCD through a third-party feasibility study that a reasonable variety of multi-family housing types can be feasibly developed at the higher percentage. The changes also give communities the option of requiring a percentage of "workforce housing" units occupied by households with incomes of more than 80% AMI, once again with DHCD review and approval of feasibility.
- Zoning districts cannot restrict the size of the units, number of bedrooms, size of the bedrooms, or the number of occupants.

Initially, Section 3A indicated that an MBTA community that fails to comply with Section 3A will not be eligible for funds from a number of state sources including the Housing Choice Initiative, the Local Capital Projects Fund and the MassWorks infrastructure program. The Guidelines also stated that determinations of compliance may also inform other state funding decisions regarding discretionary grant programs. A recent statement from the State Attorney General's Office indicated that all designated MBTA communities must comply with the Guidelines.

The Town has preliminarily identified the Downtown area of Buzzards Bay for rezoning as part of compliance with Section 3A as it currently is the most liberally zoned area in the Town for multi-family development and has water and sewer services. This is in line with the LCP that recommended the Town facilitate development of rental housing units in areas with adequate utilities, road access and services, and with particular emphasis in the Buzzards Bay Growth Incentive Zone (GIZ). To support the determination of the multi-family district, DHCD has provided a Compliance Model Workbook to enable communities to calculate multi-family unit capacity and the overall density of particular areas to better inform district designation(s) and zoning changes.

Recommendations: The Town brought on the Cape Cod Commission (CCC) to provide guidance in the first phase of compliance, and received Interim Compliance. Having obtained this Interim Compliance

⁵⁰ There are 175 identified MBTA communities including Bourne.

that included approval of a required Action Plan, the Town will need to continue to move forward with the adoption of new zoning under Section 3A. To accomplish this, the Town is working on a contract to engage CCC in the second phase of compliance. The Scope of Work includes the following major activities:

- Testing of up to three zoning scenarios using DHCD's Compliance Model.
- Creation of an informational website focused on the new zoning.
- Preparation of a public engagement survey.
- Data collection, analysis, and visualization to assist in the public engagement process.
- Review of the draft zoning proposal and recommendations that will be provided by the Town.
- Participation in bi-weekly meetings.

This work will also determine the type of Overlay District that will be adopted for Section 3A including changes to the existing Downtown District zoning or a Chapter 40R Smart Growth Overlay District. Chapter 40R also involves by-right permitting for multi-family housing but comes with state financial incentives.

The state legislature approved the Chapter 40R zoning tool for communities in 2004 in recognition that housing supply was not keeping up with housing demand, which was driving up housing prices. Such escalating housing prices were becoming increasingly beyond the reach of growing numbers of state residents including graduates from area institutions of higher learning who were choosing to relocate to other areas of the country in search of greater affordability. The key components of 40R include:

- Allows local option to adopt Overlay Districts near transit, areas of concentrated development, commercial districts, rural village districts, and other suitable locations.
- Allows "as-of-right" residential development of minimum allowable densities.
- Provides that 20% of the units be affordable.
- Promotes mixed-use and infill development.
- Provides two (2) types of payments to municipalities (one based on the number of projected housing units and another for each unit that receives a building permit).
- Encourages open space and protects historic districts.

The state also enacted Chapter 40S under the Massachusetts General Law that provides additional benefits through insurance to municipalities that build affordable housing under 40R that they would not be saddled with the extra school costs caused by school-aged children who might move into this new housing. In effect, 40S is a complimentary insurance plan for communities concerned about the impacts of a possible net increase in school costs due to new housing development.

The formal steps involved in creating the 40R Overlay District are as follows:

- The Town holds a public hearing as to whether to adopt an Overlay District per the requirements of 40R.
- The Town applies to DHCD prior to adopting the new zoning.
- DHCD reviews the application and issues a Letter of Eligibility if the new zoning satisfies the requirements of 40R.

- The Town adopts the new zoning through a simple majority vote of Town Meeting subject to any modifications required by DHCD.
- The Town submits evidence of approval to DHCD upon the adoption of the new zoning.
- DHCD issues a letter of approval, which indicates the number of projected units on which its subsidy is based and the amount of payment.

Projected Number of SHI Units Produced: 10 units

2. Amend the Accessory Dwelling Unit (ADU) Bylaw

Timeframe: Years 1-2

Responsible Party: Planning Board with support from the Housing Partnership

Background: An accessory apartment is a complete, separate unit within an owner-occupied home, typically as part of a surplus space in a single-family home. Such units are separated from the principal dwelling and have their own kitchen, bathroom and living facilities.

Accessory units are helpful in meeting important public policy objectives including:

- Enable homeowners to capture additional income, which is particularly important for elderly homeowners or single parents where such income may be critical to remaining in their homes. Also, without the flow of income from an accessory apartment, some young families or moderate-income households might not be able to afford homeownership.
- Provide appropriately sized units for growing numbers of smaller households.
- Offer ways of increasing the year-round rental housing stock less expensively than new construction and without significant impacts on the surrounding neighborhood. And the creation of accessory units typically does not require additional public services such as streets or utilities or the loss of open space.
- Tenants in accessory apartments can also provide companionship, security and services for the homeowner, from shoveling the sidewalk for an elderly owner to babysitting for a single mom.
- Often referred to as “in-law” apartments, they have offered good opportunities for keeping extended families in closer contact.
- Typically generate tax revenue in a locality because accessory units add value to existing homes. Many residents recognize accessory units as a valuable housing resource. Without proper regulation, however, many accessory units may have health and safety problems and could be potential firetraps without adequate means of egress.

The current Accessory Dwelling Zoning Bylaw has not been adequately utilized, with only one such unit permitted. The bylaw should be modified to encourage the creation of accessory apartments in Bourne that can provide significant affordable year-round housing opportunities for residents as well as potential important income to owners.

Recommendations: Previous Housing Plans and the Local Comprehensive Plan have recommended that the Town revise the zoning bylaw to ease restrictions on “in-law” or year-round accessory dwelling units in single-family residential districts. More communities are moving towards by-right permitting. For example, Sandwich amended its accessory dwelling unit bylaw to allow ADUs units by-right if built within a single-family dwelling. It therefore made it easier to create accessory units that diversify the housing stock without necessitating new construction.

The Cape Cod Commission issued model zoning provisions for ADUs in January 2023, recognizing that all 15 Cape towns had adopted zoning that allows ADUs “to permit the creation of a greater number and variety of housing units, in terms of size and price, which can be integrated into single-family residential properties with little or no negative impact on the character of their surrounding neighborhoods.” Acknowledging that zoning restrictions across the Cape have discouraged the creation of accessory units, CCC’s recommends adoption of such zoning that limits restrictions to encourage ADUs while including limitations related to site and building design to still protect community character. Major provisions of this model bylaw include:

- The ADU, either attached or detached, that conforms to the dimensional requirements of the Town’s Zoning Bylaw and all other bylaws and regulations shall be permitted as a by right use accessory to a lawful single-family dwelling use.
- The Building Commissioner or Chief Zoning Officer will administer and enforce the zoning provisions.
- The ADU must be in conformance with all state and local building codes, including Title V.
- Prior to issuing a building permit for the ADU, site plans, floor plans, and elevations must be submitted showing the proposed interior and exterior changes to existing buildings or new building and improvements associated with the ADU.
- No more than one ADU is allowed per lot. (A comment indicates that the Town might consider allowing two ADUs if one of the units is deed restricted as affordable.)
- The ADU is clearly subordinate in use, size and design to the principal single-family dwelling, designed to maximize the appearance of a single-family residential property.
- There is no minimum lot requirement.
- There is a limit to no more than two bedrooms and no greater than a maximum habitable floor area of 50% of the habitable floor area of the principal single-family dwelling and in no event greater than 1,000 square feet. Garages, unfinished attics and basements, common entries, porches, and decks are not included in the floor area calculations.
- At least one off-street parking space must be provided in addition to that required for the principal single-family dwelling.
- The principal dwelling and ADU must remain in common ownership which cannot be severed.
- The ADU cannot be used for boarding and lodging, or other commercial use. Additionally, the ADU and principal dwelling may be rented for periods not shorter than 90 days at a time, and are prohibited from any use as rental units on a weekly or daily basis.

The Local Comprehensive Plan also recommends that the Town consider an amnesty program to legalize existing accessory apartments, ensure that they are brought up to code, and restrict them for year-round rental.

Projected Number of SHI Units Produced: This change will help diversify the housing stock by promoting year-round rental units for the increasing number of smaller households but such units will not be eligible for inclusion in the SHI.

3. Explore Adoption of Town-wide Inclusionary Zoning

Timeframe: Years 3-5

Responsible Party: Planning Board with support from the Housing Partnership

Background: Inclusionary zoning is currently limited to provisions in the Downtown District zoning that specifies that all residential developments of ten (10) or more units must include a minimum of 10% of the total number of units as affordable per state requirements and thus be eligible for inclusion in the Subsidized Housing Inventory (SHI). This bylaw has proven to be particularly effective in the last several years with five projects completed or proposed, including 389 total units and 39 affordable SHI units.

This zoning mechanism has been adopted by many communities to ensure that any new residential development over a certain size would include a set-aside in numbers of affordable units or funding to support the creation of affordable housing. Most municipalities that have inclusionary zoning in place, more than one-third of the municipalities in the Commonwealth, are reaping the rewards of these actions through the creation of actual affordable units or cash contributions to the locality for investment in affordable housing production.

Recommendation: The Town should consider extending the affordability requirements in the Downtown District zoning to all zoning districts with some modifications including:

- *Lowering the Unit Size Threshold*
Given rising housing values, the Planning Board might consider lowering the threshold for incorporating affordable units from ten to six. In addition to multi-family development, requirements, this requirement should pertain to subdivisions as well.
- *Density Bonuses*
Another consideration is to incorporate density bonuses that will contribute to the financial feasibility of the affordable units. Studies on inclusionary zoning indicate that mandatory provisions coupled with strong incentives are most effective in promoting affordable housing. Incentives also reduce the risk of litigation from developers who claim that the mandatory inclusion of affordable units involves a “taking” of their property rights. In fact, inclusionary zoning can be legally vulnerable if requirements make it impossible for the developer to earn a reasonable return on the project. Consequently, it would be prudent to add incentives to cover these legal questions and ensure that the zoning works economically.

While most communities with inclusionary zoning provide density bonuses, it may be useful to consider some intensity bonuses as well such as a reduction in minimum lot sizes (Marshfield, for example, allows a 25% reduction) or parking that also translates into lower development costs by reducing road construction, infrastructure installation and site preparation costs. FAR bonuses have also been used such that, for example, the FAR allowed in the particular zoning district for residential uses can be increased by 30% where at least 50% of the additional FAR is allocated to the affordable units. In a mixed-use development, the increased FAR may be applied to the entire lot, however, any resulting gross floor area increase should apply only to the residential use.⁵¹

⁵¹ Floor Area Ratio (FAR) is the floor area divided by the lot area.

Requirements regarding density bonuses range considerably. Marshfield, which has voluntary as opposed to mandatory provisions, specifies that the density bonus units must be equal to the number of As of Right (AOR) units multiplied by 25% and rounded up to the next even number divided by two (2).⁵² Melrose allows the developer to build another market unit for every affordable one regardless of minimum lot area or parking requirements for the additional unit or units, although at least 1.5 parking spaces are required per unit. Barnstable waives density requirements and allows reduced minimum lots sizes for projects that are 100% affordable.

The state's Smart Growth Toolkit proposes a baseline density bonus of two additional market units for each affordable one to sufficiently cover the costs of producing the affordable unit. The Toolkit also proposes that the minimum lot area per unit normally allowed in the district be reduced by that amount that is necessary to permit the inclusion of two additional market units on the lot for each one required affordable unit. Moreover, the ordinance could add a voluntary inclusionary zoning bonus for affordable units produced beyond the required number (10% in the case of Bourne), extending the density bonus of two market units for each additional affordable unit up to a maximum number of project units. Typically, a 50% net increase over the original property yield before any density bonuses were applied is recommended.

Another incentive for consideration would be to expedite permitting for developments that involve inclusionary zoning, providing greater predictability in the development process. Because time is money in the project development process, such expediting can translate into a meaningful incentive for developers.

- *Payment In-lieu of Units*

It will be essential that the formula for calculating the cash-out fee provide sufficient proceeds to fully subsidize the required number of affordable units despite changes in market conditions and to ensure that the funding will be dedicated to supporting affordable housing. The cash-out fee should be tied in some way to the value of the affordable unit. From a theoretical standpoint that value is commonly considered to be the difference between a unit's market-rate price and the affordable one. This means that the value of the payment relates to the losses the developer would suffer by building affordable units. Stronger fees typically match the value of the affordable unit not built, allowing the fee to subsidize the same number of units in a separate project.

A simple formula, adopted by Somerville and Groton for example, would be the difference between the market sales price and the affordable one with the affordability based on the state's formula for calculating the purchase price through the Local Initiative Program (LIP). The per unit fee would be multiplied by the number of affordable units required under the permitting taking different prices due to number of bedrooms into consideration.

Another consideration is adopting the payment calculation included in Watertown's inclusionary zoning bylaw in which the cash payment is equal to the most current Total Development Costs (TDC) as articulated in the Department of Housing and Community Development's Qualified

⁵² For example, a 9-unit AOR development will result in nine AOR units plus 4 units ($.25 \times 9 = 2.25$ units rounded up to 4 units with 2 affordable units and 2 density bonus units or 13 units in total. A 31-unit AOR development would result in 31 AOR unit plus 8 units ($.25 \times 31 = 7.5$ units rounded up to 8 units, 4 affordable and 4 density bonus units) or 39 units.

Allocation Plan (QAP) for projects using the Low-Income Housing Tax Credit. These costs are determined by whether the units are part of a production or preservation project, are outside or within the Metro Boston area, and by the type of housing to be built.

- *Off-site Units*

Provisions for the developer to build affordable units at an off-site location might also be considered but should be limited to extenuating circumstances only.

Projected Number of SHI Units Produced: Potential units counted under Housing Production strategies in Section V.C.

4. Revise Open Space Community Bylaw

Timeframe: Years 3-5

Responsible Party: Planning Board with support from the Housing Partnership

Background: The Zoning Bylaw includes Open Space Community provisions that allow “relatively intensive use of land, while at the same time maintaining existing character; to preserve open space for conservation and recreation; to introduce variety and choice into residential development; to meet housing needs; and to facilitate economical and efficient provision of public services and to encourage development of well-designed resorts with accessory recreation facilities.”⁵³ The allowable number of units is the same as subdivision requirements, however, density bonuses are offered when at least 25% of the units are affordable, as certified by the Housing Partnership, and when other objectives are achieved including creating housing for seniors, avoiding excessive school impact, protecting natural areas, minimizing visual disruption, encouraging recreation, etc. Density bonuses, however, are limited when the applicable land area per dwelling unit in the entire development is reduced below 30,000 square feet.

Recommendations: While this bylaw represents an attempt to promote affordable housing, it does not offer sufficient incentives to actually produce such units based on the mix of local needs. The Housing Partnership should work with the Planning Board to amend the bylaw to at least allow increased densities through clustering the housing and encourage housing for families. Such changes would make the development of affordable housing on some Town-owned parcels and private properties more feasible to help the Town meet its housing needs and production goals.

Projected Number of SHI Units Produced: Potential units counted under Housing Production strategies in Section V.C.

5. Consider Short-term Rental Restrictions

Timeframe: Years 3-5

Responsible Party: Planning Board

Background: At a recent Cape-wide Housing Summit sponsored by the Housing Assistance Corporation, a number of important housing issues were discussed including the impacts of short-term rentals (STRs) on the housing stock. While these temporary rentals, such as Airbnbs, offer income to property owners as well as new tax revenue to the Town, they are also eroding year-round rentals while driving up prices.

⁵³ Zoning Bylaw, Town of Bourne, Section 4620, page 48.

To regulate such units, Great Barrington voters approved a short-term rental bylaw that restricts rental days to 150 a year and a tax on the rentals that would be dedicated to addressing affordable housing needs. Toward the end of a more than four-hour annual town meeting in 2022, residents supported the Select Board's version of short-term rental regulations 207-111, by secret ballot, after voters spoke of other cities and towns whose character, they say, had been negatively impacted by visitors revolving through Airbnbs. The article defined a short-term rental as, "The rental of a whole or a portion of a residential or secondary dwelling unit, in exchange for payment, as residential accommodations for not more than 30 consecutive days, excluding a hotel, motel, or lodging house or tourist home for transient guests as defined and permitted under the Zoning Bylaw." Key provisions of the bylaw include:

- Requirements only reflect rentals of 30 days or less although unlimited days if the owner is on the premises, 150-day limit if owner is not on the premises.
- STRs can be the primary or secondary unit.
- Up to two bedrooms or an entire second unit on the property are allowed by right.
- Limit to only one STR.
- Registration required.
- STRs may be subject to inspection.
- No corporations are allowed to have an STR although LLCs are OK.
- Violations are subject to a civil penalty.

Recommendations: The Town of Bourne, through its Planning Board, may consider exploring a bylaw for regulating short-term rentals using the Great Barrington bylaw as a model.

Projected Number of SHI Units Produced: Such regulations will not create actual affordable units but may reduce some of the impacts of short-term rentals on the housing stock.

6. Allow Housing for Seasonal Workers Under Proper Controls

Timeframe: Years 3-5

Responsible Party: Planning Board



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

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

Recommendations: With support from the Housing Partnership and Housing Trust, the Planning Board will identify appropriate locations for the potential siting of seasonal housing units and necessary zoning changes to enable employers to build housing for seasonal workers. This includes provisions that allow dormitory-style housing in appropriate locations and under reasonable conditions.

It may make sense to obtain input from some of the larger employers of seasonal workers to better understand their needs and obtain their recommendations for how the Town can be helpful in supporting new seasonal worker housing. Bourne might consider working with other Upper Cape communities in financing such housing as well.

Projected Number of SHI Units Produced: Such regulations will not create actual SHI units but may provide affordable units to support Bourne’s seasonal workers and local businesses.

C. Housing Production and Preservation Strategies

The following strategies provide the basic components for the Town to address identify housing needs and strive towards meeting housing production goals:

1. Continue Working with Developers on Fine-tuning Affordable Housing Projects

Timeframe: Years 1-2

Responsible Party: Housing Partnership

Background: The Bourne Housing Partnership has played a key role in meeting with applicants of affordable housing projects in the early stages of project development to review their proposals, identify potential problems, and in many cases obtain important revisions that better adapt the proposals to the best interests of the community.

For example, some developers will approach the town with a request to process the comprehensive permit through a “friendly 40B” process. Such developers have included the Housing Assistance Corporation (HAC) for its Canal Bluffs project and the Stratford Capital Group for the redevelopment of the Town’s vacant Coady School into 58 subsidized rentals for low-income seniors.

To support such cooperative efforts, the Massachusetts Department of Housing and Community Development (DHCD) initiated the Local Initiative Program (LIP) in 1990 to provide technical assistance to communities that are working with developers to produce affordable housing without state and federal subsidy programs. Other state agencies are also serving as subsidizing agencies to promote greater coordination and cooperation between developers and municipalities under the state’s Chapter 40B comprehensive permit law in communities with less than 10% of its housing stock reserved for low- and moderate-income households (incomes at or below 80% of area median income) and with restrictions ensuring long-term affordability.

Recommendations: To the greatest extent possible, “friendly” solutions should be encouraged, but the BHP should continue to meet with developers of all comprehensive permit projects in their early predevelopment stages to provide initial feedback to the developer and input into the site eligibility and ZBA hearing processes. There have been a dozen Chapter 40B developments in Bourne, many of which involved BHP review and support. BHP can continue to help negotiate projects with developers to realize new development that will benefit the community with more appropriate scale, better design,

improved amenities, and with sensitivity to the natural landscape and environment. Areas of the community where the combination of undeveloped or underutilized properties and some greater potential for higher densities, such as the Otis Rotary and pockets along Route 28, represent potential development opportunities through Chapter 40B.

Given BHP's mission and experience, it should also review all potential development projects that include affordable units that are being developed through existing zoning. Zoning that has been created to promote affordable housing, such as the Downtown District rezoning in Buzzards Bay, represent real opportunities for developing affordable housing as evidenced by recent development proposals that include 39 affordable units thus far.

Projected Number of SHI Units Produced: 138 units

2. Continue Funding Local Housing Initiatives

Timeframe: Years 1-2

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

Background: The Town of Bourne has been effectively administering several programs to assist qualifying residents in accessing homeownership and rental opportunities. CPA funding has been particularly important in supporting the following initiatives.

- *New Housing Development on Tax-foreclosed Lots*

In 2002, the Bourne Housing Partnership sponsored the development of three new homes for qualifying first-time homebuyers. Through a Request for Proposals (RFP) process, the Partnership selected a developer who built small capes on these scattered Town-owned lots. Cape Cod Habitat for Humanity developed a fourth lot.

In 2011, the Housing Trust embarked on another similar project with two affordable three-bedroom homes, one in Cataumet and the other in Sagamore Village, both acquired by the Town through tax foreclosure. The design of the new homes was not only attractive, but also integrated energy efficiencies and modifications for those with disabilities, an important component for one of the purchasers.

As additional tax-foreclosed properties are identified, there could be other opportunities for the Housing Partnership to create additional affordable homes, as recommended by the LCP.

The Affordable Housing Trust may also consider adapting this approach to rental development, ultimately renting the units to qualifying households in partnership with the Bourne Housing Authority as property manager. This strategy has been effectively implemented in towns such as Barnstable, Sandwich, and Lexington for example.

- *Sales and Resales of Affordable Units*

In addition to serving as marketing agent for its own affordable housing developments and programs, the Bourne Housing Partnership, in cooperation with the Bourne Affordable Housing Trust, has served as the Town's last line of defense against losing affordable homes by mortgage foreclosure, by the inability of current owners to find eligible buyers within specified periods of

time upon resale, and by outdated affordability restrictions that placed resale prices outside of affordability limits. The Trust, when it is in the best interest of the Town, can act to purchase properties and resell them with an improved form of deed restriction that survives in perpetuity.

In 2010 BHP reviewed and approved the sale of two new affordable homes in the Pilgrim Pines development. Based on the resale price formula from an out-of-date deed restriction, the purchase price of one of these affordable units was too high for a qualifying household. In order to maintain the unit's continued affordability, the BHP decided to purchase the unit, further subsidize it, find a qualifying purchaser, apply the updated state-approved deed rider, and ensure the unit's continued inclusion in the Subsidized Housing Inventory with affordability in perpetuity. Another affordable unit was confronting foreclosure by the lender, and the Bourne Affordable Housing Trust purchased the unit, made necessary repairs, and resold the unit, also with the updated deed rider approved by DHCD and Fannie Mae.

Given the tightening housing market, exacerbated by COVID, there is very little inventory available in Cape communities. A HAC representative indicated that some on the Ready Buyers List have been waiting for a home for 5 years while potential sellers of affordable homes delay putting their homes on the market given such limited opportunities for purchasing elsewhere.

BHP also has helped resolve affordability issues at the Canal Crossing condominium development where the developer defaulted and outstanding but minor construction issues blocked any sales activity for a while. The project included 16 total units, four of which were affordable. BHP was involved in the sale of these affordable units.

Additionally, in recognition of the short time that is available to identify eligible new buyers when affordable units turnover, BHP sought and received approval from DHCD to establish its own affordable Ready Buyers List, from which it identified new purchasers when resales became necessary. It is currently working with the Housing Assistance Corporation (HAC) on this Ready Buyers List. BHP also continues to work closely with DHCD in resolving ongoing issues related to maintaining the

affordability of units on the Subsidized Housing Inventory.

- *Nonconforming Lots*

The Bourne Planning Board and Bourne Housing Partnership collaborated on the development of a zoning bylaw⁵⁴ to allow the development of nonconforming lots that are at least 10,000 square feet and meet all other zoning requirements to be used for deed-restricted affordable homes under special permit provisions. A few years ago, the Affordable Housing Trust issued a Request for Proposal (RFP) to Bourne property owners that indicated its interest in purchasing parcels that are suitable for the renovation of an existing single-family residence or the construction of a new single-family home under the bylaw and within the restrictions of the state's Local Initiative Program (LIP). The BHP and Housing Trust have created two affordable homes through this bylaw, one on Old Plymouth Road and another on Wing Road, both part of the SHI. The Housing Trust should have funding on hand to respond to other such opportunities as they arise.

⁵⁴ Town of Bourne Zoning Bylaw, Section 4260.

- *Housing Rehab Programs*

The Town of Bourne has received federal Community Development Block Grant (CDBG) funding from DHCD in the past to support a Housing Rehabilitation Program in Buzzards Bay which contains the highest concentration of older, dilapidated housing and low- and moderate-income residents earning at or below 80% AMI.

The Program provides deferred payment loans of up to \$30,000 per unit at 0% interest and for a term of 15 years. An additional \$5,000 per unit is available for removing asbestos or lead paint, constructing home modifications to provide better access for disabled residents, or for emergency repairs. Full financing of the improvements is available to qualifying owner-occupants with 50% financing for investor owners, although full funding of lead paint removal is available when it is part of other repair needs. Loan repayment is deferred until the time of sale or resale although if the property is not sold or transferred during the 15-year term of the loan, the loan is forgiven and the funding ultimately becomes a grant. Moreover, all loans are secured with a mortgage filed with the Barnstable County Registry of Deeds. To participate, properties must have one or more major code violations.

In the case of investor-owned properties, the owners are required to execute a Rental Agreement that requires them to rent the rehabbed units to low- and moderate-income households and regulates rent increases to keep them affordable. Also, a 15-year affordability restriction is required that runs with the property and is recorded at the Registry of Deeds.

The Program was implemented through the Town Planner's Office and TRI in cooperation with support from the Bourne Housing Partnership and a consultant. To date, the funding enabled the Bourne Housing Authority to make substantial improvements to its Continental Apartments elderly housing development in addition to subsidizing necessary repairs in 27 units owned by low- and moderate-income households living in the Buzzards Bay Village target area or by investor-owners where most units are occupied by low and moderate-income residents.

Recommendations: This Housing Production Plan recommends that these local initiatives should be continued either as opportunities arise or on an ongoing basis. Continued allocations of CPA funding will be needed.

This Housing Production Plan also identifies the improvement of housing conditions as a priority housing need, and the LCP called for preserving the existing housing stock through use of federal, state, and local housing rehabilitation and emergency repair programs. As such, the Housing Partnership is applying for additional CDBG funding, hiring a consultant to prepare the application to DHCD.

Projected Number of SHI Units Produced: 8 units

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

Timeframe: Years 1-2

Responsible Party: Board of Selectmen and Affordable Housing Trust

Background: Most localities that are interested in promoting affordable housing focus initially on Town-owned property, conveying the property at some discounted or nominal value to a builder/developer that has been selected by a local Town committee (through a Request for Proposals process) to undertake the development. Because of the high costs of real estate, this commitment of property represents a significant project subsidy that contributes to project affordability.

The Town of Bourne has already pursued such efforts and has provided the following municipally-owned properties for development as affordable housing:

- In 2002, the Town conveyed four tax-foreclosed lots for development of new single-family homes for first-time homebuyers through the first phase of the Housing Partnership's Homeownership Program, including a Habitat for Humanity home.
- In 2011 the Town approved the conveyance of another two lots to the Bourne Affordable Housing Trust who then selected a developer for the project through the required RFP process.
- In 2012 the Town provided the Housing Trust with a tax-foreclosed property that required a special permit under the Town's bylaw that allows the development of nonconforming lots for affordable housing.
- The formerly vacant Coady School was conveyed to the Stratford Capital Group for the development of 58 rental units for seniors through the "friendly" 40B comprehensive permit process.
- The Town is providing the Bourne Housing Authority, in conjunction with HAC and POAH, with six tax-foreclosed properties that it assembled into its Cape View Way development to provide 42 affordable rental units for area seniors.

Recommendations: As additional Town-owned parcels become available for affordable housing, the BHP and Affordable Housing Trust will work with the Board of Selectmen and Planning Board to determine what type of housing is most appropriate based on an initial assessment of site conditions, consideration of location, and priority housing needs.

In addition to currently-owned Town parcels or those acquired through tax foreclosure, the Town of Bourne may decide to acquire privately-owned sites for the purposes of protecting open space and developing some amount of housing, including affordable housing, through cluster development on a portion of the sites. Community Preservation Funds would be one source for such acquisition as the accommodation of both affordable housing and open space would serve two CPA goals. Smaller sites should also not be overlooked as they can be conducive to infill development as starter housing, small mixed-income pocket neighborhoods, group homes, etc.

Once a property has been identified and approved by Town Meeting for affordable housing development, the next task will be to for the Bourne Affordable Housing Trust, in cooperation with the Town's Chief Procurement Officer, to draft an RFP that includes the criteria established by the Town for the development of the parcel (e.g., rental vs. homeownership, density, design guidelines, level of affordability, community preference criteria) and select a builder/developer to undertake the project. Additionally, the Housing Partnership and Affordable Housing Trust will need to work with the chosen

developer to help it pull together the necessary financial, technical, and political support for the project. Permitting will likely be part of the new MBTA Communities Guidelines (see strategy V.B.1) or the “friendly 40B” process under the state Local Initiatives Program (LIP).

It should be noted that the state allows up to 70% of the affordable units in a development to be designated as local preference units, earmarked for those who have a connection to the town of Bourne as they live and/or work in town or have children attending local schools.

Because the costs of development are typically significantly higher than the rents or purchase prices that low- and moderate-income households can afford, multiple layers of subsidies are often required to fill the gaps, potentially including the following sources:

- Town-owned property conveyed at a nominal price. If the acquisition of private property is involved, the gap is increased, requiring significantly greater amounts of subsidy. Donated property represents a substantial investment of the community into a Town-sponsored development.
- Affordable Housing Trust and/or Community Preservation funding.
- Federal HOME Program financing administered through the HOME Consortium for Barnstable County.
- Possible federal financing through Low Income Housing Tax Credits (for rental housing), Section 202 (for rental housing serving seniors and disabled), or the Historic Tax Credit Program.
- Affordable Housing Program grant funding from the Federal Home Loan Bank Board, applied through participating banks.
- Rental subsidies through the Project Based Section 8 Program or individual Section 8 vouchers.
- A wide range of other state funding programs including the Affordable Housing Trust Fund, Housing Stabilization Fund, Housing Innovations Fund, etc.
- Affordable mortgage financing programs including the ONE Mortgage Program, a range of programs offered by MassHousing, financing support from the Housing Assistance Corporation (HAC), and United States Department of Agriculture (USDA).

Projected Number of SHI Units Produced: 1 unit (some tax title units included under strategy V.C.2 may also be referenced here.)

4. Continue Creating Affordable Living Options for Seniors

Timeframe: Years 1-2

Responsible Party: Affordable Housing Trust and Bourne Housing Authority

Background: Barnstable County, including the town of Bourne, has a significant and increasing elderly population that includes many with disabilities. These residents often experience difficulties aging in place and require alternative living options, some of which might offer supportive services. By providing increased options for seniors – through subsidized units for seniors, more assisted living options, mixed-income or affordable condominiums, etc. – the Town helps address the need of those who are looking to down-size. This ability to downsize can also open homes that are more suitable for families.

The Town of Bourne has made significant progress on providing housing for seniors through the following developments:

- *BHA Elderly Housing*
The Bourne Housing Authority owns and manages 82 units in its two elderly developments at Roland Phinney Place and Continental Apartments.
- *Pocasset Assisted Living Project*
An additional 84 affordable units were produced through the Pocasset Assisted Living project, which attracted almost 400 applications.
- *Coady School*
Another important development is the conversion of the formerly Town-owned Coady School into 58 rental units for seniors. In addition to renovating the school per historic preservation standards, the project included an addition on the 4.37-acre site. All the units are affordable to those with incomes at or below 60% AMI and 20% are targeted to extremely low-income households earning within 30% AMI. The developer of the Coady School, Stratford Capital Group, received comprehensive permit approval for the project in February 2013 and all the units were added to the Subsidized Housing Inventory.
- *Cape View Way*
More recently, in response to the acknowledged need for more subsidized units for seniors, the Bourne Housing Authority joined forces with HAC and POAH on the development of six former tax-foreclosed properties through its Cape View Way development. This project will include 42 affordable units for seniors.
- *Canal Street Crossing*
Canal Street Crossing involves a Continuing Care Retirement Community (CCRC) in Sagamore that will include a medical office, independent living units, as well as a skilled nursing facility and memory care units. Permitting will be part of the Senior Care Overlay District that was created for the project. A total of 11 affordable units is anticipated.

Recommendations: The Town will continue to be alert to opportunities for developing affordable and accessible housing units for seniors. The Housing Partnership will initially meet with developers of proposed projects in the early stages to provide input to ensure the project addresses local priorities. Permitting will include existing bylaws or the state Local Initiative Program (LIP), commonly referred to as the “friendly 40B” program. To create more affordable units and/or lower income levels, the Town could provide some CPA or Housing Trust funding, also supporting state financing options.

Projected Number of SHI Units Produced: 11 units

5. Continue Encouraging Special Needs Housing

Timeframe: Years 1-2

Responsible Party: Housing Partnership and Affordable Housing Trust

Background: Given the aging of Bourne’s residents and significant special needs population, the Town should continue to welcome special needs projects. Bourne has a number of special needs developments. For example, the Bourne Housing Authority owns and manages two elderly developments that include a set-aside of units for younger disabled residents (Roland Phinney Place and

Continental Apartments) and a third project (Waterhouse Road) for 18 special needs residents. The state Department of Developmental Services (DDS) also sponsors 13 units in group homes for the developmentally disabled. These developments are important but insufficient to meet the community's increasing needs.

Recommendations: As new housing opportunities arise, BHP should ensure that at least 10% of new units created include handicapped accessibility and/or supportive services for residents for most developments and at least a 20% level for projects targeted to seniors or single individuals. Moreover, it should work with developers and non-profit service providers to produce additional service-enriched facilities that support those with disabilities.

In addition to the continued promotion of group homes sponsored by the Massachusetts Department of Developmental Disabilities (DDS) or Department of Mental Health (DMH), there are other models of housing projects for consideration include:

- *Cape Cod Village*

The Cape Cod Village (CCV) project provides a safe and caring home environment for 15 income-eligible (80% or less of area median income) adults with autism at a site in downtown Orleans. The project includes two duplex homes with four residences on each side as well as a common building where residents can gather with their families and other members of the community for programs, activities, and events. The campus-like setting also includes spaces for outdoor activities. The development is staffed 24 hours a day. The \$5,225,000 development budget included \$950,000 in CPA donations from the following communities:

Orleans	\$450,000
Chatham	\$100,000
Brewster	\$100,000
Wellfleet	\$100,000
Eastham	\$100,000
Truro	\$50,000
Provincetown	\$50,000

- *Dennis Project for Homeless Veterans*

The Town of Dennis conveyed a Town-owned property that was developed into a 5-bedroom home for veterans. The goal of the project was to provide a mechanism for homeless veterans to get on their feet and live in a place where they felt respected. The Cape and Islands Veterans Outreach Center (CIVOC) developed the project that included \$200,000 in local CPA funding.

- *FORWARD at the Rock Project*

The nonprofit organization, FORWARD (Friends Or Relatives With Autism and Related Disabilities) was founded to meet the critical housing needs of adults with autism and related disabilities. Its Phase I project was completed in June 2020 with eight 1-bedroom apartments that are affordable to individuals with incomes at or below 30% or 50% AMI. These occupants do not require 24-hour staff oversight but do need some support to live independently. The Town provided FORWARD with a 99-year lease at \$1.00 per month for the 4.9 acres and further committed \$500,000 towards the construction of the project. FORWARD raised another \$2 million for the project. The Town will continue to own the land, but FORWARD will retain financial responsibility and oversight of the property, including building maintenance and future

development. The state Department of Developmental Disabilities (DDS) also supported the project and provides referrals of clients for occupancy.

FORWARD is in the process of developing Phase II with another eight units and has been actively engaged in fundraising, including reaching out to other Cape communities for support. Bourne has contributed \$75,000 towards the project which is expected to be completed in May 2024. The state recently approved project-based housing vouchers.

- *Milton and Needham Group Homes*
Work, Inc. built special needs housing for five disabled young adults in a state-of-the-art special facility towards which the Town committed a significant amount of HOME Program funding. Needham, working with the Charles River Center, committed \$220,000 in CPA funding and \$280,000 in HOME funds for a group home for five severely disabled residents in a high-end, single-family residential neighborhood. This facility resembles the large single-family houses in the area, and received no opposition from neighbors.

Projected Number of SHI Units Produced: 16 units

6. Continue Monitoring and Ensuring that Subsidized Housing Inventory (SHI) Units Remain Affordable

Timeframe: Years 1-2

Responsible Party: Housing Partnership

Background: Based on how housing was financed and how long the affordability requirements were established, the affordable status of some current housing units may be in jeopardy in the future. For example, the 105 affordable units that are part of the Bourne Oaks development had affordability restrictions that were shortly due to expire, and the Town intervened to avoid the prepayment of the mortgage held by the United States Dept. of Agriculture's Rural Development Program. Affordability was thus extended through 2028.

The Bourne Housing Partnership has spent considerable time and energy on efforts to preserve the affordability of individual homeownership units that are included on the SHI but are being resold by existing owners. BHP has resorted to some creative solutions to maintain the affordability of some of these units, even acquiring a property and further subsidizing the resale.

Recommendations: The Housing Partnership will continue to work with DHCD to preserve affordable units including the Bourne Oak units. Moreover, it will work with developers of projects with affordable units to ensure that the affordable units meet state affordability requirements and are included on the SHI. New affordable units that come onto the SHI should be designated as affordable for as long a period as possible. In the case of homeownership, the Housing Partnership will continue to apply, as required, the state's "universal" deed rider to ensure affordability in perpetuity.

Projected Number of SHI Units Produced: While this strategy does not involve the creation of new affordable units, it is essential for maintaining existing affordable units that are included in the Subsidized Housing Inventory and ensuring that new units are appropriately included in the Inventory as well.

7. Pursue New Buy-down Strategies

Timeframe: Years 3-5

Responsible Party: Housing Partnership and Affordable Housing Trust

Background: Bourne has had some history of converting private property into long-term affordability. For example, it administered the Bourne Housing Opportunity Purchase Program (B-HOPP) to assist eligible households in purchasing homes that became deed restricted in perpetuity, subsidized by CPA funds. Previous Housing Plans and the Local Comprehensive Plan (LCP) have recommended that the Town continue to explore options for making existing properties affordable and eligible for inclusion in the SHI.

Recommendations: The Housing Partnership and Housing Trust might explore other models for converting existing properties into affordable units in small projects through the Local Initiative Program (LIP) as Local Action Units (LAUs).⁵⁵ Such buy down programs fill the gap between the market purchase price and the affordable price that is allowed under the state's Local Initiative Program (LIP). As prices rise, so do the gaps that are needed to be subsidized. This HPP calculates that the gap is approximately \$270,000 for single-family homes and as much as \$215,000 for condos for those with incomes at the 80% AMI limit. These gaps are for the median priced properties, but most buy down efforts are targeted to a lower-priced market, reducing the gap somewhat. Nevertheless, given such potential high per unit subsidy requirements, the Town might consider opportunities to create more than a single unit in a property or use nominally-priced public property to support such efforts until prices fall off somewhat.

Previous Housing Plans and the LCP have recommended some consideration of the following approaches:

- Purchase existing homes with the intent of making necessary improvements and converting the units to long-term affordability as either rentals or ownership.
- Review privately-owned lots that are over one acre in size and reach out to owners about the possibility of the Housing Trust purchasing and subdividing at least 10,000 square feet of the parcel to build an affordable single or two-family home.
- Institute a program to salvage houses that might otherwise be demolished, and use tax title and other publicly owned properties for single-family or multi-family affordable housing.
- Encourage, through property tax abatements and other incentives, homeowners who do not have heirs to adopt deed restrictions that would keep their houses affordable in perpetuity.

Some examples of buy down approaches that might be adapted for Bourne include:

⁵⁵ Besides those units that are produced through the state Local Initiative Program (LIP) as part of a "friendly 40B" project, LIP can be used for counting those affordable units in the SHI that are being developed through some local action, referred to as Local Action Units (LAUs), including:

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

- *Wellfleet Buy Down Program*

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

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

- *Yarmouth Buy Down Program*

Since 2007, Yarmouth Town Meeting has allocated \$2.7 million to the Yarmouth Affordable Housing Trust to administer a Buy Down Program. This Buy Down Program has created 19 units, with an average subsidy of \$110,000 per unit. The average subsidy for such units is expected to increase significantly to an estimated \$250,000 due to current market conditions with historically high sale prices. Consequently, future funding has been put on hold. Originally administered by the Yarmouth Affordable Housing Trust, the program was subsequently administered by Our First Home and later by the Housing Assistance Corporation (HAC).

Yarmouth has also created a rental version of the Buy Down Program, partnering with a local nonprofit organization, Building Dreams, Inc., for the acquisition of existing, moderately-priced dwelling units for conversion into affordable rental units. Much like the Buy Down Program, it has focused on lower-priced units that are slow to move due to their condition. Each unit is deed-restricted as affordable in perpetuity, rehabilitated, and managed by Building Dreams after conversion to affordability. Building Dreams has completed 13 new rental units and is in the process of rehabilitating three more. The program is poised to expand with the development of a new partnership with a local property management company which is expanding into Yarmouth with the intent of adding affordable housing to its inventory of rental units.

The LCP also recommended that there be some consideration of providing down payment and closing cost assistance to help first-time homebuyers. There are various local program models that can be reviewed, many that are like the one Wellfleet has been operating, described below.

- *Wellfleet Down Payment and Closing Cost Assistance*

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

This funding is not in the form of a grant or forgivable loan but provided as a “second mortgage” and recorded as a subordinate lien by the closing attorney. This loan does not have to be repaid until the property is sold or the title of the property is transferred, whichever comes first. Repayment may also be required if the primary loan is refinanced. Other requirements include:

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

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

It would be advisable for the Housing Trust to prepare a Request for Proposals (RFP) to select a capable entity, either an organization or consultant, to coordinate a buy down effort and/or down payment and closing cost assistance program through these potential approaches. With a specific funding commitment, the Town would then contract with the selected entity to operate the program(s).

Projected Number of SHI Units Produced: 10 units

ATTACHMENT 1

Local and Regional Housing Organizations

The town of Bourne has several local and regional housing agencies and organizations available to help support the production of affordable housing including the following:

- ***Bourne Housing Authority (BHA)***
The Bourne Housing Authority (BHA) was incorporated in 1965 to produce housing for low-income residents. Today it owns and manages affordable housing units at four (4) project sites, representing 122 units, and administers 76 rental subsidies to low-income tenants living in private housing. It is in the process of developing six (6) formerly Town-owned properties into new senior housing through its Cape View development. (Roland Phinney Place, 871 Shore Road, Pocasset; 508/563-7485)
- ***Bourne Housing Partnership (BHP)***
The Bourne Board of Selectmen established the Bourne Housing Partnership (BHP) in 1991 as the municipal entity to oversee issues related to affordable housing. Consisting of seven (7) members, BHP's mission includes increasing community awareness about the seriousness of the need for safe and affordable housing, reviewing and providing feedback on proposed affordable housing development projects, initiating new zoning related to promoting affordable housing, and advising the Town on issues related to affordable housing as they arise. The Partnership has sponsored a number of special housing initiatives to create new housing opportunities including assisting qualifying buyers of affordable homes and existing property owners in making home improvements. It also serves as a monitoring agent in reviewing the initial sale and resale of affordable homes. In these efforts, BHP has worked closely with the Town Planner and Planning Board, the Bourne Housing Authority, the Bourne Affordable Housing Trust, the Cape Cod Commission, Housing Assistance Corporation, the Massachusetts Department of Housing and Community Development (DHCD), and the U.S. Department of Agriculture. Beginning in November 2006, BHP secured part-time professional staff support with CPA funding for an Affordable Housing Specialist who has been instrumental in coordinating the wide range of BHP activities. (C/O the Planning Office, Town Hall, 24 Perry Avenue, Buzzards Bay, 508-457-1005)
- ***Bourne Affordable Housing Trust (BAHT)***
The Bourne Affordable Housing Trust (BAHT) was established by Town Meeting in May 2009 to manage a fund dedicated to the production of affordable housing opportunities. The Board of Selectmen is responsible for appointing the five (5) members of the Housing Trust, and in cooperation with BHP, the Housing Trust has been provided with part-time professional support from the CPA-funded Affordable Housing Specialist. In addition to establishing a fund, the Bourne Affordable Housing Trust also has the authority to own and manage real estate, not just receive and disburse funds, which will enable it to create and preserve affordable housing. (C/O the Planning Office, Town Hall, 24 Perry Avenue, Buzzards Bay, 508-457-1005)
- ***Barnstable County HOME Consortium***
This Consortium includes all municipalities in Barnstable County and provides federal HOME Program funding to support the financing of a wide variety of housing activities. These funds are available to all towns participating in the Consortium including Bourne and are administered

by the Cape Cod Commission. (C/O the Cape Cod Commission; 3225 Main Street, Barnstable, MA 02630; 508/362-3828)

- ***Housing Assistance Corporation (HAC)***

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

- ***Habitat for Humanity of Cape Cod***

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

- ***Cape Cod Commission (CCC)***

The Cape Cod Commission (CCC) was created as the regional planning agency for the Cape. In addition to coordinating a wide range of planning and policy activities, the Commission administers the Technical Assistance Program (TAP) that provides special funding for consultants to assist communities in a range of housing activities. The Commission also manages the allocation of housing subsidy funds that are made available to communities to support affordable housing efforts including the oversight of HOME Program funds on behalf of the Barnstable County HOME Consortium and the Development of Regional Impact (DRI) process. (3225 Main Street, Barnstable, MA 02630; 508/362-3828).

ATTACHMENT 2

Glossary of Housing Terms

Affordable Housing

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

Area Median Income (AMI)

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

Chapter 40B

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

Chapter 44B

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

Comprehensive Permit

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

Department of Housing and Community Development (DHCD)

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

Fair Housing Act

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

Inclusionary Zoning

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

Infill Development

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

Local Initiative Program (LIP)

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

MassHousing (formerly the Massachusetts Housing Finance Agency, MHFA)

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

Metropolitan Statistical Area (MSA)

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

Mixed-Income Housing Development

Development that includes housing for various income levels.

Mixed-Use Development

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

Overlay Zoning

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

Public Housing Agency (PHA)

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

Regional Non-Profit Housing Organizations

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

Regional Planning Agencies (RPAs)

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

Request for Proposals (RFP)

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

Section 3A

Section 3A of the state Zoning Act, requires municipalities Amend existing zoning within ½ mile of MBTA transit stations to accommodate multi-family housing at an average minimum density of 15 units per acre, which must be allowed by-right, not by Special Permit, though site plan review may be required.

Section 8

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

Smart Growth

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

Subsidy

Typically refers to financial assistance that fills the gap between the costs of any affordable housing development and what the occupants can afford based on program eligibility requirements. Many times multiple subsidies from various funding sources are required, often referred to as the "layering" of subsidies, in order to make a project feasible. In the state's Local Initiative Program (LIP), DHCD's

technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. Also, “internal subsidies” refers to those developments that do not have an external source(s) of funding for affordable housing, but use the value of the market units to “cross subsidize” the affordable ones.

Subsidized Housing Inventory (SHI)

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

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

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