

# **TOWN OF DENNIS, MASSACHUSETTS**

## **HOUSING NEEDS ASSESSMENT**



**July 2009**

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Funding support from the Town of Dennis's Community Preservation Fund and  
Municipal Affordable Housing Trust

## **Acknowledgements**

The Consultant and Dennis Municipal Affordable Housing Trust wish to acknowledge the help of particular individuals who provided important input into this project including:

- Dan Fortier, Town Planner
- Scott Fahle, Town Assessor's Office
- Mary Lou Hammond, Building Department
- Laura McCarthy, Town Clerk's Office
- Lisa Steele, Steele Associates Real Estate
- Nancy Friend, Dennis Housing Authority
- Jacqui Beebe, Council on Aging
- Mary Ann Gibbs, Town Accountant

The Consultant and Housing Trust wish to offer special appreciation to Alice Boyd and Leedara Zola of Bailey Boyd Associates, who continue to work with the Town on affordable housing issues and provided professional guidance in preparation for work on this Housing Needs Assessment.

Finally, thanks to those members of Dennis boards, commissions and staff as well as the many residents who attended the public hearing held during the planning process.

# TOWN OF DENNIS HOUSING NEEDS ASSESSMENT

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# TOWN OF DENNIS

## HOUSING NEEDS ASSESSMENT

### I. EXECUTIVE SUMMARY

#### A. Introduction

Dennis is a resort and residential community that spans Cape Cod from Cape Cod Bay on the north to Nantucket Sound on the south, between Brewster and Harwich on the east and Yarmouth on the west. The town of about 13,400 year-round residents is approximately 76 miles southeast of Boston. The town is divided into five villages including East Dennis, Dennis, South Dennis, Dennis Port and West Dennis, and is renown for its rich recreational amenities including 16 beaches and numerous walking trails.

Dennis's small town character, extensive shoreline, rich historical connection to the sea, and rural nature have continued to lure visitors over the years – some who arrive for extended periods in the summer, others who have decided to purchase second homes, and those searching for a place to retire. But like most communities on the Cape, living in Dennis has become expensive. While house prices have declined somewhat over the past several years given a sluggish housing market, median housing prices for single-family homes are still about \$324,000, out of reach for many year-round residents. Greater difficulties in obtaining financing have caused additional barriers to securing housing.

A summary of some of the demographic and housing characteristics of Dennis versus Barnstable County and the state is included in Table I-1. This information highlights definite similarities and differences from other communities in the county and the state, some of which can be explained based on the following factors:

- *Housing Growth and Density*  
Barnstable County is experiencing significant housing growth, fifth highest among the state's 14 counties, and resulting increases in density, third highest among the 14 counties. Dennis is actually experiencing less housing growth than the county but more than the state with 569 units added to the housing stock from 2000 to 2007 and 28 units in 2008. However, the Dennis Planning Department estimates that on average 50% of the new units involve teardowns, which would cut the growth factor in half. Density, however, remains higher. Dennis is in fact the third most densely populated town on Cape Cod, hosting 9% of the County's population on 5% of the area.
- *Preserved Open Space*  
About 30% or 4,075 acres of the Town's land mass has been set-aside as protected open space for wellfields, conservation land and beaches. This significant reserve of open space as well as undevelopable natural resources, more than 63 miles of coastline, a wide range of recreational opportunities, a rich history, and quaint New England seaside charm, have served to make Dennis a particularly appealing place, attracting tourists, retirees and second home owners. Nevertheless, such large amounts of protected land, puts substantial development pressures on those parcels that remain undeveloped.

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

Characteristics	Dennis		Barnstable County		Massachusetts	
<b>Household Characteristics</b>						
	2000 Census	2009 Estimate*	2000 Census	2008 Estimate*	2000 Census	2008 Estimate*
Total population	15,973	13,383**	222,230	221,049	6,349,097	6,497,967
% less than 18 years	16.9%	14.3%	20.4%	17.7%	23.6%	22.0%
% 20 to 34 years	12.1%	9.05% -- 21-34	13.2%	15.5%	21.0%	19.8%
% 35 to 44 years	13.2%	11.3%	15.3%	12.5%	16.7%	14.7%
% 45 to 54 years	14.4%	13.3%	14.8%	15.0%	13.8%	15.4%
% 55 to 64 years	13.5%	15.3%	11.5%	13.4%	8.6%	11.6%
% 65 years or more	28.4%	29.7%	23.1%	24.0%	13.5%	13.4%
Median age	49.4 years	51.4	44.6 years	46.3	36.5 years	38.7
% non-family households	39%	39%	36%	37.4%	36%	36.4%
Average household size	2.11 persons	2.07	2.28 persons	2.33	2.51 persons	2.33
Median income	\$41,598	\$65,309	\$45,933/ \$72,115	\$57,314	\$50,502	\$65,401
Individuals in poverty	7%	--	7%	7.4%	9%	9.7%
% earning less than \$25,000	27.6%	19.4%	24.6%	19.4%	24.6%	19.8%
% earning more than \$100,000	9.6%	20.4%	12.4%	23.7%	17.7%	30.2%
<b>Housing Characteristics</b>						
Total housing units	14,105	14,702** 14,400	147,083	156,141	2,621,989	2,735,645
% occupied housing	53.2%	--	64.5%	59.6%	93.2%	90.2%
% owner-occupied	76.0%	75.7%	77.8%	81.2%	61.7%	64.5%
% renter-occupied	24.0%	24.5%	22.2%	18.8%	38.3%	35.5%
% seasonal or occasional use	42.7%	--	32.0%	--	3.6%	--
% single-family, detached structures	83.6%	83.4%	82.9%	83.6%	52.4%	52.9%
Housing growth 2000 to 2008	4.2%/3.0% counting likely teardowns		6.2%		4.3%	
Housing density 2000 to 2008	684.4 to 713.4 units per square mile/to 700 with likely teardowns		371.6 to 394.5 units per square mile		334.5 to 349 units per square mile	
Median sales price/ 5/09	\$175,100/\$324,000		\$178,800/\$300,000 (8/09)		\$185,700/\$264,900	

Source: Data for the above table is derived from the 2000 census, and some updated estimates. \* The numbers for the County and state are updated census projections from the 2008 American Community Survey unless otherwise noted. The estimates for Dennis are from the Nielsen Claritas data source, 2009. \*\* Based on Town records with total units not taking into consideration teardowns that are estimated to involve about half of new homes produced, most likely closer to 14,400 units.

- *Seasonal Housing Pressures*  
More than 42% of the town's housing stock is occupied by seasonal or occasional residents as compared to 32% for Barnstable County as a whole, where one would expect a high level of such residents, and a state average of only 3.6%. In the summer months Dennis's resident population quadruples to almost 63,000, putting enormous pressure on Town services and the long-term, permanent population. This temporary population, however, has bolstered the local economy and employment has increasingly focused on servicing these residents.
- *Older Population*  
In comparison to the Cape and state in general, Dennis's population is older with a median age of almost 50 years (49.4 years) as opposed to 44.6 and 36.5 years for the County and state, respectively in 2000, estimated to have increased to 51.4 years in 2009. Additionally, the town had a higher proportion of residents 65 years of age or older, 28.4% versus 23% for the County and only 13.5% for the state, expected to have increased to almost 30% in the case of Dennis by 2009.

Related to a somewhat older population is the lower portion of school-age children under 18 years of age with at 16.9%, the County at 20.4% and 23.6% for the state in 2000, projected to have continued to decline to 14.3% by 2009. The relatively smaller numbers of children relates directly to the increasing numbers of non-family households and dwindling numbers of those aged 20 to 34 who are forming new families and entering the labor market, 12.1% of all households in Dennis but 13.2% for the Cape in general and 21.0% for the state in 2000 and estimated to have continued to decrease somewhat. The relatively high cost of living in Dennis, the lack of affordable housing in particular, as well as limited employment opportunities are likely creating barriers for this age group and making it increasingly more likely that those who were raised in Dennis will be less likely to be able to raise their own families locally without housing subsidies.

- *Lower Incomes*  
The 2000 median income in Dennis was lower than that for the County and state, \$41,598 versus \$45,933 and \$50,500, respectively. Updated 2009 projections for Dennis and the Cape are \$65,309 and \$72,115. Additionally, the percentage of those earning less than \$25,000 annually was higher in Dennis, 27.6%, while it was 24.6% for the County and state in 2000 however estimates indicate that the percentages have decreased to almost 20% for Dennis, the County and the state. At the other end of the income range, there were fewer year-round residents in Dennis and the County earning more than \$100,000, 9.6% and 12.4%, respectively, when compared to the state at 17.7% in 2000. Updated estimates indicate that Dennis still has a lower percentage of those earning above \$100,000 in comparison to the County and state.
- *High Housing Costs*  
The 2000 median house price provides a comparison of Dennis's housing market to that of Barnstable County and the state, with somewhat lower median market values than the County and state, \$175,100 versus \$178,800 and \$185,700, respectively. Since that time housing prices increased substantially but have started to decline given the recent recession. An article (1/07/09) in the Cape Cod Times indicated that in 2008 the median house price had fallen to \$310,000 Cape-wide, somewhat less than the median for Dennis.

Dennis's median house value for a single-family home was approximately \$350,000 in 2004 and 2005, but has decreased to about \$324,000 as of the end of 2008. To afford this median price, a purchaser would have to earn approximately \$80,000 based on conventional lending practices,

well beyond the means of most local residents. Escalating housing prices are also reflected in increased property taxes, which in combination with rising energy bills and insurance costs, cause a serious financial strain on long-term residents, particularly those with fixed incomes. Applying the updated median income estimate of \$65,309, based on the 57% change in the HUD median income levels for Barnstable County between 2000 and 2009, would result in an affordability gap of \$59,000, the difference between what the median income household could afford (\$265,000) and the median priced house (\$324,000), down considerably from the recent past due to the combination of lower interest rates and declining house prices. A recently approved federal tax credit of \$8,000 for first-time homebuyers will make housing even more affordable to some who have been shut-out of the private housing market. **However, lenders have been using much more rigorous lending criteria, including 20% down payment requirements, that have created substantial barriers to obtaining financing, effectively widening the affordability gap.**

- *Scarce Supply of Affordable Housing*

The supply of housing for working families is dwindling as homes that were priced reasonably in the past have almost doubled in value, largely driven by the demand from the seasonal, second home and retirement market. The market has softened somewhat over the past couple of years throughout the Cape, New England and the nation, however, housing still remains expensive. There are currently only 21 single-family homes on the market for less than \$300,000 for example. Based on the Massachusetts Department of Housing and Community Development's most recent data on the Chapter 40B Subsidized Housing Inventory, Dennis had 8,079 year-round housing units<sup>1</sup>, of which 327 can be counted as affordable, representing 4.0% of the year-round housing stock. Recent project activity will bring this percentage up to at least 4.8%. To meet the state's 10% affordable housing goal under Chapter 40B of the Massachusetts General Laws, at least 808 of the existing units would have to be "affordable". This means that right now Dennis is well short of the 10% standard, and assuming future housing growth, this 10% figure is a moving target and ultimately the required minimum number of year-round units will increase over time.

## **B. Housing Goals**

This Housing Needs Assessment incorporates the goals that were established as part of the Housing Section of the Local Comprehensive Plan that was approved by the Town in 2002 and integrated into the Town of Dennis' Housing Action Plan of July 2003. These goals are as follows:

- Conduct important outreach and education on affordable housing issues and new initiatives to obtain useful community input and build local support.
- Promote equal opportunity in housing through the use of educational workshops and other outreach efforts.
- Give special consideration to the most vulnerable population segments by conducting a needs assessment and survey.
- Encourage innovative strategies to help low and moderate income renters become homeowners.
- Integrate affordable housing development with environmental protection by identifying appropriate areas for development and focusing on scattered sites.
- Maintain existing affordable housing units by renovation, conversion and enforcement.
- Encourage scattered site development of affordable housing in residential, mixed-use residential and appropriate commercial areas through planning and zoning.

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<sup>1</sup> Based on 2000 census data but 10% goal will be adjusted when the new year-round housing unit count becomes available from the 2010 census, sometime in 2011.

- Help generate sufficient resources, both technical and financial, to support affordable housing development, leveraging limited local funds to the greatest extent possible.

The 2002 Plan highlighted concerns about the Chapter 40B comprehensive permit process, but indicated that the Town of Dennis recognized the important responsibility and obligation it had to be a leader in guiding the community in the effort to create affordable housing, responding to the many different needs of its residents.

### **C. Summary of Development Challenges**

Undertaking a more proactive housing agenda to promote affordable housing will be a significant challenge in Dennis. First, the town's resources for absorbing growth are limited given significant physical constraints. For example, Dennis has no sewer services and limited some areas are still without municipal water, making denser development more costly and difficult. This raises concerns among residents about water supply and water quality impacts of any new development

Second, Dennis's 63 miles of coastline, which includes all estuaries, large creeks and marsh islands, comprise a total of 22,922 acres of important shellfish areas in addition to hundreds of acres of protected parkland or conservation land, among other natural areas. These natural amenities attract thousands of visitors annually and provide highly valued opportunities for a wide range of recreational activities that need to be protected to the greatest extent possible. Dennis's extensive and important water resources, for example, are valuable environmental, economic and aesthetic assets for not only the community but for other areas of the Cape as well. As a result of both public and private efforts, approximately 3,074 acres of the town's land area is now permanently protected. There is a full understanding that as build-out approaches, development pressures will increase, which further suggests the need to actively preserve land and accommodate affordable housing and other public benefits within existing and future development.

Third, as mentioned earlier, Dennis' population quadruples during the summer season as visitors are attracted by the town's wide-ranging recreational opportunities and natural beauty. This surge of population puts enormous pressures on existing Town services and infrastructure and presents other challenges for the community such as how to house seasonal workers and maintain sufficient affordable housing for year-round workers.

Fourth, the Town of Dennis has made considerable progress in amending its Zoning By-law to better control and direct development through smart growth principles, and has established cutting-edge provisions specifically directed to promoting affordable housing. However, like most localities in the Commonwealth, Dennis's Zoning By-law embraces large-lot zoning of at least 40,000 square feet, largely as a result of Title 5 regulations. Nevertheless, low housing density still constrains the construction of affordable housing by severely reducing opportunities for economies of scale in development.

Fifth, the Town needs to continue to promote more affordable development by effectively managing the Town's limited assets as a whole and directing growth for the overall environmental and social health of the community. Besides approving Community Preservation Act, Dennis has established a Municipal Affordable Housing Trust Fund to promote affordable housing. Because the Town has limited commercial and industrial uses, it relies predominantly on property taxes raised through its residential base. While tax revenues have increased significantly during the recent past, Dennis, like other nearby communities, has a relatively low tax rate of \$5.07 per thousand<sup>2</sup> as opposed to more than \$15.00 per thousand in quite a few other communities in the Boston region.

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<sup>2</sup> For fiscal year 2008.

Due to the relatively high costs of homeownership, including costs associated with taxes, insurance and utilities, some residents are still finding it increasingly difficult to afford to remain in Dennis. Children who grew up in the town are continue to face the possibility that they may not be able to return to raise their own families locally despite some recent reductions in housing prices and federal tax credits for first-time homebuyers. Long-term residents, especially the elderly, are finding themselves less able to maintain their homes and keep up with high expenses, but are unable to find alternative housing that better meets their current life styles including housing that is handicapped-accessible and has supportive services. Families are finding it more difficult to “buy up,” purchasing larger homes as their families grow. Town employees and employees of local businesses are increasingly hard pressed to find housing that is affordable in Dennis and are confronted with longer commutes as the increasing affluence of the area squeezes them out of the housing market. Clearly more housing options are required to meet local needs and produce Dennis’s fair share of regional needs.

This Housing Needs Assessment examines these market conditions as well as demographic and housing trends, local resources and affordability gaps to determine local needs and help the town better guide growth to the most appropriate areas with adequate incentives to support some integration of affordable housing.

#### **D. Summary of Housing Needs**

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

##### *1. Households with Very Limited Incomes*

- Despite increasing household wealth, there are substantial numbers of households with incomes below \$25,000, 1,414 households or almost 20% of all households, based on 2009 estimates. There are substantially more of these households than subsidized units available (327 units), and they are challenged to compete in Dennis’s tight housing market.
- There were an estimated 3,401 households in 2009 with incomes at or below 80% of area median income. Therefore, based on income alone, about 47% of Dennis’s households might qualify for housing assistance. While income has increased it has done so much more slowly than housing prices.
- Despite decreases in poverty from 1989 to 1999, there still remained a population within the town of Dennis, including 1,119 individuals and 250 families, who were counted as living in poverty in 2000. Given increasing housing costs and the economic recession, it is unlikely that things have improved significantly for many of these vulnerable residents, who may have also been forced to leave Dennis in search of more affordable living conditions.
- Some low-income households have resorted to staying in run-down motels and paying rent on a weekly basis to remain in town.
- There are few if any housing options for seasonal workers who are essential for sustaining Dennis’s significant resort market.

*Priority Need #1: Given the high costs of housing, more subsidized rental housing is necessary to make living in Dennis more affordable, particularly for those described above with very limited financial means.*

##### *2. Affordability Gaps*

- More than one-quarter of all households in 2000, or almost 2,000 households, were spending more than 30% of their income on housing and therefore living in housing that by common definition is beyond their means and unaffordable.
- Real estate listings as of April 9, 2009, included only six (6) single-family homes on the market

in Dennis for less than \$200,000, likely involving substantial repair needs.

- Information from the Town Assessor on the assessed values of residential property in Dennis indicated that almost 10% of Dennis' housing stock is valued at less than \$200,000 but most of the units in this price range are condominiums. Nevertheless, there are 236 single-family homes assessed below \$200,000, still relatively affordable to those earning at about the median income level, but also likely to be small and in need of significant improvements.
- Applying the updated median income estimate of \$65,309, based on the 57% change in the HUD median income levels for Barnstable County between 2000 and 2009, would result in an affordability gap of \$64,000, the difference between what the median income household could afford (\$265,000) and the median priced house (\$324,000). The affordability gap has almost doubled since 2000, as it was only \$35,100 at that time. For those earning at 80% of area median income, the affordability gap is now \$99,000, the difference between the maximum they could afford of \$225,000 and \$324,000, the median priced house.
- Despite a softening housing market and lower interest rates, more rigorous lending standards, including 20% down payment requirements, are creating additional barriers to accessing housing.
- Rental listings indicate that it is difficult to find a year-round rental of a two-bedroom unit for less than \$1,000, not including utilities that can add an additional \$250 per month. Moreover, most rentals involve substantial up-front cash requirements (first and last month's rent plus a security deposit).
- Demographic trends also suggest that those entering the labor market and forming new families in Dennis are dwindling in number, reducing the pool of entry-level workers and service employees. For example, in 1980 this group comprised about 18.5% of Dennis's residents, but by 2009 the number of those in this age category comprised not more than 10% of all residents. Many just cannot afford to live in Dennis.

*Priority Need #2: Wider range of affordable housing options including first-time homeownership opportunities, particularly for younger households entering the job market and forming their own families, as well as for empty nesters.*

### 3. *Special Needs Households*

- More than 3,537 residents claimed some kind of disability. Of the 2000 population age 5 to 20 years old, 211 or 8.9% had some disability. Of those aged 21 to 64, 1,885 residents, or 23% of the persons in the age range, claimed a disability. About two-thirds of this group was employed, leaving another third unemployed, likely due to their disability. In regard to the population 65 years of age or older, 1,441 seniors or about 31% of those in the age group claimed some type of disability. These levels of disability, particularly that of seniors, represent significant special needs within the Dennis community.
- Forty-six percent of seniors who rented were spending too much on housing (220 households) and one-quarter of these seniors (123 households) were spending more than 50% of their income on housing.
- More than one-fifth of seniors who own their homes were paying too much for housing (616 households) and 246 were paying more than half their income on housing.
- Only six (6) units that are managed by the Housing Authority are handicapped accessible.
- There are no assisted living units in Dennis.

*Priority Need #3: Some amount of new housing should be built handicapped-adaptable or accessible to the disabled, including seniors, and more supportive housing services should also be integrated into new development – goal of 10% of all new units created, 20% for seniors.*

### 4. *Existing Housing Conditions*

- About half of Dennis's housing stock was built prior to 1970, and houses in this age category are

more likely to have traces of lead-based paint, posing safety hazards to children, as well as problems concerning aging system and structural conditions.

- Because there are no municipal sewer services, some existing septic systems are failing or in disrepair.
- There are a very limited number of handicapped accessible units in the town’s Subsidized Housing Inventory.
- Motels have served as the housing of last resort in the community, many of which have been cited by the Town for code violations.

*Priority Need #4: Programs to support necessary home improvements, including deleading and septic repairs for units occupied by low- and moderate-income households, particularly the elderly living on fixed incomes, and including investor-owned properties tenanted by qualifying households.*

Based on these priority needs and the calculations summarized in Section III.C.5, this Housing Needs Assessment suggests that the Town of Dennis establish the following targeted affordable housing production goals over the long-term and short-term (five years of the Housing Plan).

**Table I-2  
Summary of Priority Housing Needs and Targeted Production Goals  
Longer-term Goals/Shorter-term, Five-Year Goals**

<b>Type of Housing</b>	<b>Seniors/Single Persons** One Bedroom Units</b>	<b>Small Families/ 2 Bedrooms</b>	<b>Large Families/ 3+ Bedrooms</b>	<b>Total</b>
Rental	210/42	350/70	140/28	700/140
Ownership	202/18	336/30	134/12	672/60
<b>Total</b>	<b>412/60</b>	<b>686/100</b>	<b>274/40</b>	<b>1,372/200</b>
Special Needs*	(82/12)	(69/10)	(27/4)	(178/26)

Source: 2000 HUD SOCDs CHAS and Census data, Karen Sunnarborg Consulting

\* Represents 10% of all units created in family housing and 20% in senior and single person housing.

\*\* Approximately 10% of units in this category directed to non-elderly, single person households.

## II. INTRODUCTION

Dennis is primarily residential community that is also an attractive tourist and retirement area. The town has five (5) separate villages that are spread between Cape Cod Bay and Nantucket Sound in the mid-Cape area. The town encompasses about 22 square miles of land area including about 63 miles of saltwater and freshwater shoreline including 16 beaches all owned by the Town. The town covers 7.5 miles north to south and ranges from 1.5 and 4 miles in width.

Dennis was settled in 1639, initially as part of the Town of Yarmouth, by Thomas Howes, and did not separate and become incorporated until 1793. The town was named for one of its ministers, Josiah Dennis, whose historic home still exists today. Dennis’ early economy was based largely on the maritime industry, but the days of clipper ships were over by the turn of the 20<sup>th</sup> Century when the population declined and residents instead turned to commercial fishing and other land-based industries. Today the major economic base is tourism.

In addition to the extensive coastline, miles of rivers and marshes provide every form of aquatic activity, scenic beauty, and important natural ecosystems that require protection. Bass River and Chase Garden Creek are tidal streams that separate most of Dennis from Yarmouth, nearly dividing the Cape in half. There are also numerous small ponds and lakes in town, as well as Sesuit Harbor to the north and West Dennis Harbor to the south. The area of Scargo Lake and Scargo Hill are associated with ancient Native American folklore and the legend of the Lake’s creation was the inspiration for a children’s book, “The Legend of Scargo”. These natural features, and many more, not only provide important wildlife habitats and watershed protection, but also serve to draw summer visitors, second home owners and retirees to Dennis thus placing substantial pressure on existing developable land and pushing housing prices up beyond the means of many long-term residents. In fact more than 40% of the housing in Dennis is already occupied by second home or seasonal residents and significant population growth in the summer season, while stimulating the local economy, also presents the town with a host of other challenges.

Population growth has put significant pressure on the town, local services and the housing market in particular, as the population almost doubled in size between 1960 and 1970, from 3,727 residents to 7,443, and then more than doubled again between 1970 and 2000, from 7,443 residents to a population of almost 16,000. In regard to housing growth, from 1980 to 2000 almost 2,346 new housing units were created, 2,005 of which were seasonal units or second homes. Historic census data and current town records, as shown in Table II-1 and Figure II-1, indicate that the number of housing units is fairly comparable to the number of residents as so many of the housing units are seasonal or second homes, not occupied by year-round residents.

**Table II-1  
Population and Housing Growth  
1960 to March 2009**

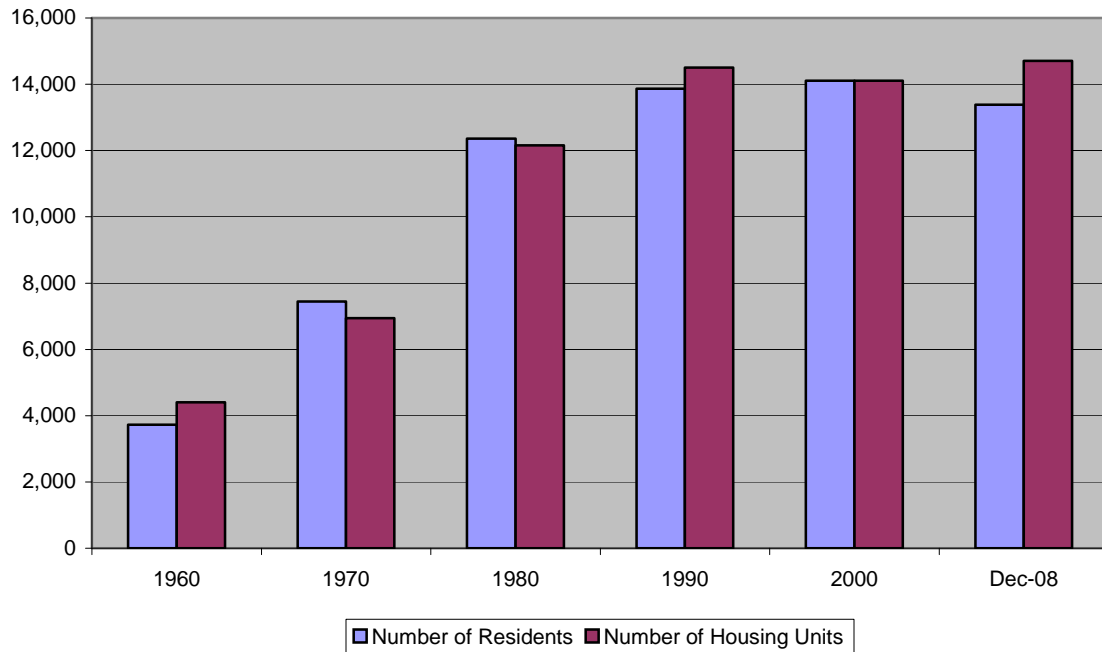
<b>Year</b>	<b>Number of Residents</b>	<b>Number of Housing Units</b>
1960	3,727	4,407
1970	7,443	6,943
1980	12,360	12,156
1990	13,864	14,502
2000	15,973	14,105
March 2009	13,383	14,702*

U.S. Bureau of the Census and Town records

\*Does not consider any units that might have been lost between 2000 and March 2009, particularly for teardowns, which the Planning Department estimates to be about half of new units permitted.

**Figure II-1**

**Population and Housing Growth 1960 to 2008**



Recent housing values also increased substantially with median single-family home prices rising only marginally from \$164,300 in 1990 to \$175,100 in 2000, but then almost doubling to \$324,000 as of the end of 2008. Relatively high housing prices, which often characterize resort-housing markets, have almost depleted the affordable housing stock with the exception of condominiums. As of April 9, 2009, there were only 21 single-family homes listed on the market for less than \$200,000, mostly small “fixer-uppers”. The median single-family house price as of the end of 2008 was \$324,000, affordable to households earning at least \$80,000, substantially greater than the median income of about \$41,598 in the last census and adjusted current median income of \$65,309. While recent declines in house and condo prices as well as reductions in mortgage interest rates have contributed greatly to housing affordability, more stringent lending requirements, including 20% down payments, have made it more difficult to obtain financing, for condominiums in particular.

This Housing Needs Assessment examines the issue of housing in Dennis, particularly housing affordability, to present a documented snapshot of current conditions and trends. It also looks at the gaps between what housing is available to serve local residents and what is required to meet community needs, including a review of local, regional and state resources. This Housing Needs Assessment in fact reflects a recommendation included in the Town’s Local Comprehensive Plan to update an affordable housing analysis as well as a recommended action in the Town’s 2003 Housing Action Plan.

**A. Definition of Affordable Housing**

There are a number of definitions of affordable housing as federal and state programs offer various criteria. For example, HUD generally identifies units as affordable if gross rent (including costs of utilities borne by the tenant) is no more than 30% of a household’s net adjusted income (with a small deduction for each dependent, for child care, for extraordinary medical expenses, etc.) or if the carrying costs of purchasing a home (mortgage, homeowners association fees, property taxes and insurance) is not more than typically 30% of net adjusted income. If households are paying more than these amounts, they

are described as experiencing housing affordability problems; and if they are paying 50% or more for housing, they have severe housing affordability problems and heavy cost burdens.

Affordable housing can also be defined according to percentages of median income for the area. Housing subsidy programs can be targeted to particular income ranges depending upon programmatic goals. Extremely low-income housing is directed to households with incomes at or below 30% of area median income as defined by the U.S. Department of Housing and Urban Development (\$20,950 for a family of three for the Barnstable area) and very low-income is defined as households with incomes less than 50% of area median income (\$34,900 for a family of three). Low- and moderate-income generally refers to the range between 51% and 80% of area median income (\$55,900 for a family of three at the 80% level). These income levels are summarized in Table II-2.

**Table II-2  
2009 TARGETED INCOME LEVELS FOR  
AFFORDABLE HOUSING IN THE BARNSTABLE AREA**

<b># Persons in Household</b>	<b>30% of Median Income</b>	<b>50% of Median Income</b>	<b>80% of Median Income</b>
1	\$16,300	\$27,150	\$43,450
2	18,650	31,050	49,700
3	20,950	34,900	55,900
4	23,300	38,800	62,100
5	25,150	41,900	67,050
6	27,050	45,000	72,050
7	28,900	48,100	77,000
8+	30,750	51,200	81,950

**2009 Median Household Income for the Barnstable Metropolitan Statistical Area (MSA) = \$75,400**

The state established legislation for promoting affordable housing under Chapter 774 of the Acts of 1969, creating the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B).<sup>3</sup> This legislation allows developers to override local zoning if the project meets certain requirements and the municipality has less than 10% of its year-round housing stock defined as affordable under the 40B Subsidized Housing Inventory. In calculating a community's progress toward the 10% Chapter 40B goal, the state counts a housing unit as affordable if it is created by state or federal programs that support low- and moderate-income households earning at or below 80% of area median income.

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<sup>3</sup> 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.

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

1. Subsidized by an eligible state or federal program.
2. Subject to a long-term deed restriction limiting occupancy to income eligible households for a specified period of time (at least 30 years or longer for newly created affordable units, and at least 15 years for rehabilitated units).
3. Subject to an Affirmative Fair Housing Marketing Plan.

Based on the Massachusetts Department of Housing and Community Development's most recent data on Dennis's supply of affordable housing included in the state's Subsidized Housing Inventory, Dennis had 8,079 year-round housing units, of which 327 are currently counted by the state as affordable, representing 4.0% of the year-round housing stock. Recent development and pipeline projects should push Dennis beyond the 4.8% threshold, but the town will still have a significant challenge to meet the 10% standard. Assuming future housing growth, this 10% figure is a moving target and ultimately the required minimum number of year-round units will increase over time.

Additionally, most state-supported housing assistance programs are targeted to households earning at this same level, at or below 80% of area median income, however, others, particularly rental programs, are directed to those earning at lower income thresholds. For example, the Low Income Housing Tax Credit Program that subsidizes rental units are targeted to households earning at least 60% of median income. First-time homebuyer programs typically apply income limits of up to 80% of area median income. It is worth noting that according to the 2009 estimates<sup>4</sup>, approximately 3,401 or about 47% of Dennis's total households would likely be income-eligible for affordable housing using the 80% of area median income criterion without consideration of financial assets.

The Community Preservation Act allows Community Preservation funding to be directed to those within a somewhat higher income range – 100% of area median income – now commonly referred to as “community housing”. Additionally, some housing developments incorporate several income tiers. For example, one project could combine units for those earning at or below 80% of area median income, moderate-income “workforce” units for those earning between 80% and 120% of median income, and even some market rate units to help cross-subsidize the more affordable ones. A rental project might include a couple of tiers below the 80% level in addition to workforce and/or market rate units. It should be noted, however, that those units that involve occupants with incomes higher than 80% of area median income, while still serving local housing needs, will not count as part of the Subsidized Housing Inventory and help the Town reach its 10% affordability goal unless they are part of a rental development where 100% of the units would qualify for inclusion in the SHI if at least 25% meet 40B guidelines.

## **B. Housing Goals**

This Housing Needs Assessment incorporates the goals that were established as part of the Housing Section of the Local Comprehensive Plan that was approved by the Town in 2002. The Plan stated that some things in Dennis needed to remain constant despite “a time of rapid change brought about by the modern and evolving technology revolution”.<sup>5</sup> Yet the Plan recognized that some things should remain constant in Dennis including the “need for an individual sense of community; for a place to call home, where we enjoy a quality of life that we want to pass on to

<sup>4</sup> Nielsen Claritas, Inc. database, 2009.

<sup>5</sup> Town of Dennis, Local Comprehensive Plan, 2002, Introduction, page 3.

our children and grandchildren. We wish to protect our natural, cultural and historic resources for them as they must cope with changes beyond our imagination”.<sup>6</sup> The planning process included developing a community “vision” statement that was intended to be blueprint for the future development of Dennis and which recognized preserving the character of Dennis including the following:

- This is a waterside place, a place surrounded by shoreline and defined by the water in, around and under us. Preservation of boating, fishing and shellfishing are vital to preserving the character of Dennis.
- As a residential town it is essential to preserve and promote its peace and quiet, spaciousness, its safety, and the ease of travel.
- Dennis is a town of natural and man-made beauty. To ensure that this is not lost it is necessary to protect our natural resources and to give continuity to building design.
- Dennis is a resort town and it is intended to continue to be attractive to our visitors and part-time residents who help pay our bills and who expect our community to change, but to be unsullied by uncontrolled development.
- Dennis is a town with views and vistas seldom seen anywhere in the world!

The Plan also included more specific housing goals including:

1. Enough structures already exist to meet affordable housing needs, but affordability must be maintained through restrictions.
2. Priority must be given to providing affordable rental units to year-round residents of limited means and to allowing potential homeowners to save enough to purchase houses in Dennis.
3. Conversion of rental units to condominiums effectively removes these units from the market for most year-round residents; condominium conversions should not be allowed to occur unchecked and/or should be offset by the simultaneous creation of affordable rental units.
4. Affordable housing shall be encouraged in all areas appropriate for residential and commercial development.
5. Flexible zoning standards shall be established to allow for a creative adaptation of existing density standards, in particular bedroom densities, to allow for additional housing units to be created without overburdening the land.
6. The adaptive re-use of existing structures will be encouraged by providing zoning strategies that promote mixed use development, the use of vacant accessory space in commercial and residential structures for affordable housing and the conversion of larger homes into multi-family facilities without altering overall site floor-space.

The 2002 Plan highlighted concerns about the Chapter 40B comprehensive permit process, but indicated that the Town of Dennis recognized its important responsibility and obligation to be a leader in guiding the community in the effort to create affordable housing, responding to the many different needs of its residents.

The 2003 Housing Action Plan, prepared by Bailey Boyd Associates, indicated that it was building on the goals and strategies in the Local Comprehensive Plan by focusing on the following approaches:

- Conduct important outreach and education on affordable housing issues and new initiatives to obtain useful community input and build local support.

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<sup>6</sup> Ibid.

- Promote equal opportunity in housing through the use of educational workshops and other outreach efforts.
- Give special consideration to the most vulnerable population segments by conducting a needs assessment and survey.
- Encourage innovative strategies to help low and moderate income renters become homeowners.
- Integrate affordable housing development with environmental protection by identifying appropriate areas for development and focusing on scattered sites.
- Maintain existing affordable housing units by renovation, conversion and enforcement.
- Encourage scattered site development of affordable housing in residential, mixed-use residential and appropriate commercial areas through planning and zoning.
- Help generate sufficient resources, both technical and financial, to support affordable housing development, leveraging limited local funds to the greatest extent possible.

This Housing Needs Assessment, which will be part of a comprehensive Housing Production Plan, builds on these previous planning efforts, provides updated and additional information on the housing dynamic in Dennis, and establishes the context within which a responsive set of strategies can be further developed to address housing needs and meet production goals.

### III. HOUSING CHARACTERISTICS AND NEEDS

This Housing Needs Assessment presents an overview of the current housing situation in the town of Dennis, providing details on demographic and housing characteristics and trends, analyses of market conditions and challenges to creating affordable housing, long-term and short-term goals regarding priority housing needs, and a summary of local and regional resources to meet these needs.

#### A. Demographic Profile

##### 1. Population

At around the turn of the 20<sup>th</sup> century, the town of Dennis experienced a population decline that was not restored until the mid-century. Since then population growth has put significant pressures on the town, local services and the housing market in particular, as the population almost doubled in size between 1960 and 1970, from 3,727 residents to 7,443, and then more than doubled again between 1970 and 2000, from 7,443 residents to a population of almost 16,000.

While we should expect the “baby boom” generation to be reinforcing this growth trend, currently and in the future, Town records actually indicate a reduction of population since 2000. While the 2000 census counted 15,973 residents in 2000, Town records show substantially fewer residents in 2000 at 13,837 and then a further decrease of 454 residents to a total population count of 13,383 as of July 2009.

Table III-1 summarizes population changes since 1885. Other population estimates suggest a 2009 population total of 15,225 residents.<sup>7</sup> While it appears that Dennis has lost population since 2000, and even in fact lost about 400 housing units between 1990 and 2000, population projections prepared by the University of Massachusetts’ Donahue Institute estimated that the town’s population would increase to as much as 16,153 in 2003, and decrease somewhat to 15,473 in 2007, approximately 500 residents less than 2000. MISER population projections predict that the population would be as high as 17,695 by 2010<sup>8</sup>. It appears that these projections were clearly overly optimistic regarding continued population growth given recent Town records and other estimates.

**Table III-1  
Population Change, 1885-2000**

Year	Population	Increase in # Residents	Percentage Change
1885	3,497	--	--
1900	2,335	-1,162	-33.2%
1920	1,536	-799	-34.2
1930	1,829	293	19.1%
1940	2,085	256	14.0%
1950	2,499	414	19.9%
1960	3,727	1,228	49.1%
1970	7,443	3,716	99.7%
1980	12,360	4,917	66.1%
1990	13,864	1,504	12.2%
2000	15,973	2,109	15.2%

Source: U.S. Census Bureau and Dennis Town Clerk’s record.

<sup>7</sup> Nielsen Claritas, Inc. database, 2009.

<sup>8</sup> U.S. Census Bureau 2000, Massachusetts Institute of Social and Economic Research, MISER, University of Massachusetts, 2003.

One of the key factors for population growth is that for the Cape in general, the death rate is higher than the birth rate. The reduction in the birth rate is, to a great extent, due to the young people leaving the Cape because of lack of affordable housing and good paying jobs. Why then does the data show an increase in the population? The answer is that more people are retiring to the Cape or buying second homes and hence the Cape's population is growing older.

The overall population density of the town was 684.4 residents per square mile in 2000, the third highest in the County, and in 2009 is likely up to about 700 per square mile based on building permit activity and estimates that about half of all new units created involved teardowns. Total population and density varied somewhat by village as presented in Table III-2. See Appendix 3 for a map of these villages.

**Table III-2  
Population and Density of Dennis' Villages**

<b>Village</b>	<b>Total 2000 Population</b>	<b>Land Area (not including water)</b>	<b>2000 Density Residents per Square Mile</b>
Dennis	2,798	4.9 square miles	571.2/square mile
Dennis Port	3,612	3.1 square miles	1,181.3/square mile
East Dennis	3,299	4.8 square miles	587.8/square mile
South Dennis	3,679	4.6 square miles	808.3/square mile
West Dennis	2,570	3.3 square miles	781.3/square mile

## 2. *Race*

The population has remained predominately White, but minority residents are steadily increasing in number and in proportion to the total population from 248 residents or 2.0% of all residents in 1980 to 800 or 5.0% in 2000, a 223% increase. Approximately one-half of the 2000 minority population identified themselves as Black or African American, 14% as Native American, 9% as Asian, and the remaining claimed Hispanic origin or more than one race.

**Table III-3  
Demographic Characteristics, 1980 to 2000**

	<b>1980</b>		<b>1990</b>		<b>2000</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Total Population	12,360	100.0%	13,864	100.0%	15,973	100.0%
Minority Population*	248	2.0%	344	2.5%	800	5.0%
Total # Households	5,299	100.0%	4,505	100.0%	7,504	100.0%
Family Households	3,639	68.7%	3,043	67.6%	4,581	61.0%
Female Heads of Households with Children **	248	4.7	208	4.6%	368	4.9%
Non-family Households **	1,660	31.3%	1,462	32.4%	2,921	39.0%
Average Household Size	Not available		2.22 persons		2.11 persons	

Source of above table: U.S. Census Bureau, 1980, 1990 and 2000

\*All non-White classifications \*\* Percent of all households

## 3. *Household Type*

As Table III-3 shows, smaller, non-family households are becoming a more significant part of Dennis,

almost doubling between 1990 and 2000, growing as a percentage of all households from 31.3% in 1980 to 39.0% in 2000, and estimated to be about the same in 2009. While the number of families increased substantially from 1980 to 2000, from 3,639 to 4,581 households, they decreased in proportion of all households from about 69% to 61%. Correspondingly, the average household size decreased somewhat from 2.22 persons in 1990 to 2.11 persons in 2000, reflective of the growth in smaller, non-family households and significant number of retirees. In fact, 2009 estimates suggest a continued shrinking of average household size to 2.07 persons. This trend towards smaller households is part of a demographic shift that is occurring throughout the state and country. For example, the percentage of non-family households grew from 33% to 36% between 1990 and 2000 in both Barnstable County and the state.

#### 4. *Age Distribution*

As Table III-4 demonstrates, Dennis is experiencing some subtle demographic shifts. For example, while the overall population increased by 29% between 1980 and 2000, those under the age of 18 increased by only 5.7%, growing by 145 children and representing a decreasing portion of the population – from 20.6% in 1980 to 16.9% in 2000.

Most significantly is the drop in those between the ages of 21 and 34 entering the labor market and beginning to form their own families, reducing the pool of entry-level workers and service employees. In 1980 this group comprised about 18.5% of Dennis's residents, but by 2000 the number of those in this age category was only 11.4% of all residents. This trend is happening throughout most communities of the Cape, where the combination of fewer job opportunities, particularly those outside of the retail and service sectors that pay well, and escalating living expenses are increasingly forcing this group to relocate further and further away. This trend further suggests the need for not only workforce development efforts, but also more first-time homebuyer opportunities as starter homes in the private housing market have also become scarcer. Clearly more subsidized rental options would be extremely helpful in housing this population cohort.

**Table III-4**  
**Age Distribution, 1980-2000**

	1980		1990		2000	
	#	%	#	%	#	%
Under 5 Years	602	4.9	765	5.5	607	3.8
5 – 17 Years	1,950	15.8	1,833	13.2	2,090	13.1
18 – 20 Years	389	3.2	352	2.5	357	2.2
21 – 24 Years	594	4.8	559	4.0	381	2.4
25 – 34 Years	1,694	13.7	1,690	12.2	1,443	9.0
35 – 44 Years	1,068	8.6	1,822	13.1	2,108	13.2
45 – 54 Years	996	8.1	1,207	8.7	2,300	14.4
55 – 59 Years	818	6.6	701	5.1	1,097	6.9
60 – 64 Years	1,009	8.2	946	6.8	1,048	6.6
65 – 74 Years	2,101	17.0	2,179	15.7	2,407	15.1
75 – 84 Years	908	7.4	1,408	10.2	1,689	10.6
85+ Years	231	1.9	402	2.9	446	2.8
<b>Total</b>	<b>12,360</b>	<b>100.0</b>	<b>13,864</b>	<b>100.0</b>	<b>15,973</b>	<b>100.0</b>
Under 18	2,552	20.6	2,598	18.7	2,697	16.9
Age 65+	3,240	26.2	3,989	28.8	4,542	28.4
Median Age	43.7 years		44.5 years		49.4 years	

Source: U.S. Census Bureau, 1980, 1990 and 2000

Another significant population shift is reflected in those between the ages of 45 and 59, who made up

14.7% of Dennis residents in 1980 but 21.3% in 2000, largely correlated to the costs of living. These older residents in the height of their earning potential have been better able to afford to live in town. This trend also reflects the overall aging of the population.

The aging trend is particularly evident in the older age categories. Those 65 years of age or older were 26.2% of the population in 1980, but increased to 28.4% by 2000. Even those frail elderly over 85 years increased as a percentage of the population from 1.9% in 1980 to 2.8% in 2000, from 231 to 446 residents. This trend is also revealed in the increasing median age in Dennis, from 43.7 years in 1980 to 49.4 years in 2000, compared to 37.1 years and 31.1 years for the County and state in 1980, respectively, and 44.6 years and 36.5 years, respectively, in 2000.

Also, according to the 2000 Census, Dennis households that included seniors who were age 65 or older and living alone as a percentage of total households is the fourth highest (17.7%) among Cape Cod Towns behind Orleans (21.9%), Yarmouth (19.8%), and Chatham (18.8%). With regard to the households with persons age 65 or older as a percentage of total households, Dennis ranked fifth highest (42.8%) behind Orleans (50.4%), Chatham (47.2%), Yarmouth (45.1%), and Harwich (43.2%). This data indicates that persons over 64 occupy a high proportion of the existing housing units.

Table III-5 provides comparative information for Barnstable County and the state, which highlights the trends described above. Dennis and Barnstable County had a significantly lower percentage of children than the state, 20.6% and 20.4%, respectively, as opposed to almost 24%. Given past trends in Dennis and the rest of the Cape, most of which is experiencing declining enrollments, it is probable the town's school-age population will not likely increase much over the next few years particularly given the currently limited development of housing that is affordable to young families.

Notably, Dennis's young adult population of those 21 to 34 years of age is lower than the County as a whole, 11.1% versus 13.2%, and substantially smaller than that of the state at 21% in 2000. While this younger age group is significantly smaller, those baby boomers (born from 1946 to 1964 and age 44 to 62 in 2008 and 36 to 54 in 2000) comprise a far greater proportion of town residents. For example, those age 45 to 54 represent 21.3% of all residents in comparison to 14.8% for the Cape and 13.8% for the state, once again a reflection of Dennis's aging population and costly living conditions.

**Table III-5  
Comparative Demographic Data  
2000**

	Dennis		Barnstable County		Massachusetts	
	#	%	#	%	#	%
Under 18	2,552	20.6	45,440	20.4	1,500,064	23.6
Age 21 to 34	1,824	11.1	29,330	13.2	1,331,067	21.0
Age 45 to 54	3,397	21.3	32,802	14.8	873,353	13.8
Age 65 +	3,240	26.2	51,265	23.1	860,162	13.5
Median Age	49.4 years		44.6 years		36.5 years	

Source: U.S. Census Bureau, 2000.

Dennis has had a higher proportion of seniors, at 26.2% as opposed to 23.1% for the County and only 13.5% for the state. In comparison with other towns in Barnstable County, Dennis ranked third highest in median age (49.4 years) after Orleans (55.5 years) and Chatham (53.9 years).

**Table III-6 compares age distribution data for 2000 to projections for 2010 and 2020, and suggests that**

the town's population will increase to almost 20,000 residents by 2020, which is likely an overestimate of future growth given more recent trends. This data also suggests the continued decline in the number of children, with those under the age of 20 decreasing as a percentage of the population from about 18% of the population in 2000 to an estimated 14% by 2020. In accordance with past trends, those age 20 to 34 are estimated to decrease as well from about 12% of all residents in 2000 to approximately 10.6% by 2020. In fact all age cohorts under age 55 are projected to decrease in proportion to the total population, while those older age categories are estimated to increase significantly. For example, seniors 65 years of age and older are expected to increase in number and as a percentage of the population, from 4,542 or 28.4% in 2000 to 7,469 or 37.7% by 2020. The continued aging of the population suggests some focus on the housing needs of older households who may be looking to downsize at some time in the future and need handicapped accessibility and/or supportive services.

**Table III-6  
Age Distribution Projections**

<b>Age Range</b>	<b>2000 Census</b>	<b>%</b>	<b>2010 Projection</b>	<b>%</b>	<b>2020 Projection</b>	<b>%</b>
Less than Age 5	607	3.8	665	3.8	686	3.5
Age 5 to 19	2,336	14.6	2,009	11.4	2,043	10.3
Age 20 to 34	1,935	12.1	2,122	12.0	2,093	10.6
Age 35 to 44	2,108	13.2	1,683	9.5	1,648	8.3
Age 45 to 54	2,300	14.4	2,475	14.0	2,011	10.2
Age 55 to 64	2,145	13.4	3,441	19.4	3,861	19.5
Age 65 to 74	2,407	15.1	2,856	16.1	4,472	22.6
Age 74 to 84	1,689	10.6	1,795	10.1	2,224	11.2
Age 85 and over	446	2.8	649	3.7	773	3.9
<b>Total</b>	<b>15,973</b>	<b>100.0</b>	<b>17,695</b>	<b>100.0</b>	<b>19,811</b>	<b>100.0</b>
Less than age 20	2,943	18.4	2,674	15.1	2,729	13.8
Age 65 and over	4,542	28.4	5,300	30.0	7,469	37.7

Source: U.S. Census Bureau 2000, Massachusetts Institute of Social and Economic Research, MISER, University of Massachusetts, 2003.

## 5. *Income*

Dennis has gained increasingly more affluent residents over the past several decades as have many communities on Cape Cod and in the Boston region, with median income levels rising from \$13,944 in 1979, almost doubling to \$28,259 in 1989, and up to \$41,598 by 1999, during a time of significant population growth when the number of households grew almost 50%. This 2000 median household income level is fairly comparable to those of neighboring communities with Brewster and Chatham somewhat higher as noted below.

Brewster -- \$49,276

Chatham -- \$45,519

**Dennis -- \$41,598**

Eastham -- \$42,618

Harwich -- \$41,552

Orleans -- \$42,594

The median income of homeowners was not surprisingly considerably higher than renters at \$46,946 versus \$26,654 for renters.

Table III-7 presents income data based on the 1979, 1989 and 1999 census counts, which is also visually presented in the chart in Figure III-1. Those earning more than \$75,000 increased from only 45 households in 1979, to more than 374 in 1989, to 1,576 in 1999. In 1979 only 1.7% of households were earning between \$50,000 and \$74,999, but in 1999 this level was 19.5%, more than what one would expect under normal inflation. While it is to be expected that the incomes of longer-term residents would increase over time, the influx of new residents with higher income levels gave a big boost to median income levels.

**Table III-7**  
**Income Distribution by Household, 1979-1999**

	1979		1989		1999	
	#	%	#	%	#	%
Under \$10,000	1,757	33.2	1,032	16.6	544	7.2
10,000-24,999	2,525	47.6	1,715	27.6	1,535	20.4
25,000-34,999	579	10.9	1,172	18.8	1,121	14.9
35,000-49,999	305	5.8	1,038	16.7	1,273	16.9
50,000-74,999	88	1.7	887	14.3	1,462	19.5
75,000-99,999	45	0.8	250	4.0	847	11.3
100,000-149,999			91	1.5	453	6.0
150,000 or more			33	0.5	276	3.7
Total	5,299	100.0	6,218	100.0	7,511	100.0
Median income	\$13,944		\$27,900		\$41,598	

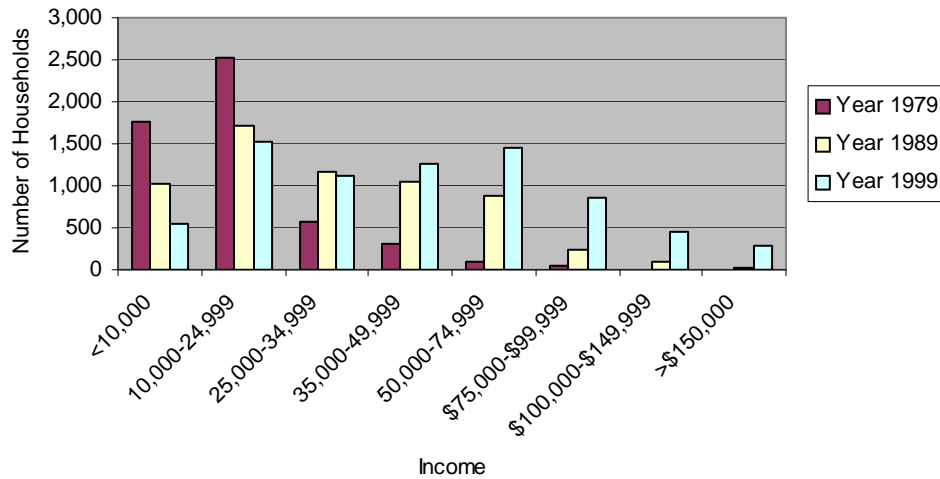
Source: U.S. Census Bureau, 1980, 1990 and 2000

Despite this increasing household wealth, there are substantial numbers of households with incomes below \$25,000, 2,079 households or almost 28% of all households, based on 2000 census data. There are substantially more of these households than subsidized units available (327 units), and they are challenged to compete in Dennis's tight housing market. It is likely that many of the households in the lower income ranges may in fact be long-term residents who own their homes, which are now worth a considerable amount of money. As such they are cash poor but equity rich. Nevertheless, continued increases in taxes, insurance and energy bills as well as health-related issues, may drive these households out of the community given the relatively limited supply of affordable units for seniors and lack of service-enriched housing alternatives in Dennis for both seniors and special needs individuals.

The income distribution for those households that include children – families – is somewhat higher with a median family income in 1999 of \$50,478, with 11.6% of all families earning more than \$100,000 and 2.2% earning more than \$200,000.

**Figure III-1**

Income Distribution by Census



Incomes for Dennis residents are on average somewhat lower than the Cape as a whole with 2000 median household income levels of \$41,598 and \$45,933, respectively. The County proportionately had lower levels of households in all income categories below \$50,000 and higher proportionate levels for the ranges above that threshold as documented in Table III-8.

**Table III-8**  
Income Distribution by Household: Barnstable County and Dennis  
1999

	Barnstable County		Dennis	
	#	%	#	%
Under \$10,000	6,478	6.8	544	7.2
10,000-24,999	16,843	17.8	1,535	20.4
25,000-34,999	12,148	12.8	1,121	14.9
35,000-49,999	15,935	16.8	1,273	16.9
50,000-74,999	20,425	21.5	1,462	19.5
75,000-99,999	11,243	11.9	847	11.3
100,000-149,999	7,605	8.0	453	6.0
150,000 or more	4,168	4.4	276	3.7
Total	94,845	100.0	7,511	100.0
Median income		\$45,933		\$41,598

Source: U.S. Census Bureau, 2000

Dennis’s median income level was 21.4% lower than that of the state at \$50,502. *Projections of median income, based on the percentage increase of HUD area median income levels for Barnstable County of 57%, would put the 2009 median for Dennis at \$65,309.*

Table III-9 below provides estimates of the distribution of household income for 2009 and projections for 2014, in comparison to the 2000 census data. Not surprisingly there is a clear trend towards reductions in those earning in the lower income ranges as opposed to increases in those in the upper ranges. While one would expect that inflation alone would drive up incomes, those earning less than \$25,000 are expected to decrease markedly, from about 28% in 2000 to 16.4%

by 2014. Those earning \$100,000 or more increased from 9.7% to a projected 25.7% by 2014. It is unclear what impact the current economic recession will have on these projections, however.

Increasing affluence is also reflected in the 38% increase in median income, from \$41,546 in 2000 to \$60,830 by 2014, projections which appear to underestimate the increase in income levels somewhat given increases in HUD median income levels over the past decade.

**Table III-9**  
**Household Income**  
**2000, 2009 Estimates and 2014 Projections**

Income Range	2000 Census		2009 Estimates		2014 Projections	
	#	%	#	%	#	%
Less than \$15,000	967	12.87%	653	8.94%	568	7.96%
\$15,000 to \$24,999	1,112	14.80%	761	10.42%	602	8.44%
\$25,000 to \$34,999	1,121	14.92%	795	10.89%	727	10.19%
\$35,000 to \$49,999	1,273	16.95%	1,192	16.32%	1,092	15.31%
\$50,000 to \$74,999	1,462	19.46%	1,444	19.78%	1,332	18.68%
\$75,000 to \$99,999	847	11.28%	970	13.28%	980	13.74%
\$100,000 to \$149,999	453	6.03%	940	12.87%	1,105	15.49%
\$150,000 to \$249,999	219	2.92%	383	5.25%	513	7.19%
\$250,000 to \$499,999	50	0.67%	133	1.82%	155	2.17%
\$500,000 or more	7	0.09%	31	0.42%	58	0.81%
<b>Median Household Income</b>	\$41,546		\$54,328		\$60,830	

Source: U.S. Census Bureau 2000, Nielsen Claritas database 2009.

## 6. Poverty

Table III-10 presents poverty levels in Dennis over the past couple of decades.

**Table III-10**  
**Poverty Status**  
**1979-1999**

	1979		1989		1999	
	#	%	#	%	#	%
Individuals Below Poverty *	1,029	8.3	1,446	10.4	1,119	7.0
Families **	247	6.8	361	9.0	250	5.4
Related Children Under Age 18 ***	294	11.5	468	18.0	272	10.4
Individuals 65 and Over****	305	9.4	357	9.0	219	4.8

Source: U.S. Census Bureau, 1980, 1990 and 2000

\*Percentage of total population for whom poverty status was determined

\*\*Percentage of all families for whom poverty status was determined

\*\*\*Percentage of all related children under 18 years

\*\*\*\*Percentage of all individuals age 65+

While the numbers and proportions of residents in poverty increased from 1979 to 1989, except for a small drop-off in poverty for those 65 years of age or higher, the next decade experienced significant decreases in poverty levels. The 2000 census indicates that the proportion of those with incomes below the poverty level (\$10,400 for an individual and \$17,600 for a family of three in 2008) decreased from previous decades, with actual numbers falling below the 1979 and 1989 levels for children and seniors and not much higher for individuals and families from the 1979 levels.

Despite decreases in poverty from 1989 to 1999, this data demonstrates that, at least in 1999, there still remained a population within the town of Dennis, including 1,119 individuals and 250 families, who had substantial income limitations and may require public assistance to meet their housing needs. How these residents have fared since then is difficult to predict as some may have been forced to leave Dennis in search of more affordable living conditions elsewhere, others may have joined the ranks of those living in poverty, while others may have successfully improved their economic situations and have been boosted out of poverty.

## **7. Employment**

Dennis is located well into the Cape and a fair distance from the major population and job centers of Boston and Providence, approximately 76 miles away, but about seven (7) miles away from Hyannis. The 2000 census indicated that one-third of Dennis's workers, 31.9%, were involved in management or professional occupations, and 60.8% were employed in the lesser paying retail and service-oriented jobs that support the local economy including construction (10.3%), sales and office occupations (30.0%), and service occupations (20.5%). While 71.3% were salaried workers, another 15.5% were government workers and 13.2% were self-employed. Additional information on employment patterns indicated that of those Dennis residents who were employed over the age of 16, only 1,151, or about 16.8%, worked in the community which is lower than that for the County at 42%, suggesting fewer employment opportunities in town.

More recent labor and workforce data, from 2007, is presented in Table III-11, which shows an average employment of 4,735 workers as opposed to a total workforce in 2000 of 7,337, representing a significant decrease in workers, 55%. The data also confirms the concentration of jobs in the retail and service sectors and demonstrates that these jobs tend to have lower wage levels. All industries with an average of more than 100 employees and an average weekly wage of less than \$800 are shown in the table. As a point of comparison, the average weekly wage for Dennis was \$636, significantly less than Boston's at \$1,476.

The 2007 state labor statistics project an unemployment rate in Dennis in March 2009 of 11.5%, with 886 Dennis residents unemployed, almost double that of 2008 at 6.0%. As another point of comparison, the unemployment level in March 2009 was 7.1% for Boston.

It should also be noted that the significant resort economy in Dennis causes fluctuations in the job force that increases in the summer months to serve seasonal needs. At this point there are few housing options in Dennis to accommodate these lower paid seasonal workers, and the Town should explore what other communities are doing with respect to providing temporary housing opportunities for this important labor force.

It should also be noted that most workers drove alone to work, 82.4%, another 8.6% carpooled and only 62 workers used public transportation. The average commuting time was about 20 minutes.

**Table III-11**  
**Average Employment and Wages By Industry in Dennis**  
**2007**

<b>Industry</b>	<b># Establishments</b>	<b>Total Wages</b>	<b>Average Employment</b>	<b>Average Weekly Wage</b>
Construction	73	\$20,986,443	423	\$954
Manufacturing	13	\$1,969,553	64	\$592
Wholesale trade	16	\$5,229,425	103	\$976
Retail trade	85	\$27,965,906	912	\$590
Transportation and warehousing	14	\$7,954,668	227	\$674
Information	13	\$2,042,359	72	\$546
Finance & insurance	22	\$9,380,408	164	\$1,100
Real estate/rental	27	\$2,377,126	88	\$519
Professional/technical services	34	\$4,523,465	93	\$935
Management of companies/enterprises	3	\$712,913	22	\$623
Administrative and waste services	46	\$9,888,922	284	\$670
Health care and social assistance	37	\$15,842,378	451	\$676
Arts, entertainment and recreation	16	\$4,322,993	198	\$420
Accommodation and food services	109	\$20,891,716	1,095	\$367
Other services, Exec., public administration	62	\$2,747,058	121	\$437
<b>TOTAL</b>	<b>586</b>	<b>\$156,592,392</b>	<b>4,735</b>	<b>\$636</b>

Source: Massachusetts Executive Office of Labor and Workforce Development, 2008

### **8. Education**

The educational attainment of Dennis residents has improved over the last couple of decades. In 2000, 91.5% of those 25 years and older had a high school diploma or higher and 31% had a Bachelor's degree or higher, up from the 1990 figure of 25.3% with a college degree but still lower than the 2000 figure of 33.6% for the County. Those enrolled in school (nursery through graduate school) in 2000 totaled 2,773 residents or 17.4% of the population, and those enrolled in kindergarten through high school totaled 2,110 students, 77% of those who are enrolled in school and representing 13% of the total population.

### **9. Disability Status**

Of the 2000 population age 5 to 20 years old, 211 or 8.9% had some disability. Of those aged 21 to 64, 1,885 residents, or 23% of the persons in the age range, claimed a disability. About two-thirds of this group was employed, leaving another third unemployed, likely due to their disability. In regard to the population 65 years of age or older, 1,441 seniors or about 31% of those in the age group claimed some type of disability. These levels of disability, particularly that of seniors, represent significant special needs within the Dennis community and suggest that Dennis integrate special needs housing, units that are handicapped accessible and housing with supportive services into its planning for affordable housing development.

### 10. *Residency in 1995*

Approximately 39% of the persons in Dennis over the age of five who were living in Dennis in 2000, or 5,996 residents, moved to a new residence in Dennis from 1995 to 2000. Of these, 20% came from somewhere else on the Cape, 19% came from a different county, with 10% coming from Massachusetts and 9% coming from a different state or elsewhere, representing significant mobility of the town's year-round population.

### B. **Housing Profile**

Housing in Dennis involves two distinct markets, the year-round housing stock and the seasonal or second home market now comprising 42.7% of all dwellings. This seasonal usage, the burgeoning interest in second homes by affluent baby boomers, and the attractiveness of the Cape for retirement, in addition to regional market pressures, resulted in soaring housing prices that still, despite a sluggish housing market, are no longer affordable to most long-term, year-round residents. It has only been in the last couple of years that the market has softened somewhat in response to regional and national market dynamics yet the creation and preservation of affordable housing remains particularly important in enabling the year-round population to stay in the community, including essential workers. There are also few if any housing options for seasonal workers who are essential for sustaining Dennis's significant resort and tourist economy.

### I. *Housing Characteristics*

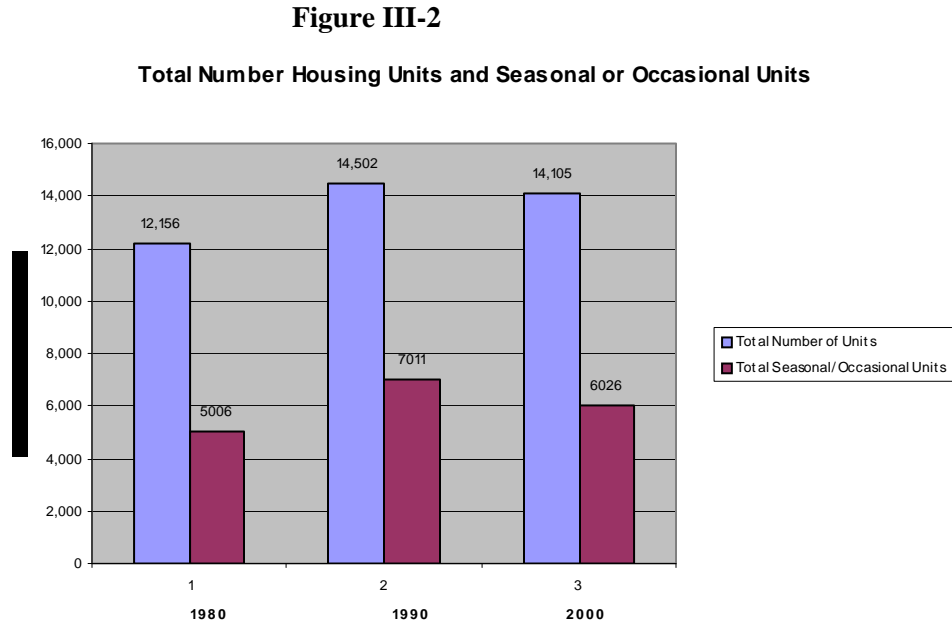
Table III-12 includes a summary of housing characteristics from 1980 through 2000. Out of the 14,105 total housing units in 2000, Dennis had 8,079 year-round units. There were 7,504 occupied units, including 5,705 or 76% owner-occupied units. The remaining 1,799 units, or 24% of the occupied year-round units, were rentals. These figures represent a somewhat lower level of owner-occupancy in 2000 than that of Barnstable County where 78% of the units were owner-occupied.

**Table III-12  
Housing Characteristics, 1980-2000**

	1980		1990		2000	
	#	%	#	%	#	%
Total # Housing Units	12,156	100.0	14,502	100.0	14,105	100.0
Occupied Units *	5,336	43.9	6,194	42.7	7,504	53.2
Occupied Owner Units **	4,046	75.8	4,439	71.7	5,705	76.0
Occupied Rental Units **	1,290	24.2	1,755	28.3	1,799	24.0
Total Vacant Units/ Seasonal, Recreational or Occasional Use*	6,820/5,006	56/41.2	8,308/7,011	57.3/48.4	6,601/6,026	46.8/42.7
Average House- Hold Size of Owner-Occupied Unit	Not Available		2.21 persons		2.10 persons	
Average House- Hold Size of Renter-Occupied Unit	Not Available		2.22 persons		2.13 persons	

Source: U.S. Census Bureau, 1980, 1990 and 2000\* Percentage of total housing units \*\* Percentage occupied units

Figure III-2 presents the changes in total housing units and seasonal or occasional units from 1980 to 2000.



There has been some variability in numbers of units, including seasonal units and second homes. The housing supply increased by 2,346 units between 1980 and 2000, with seasonal or occasional units accounting for 2,005 new units. There was also an increase of almost 400 owner-occupied units and 465 occupied rental units during this period. From 1990 to 2000, the total housing supply fell by 397 units, during which time there was also an increase of 44 occupied rental units and 1,266 owner-occupied units accompanying a decrease of 985 seasonal or occasional units. Therefore, after a spike in seasonal or second home units from 1980 to 1990, the supply of these units has fallen off somewhat with some of these units converted to year-round use.

The homeowner vacancy rate in 2000 was only 1.6%, down somewhat from 3.9% in 1990. The change in the homeowner rate is relatively insignificant as any level below 5% is considered to represent tight market conditions and the rate remains well below that of the state and nation as a whole. The rental vacancy level also declined from 1990 to 2000, from 21.5% to 13.0%, but is much higher than expected and substantially higher than state and national rates as well as that for Barnstable County with a 7.4% rental vacancy rate. This may be related somewhat to the seasonal nature of a considerable portion of the employment base that drives a great many residents out of town for parts of the year.

**Table III-13**  
**Vacancy Rates, 1990 and 2000**

Vacancy Rates by Tenure				
	1990	2000	MA 2000	Nation
Rental	21.5%	13.0%	3.5%	5%
Homeowner	3.9%	1.6%	0.7%	3%

Source: U.S. Census Bureau, 1990 and 2000

The 2000 census indicated that a great majority of the existing housing units were in single-family, detached structures totaling 11,789 units or 83.6% of Dennis’s housing units, comparable to the 83% level for the County. There was actually a loss of 42 of these units between 1990 and 2000 as well as a decrease of 178 single-family attached units. Small multi-family units of two (2) to nine (9) units increased by 177 units, but there was another decrease of 110 units in the large multi-family structures during this same time period. Additionally, Dennis saw a decrease in 244 mobile homes. The 2000 census counted 13 mobile homes but recent data from the Town Assessor shows only one (1) such unit. Table III-14 summarizes this information.

**Table III-14  
Units in Structure, 1990 – 2000**

	1990		2000	
	#	%	#	%
1 Unit Detached	11,831	81.6	11,789	83.6
1 Unit Attached	482	3.3	304	2.2
2 to 4 Units	927	6.4	1,003	7.1
5 to 9 Units	229	1.6	330	2.3
10 or More Units	776	5.4	666	4.7
Other	257	1.8	13	0.1
<b>Total</b>	<b>14,502</b>	<b>100.0</b>	<b>14,105</b>	<b>100.0</b>

Source: U.S. Census Bureau, 1990 and 2000

Table III-15 charts housing growth, identifying that almost half of Dennis’ housing supply, 47.6%, was built between 1960 and 1979, with another 22.4% produced during the 1950’s. Since that time development has slowed considerably.

**Table III-15  
Year Structure Built, 2000**

	#	%
1999 to March 2000	205	1.5
1995 to 1998	481	3.4
1990 to 1994	415	2.9
1980 to 1989	1,892	13.4
1970 to 1979	4,169	29.6
1960 to 1969	2,536	18.0
1940 to 1959	3,166	22.4
1939 or earlier	1,241	8.8
<b>Total</b>	<b>14,105</b>	<b>100.0</b>

Source: U.S. Census Bureau, 2000

Table III-16 compares Dennis’s housing growth from 1970 through 2000 to that of its neighbors.

**Table III-16**  
**Recent Housing Development, 1970 to 2000**  
**Dennis and Neighboring Communities, Barnstable County and Massachusetts**

<b>Community</b>	<b># Units Built 1970-2000</b>	<b>% Units Built 1970-2000</b>
Brewster	5,480	74.7
Chatham	3,405	50.7
<b>Dennis</b>	<b>7,162</b>	<b>50.8</b>
Eastham	3,576	64.6
Harwich	5,416	57.3
Orleans	3,002	58.9
Barnstable County	85,148	57.9
Massachusetts	847,922	32.3

Source: U.S. Census Bureau, 2000

About half of Dennis's housing stock was built during this timeframe, a somewhat lower level than that of neighboring towns, except Chatham. The other neighboring communities had greater new unit production after 1970, typically between 50% and 60% with the exception of Eastham at about 65% and Brewster at almost 75%.

The median number of rooms per housing unit was 5.3, indicating that the average home was medium-sized with three bedrooms. The number of rooms per dwelling ranged from three rooms or less in 1,129 units (8.0%) to nine rooms or more in 693 dwellings (4.9%), representing a relatively small number of very large residential units. However, this data is based on 2000 information and it is likely that given the economics of new development, new home construction since then focused on the larger, luxury home market, particularly for second homes and summer residences.

The building permit data summarized in Table III-17 indicates that building activity has slowed down in recent years and the average number of permits for new residential units has decreased significantly, going from a high of 108 permits in 2002 to 29 permits in 2008. Building activity has actually decreased from significant growth in the 1970's and 1980's when 200 permits, plus or minus some, was the norm. This data indicates that since the 2000 census, another 597 units have been added to Dennis's housing stock through the end of 2008, bringing the total number of units to 14,702. However, on average, 50% of the new home permits are estimated to be offset by teardowns.

**Table III-17**  
**Building Permit Data, 2000 to 2008**

<b>Year</b>	<b># Building Permits for New Units</b>	<b>Total Value</b>	<b>Average Value</b>
2000	89	\$17,179,240	\$193,025
2001	77	\$17,983,900	\$233,557
2002	108	\$19,541,046	\$180,936
2003	59	\$15,564,975	\$263,813
2004	69	\$19,007,830	\$275,475
2005	60	\$16,672,264	\$277,871
2006	51	\$15,552,554	\$304,952
2007	56	\$17,420,000	\$311,071
2008	28	\$13,540,000	\$483,571
<b>Total (2000-2008)</b>	<b>597</b>	<b>\$152,461,809</b>	<b>--</b>
<b>Average Per Year (2000-2008)</b>	<b>66</b>	<b>\$16,940,201</b>	<b>--</b>

Source: Dennis Building Department and Dennis Planning Department

Census projections for Barnstable County through the 2008 U.S. Census Bureau’s American Community Survey provide additional information on growth rates for the county and state that can be compared to Dennis including:

- Housing growth in Barnstable County between 2000 and 2008 was estimated to be 9,058 units, from 147,083 to 156,141 units, up 6.2% despite a projected decrease in population. During this same time period, building permit activity in Dennis indicates a 4.2% increase in new housing units (3% given estimates that half of new units involve teardowns), lower than the growth rate of the County and the state at 4.3%.
- Barnstable County’s housing growth ranked fifth among all 14 Massachusetts counties as of 2005.
- Housing density increased from 371.6 units per square mile in 2000 to an estimated 394.5 in 2008 for Barnstable County. Statewide housing density was lower, increasing from 334.5 to 349 units per square mile during this same time period, and in fact the Cape’s housing density has exceeded the state’s since 1990. Dennis has higher housing density of approximately 700 units per square mile in 2008.
- The Cape’s addition of 17 units per square mile between 2000 and 2005 was third highest of the 14 Massachusetts counties, following only Suffolk and Nantucket Counties, and ahead of its growth during the 1990s when 30 units per square mile were added on the Cape during the entire decade.
- From 1950 to 2000, housing growth for Barnstable County increased nearly fivefold, more than all other counties in the state, from 30,306 to 147,083 units.

Nielsen Claritas data estimates 14,384 housing units in 2009, projecting a decrease in number of units to 14,123 units by 2014.

**2. Housing Market Conditions**

*Ownership*

Census data also provides information on housing values for homeownership and rental units. While this information is now more than nine years old, it still provides a reasonable frame of reference to compare with more current values, with other communities, the Cape as a whole and the state. The census indicated that the 2000 median house value was \$175,100, up only about 6.6% from the median in 1990 of \$164,300. As Table III-18 indicates, there were 335 units valued at less than \$100,000 in 2000, and another 1,520, or 30% of the housing stock, valued between \$100,000 and \$150,000, still relatively affordable. Another 2,339 units or 46.2% were valued between \$150,000 and \$300,000.

**Table III-18  
Housing Values, 2000**

Value	Number of Units	% Units
Less than \$50,000	28	0.6
\$50,000 to \$99,999	307	6.1
\$100,000 to \$149,999	1,520	30.0
\$150,000 to \$199,999	1,192	23.5
\$200,000 to \$299,999	1,147	22.7
\$300,000 to \$499,999	601	11.9
\$500,000 to \$999,999	253	5.0
\$1 million or more	16	0.3
Total	5,064	100.0
Median (dollars)	\$175,100	

Source: U.S. Census Bureau, 2000

The 2000 housing prices in Dennis were only a bit lower than Barnstable County with a median house value of \$178,800. The state's median price was even lower at \$162,800.

More updated and reliable market data is tracked by The Warren Group from Multiple Listing Service information based on actual sales. This market information since 1988 is summarized in Table III-19.

**Table III-19  
Median Sales Prices, January 1988 – December 2008**

<b>Year</b>	<b>Months</b>	<b>Single-family</b>	<b>Condo (#)</b>	<b>All Sales</b>	<b># Sales</b>
2008	Jan – Dec	\$324,000	\$135,500 (6)	\$290,000	407
2007	Jan – Dec	335,000	101,520 (87)	287,000	537
2006	Jan – Dec	353,325	165,000 (174)	325,000	478
2005	Jan – Dec	348,000	180,000 (99)	318,000	695
2004	Jan – Dec	333,000	136,500 (170)	303,000	671
2003	Jan – Dec	285,000	150,000 (127)	260,000	728
2002	Jan – Dec	240,000	118,000 (105)	212,000	745
2001	Jan – Dec	186,750	97,450 (171)	172,000	693
2000	Jan – Dec	165,000	68,000 (132)	140,250	840
1999	Jan – Dec	139,900	62,500 (180)	128,000	834
1998	Jan – Dec	127,700	60,500 (147)	120,000	775
1997	Jan – Dec	124,000	52,500 (109)	110,000	626
1996	Jan – Dec	117,000	47,375 (99)	105,950	596
1995	Jan – Dec	115,000	51,000 (86)	95,000	504
1994	Jan – Dec	115,000	75,000 (83)	103,250	492
1993	Jan – Dec	117,000	40,000 (58)	106,000	496
1992	Jan – Dec	118,000	45,500 (68)	110,000	441
1991	Jan – Dec	125,500	54,000 (83)	116,250	328
1990	Jan – Dec	134,650	67,000 (41)	128,000	340
1989	Jan – Dec	136,000	78,063 (43)	132,500	413
1988	Jan – Dec	142,950	105,000 (42)	139,000	465

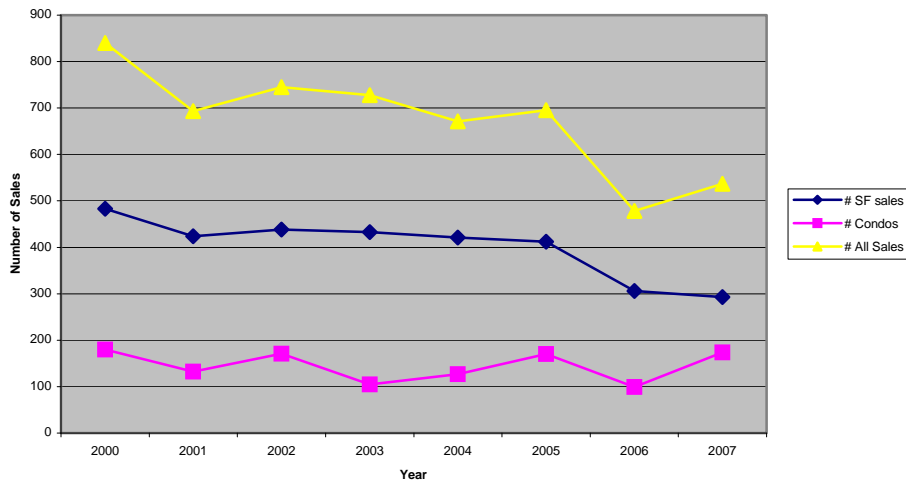
Source: The Warren Group, April 2, 2009

The median sales price of a single-family home as of the end of 2006 was \$353,250. As of the end of 2008 the median had dropped to \$324,000, reflecting the softening of the housing market that most communities on the Cape and in the Boston region have experienced over the past several years. Nevertheless, house prices climbed dramatically between 1996 and 2006, rising from \$117,000 to \$353,250, a 200% increase over those ten years. This followed a period of relatively flat prices for years, declining only by 18% from 1988 to 1996 and remaining lower than the 1988 median until 2000.

The volume of sales – including single-family homes, condos and all sales – by year since 2000 is presented in Figure III-3.

**Figure III-3**

Sales Volume by Year



The number of total sales in Dennis ranged from a low of 328 sales in 1991 to a high of 840 in 2000. In 2006 there were 478 total sales reflecting the slow down in the housing market. Single-family homes sales fell off between 2005 and 2006, and the volume of condo sales has fluctuated considerably since 2000 with only 87 sales in 2008.

Table III-20 compares Dennis’s median single-family home price to its neighbors and demonstrates that median values in Dennis are at the lower end of the range, at \$324,000 as of the end of 2008, in comparison to its neighbors with median values ranging up to \$635,000 for Chatham. The table also presents comparative data on market conditions from June 2007 and May 2008, demonstrating that there has been significant fluctuations in the housing market. Median values in Brewster and Orleans have continued to decline, however not at a level of more than 10%. The other communities, including Dennis, experienced some modest upturns in their respective markets at some point within the last year and a half.

**Table III-20**  
**Median Single-family House Values for Dennis and Neighboring Communities**  
**As of June 2007, May 2008 and December 2008**

Town	Median Price 6-07/5-08/12-08	% Change 6-07 to 5-08/	% Change 5-08 to 12/08
Brewster	\$411,000/\$385,000/\$370,000	-6.3%	-3.9%
Chatham	\$590,000/\$560,000/\$635,000	-5.1%	+13.4%
Dennis	\$327,000/\$332,500/\$324,000	+1.7%	-2.6%
Eastham	\$439,500/\$405,000/\$425,000	-7.8%	+4.9%
Harwich	\$353,500/\$366,250/\$348,500	+3.6%	-4.8%
Orleans	\$600,000/\$554,370/\$537,050	-7.6%	+3.1%

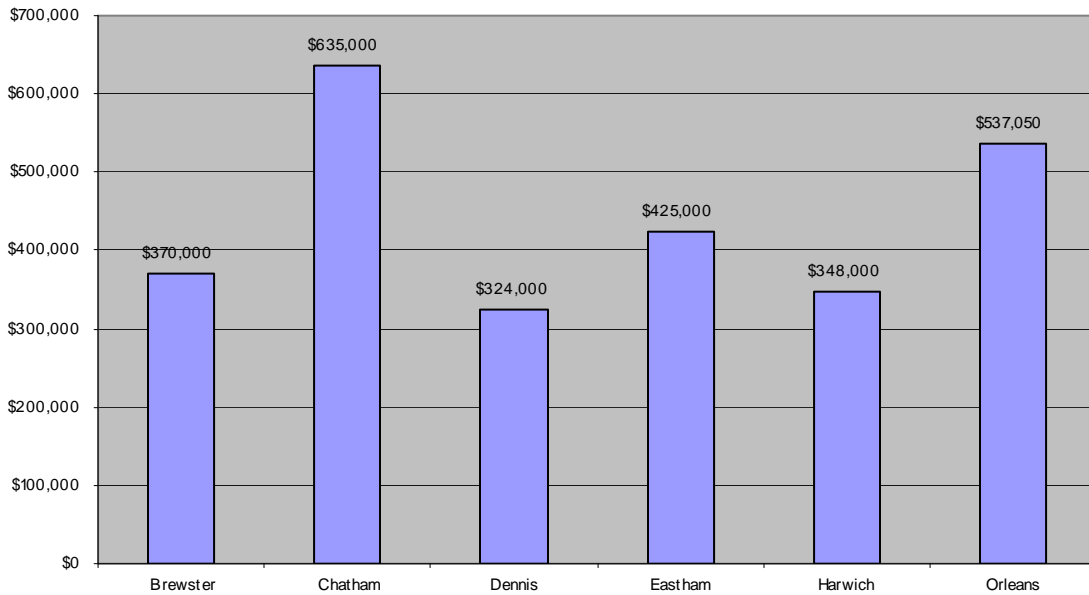
Source: The Warren Group

Data based on single-family home sales of \$1,000 plus, excluding condominiums and foreclosure deeds.

The chart below presents a summary of median sales data for Dennis and neighboring communities as of the end of 2008.

**Figure III-4**

**Median Sales Prices for Dennis and Neighboring Communities 2008**



Information from the Town Assessor on the assessed values of residential property in Dennis is presented in Table III-21. This data indicates that almost 10% of Dennis’ housing stock is valued at less than \$200,000 but most of the units in this price range are condominiums. Nevertheless, there are 236 single-family homes assessed below \$200,000, still relatively affordable to those earning at about median income.

Another 37% of the housing stock is valued between \$200,000 and \$300,000, still relatively affordable given the price surges several years ago. In fact about 90% of the units in this range are single-family homes. Approximately two-thirds of the housing stock is assessed below \$400,000, 78% of which are single-family homes. On the other hand, 869 units are assessed between \$700,000 and \$1 million, and still another 651 units are valued at more than \$1 million, demonstrating a strong luxury market in Dennis. In fact the highest valued residential property was assessed at \$10,093,300.

Condominiums in fact are a significant part of Dennis’s housing stock, totaling more than 1,571 units, and are the most affordable component of the community’s private housing stock. If the Town was to implement a program to convert market housing to long-term affordability, as some communities are doing, it should look to this more affordable segment of the housing market, including lower priced homes and condos. It should be noted that condo fees, which figure into housing expense calculations to determine the mortgage amount a purchaser can qualify for, must be considered in determining the amount of subsidy required to fill the gap between market value and the affordable purchase price (plus any necessary improvements).

Assessor’s data also indicated that there were 688 multi-family dwellings including two- and three-family properties, multiple homes on one lot and a number of larger multiple dwellings. The values of these properties ranged considerably including 84 such properties assessed beyond \$1 million.

**Table III-21**  
**Assessed Values of Residential Properties**  
**April 2009**

Assessment	Single-family Dwellings		Condominiums		Multi-family Dwellings*		Total	
	#	%	#	%	#	%	#	%
0-\$199,999	236	2.0	1,045	66.5	8	1.2	1,289	9.4
\$200,000-\$299,999	4,521	39.3	383	24.4	135	19.6	5,039	36.6
\$300,000-\$399,999	2,774	24.1	58	3.7	196	28.5	3,028	22.0
\$400,000-\$499,999	1,275	11.1	53	3.4	87	12.6	1,415	10.3
\$500,000-\$599,999	824	7.2	18	1.2	58	8.4	900	6.5
\$600,000-\$699,999	527	4.6	2	0.1	40	5.8	569	4.1
\$700,000-\$799,999	360	3.1	4	0.2	31	4.5	395	2.9
\$800,000-\$899,999	228	2.0	1	0.06	25	3.6	254	1.8
\$900,000-\$999,999	194	1.7	2	0.1	24	3.5	220	1.6
Over \$1 million	562	5.0	5	0.3	84	12.2	651	4.7
<b>Total</b>	<b>11,501</b>	<b>100.0</b>	<b>1,571</b>	<b>100.0</b>	<b>688</b>	<b>100.0</b>	<b>13,760</b>	<b>100.0</b>

Source: Dennis Town Assessor, fiscal year 2009.

\* Includes two-family, three-family, and multiple homes on one lot.

Another analysis of housing market data is presented in Table III-22, which breaks down sales data from the Multiple Listing Service for *single-family homes*.

**Table III-22**  
**Single-family House Sales**  
**January 1, 2008 Through April 9, 2009**

Price Range	Current Listings #/%	Under Agreement #/%	Sold Since 1/2008 #/%	Total #/%
<b>Less than 200,000</b>	6/2.7%	1/2.8%	14/5.1%	21/3.9%
<b>\$200,000-299,999</b>	53/23.6%	13/36.1%	103/37.4%	169/31.5%
<b>\$300,000-399,999</b>	46/20.4%	9/25.0%	55/20.0%	110/20.5%
<b>\$400,000-499,999</b>	18/8.0%	5/13.9%	38/13.8%	61/11.4%
<b>\$500,000-599,999</b>	28/12.4%	6/16.7%	18/6.6%	52/9.7%
<b>\$600,000-699,999</b>	19/8.4%	0/0.0%	17/6.2%	36/6.7%
<b>\$700,000-799,999</b>	8/3.6%	0/0.0%	6/2.2%	14/2.6%
<b>\$800,000-899,999</b>	8/3.6%	0/0.0%	8/2.9%	16/3.0%
<b>\$900,000-999,999</b>	5/2.2%	0/0.0%	4/1.4%	9/1.7%
<b>Over \$1 million</b>	34/15.1%	2/5.6%	12/4.4%	48/9.0%
<b>Total</b>	<b>225/100.0%</b>	<b>36/100.0%</b>	<b>275/100.0</b>	<b>536/100.0</b>

Source: Multiple Listing Service, April 9, 2009.

This data indicates that there were only 14 homes sold since the beginning of 2008 for under \$200,000 that would be affordable to low- and moderate-income households, and these were small homes largely located in Dennis Port. There are only six (6) homes listed for less than \$200,000, once again very small homes located in Dennis Port for the most part. More than half of the homes were priced between \$200,000 and \$400,000, however there were also 48 homes either listed or sold that were priced above \$1 million, once again demonstrating a sizable luxury market in Dennis, most with waterfront views and/or accessibility.

Table III-23 provides the median house prices for the single-family homes included in Table III-17 grouped by general location – Dennis, East Dennis and West Dennis versus South Dennis and Dennis Port. Current listings include a high median list price of \$639,950 in the first grouping and about half that amount in the second but still higher than the current median income listed by the Warren Group of \$324,000. Sales prices since the beginning of 2008 include a median of \$617,758 for the Dennis, East Dennis and West Dennis villages and \$313,902 for South Dennis and Dennis Port.

**Table III-23**  
**Median Single-family Home Prices**  
**As of April 9, 2009**

	<b>Dennis, East Dennis and West Dennis</b>	<b>South Dennis and Dennis Port</b>
Current Listings	\$639,950	\$329,900
Pending/Under Agreement	\$450,000	\$280,000
Sold Since 1/2008	\$617,758	\$313,902

Source: Multiple Listing Service, April 9, 2009.

Local realtors indicated that while the housing market is not necessarily booming, it is still very active with prices down about 18%. Those areas closer to the beach have tended to hold their value pretty well and for example, properties in East Dennis have not lost as much value as properties in South Dennis. However, there has been quite a bit of lot-to-lot variation even in these areas. The realtor mentioned that there was some activity related to foreclosures, mostly for those who received subprime mortgages and overextended themselves.

Table III-24 provides a summary of the same information for *condominium sales* demonstrating that values for these units are considerably lower than for single-family homes and more units fall within an affordable range. There were 99 units that were sold, pending sale, or listed for less than \$200,000, which included almost three-quarters of the recent condo activity through sales or active listings. Another 32 units or almost another quarter of condo activity, involved units sold or listed between \$200,000 and \$400,000.

As mentioned above, the average prices of condominiums are substantially lower than those for single-family homes with median values, as of April 9, 2009, of about half the value of the median single-family house sales price for both South Dennis and Dennis Port. A local realtor pointed out that the condo market is historically slower to appreciate and faster to decline in value. Several years ago the value of condos rose disproportionately when the price of single-family homes became unprecedentedly high. The realtor further suggested that there will likely be further declines ahead for the condo market before prices stabilize.

**Table III-24  
Condominium Sales  
January 1, 2008 Through April 9, 2009**

<b>Price Range</b>	<b>Current Listings #/%</b>	<b>Under Agreement #/%</b>	<b>Sold Since 1/2008 #/%</b>	<b>Total #/%</b>
<b>Less than 200,000</b>	38/64.4%	2/50.0%	59/80.8%	99/72.8%
<b>\$200,000-299,999</b>	10/17.0%	1/25.0%	11/15.1%	22/16.2%
<b>\$300,000-399,999</b>	7/11.9%	1/25.0%	2/2.7%	10/7.4%
<b>\$400,000-499,999</b>	2/3.4%	0/0.0	1/1.4%	3/2.2%
<b>\$500,000-599,999</b>	0/0.0	0/0.0	0/0.0	0/0.0
<b>\$600,000-699,999</b>	1/1.7%	0/0.0	0/0.0	1/0.7%
<b>\$700,000-799,999</b>	1/1.7%	0/0.0	0/0.0	1/0.7%
<b>\$800,000-899,999</b>	0/0.0	0/0.0	0/0.0	0/0.0
<b>\$900,000-999,999</b>	0/0.0	0/0.0	0/0.0	0/0.0
<b>Over \$1 million</b>	0/0.0	0/0.0	0/0.0	0/0.0
<b>Total</b>	59/100.0%	4/100.0%	73/100.0%	136/100.0%
<b>Median Price</b>	\$159,900	\$129,900	\$154,322	--

Source: Multiple Listing Service, April 9, 2009.

Condominiums tend to be more prevalent in Dennis Port and West Dennis where there are more condo complexes including more traditional developments in Dennis Port. Pockets of small cottages have been converted into condos in West Dennis as well as Dennis Port. Monthly condo fees vary widely but tend to be in the \$200 to \$300 range. A local realtor also mentioned that financing for condos was becoming more difficult to find. Additionally, owners who have been encountering some prolonged problems in selling are tending to rent instead until the market recovers.

*Multi-family structures* represent a small segment of Dennis's housing stock, only about 688 properties according to Assessor's data. Table III-25 presents Multiple Listing Service data for these multi-unit properties.

**Table III-25  
Multi-family Property Listings and Sales  
January 1, 2008 Through April 9, 2009**

<b>Price Range</b>	<b>Current Listings #/%</b>	<b>Under Agreement #/%</b>	<b>Sold Since 1/2008 #/%</b>	<b>Total #/%</b>
<b>Less than 199,000</b>	0/0.0	1/33.3%	0/0.0	1/0.0
<b>\$200,000-299,999</b>	1/3.6%	2/66.7%	4/36.4%	7/16.7%
<b>\$300,000-399,999</b>	10/35.7%	0/0.0	2/18.2%	12/28.6%
<b>\$400,000-499,999</b>	6/21.4%	0/0.0	5/45.4%	11/26.2%
<b>\$500,000-599,999</b>	1/3.6%	0/0.0	0/0.0	1/2.4%
<b>\$600,000-699,999</b>	4/14.3%	0/0.0	0/0.0	4/9.5%
<b>\$700,000-799,999</b>	1/3.6%	0/0.0	0/0.0	1/ 2.4%
<b>\$800,000-899,999</b>	2/7.1%	0/0.0	0/0.0	2/4.8%
<b>\$900,000-999,999</b>	0/0.0	0/0.0	0/0.0	0/0.0
<b>Over \$1 million</b>	3/10.7%	0/0.0	0/0.0	3/7.1%
<b>Total</b>	28/100.0%	3/100.0%	11/100.0%	42/100.0%
<b>Median Price</b>	\$489,450	\$270,000	\$390,000	--

Source: Multiple Listing Service, April 9, 2009.

As with single-family homes, the majority of multi-family units that were listed, sold or pending sale, 54.8%, were priced between \$200,000 and \$400,000. Most of these properties were located in Dennis Port or West Dennis. Prices ranged from a property built in 1853 on Main Street in West Dennis, which is pending sale for \$69,000, to a listing for \$2 million for a 7,288 square foot structure, also located on Main Street in West Dennis. Because these properties offer an income stream, they are typically more affordable to purchasers, whether owner-occupants or absentee investors, and also tend to offer some more affordable rental units as well.

### *Rentals*

Table III-26 summarizes census data for rental units from 1980 to 2000. Dennis gained 459 new rental units between 1980 and 1990, from 1,290 units to 1,749, a 35.6% increase. Another 55 rental units were added from 1990 to 2000, bringing the total number to 1,804 units. While the median rent doubled between 1980 and 1990, it increased only by 11% between 1990 and 2000. The 2000 median rent of \$695 is just a bit lower than the 2000 median gross rent of \$723 for the County.

**Table III-26**  
**Rental Costs**  
**1980-2000**

	1980		1990		2000	
	#	%	#	%	#	%
Under \$200	183	14.2	178	10.2	105	5.8
200-299	381	29.5	125	7.2	86	4.8
300-499	594	46.0	213	12.2	184	10.2
500-749	31	2.4	725	41.4	576	31.9
750-999			345	19.7	509	28.2
1,000-1,499			55	3.1	157	8.7
1,500 or more					5	0.3
No cash rent	101	7.8	108	6.2	182	10.1
Total	1,290	100.0	1,749	100.0	1,804	100.0
Median rent	\$306		\$626		\$695	

Source: U.S. Census Bureau, 1980, 1990 and 2000 (Summary Table 3 – sample data)

Like housing values for homeownership units, rental values tend to be underestimated in the census data, and actual market rents are typically much higher as verified by local realtors. Realtors indicate that it is difficult to find a year-round rental of a two-bedroom unit for less than \$1,000, not including utilities that can add an additional \$250 per month. Summer rentals, like most of this part of the Cape, are very pricey, especially near the water. Recent Internet listings of rental properties in Dennis included the following:

### *Year-round Rentals*

- Garden-style, one-bedroom apartment in Dennis Port off of Route 28 for \$925 including utilities.
- One-bedroom cottage in Dennis Port without utilities for \$800.
- “Cute and clean” efficiency unit in West Dennis for \$600 without utilities.
- One-bedroom in East Dennis for \$775 that includes heat but not other utilities.
- Two-bedroom duplex in South Dennis for \$1,200 without utilities.
- Historic Cape, built in 1800, with 4 bedrooms and 2 baths for \$800 weekly.
- Small (600 square feet) two-bedroom, 2½-bath unit in Stagecoach Condos available for \$900 per week on a year-round basis.

### *Summer Rentals*

- Small ranch on Old Bass River Road for \$850 per week.
- A former windmill that sleeps five with three-bedrooms in East Dennis (Quivet Neck) for \$950 per week.
- Three-bedroom, 2- bath home in Dennis for \$1,250 per week.
- Four-bedroom, 1½-bath home in West Dennis for \$1,900 per week, about ½ mile to the beach.
- Four-bedroom, 2-bath home in East Dennis (1/5 mile walk to the beach) for \$2,800 per week.
- Three-bedroom, 2½-baths in East Dennis with bay views for \$3,750 per week.
- Waterfront three-bedroom, 2½-bath home in Dennis for \$4,800 per week.
- Five-bedroom, 3-bath waterfront home in Dennis for \$5,200 per week.

While in the past available summer rental properties were largely already gobbled up or under agreement by the winter months, more recently there has been much more fluctuation regarding leasing periods. In 2007 the strongest leasing month was in fact July. In 2008, there was a boom during the first quarter, no significant activity during the second quarter, and an active summer lease-up period. These trends reflect a more relaxed market where those who are leasing their properties are more at the whim of those who are contemplating time on the Cape on a more spontaneous and last minute basis.

### **3. *Affordability Analysis of Existing Market Conditions***

The borrowing power of the median income household (\$41,598) in 2000 was about \$140,000<sup>9</sup>, lower than the median house value as reported in the 2000 census of \$175,100. The affordability gap was then only about \$35,100 - the difference between the cost of the median priced home and what a median income household could afford. A three-person household earning 80% of median income at that time, or \$36,650, could afford a home priced at little more than \$125,000 based on conventional lending requirements, resulting in an affordability gap of \$50,100.

To afford the median sales price of the median valued home in Dennis of \$324,000 (based on The Warren Group information as of the end of 2008), a household would have to earn approximately \$80,000<sup>10</sup>, substantially more than the projected 2009 median income of \$65,309. Applying this updated median income estimate of \$65,309, based on the 57% change in the HUD median income levels for Barnstable County between 2000 and 2009, would result in an affordability gap of \$64,000 as of the end of 2008, the difference between what the median income household could afford (\$265,000) and the median priced house (\$324,000). Therefore, since 2000 the affordability gap has widened from \$35,100 to \$59,000. *The current affordability gap would in fact be significantly greater but declining mortgage interest rates as well as a softening housing market have made housing more affordable in Dennis and throughout much of the country. However, stricter financing requirements, including down payments of at least 20% for most mortgages, are creating more barriers to home purchases, effectively widening the affordability gap.*

For those earning at 80% of area median income (\$55,900 for a family of three), this gap is now \$99,000, the difference between the maximum they could afford of \$225,000 and \$324,000. If a two-person household is considered which could afford a home costing no more than \$200,000 based on an income of \$49,700 and conventional lending terms, the affordability gap is \$124,000.

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<sup>9</sup> Interest rates in 2000 were higher and figures are based on 7.5% interest.

<sup>10</sup> Figures based on 95% financing, interest of 5.5%, 30-year term, annual property tax rate of \$5.07 per thousand, insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), and private mortgage insurance estimated at 0.3125 of loan amount, and estimated monthly condo fees of \$250.

It should also be noted that the median condo price as of the end of 2008 was \$135,000 that would require a purchaser with an income of approximately \$45,000 assuming a condo fee of \$250 per month.

**Additionally, financing for condos is becoming increasingly more difficult to access.**

In regard to rentals, the gross median rent of \$695, according to the 2000 census, required an income of about \$27,800, without consideration for utilities likely requiring an income closer to \$35,000 with utilities. These costs are within the means of low- and moderate-income households. Rental listings indicate that year-round market rental listings are actually quite a bit higher with average year-round two-bedroom units renting for at least \$1,200 affordable to a household earning \$60,000 annually, assuming utilities are included in the rents. Summer rentals are priced for a high-end market by the week, starting at about \$800 to \$900 per week up to more than \$5,000 for larger waterfront homes. **It is important to note that landlords typically require first and last month's rent and a security deposit, creating substantial up-front cash requirements for renters.**

Table III-27 provides a breakdown of the number of units existing within various affordability ranges. According to Assessor's data, approximately 8% of the Dennis's *single-family homes* are affordable to households earning below 80% of area median income (\$55,900) in 2009 based on conventional lending terms, and another 36% of single-family homes or 4,143 units was affordable to those earning between 80% of area median and median income (\$75,400). These units are still reasonably priced and given interest rates of 5.5% or less, provide some potential opportunities for first-time homebuyers. An \$8,000 federal tax credit for first-time buyers, which has recently become available, sweetens such deals.

**Table III-27  
Approximate Cost of Single-family and Condo Units in Dennis, 2009**

Price Range Single- family/Condo*	Income Range	Single-family Homes Available in Price Range		Condominiums Available in Price Range	
		Number	%	Number	%
Less than \$140,000/\$98,000	Less than 50% (Less than \$34,900)	6	0.05	162	10.3
\$140,001-\$225,000/ \$98,001-\$185,000	50% - 80% (\$34,900 - \$55,900)	817	7.1	813	51.8
\$225,001-\$305,000/ \$185,001-\$265,000	80% - 100% (\$55,901 - \$75,400)	4,143	36.0	366	23.3
\$305,001-\$360,000/ \$265,001-\$325,000	100% - 120% (\$75,401 - \$90,480)	1,747	15.2	113	7.2
More than \$360,000/more than \$325,000	More than 120% (More than \$90,480)	4,788	41.6	117	7.4
<b>Total</b>		<b>11,501</b>	<b>100.0</b>	<b>1,571</b>	<b>100.0</b>

Source: Town of Dennis Assessor's Database for fiscal year 2009. Please note that as a standard practice, assessed value is assumed to be 93% of actual value or potential sale price. Figures based on a three-person household.

\* Includes estimated condo fee of \$250 per month.

*Condominiums* are valued much more affordably with approximately 10% of units affordable to those earning at or below 50% of area median income, based on a household size of three. Another 813 condos were assessed within a relatively affordable range, likely affordable to those earning between 50% and 80% of area median income with another 366 homes affordable to those between the 80% and 100% income range. Therefore, about 85% of the condo market was potentially affordable to those earning

within median income based on conventional lending practices and an estimated condo fee of \$250. The \$8,000 federal tax credit for first-time purchasers would apply to condos as well, **but once again obtaining financing has been particularly difficult to come by for condo purchasers given increasingly tighter lending requirements.**

It should also be noted that while Dennis's *multi-family housing* market is relatively small, about 688 units, such housing is typically more affordable in the lower price ranges as it offers the opportunity of rental income. For example, the median valued two-family home in Dennis, based on Assessor's data, is \$345,000, and if owner-occupied with one rental unit would be affordable to a purchaser earning approximately \$55,000 (assuming rental income of \$1,000 of which 75% -- \$750 -- is likely to be included in mortgage financing computations) as opposed to a condo at the same price that would require an income of about \$95,000 given the additional computation of the condo fee (assuming \$250) and no income to the owner.

In addition to an analysis of the affordability of entering the existing housing market, it is also useful to identify numbers of residents living beyond their means based on their housing costs. The 2000 census provides data on how much households spent on housing whether for ownership or rental. Such information is helpful in assessing how many households are overspending on housing or encountering housing affordability problems, defined as spending more than 30% of their income on housing. Based on 1999 data, the census indicated that 237 households or 4.7% of the homeowners in Dennis were spending between 30% and 34% of their income on housing and another 889 or 17.6% of owners were spending more than 35% of their income on housing expenses. In regard to renters, 135 renters or 7.5% were spending between 30% and 34% of their income on housing and another 574 or 31.8% were allocating 35% or more of their incomes for housing. This data suggests that more than 1,835 households or almost one-quarter of all Dennis households were living in housing that is by common definition beyond their means and unaffordable. Housing costs rose precipitously after 2000, until just recently, and it is likely that even more households in Dennis experienced significant cost burdens over the past eight years. Moreover, given recent housing finance problems associated with high cost mortgages from predatory lenders, it is likely that some homeowners in Dennis have lost their homes or are confronting possible foreclosure.

HUD provides additional data on housing affordability problems through its CHAS report that identifies cost burdens by household type and whether they are renters or owners, offering a breakdown of households within specific income categories as summarized in Table III-28. This report, based on 2000 census data for Dennis, indicates the following:

- More than one-quarter of all households, or almost 2,000 households, were spending more than 30% of their income on housing.
- More than 10% of all households, or 803 households, were spending more than half their income on housing expenses.
- Almost 40% of all renters (681 households) were spending more than 30% of their income on housing and almost one-fifth (344 households) of all renters were spending more than half their income on housing.
- More than one-fifth (1,285 households) of all owners were spending more than 30% of their income on housing and 8% of all owners (459 owners) were spending more than half their income on housing.
- There were 775 households earning at or below 30% of area median income, referred to by HUD as extremely low-income households, and of these 406 were owners and 369 were renters. Almost half of these owners and 62 % of these renters, or 427 total households, were spending more than 50% of their income on housing-related expenses.

- Forty-six percent of seniors who rented were spending too much on housing (220 households) and one-quarter of these seniors (123 households) were spending more than 50% of their income on housing.
- Of the 973 households earning between 30% and 50% of area median income, referred to as very low-income households, more than half (560 households) were spending over 30% of their income on housing and almost one-quarter (231 households) were spending more than 50% on housing.
- There were 1,405 households earning between 50% and 80% of median income and more than one-third (473 households) were spending over 30% of their income on housing with about 7.5% (105 households) spending more than 50% on housing.

**Table III-28  
Type of Households by Income Category and Cost Burdens\* 2000**

Type of Household	Households Earning < 30% MFI/# with cost burdens	Households Earning > 30% But < 50% MFI/ # with cost burdens	Households Earning > 50% But < 80% MFI/# with cost burdens	Households Earning > 80% MFI/ # with cost burdens	Total/# with cost burdens
<b>Elderly Renters</b>	122/88	203/103	64/25	94/4	483/220
<b>Small Family Renters</b>	114/85	90/80	149/74	269/4	622/243
<b>Large Family Renters</b>	34/34	18/18	42/4	40/0	134/56
<b>Other Renters</b>	99/49	78/53	105/60	269/0	551/162
<b>Total Renters</b>	369/256-232 <sup>^</sup>	389/254-102 <sup>^</sup>	360/163-10 <sup>^</sup>	672/8-0 <sup>^</sup>	1,790/681-344 <sup>^</sup>
<b>Elderly Owners</b>	292/209	418/178	655/115	1,500/116	2,865/618
<b>Small Family Owners</b>	40/25	74/54	205/105	1,505/160	1,824/344
<b>Large Family Owners</b>	0/0	18/8	45/20	180/10	243/38
<b>Other Owners</b>	74/70	74/45	140/70	475/75	763/260
<b>Total Owners</b>	406/304-195 <sup>^</sup>	584/285-129 <sup>^</sup>	1,045/310-95 <sup>^</sup>	3,660/359-40 <sup>^</sup>	5,695/1,258-459 <sup>^</sup>
<b>Total</b>	775/560-427 <sup>^</sup>	973/539-231 <sup>^</sup>	1,405/473-105 <sup>^</sup>	4,332/368-40 <sup>^</sup>	7,485/1,940-803 <sup>^</sup>

Source: U. S. Department of Housing and Urban Development (HUD), SOCDs CHAS Data, 2000.

MFI indicates median family income.

\* Cost burdens indicate that households are spending more than 30% of their income on housing. The CHAS data also provides data on those spending more than 50% of earnings on housing.

<sup>^</sup> Indicates households paying more than 50% of income on housing expenses.

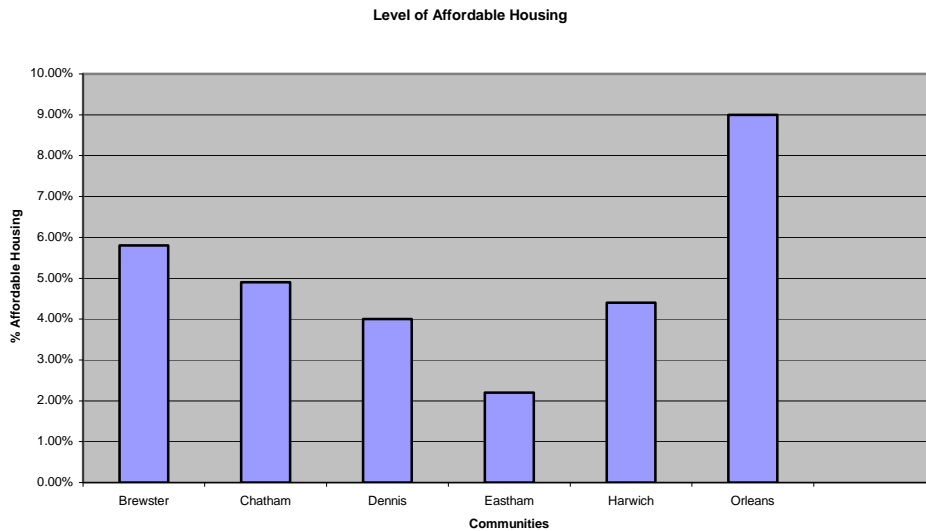
#### 4. *Subsidized Housing Inventory*

The state currently lists 327 affordable housing units in Dennis's state-approved Subsidized Housing Inventory, 4.05% of the total year-round housing stock of 8,079 units. Therefore, the town needs to produce at least 481 more affordable units to reach the state's 10% goal based on the existing year-round housing stock per Chapter 40B requirements.

Most communities in the state are confronting challenges in boosting their relatively limited supply of affordable housing. Dennis's neighbors also have affordable housing levels below the state target, as listed below and visually presented in Figure III-5.

1. Brewster – 253 units (5.8%)
2. Chatham – 175 units (4.9%)
- 3. Dennis – 327 units (4.0%)**
4. Eastham – 59 units (2.2%)
5. Harwich – 261 units (4.5%)
6. Orleans – 298 units (9.0%)

**Figure III-5**



While none of Dennis’s neighboring towns have produced enough affordable units to meet the state’s 10% target of 10%, Orleans has an almost 9% level of affordability and is only 37 units shy of meeting the 10% threshold based on the 2000 figure for its year-round housing stock. There has been a wide range of demonstrated progress exhibited by the remaining towns listed above, and Dennis, at 4.0%, is towards the middle of the range.

Build-out projections estimated by the state’s Executive Office of Environmental Affairs (now renamed the Executive Office of Energy and Environmental Affairs) in October 2000 and updated in May 2003, indicated that Dennis could support 1,193 additional units of housing based on current zoning, which would require at least another 119 units be affordable to comply with the state’s 10% Chapter 40B goal. This is over and above the current 481 affordable units that are needed based on the existing housing stock, representing a projected 600 additional affordable units required at build-out based on this particular analysis – a daunting task for a small community.

To be counted as affordable under Chapter 40B, housing must be dedicated to long-term occupancy of income-eligible households through deed restrictions. Occupants of the affordable units must have incomes at or below 80% of the 2009 HUD limits for the Barnstable area (see Table II-2 for these levels, adjusted by household size). Using these income guidelines a family of two (the average household size in Dennis is 2.11 persons), earning at the maximum level of \$49,700, could afford to purchase a house for no more than approximately \$200,000. Based on housing market information described above, the Town has few homes available within this price although the condominium market provides considerably more affordability.

*Current Inventory*

Table III-29 summarizes the units included in the Subsidized Housing Inventory, the list of affordable dwelling units that are eligible for counting towards Dennis's 10% state affordability goal. Almost all of Dennis' supply of subsidized housing, or 270 units (82.6%), involves rental units including 12 special needs units in group homes. Dennis can count four (4) units through group homes managed by the state's Department of Mental Retardation (DMR) and another eight (8) units through the state's Department of Mental Health.

**Table III-29  
Dennis's Subsidized Housing Inventory**

<b>Project Name</b>	<b># SHI Units</b>	<b>Project Type/ Subsidizing Agency</b>	<b>Use of a Comp Permit</b>	<b>Affordability Expiration Date</b>
8 Clipper Lane	8	Rental/DHCD	Yes	Perpetuity
Center Street Village*	52	Rental/DHCD	Yes	Perpetuity
Old Bass River Village*	32	Rental/DHCD	Yes	Perpetuity
Windmill Village*	40	Rental/HDCD	Yes	Perpetuity
Bayridge Drive*	2	Rental/DHCD	No	Perpetuity
Grassy Pond Drive*	2	Rental/DHCD	No	Perpetuity
Ellis Drive*	2	Rental/DHCD	No	Perpetuity
Crestwood Lane*	2	Rental/DHCD	No	Perpetuity
Mulhern Drive*	12	Rental/DHCD	No	Perpetuity
Dennis Commons	32	Rental/DHCD, MHP	Yes	Perpetuity
Foundations Project	2	Rental/DHCD, HUD	No	2097
Gordon Senior Citizens Apartments	64	Rental/Rural Housing Service	No	Perpetuity
Woodcock & Sachem Village-HECH	8	Rental/HUD	No	2026
Searsville Road	7	Ownership/DHCD	Yes	Perpetuity
DMR Group Homes	4	Rental-Special Needs/DMR	No	NA
DMH Group Homes	8	Rental-Special Needs/DMH	No	NA
HOR Program	50	Ownership-Rehab/ DHCD	No	
Total	327	258 rentals 12 group homes 7 ownership 50 ownership/rehab	171 units (52%) used a comp permit	255 units (78%) with restrictions in perpetuity

Source: Massachusetts Department of Housing and Community Development, December 29, 2008

\* Dennis Housing Authority units

Only seven (7) units, or 2.1%, were new homeownership units in addition to 50 ownership units that were rehabilitated through a subsidized loan program. These rehabbed units were subsidized by the Department of Housing and Community Development (DHCD), through the Community Development Block Grant program and administered by the Lower Cape Cod Community Development Corporation's (LCCDC) Housing Rehabilitation Loan Program. This Program provided funding for property owners who rent year-round to Cape residents, as well as income-eligible, single-family homeowners, to bring units up to current building, health, and safety codes. The units are scattered throughout the town of Dennis. These units have deed restrictions in affect for 15 years, which are due to expire over the next decade and thus will be eventually eliminated from the Subsidized Housing Inventory.

The Dennis Housing Authority (HHA) manages a total of 144 units (44% of the SHI units) in the following developments:

*Elderly/Handicap Housing (124 units)*

- Center Street Village – 52 one-bedroom units, four (4) of which are handicap accessible
- Windmill Village – 40 units including 38 two-bedroom units for couples and two (2) one-bedroom units
- Old Bass River Village – 32 one-bedroom units, two (2) of which are handicap accessible

*Family Housing (20 units)*

- Mulhern Drive – 12 units for families including ten (10) three-bedroom units and two (2) four-bedroom units
- Scattered site units – eight (8) three-bedroom units in four (4) different locations

The Housing Authority estimates that based on its waitlist, the typical wait for its units is as follows:

- 4-bedroom family units – 5-6 years
- 3-bedroom family units – 4-5 years
- 3-bedroom family handicapped-accessible unit – 10+ years (only one available)
- 1-bedroom elderly unit – 2-3 years
- 1-bedroom first floor elderly unit – 3-4 years
- 1-bedroom handicapped unit for elderly – 7-8 years
- 2-bedroom elderly unit – 1-2 years
- 2-bedroom first floor elderly unit – 3-4 years

These wait periods suggest a substantial need for more handicapped-accessible units as well as family units.

Another 63 affordable units that were approved through the town's Affordable Housing Bylaw between 2000 and 2008 are in process of being reviewed, representing 20 different projects and 125 total units. Of these, 17 units should be added to the SHI in July 2009, and another 32 units are in the process of being fully documented for inclusion in the SHI. If these 49 units are added to the SHI, the level of affordable units in Dennis will rise to 4.65% of the year-round housing stock and if all 63 units are eventually counted the percentage will increase to 4.8%.

*Proposed Projects*

There are other affordable housing units that are being developed including the following:

- *Habitat for Humanity of Cape Cod*  
The Housing Trust was awarded three (3) lots by Town Meeting and issued a Request for Proposals for their development, however one of the lots involved some legal issues and thus the project is down to two (2) lots and units. The Trust selected Habitat for Humanity of Cape Cod to undertake the development of these lots for qualifying first-time homebuyers. The units will be permitted through the Town's Municipally Sponsored Housing Projects bylaw, and CPA funds were made available to help subsidize the units. Construction is expected to begin in the spring of 2010.
- *Housing Assistance Corporation (HAC)*  
The Housing Assistance Corporation was awarded \$160,000 in Community Preservation funding to purchase, rehabilitate, market and sell two (2) or more housing units in Dennis, a one-bedroom

on Hemlock Lane and a two-bedroom on Cross Street. These units will be deed restricted in perpetuity as affordable and eligible for inclusion in the town's Subsidized Housing Inventory.

- *Possible New Affordable Home*  
A developer has approached the Housing Trust with a preliminary proposal to build an affordable new home on a 5,000 square foot lot he owns in South Dennis.

The Housing Assistance Corporation (HAC) also administers 126 rental subsidies<sup>11</sup> in Dennis scattered through the villages as follows:

- Dennis = 11 vouchers
- East Dennis = 1
- South Dennis = 26
- West Dennis = 21
- Dennisport = 67

Additionally, the Town of Dennis, jointly with the Town of Harwich, was recently awarded Community Development Block Grant (CDBG) funding to support the rehabilitation of at least a dozen properties owned or rented by low- or moderate-income residents (earning at or within 80% of area median income) in Dennis, targeted to the Mayfair area of South Dennis. The funding, which totals almost \$1 million to be split between the two towns, comes from HUD but is administered by the state's Department of Housing and Community Development (DHCD). The community development consultant, Bailey Boyd Associates, prepared the grant application for the funding and is also coordinating program implementation. The objective of the program is to address code violations and health and safety concerns in homes and apartments, which are identified through property inspections by licensed construction supervisors. Landlords are required to pay 50% of the costs, and homeowners can receive 100% of the costs up to \$30,000. The grant money is provided as a no-interest deferred loan that is forgivable and declines by 1/15 per year. If the property is sold before the 15 years is up, the landlord or homeowner must repay the unforgiven portion of the loan.

### **C. Gaps Between Existing Housing Needs and Current Supply**

As the affordability analysis indicates in Section III.C above, significant gaps remain between what most current year-round residents can afford and the cost of housing that is available. While housing is becoming more affordable given declining property values and interest rates, there are still many who are shut-out of the private housing market.

In regard to the future, the buildout analysis that was performed by the state's Executive Office of Environmental Affairs in September 2000 and updated in May 2003, projected that the town of Dennis might support an additional 1,193 housing units at the time when all of the town's developable property has been built on, based on current zoning. The analysis also projected only 139 additional school children. The buildout analysis further indicated that in order to meet the 10% state standard, the projected population growth would require at least an additional 119 units of affordable housing over and above the 481 units required based on the 2000 year-round housing unit count. Therefore, approximately 600 units of additional affordable housing could potentially be required, however, it is worth noting that the analysis does not project how long it will take to achieve actual buildout. This goal would be remarkable without a considerable investment of public and private resources and strong political will well into the future. It is also useful to note that this analysis was done a few years ago and drew some

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<sup>11</sup> These rental subsidies fill the gap between a portion of the household's income and an established Fair Market Rent to the landlord, enabling low- and moderate-income households to live in existing, private housing in the community.

criticism across the state for its methodology.

Another set of buildout projections was prepared as part of the Monomoy Capacity Study completed in the late 1990s. This study projected a total of 12,090 single-family homes and 2,242 multi-family units at buildout for a total of 14,332 units. Given 14,105 units in 2000 and a net increase of about 300 new units, these figures would suggest that the town has already reached buildout, which is certainly not the case.

In an effort to learn more about the extent of the local housing needs, including housing preferences and affordability issues confronting residents, the Dennis Municipal Affordable Housing Trust conducted a survey of residents in the fall of 2008. The study focused on “workforce housing,” defined as the need to provide housing to support year-round working residents at an affordable cost given the wage structure of the local job market. Since the study focused on workforce housing, cluster sampling, organized by categories of occupations/professions, was used as the sampling design. As a result, the seasonal, retired and unemployed populations were excluded. Copies of the questionnaire were delivered to employers who were asked to distribute them to their employees. Since selected clusters were relatively small and completing the survey was voluntary, it is likely that those with a greater need and interest responded. Also, because the sample was selected from employment clusters, it was expected that the 65 and over age group would not be in the sample and there would be a smaller percent of 18 to 24 year-olds as well. However, the objective of this survey was to determine affordable housing needs of the Dennis workforce and, other than these two groups, the representation by age was fairly good in the sample.

The survey report suggested that there was a preference for two and three-bedroom homes among the workforce. There is a desire among a majority of the workforce not now living in Dennis to relocate to the community if they could find affordable housing. Over half of the renters now working in Dennis said they were likely to move off-Cape in the next five (5) years due to the high cost of living. For Dennis to continue to be a viable community it is necessary to have a stable workforce that can afford to live where it works. Affordability, then, is an important ingredient to the viability of any community and housing is a major component of affordability.

Another look at the gaps between what housing is available in Dennis and what residents can afford to pay is demonstrated in the following analysis.

### **1. *Rental Housing Needs***

The analysis included in Table III-30 projects a shortage of 662 rental units for low- and moderate-income renters. This data, however, was based only on existing renters in 2000 and does not reflect pent-up regional need for additional rental opportunities, particularly in the context of a housing market that has seen extraordinary price increases since 2000. For rental units alone, the 2000 median rental of \$695 has climbed closer to at least \$1,000 based on real estate listings, a 44% increase. If Dennis wants to attract more young adults and service employees, it will have to make sure that it provides additional affordable rental opportunities to enable them to live in town as the current subsidized rental stock is inadequate to meet these needs, and there are few opportunities for first-time homeownership.

Moreover, the Housing Trust’s recent survey demonstrated that there was a pent up regional need and demand for affordable workforce housing in Dennis as it indicated that respondents who did not live in Dennis said they would prefer to live in the community if they could. There were 168 persons who worked in Dennis but did not live in town and 51% of these respondents would like an opportunity to move to Dennis. Also, 56% of the 81 nonresident renters who were surveyed

stated that if they could afford to purchase a home in Dennis they would. Respondents were also asked if they were likely to consider moving off the Cape during the next five (5) years due to the lack of good quality and affordable housing and 53% of the renters (n = 73) said they were likely or somewhat likely to move for this reason. The percentage was 31% for all respondents (n = 258).

**Table III-30**  
**Rental Unit Gap Analysis, 2000 to 2009**

<b>Income Group</b>	<b>2000 Income Range*</b>	<b>Affordable Rent</b>	<b># Renter Households** 2000/2009</b>	<b># Existing Units*** 2000/2009</b>	<b>Deficit/ Surplus 2000/2009</b>
Less than 30% of AMI	\$12,400 and less	Less than \$310	369/229	197/197	-172/-32
Between 30% and 50% AMI	\$12,401 to \$20,650	\$310 to \$516	389/356	215/73	-174/-283
Between 50% and 80% AMI	\$20,651 to \$33,000	\$516 to \$825	360/347	692/0	+332/-347
<b>Total</b>			<b>1,118/932</b>	<b>1,104/270</b>	<b>-14/-662</b>

Source: 2000 HUD SOCDS CHAS Data – Housing Problems Output for All Households

\* Based on 2000 HUD Income Levels for average size household of two persons.

\*\* It can be assumed that incomes have increased since 2000, which would likely reduce some of these numbers somewhat. The 2008 projections are based on 80% the change in these income categories between 1989 and 1999 per the census, assuming a similar rate of change.

\*\*\* The projections assume that all 270 subsidized rental units cover those in the lowest income categories and based on rental listings, all other rentals are beyond the means for those earning below 80% of area median income.

A further analysis of the rental needs of different types of households is included in Table III-31. This table indicates that in 2000 there were 747 renter households with housing problems, either overcrowding or spending too much of their income on their existing housing.

**Table III-31**  
**Level of Housing Problems by Type of Renter Household**

<b>Household by Type and Income</b>	<b>Elderly Total/with Housing Problems</b>	<b>Small Families Total/with Housing Problems</b>	<b>Large Families Total/with Housing Problems</b>	<b>All Other Renters** Total/with Housing Problems</b>	<b>Total/with Housing Problems</b>
< 30% AMI	122/88	114/89	34/34	99/49	369/260
30-50% AMI	203/103	90/80	18/18	78/53	389/254
50-80% AMI	64/25	149/84	42/12	105/60	360/181
> 80% AMI	94/4	269/24	40/20	269/4	672/52
<b>Total</b>	<b>483/220</b>	<b>622/277</b>	<b>134/84</b>	<b>551/166</b>	<b>1,790/747</b>

Source: 2000 HUD SOCDS CHAS Data – Housing Problems Output for All Households

\* Problems due to overcrowding and paying more than 30% of income on housing.

\*\* Most likely include nonelderly individuals

This Housing Needs Assessment suggests that the 662-unit deficit in Table III-30, based on the difference between projected number of households and estimated number of available units in their price range, the recent Workforce survey, and the 747-unit level need included in Table III-31, focusing on those who are overcrowded or paying too much, substantiates a critical need for

more affordable rental units in Dennis. *While this data, even with attempts to update, is likely to be questionable given its roots in the 2000 census, it is also likely that since 2000 housing affordability problems have only worsened and these projections are either very conservative or substantial numbers of lower income renters have been forced to leave Dennis in search of more affordable living conditions.*

This Housing Needs Assessment recommends that rental unit goals be distributed as follows:

**Table III-32  
Projected Distribution of Rental Units  
Long-term and Short-term Goals**

<b>Target Renter Households</b>	<b>Target Unit Size</b>	<b>Proportion of Need</b>	<b># Units Long-term/Short-term</b>
Seniors/Individuals with special needs	One bedroom	30%	210/42
Small Families	Two bedrooms	50%	350/70
Large Families	Three + bedrooms	20%	140/28
<b>Total</b>		<b>100%</b>	<b>700/140</b>

Source: Source: 2000 HUD SOCDS CHAS Data – Housing Problems Output for All Households

This amount of rental housing would comprise about 70% of the Town’s units production goals over the five years of its Housing Production Plan, requiring the creation of at least 40 total units per year. Additionally, this level of production will unlikely accommodate all of the pent-up regional demand for rental housing, but represents a reasonable local goal. There should also be some focus on the housing needs of seasonal workers.

**2. Homeownership Needs**

Table III-33 demonstrates that there is not a sufficient number of affordably priced units, single-family or condos, to meet the existing need given projected incomes of those resident owners earning at or below 80% of area median income. However, there is more than an adequate supply of homeownership units for those earning above this threshold. This Housing Needs Assessment therefore recommends that first-time homeownership opportunities be included as a priority in the town’s affordable housing agenda either through the development of small single-family homes or two- and three-bedroom condominiums for young workers and their families.

Empty nesters looking to downsize from their existing single-family homes should be able to find accessible and affordable condominiums in Dennis. However, given state requirements regarding assets, such as not having more than \$200,000 in net equity from a previous house or an additional \$75,000 in financial assets, puts many seniors out of the running for affordable housing that can be counted as part of the Subsidized Housing Inventory. Nevertheless, such housing does serve an important need for local seniors who want to afford to live independently in Dennis. Some service-enriched housing for seniors should also be considered including handicapped-accessible units. As noted earlier, only those units that are occupied by those earning at or below 80% of area median income can be counted as part of the Subsidized Housing Inventory.

**Table III-33  
Homeownership Affordability Analysis, 2000 to 2009**

<b>Income Group</b>	<b>Income Range* 2000/2009</b>	<b>Affordable Sales Prices<sup>12</sup> 2000/2009</b>	<b># Owner Households 2000/2009**</b>	<b># Existing Units 2009*** # Single-family/ #condos</b>	<b>2009 Deficit or Surplus</b>
Less than 80% of AMI	\$32,600 and less/\$49,700 and less	Less than \$115,000/less than \$200,000 (\$160,000 condos)	2,035/1,680	236/772	-672
Between 80% and 100% of AMI	\$32,601-\$40,750/ \$49,701-\$62,126	\$115,001-\$135,000/ \$200,001-\$250,000 (condos at \$160,001-\$210,000)	813/946	1,699/288	+1,041

Sources: 2000 HUD SOCDS CHAS and Census data, Dennis Assessor's Office

\*Based on 2000 HUD Income Limits for average size household of two persons.

\*\* It can be assumed that incomes have increased since 2000, which would likely reduce some of these numbers somewhat. The 2009 projections are based on 90% change in these income categories between 1989 and 1999 per the census, assuming a similar rate of change.

\*\*\* Calculates an increase in values based on current HUD and adjusted median income limits and use of updated assessments from Dennis Assessor's Office.

This Housing Needs Assessment recommends that homeownership unit goals be distributed as follows:

**Table III-34  
Projected Distribution of Homeownership Units  
Long-term and Short-term Goals**

<b>Target Renter Households</b>	<b>Target Unit Size</b>	<b>Proportion of Need</b>	<b># Units Long-term/Short-term</b>
Seniors/Individuals with special needs	One bedroom	30%	202/18
Small Families	Two bedrooms	50%	336/30
Large Families	Three + bedrooms	20%	134/12
<b>Total</b>		100%	672/60

Source: Source: 2000 HUD SOCDS CHAS Data – Housing Problems Output for All Households

This amount of first-time buyer, starter housing would comprise about 30% of the Town's affordable unit production goals over the next five years of the Housing Production Plan or 15 units per year with the other 25 targeted for rentals. This total 40-unit goal is based on the year-round total housing figure of 8,079 in the 2000 census. However, there has been very little

<sup>12</sup> Figures based on 95% financing, interest of 5.5%, 30-year term, annual property tax rate of \$5.07 per thousand, insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), and private mortgage insurance estimated at 0.3125 of loan amount, and estimated monthly condo fees of \$250.

housing growth since then and the goal after the 2010 census becomes available should not be significantly higher.

**3. Special Population Needs**

Besides seniors, this Housing Needs Assessment identified approximately 2,096 residents with some type of disability. Of the 2000 population age 5 to 20 years old, 211 or 8.9% had some disability. Of those aged 21 to 64, 1,885 residents, or 23% of the persons in the age range, claimed a disability. About two-thirds of this group was employed, leaving another third unemployed, likely due to their disability. In regard to the population 65 years of age or older, 1,441 seniors or about 31% of those in the age group claimed some type of disability. These levels of disability, particularly that of seniors, represent significant special needs within the Dennis community and suggest that Dennis integrate special needs housing, units that are handicapped-accessible and housing with supportive services into its planning for affordable housing development of up to 10% of the units created, 20% for senior housing. Long wait times for handicapped-accessible units that are managed by the Dennis Housing Authority further substantiates the need for such units. Additionally, Dennis currently has only 12 special needs unit in group homes, and based on the level of disabilities among its residents, additional special needs housing is warranted.

**4. Existing Housing Condition Needs**

Programs that continue to support necessary home improvements including deleading, septic repairs and modifications for the physically disabled, should be promoted for units occupied by low- and moderate-income households, particularly the elderly living on fixed incomes and including investor-owned properties tenanted by qualifying households. These programs include the recently implemented Housing Rehab Program, which the Towns of Dennis and Harwich are initiating with CDBG funding. The Towns were recently awarded almost \$1 million that should support the rehab needs of at least a dozen properties in Dennis that have building code or health and safety violations and are occupied by low- or moderate-income homeowners or tenants.

**5. Summary of Priority Housing Needs**

This Housing Needs Assessment suggests that the Town of Dennis establish the following targeted affordable housing production goals based on priority housing needs over the long-term and short-term (five years of the Housing Production Plan).

**Table III-35  
Summary of Priority Housing Needs and Targeted Production Goals  
Longer-term Goals/Shorter-term, Five-Year Goals**

<b>Type of Housing</b>	<b>Seniors/Single Persons** One Bedroom Units</b>	<b>Small Families/ 2 Bedrooms</b>	<b>Large Families/ 3+ Bedrooms</b>	<b>Total</b>
Rental	210/42	350/70	140/28	700/140
Ownership	202/18	336/30	134/12	672/60
<b>Total</b>	<b>412/60</b>	<b>686/100</b>	<b>274/40</b>	<b>1,372/200</b>
Special Needs*	(82/12)	(69/10)	(27/4)	(178/26)

Source: 2000 HUD SOCDs CHAS and Census data, Karen Sunnarborg Consulting  
 \* Represents 10% of all units created in family housing and 20% in senior and single person housing.  
 \*\* Approximately 10% of units in this category directed to non-elderly, single person households.

## **D. Obstacles to Development**

The Town seeks to encourage sustainable growth and development, including the integration of more affordable housing in new development, but is cognizant of the importance of promoting such growth within the context of preserving natural resources, economic health and quality of life. It will be a great challenge for the town of Dennis to create enough affordable housing units to meet the state's 10% affordable housing standard, production goals and local needs, particularly in light of current constraints to new development including the following:

### **1. Infrastructure**

As mentioned earlier, a major constraint and cost factor for new development relates to infrastructure, particularly the lack of sewer services in Dennis that raises concerns among residents about impacts of any new development on the environment, water supply and quality in particular, which are critical issues for Cape Cod. Residents must rely solely on on-site septic systems unless special treatment facilities are integrated into the new development, a costly measure that requires a fairly large project to be feasible. It should also be mentioned that some very limited areas of Dennis also do not have municipal water services.

The Town's Wastewater Task Force conducted, the Town conducted a Wastewater Needs Assessment about two (2) years ago. An Estuary Study has also been done, but the results are not yet available. These studies will likely provide some stricter nitrogen loading requirements and lead to the need to provide sewer services to parts of Dennis.

It will be important for any new affordable housing development to address these infrastructure constraints, septic issues in particular, and insure that there are sufficient amounts of subsidies incorporated into the project to adequately service new residents and protect the environment.

### **2. Environmental Concerns**

Dennis's 63 miles of coastline includes all estuaries, large creeks and marsh islands that comprise a total of 22,922 acres of important shellfish areas in addition to hundreds of acres of protected parkland or conservation land, among other natural areas. These natural amenities attract thousands of visitors annually and provide highly valued opportunities for a wide range of recreational activities that need to be protected to the greatest extent possible. Some of these natural assets include the following:

- *Water Resources:* Dennis has extensive and important water resources that are valuable environmental, economic and aesthetic assets for not only the community but for other areas of the Cape as well. There are large commercial and recreational fisheries that operate off of both coasts and harvest a wide variety of fish. Dennis also has coastal embayment areas, also called estuaries, which support a wide variety of important plant and animal life. Dennis' most important estuary is the Bass River system, perhaps the most important estuarine system on Cape Cod, which includes Weir Creek, Horsefoot Cover, Grand Cove, Kelly's Bay, and Follis Pond. Moreover, the marshes behind West Dennis beach and along the edge of the river provide an important habitat for fish and shellfish, including up to 43 varieties of finfish. The other estuary along the south coast is the Swan Pond River system that bisects West Dennis and Dennis Port, also linked to an extensive nutrient rich marsh and wetland system. Overdevelopment, however, has comprised this area and has led to some closures for shellfishing. The town has taken steps to improve conditions including a septic upgrade program. Estuaries on the north coast include Chase Garden Creek, Sesuit Harbor and Sesuit Creek, and Quivett Creek.

The town also has substantial areas of cranberry bogs and freshwater wetlands, 42 acres and 402 acres respectively, that should, to the greatest extent possible, be preserved. There are also another 976 acres of saltwater wetlands, that in addition to tidal flats, require protection as they

are particularly productive shellfish habitats. These wetlands allow important natural functions to occur including flood control, groundwater recharge, and filtering of pollutants and nutrients. They also serve as the food factory for wildlife and plant habitats; offer recreational opportunities such as bird watching, fishing and boating; and create economic opportunities such as cranberry production.

- *Monomoy Lens* -- Dennis, along with Harwich, Orleans and Chatham, obtains its drinking water from a sole-source aquifer, the Monomoy Lens. Moreover, the town's substantial number of ponds, totaling more than 240 acres with almost 12 miles of shoreline, depend solely on the fluctuation in the aquifer's water table for their own surface levels. These ponds provide another important habitat for rare and endangered plants and animals.
- *Existing Open Space* -- The Town has struggled to protect open space, which is under tremendous development pressures. As a result of both public and private efforts, approximately 3,074 acres of the town's land area is now permanently protected. Approximately 823 acres of the Town-owned 1,964 acres are devoted to conservation and are under the control of the Dennis Conservation Commission. There is a full understanding that as build-out approaches, development pressures will increase, which further suggests the need to actively preserve land and accommodate affordable housing within existing and future development.
- *Quivet Neck/Crowe's Pasture Area* -- This area comprises approximately 250 acres and is one of the last large expanses of undisturbed wild land in Dennis. It contains two significant freshwater ponds, Coles Pond and Little Coles Pond. Coles Pond is about ten acres in size and presumed to be a Great Pond. It provides about 2,800 feet of shoreline without formal access. Little Coles Pond is less than ½ acre with only 500 feet of shoreline, however, it, like Coles Pond, is a kettlehole pond and as such has no inlet or outlet of water and is consequently greatly impacted by local environmental conditions such as snowmelt and precipitation. The ponds are also extremely susceptible to the impacts of development and need to be protected from fill, erosion and the run-off of lawn fertilizers. Moreover, a globally rare plant has been found adjacent to Coles Pond. The portion of the study area furthest east and closest to Brewster is called Crowes Pasture Beach where the beach expands into long rolling sand flats. Quivet Creek is the coastal stream system that makes up the southeasterly part of the study area and includes a large marsh area and an annual herring run to its headwaters at Bound Brook Pond. The landmass adjacent to Quivet Creek has been identified as a major Marine Water Recharge Area.

Because of the rich and relatively pristine condition of this sensitive environmental area, it has been the subject of a town and state sponsored habitat restoration project and special zoning provisions have been enacted to promote its protection (see Section III.D.3 below for details).

The Town of Dennis has a strong commitment to preserving what remains of its natural environment including the areas described above as well as dunes, forested areas, rare plant and wildlife species, and a variety of uncommon habitats such as white cedar swamps and kettlehole ponds. The impacts of any new development must be identified as to how it affects the environment and what actions might be required to mitigate impacts. While regulations to protect the environment, such as wetland by-laws, and to protect the public health, such as Title 5 regulations, are important and essential, they nevertheless present challenges to development by reducing the amount of buildable land and increasing the time and costs of developing new housing.

### **3. Zoning**

As is the case in most American communities, a zoning by-law or ordinance is enacted to control the use of land including the patterns of housing development. The Town is divided into a number of different

Zoning Districts<sup>13</sup>, each with its own requirements, as listed in Table III-36.

**Table III-36  
Zoning Districts by Acreage**

<b>Zoning District</b>	<b>Total Acreage</b>
R-60 – Rural Residential	1,957
R-40 – Low Density Residential	9,699
RR – Resort and Residential	539
LB – Limited Business	179
EB – Extensive Business	51
GC-I – General Commercial I	79
GC-II – General Commercial II	411
GC-III – General Commercial III	60
I – Industrial	545
<b>Total Acres</b>	<b>13,520*</b>

Source: Town of Dennis GIS System based on 2001 data

\* Acreage does not include roads.

The three residential districts comprise 12,110 acres or approximately 89% of Dennis’ land area. About 90% of the area in the residential districts is already developed, however, approximately 40% and 10% of the commercial and industrial land is developed, respectively. This means that less than 20% of the land area of Dennis remains open and subject to possible development.

Additional zones and districts have also been more recently added that include the following:

- Quivet Neck/Crowe’s Pasture Resource Protection District
- Dennisport Village Center
- Residential/Commercial
- Mixed Use Marine
- Marine Open Space
- Village Center Support
- West Dennis Village Center
- Small Wind Facility Overlay District
- Medium and Large Wind Facility Overlay District

These Zoning Districts demonstrate the Town’s progress in amending its Zoning By-law to better control and direct development through smart growth principles. However, like most localities in the Commonwealth, Dennis’s Zoning By-law embraces large-lot zoning of at least 40,000 square feet, largely as a result of Title 5 regulations. Nevertheless, low housing density severely constrains the construction of affordable housing. Some of the dimensional requirements in the Zoning By-law are included in Table III-37.

The Quivet Neck/Crowe’s Pasture Resource Protection District is meant to severely constrain development in this area that contains three water quality protection areas. Within each of these areas the level of protection is further refined based on a study by the Pilgrim Resource Conservation and Development Area Council, related to soil characteristics and depth to groundwater, ranging from minimum lot sizes of 80,000 to 120,000 square feet and 100,000 to 160,000 square feet for areas where there is five (5) feet or less depth to groundwater.

<sup>13</sup> Dennis Zoning By-law, Section 2.1.1, Establishment of Zoning Districts.

**Table III-37  
Minimum Dimensional Requirements**

<b>Dwelling Type</b>	<b>District</b>	<b>Area (Sq. Ft.)</b>	<b>Frontage/ Width (Feet)</b>	<b>Setbacks Front/Side/ Rear (Feet)</b>	<b>Maximum Total Site Coverage</b>
Single Unit	R-60	60,000	50/200	75/30/30	15%
	Other Districts	40,000	50/100	25/15/25	15%
	QNCP RP	See below	100/200	75/50/60	15%
Two Units	R-60	120,000	50/200	75/30/30	15%
	Other Districts	80,000	50/150	50/25/25	15%
	QNCP RP	See below	100/200	75/50/60	15%
Multi-Units	R-60	180,000 +60,000/unit over 3 units	100/200	75/50/50	25%
	Other Districts	120,000 +40,000/unit over 3 units	100/150	50/50/50	25%
	QNCP RP	Not allowed			

Source: Dennis Zoning By-law, Section 2.3.2

R-60 District is the Rural Residential District

QNCP RP is the Quivet Neck/Crowe’s Pasture Resource Protection District

As noted above, multiple dwellings are allowed but by Special Permit of the Board of Appeal. The By-law requires that individual buildings contain no more than 16 families and not exceed 140 feet in any dimension. Also, the allowable density cannot exceed the permitted single-family residential density for the applicable district, constraining the economies of scale that are necessary to make affordable housing financially feasible.<sup>14</sup>

There are, however, several zoning provisions included in the existing By-law that are designed to promote smart growth and housing affordability. In fact the Town of Dennis has been on the cutting-edge of a number of measures to promote affordable housing, providing models that other communities have adapted for their own use. Those zoning provisions that are directly related to smart growth and affordable housing include the following:

- *Affordable Housing Bylaw*<sup>15</sup>  
The Town of Dennis amended its zoning bylaw to include a number of provisions to encourage the development of affordable housing by creating incentives that would help people who, because of rising land prices, have been unable to obtain suitable housing at an affordable price and to maintain a stable economy by preventing the out-migration of residents who provide essential services. The Planning Board was designated the special permit granting authority for all Affordable Housing Development and Affordable Housing Apartment applications under the bylaw. **The bylaw has proven effective as 20 projects with 63 affordable units and 125 total units have been approved since 2002 through July 2009.**

*Affordable Housing Developments* must meet the following requirements:

- A minimum of 2½ acres containing residential units, of which at least 25% must be affordable pursuant to an affordable housing deed restriction and affordability

<sup>14</sup> Dennis Zoning By-law, Section 4.2.

<sup>15</sup> Dennis Zoning By-law, Section 4.9.

requirements that comply with state requirements. The Planning Board has the discretion to reduce or suspend this requirement, however, there must be at least 10,000 square feet for each bedroom unless the applicant can demonstrate to the satisfaction of the Planning Board and the Board of Health that the sewage disposal system servicing the development will result in nitrogen loading of less than five (5) parts per million.

- A maximum of 16 units per building.
- Front, rear and side vegetated buffers of 25 feet, but may be allowed to reduce the buffers to 10 feet for subdivided lots of at least 10,000 square feet.
- Somewhat reduced parking requirements can be entertained given compelling information that the parking will be sufficient to address the needs of the development.
- Properly screened areas must be provided for the storage of trash and recyclable materials.
- The second unit created, and every fourth unit after that must be deed restricted as permanently affordable units with no fewer than 25% of the units thus restricted.
- All units must be for year-round use.

There are also provisions for *Affordable Housing Apartments* to produce rental units that are accessory to a residential or commercial use that has been in existence for at least five (5) years in residential and commercial districts and meet the other following requirements:

- The units cannot be divided from the principal structure.
- The units must comply with minimum area requirements that include 250 square feet for studio apartments, 700 square feet for one-bedrooms, 900 square feet for two-bedrooms, 1,200 square feet for three-bedrooms, and 1,400 square feet for four-bedrooms.
- Reduced off-street parking requirements can be approved given compelling information that the parking will be sufficient to address needs.
- Properly screened areas must be provided for the storage of trash and recyclable materials.
- Only those basements with walkout capabilities may be converted into living space and garage-parking stalls may be converted to living space only if the applicant can demonstrate an efficient and cost-effective method of providing heat and other utilities to the unit created.
- The second unit created, and every fourth unit after that must be deed restricted as permanently affordable units with no fewer than 25% of the units thus restricted.
- All units must be for year-round use.
- Accessory units in residential structures must be on a lot of at least 20,000 square feet.
- The footprint of a residential structure cannot be expanded to accommodate the accessory apartment.
- One unit in the residential dwelling must be owner-occupied on a year-round basis.
- Affordable apartments can be created by converting an existing accessory structure or space within an existing hotel or motel into dwelling units but the new units cannot be less than 250 square feet in size and cannot be in areas that have not been intended for human habitation in the past. Also, no less than 25% of the units created must be one-bedroom units with a minimum floor area of 700 square feet and no more than 25% of the units created may have a minimum floor area of less than 400 square feet. The Planning Board may require up to 10% of the units in a hotel/motel conversion be two-bedroom units with at least 900 square feet. The existing building cannot be expanded to accommodate the apartment(s).

There are also provisions for *Affordable Lots* that do not meet minimum lot size requirements and are not protected as nonconforming lots by law because they are in common ownership with

adjoining lots. These lots may be built on if they meet the other following requirements:

- Each lot contains at least 10,000 square feet of land area and satisfies other applicable Board of Health requirements but cannot be located within a Zone II Water Recharge Area.
- Each lot must have safe and adequate access to a public or private way.
- Each lot is similar in size and shape to lots immediately adjacent to and across the street from the lot to be separated.
- Cannot be developed into a structure of more than three-bedrooms with a minimum of 5,000 square feet of land area for each bedroom.
- The applicable setbacks will be determined by establishing an average setback based upon the principal structures on the lots immediately adjacent to and across the street from the lot to be built upon as a separate lot.
- Where two lots are held in common ownership, one of the two must be deed restricted as affordable in perpetuity. Where more than two lots are held in common ownership, the second, third and fifty percent of the remaining lots to be built upon under the Special Permit must be deed restricted as permanently affordable (i.e., the fourth lot may be market rate, fifth affordable, sixth market rate, etc.).
- The by-law states that it will not prevent a lot owner from building a house and then transferring it to an income-eligible family member by gift or inheritance, provided that the restriction is recorded prior to the issuance of the building permit and that the lot owner or immediate family member has owned the lot as of October 18, 2005. It should be noted that recent changes to state guidelines under the Local Initiative Program forbid the transfer of such property by ownership or rental to family members and still be included in the Subsidized Housing Inventory.

The By-law also includes a section, referred to as *Municipally Sponsored Housing Projects*, that is intended to allow the Dennis Board of Selectmen to act as a sponsor for public or public/private joint venture affordable housing developments which:

- Encourage practical residential development in the reuse of existing structures;
- Promote in-fill housing (development of vacant lots in an otherwise built-up area);
- Are compatible with the adjacent neighborhood;
- Encourage development of economically-priced housing and a variety of types of housing; and
- Foster flexibility and creativity in the creation of affordable housing.

If the Board of Selectmen determines that a project is responsive to these criteria, it refers the development to the Planning Board as the Special Permit Granting Authority, which may be able to allow certain regulatory relief including reductions in the minimum area per unit, minimum land area, maximum density, buffer areas and minimum parking requirements. All units that are created must be deed restricted as permanently affordable and at least 50% of the units must be affordable to households earning between 65% and 80% of area median income and the remainder of the units must be affordable to households earning no more than 120% of area median income. All units must be created for year-round use.

- *Open Space Village Development*  
The Open Space Village Development bylaw was created to “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 provisions of public service”.<sup>16</sup> A Special Permit by the Planning Board is required and must be determined to be a superior development plan in preserving open space for conservation or recreation, in utilizing the natural features of the land, and allowing more efficient provisions of streets, utilities and other public services than under a conventional subdivision. Some of the major requirements of this cluster development bylaw include:

- Must have at least five (5) acres of upland, which are contiguous though not necessarily under the same ownership.
- Minimum lot area of 10,000 square feet, width of 100 feet, minimum front and rear yard set-backs of 25feet and minimum side yard set-back of 10 feet, with somewhat more for multi-family dwellings.
- The maximum number of families and bedrooms allowed is calculated based on special formulas in the bylaw.

There are no density bonuses or requirements to integrate affordable housing included in the provisions.

- *Dennisport Village Center Zone*

This by-law was enacted to support “the development of the Dennisport Village Center District surrounding Route 28 and Upper County Road to promote a more functional and attractive community through the use of recognized principles of urban design, the preservation of structures and open space, and by allowing developers and land owners considerable flexibility in land use and site design”.<sup>17</sup> The by-law encourages a mix of uses including affordable housing. As such the by-law stipulates that the base residential density of the district is one unit per 40,000 square feet of land area or pre-existing lot of record unless an increase of density is granted by a Special Permit for the creation of mixed income housing opportunities requiring a minimum of 25% of the total number of dwellings be affordable with deed restrictions and affordability requirements cited under Section 4.9.4. of the Zoning By-law. This by-law includes architectural design guidelines and makes a considerable effort to promote attractive, smart growth development of this village center.

- *West Dennis Village Zoning Districts*<sup>18</sup>

As with the Dennisport Village Center District, the Town of Dennis has a similar purpose in encouraging smart growth and mixed-use development in the West Dennis Village that surrounds Route 28 and School Street. This District has in fact been divided into five distinct areas including:

- Residential Commercial District is envisioned as a lower density mixed use area that transitions between the higher density commercial area and the adjacent residential areas.
- Mixed Use Marine District is envisioned as an area that enhances the traditional waterfront and tourist-oriented services adjacent to the Bass River.
- Marine Open Space District is a low-density waterfront district promoting open space and water-dependent uses.
- Village Center Support District is envisioned as a slightly lower density mixture of commercial and residential uses than the West Dennis Village District.
- West Dennis Village District represents the traditional core of West Dennis and is

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<sup>16</sup> Dennis Zoning By-law, Section 4.4.

<sup>17</sup> Dennis Zoning By-law, Section 8.1.

<sup>18</sup> Dennis Zoning By-law, Section 9.1.

envisioned to contain mostly ground-floor commercial space with residential units above to provide a critical population to support the commercial component.

Density, allowed uses (allowed by-right), permitted uses (allowed by Special Permit) and design standards vary by each of the above districts and demonstrate an impressive attempt to plan for smart growth development, varying standards based on visions for each specific area. Also as with the Dennisport Village Center Zone, the bylaw stipulates that the base residential density of the district can be increased by a Special Permit for the creation of mixed income housing opportunities if a minimum of 25% of the total number of dwellings are affordable with deed restrictions and affordability requirements cited under Section 4.9.4. of the Zoning By-law.

- *Two-family Homes or Duplexes*  
Two-unit structures are allowed by right in all zoning districts except the EB, GC-I and I districts.
- *Accessory Apartments*<sup>19</sup>  
Accessory apartments are defined as an owner-occupied building containing two (2) units, one of which is the accessory unit with one-bedroom and no more than 600 square feet and includes a kitchen, living room and bath. The unit must be occupied on a year-round basis, except for temporary absences when the unit cannot be rented. Occupancy of the accessory unit is also restricted to the owner's immediate family, including in-laws (mother, father, brother, sister), and/or a healthcare professional providing a service to the owner's family.
- *Bulk Regulations*  
The Planning Department has placed some Floor Area Ratio (FAR) limits for nonconforming lots into Section 2.4.1.2 of the Bylaw regarding nonconforming conditions, and is beginning additional work on a bulk regulation to reduce overcrowding, congestion and out-of-scale development in neighborhoods.

#### **4. *School Enrollment***

While the overall population increased by 29% between 1980 and 2000, those under the age of 18 only increased by only 5.7%, growing by only 145 children and representing a decreasing portion of the population – from 20.6% in 1980 to 16.9% in 2000. State buildout projections produced by the state in 2000, estimate that the student population will increase by only 139 students, however, school enrollments have been decreasing. This trend of decreasing school enrollments is happening in most communities on Cape Cod, particularly those in the mid-Cape to Lower Cape area. Many people with children have moved away due to the high cost of living, lack of jobs, etc., and others are sending their kids to charter schools and private schools in the area.

#### **5. *Public Transportation***

Dennis is bisected from east to west by the Cape's three main routes including Route 6, Route 6A and Route 28, as well as Route 134, which crosses the town from Route 28 to 6A. The Cape's Bay Colony rail officially ends in Dennis, the ending point then becoming a bicycle trail, the Cape Cod Rail Trail, that runs all the way to Wellfleet on the former rail right-of-way.

Like most of Cape Cod, Dennis encounters significant problems with traffic congestion, particularly in the summer months when the population quadruples in size. Because Dennis is located mid-Cape, it is greatly impacted by economic, land use and transportation trends affecting the entire Cape. As a result, Dennis has participated in several regional groups that help coordinate regional transportation programs and planning including the Cape Cod Metropolitan Planning Organization (MPO), which is a federally-

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<sup>19</sup> Dennis Zoning By-law, Section 5 – Definitions.

designated transportation planning organization for Cape communities, staffed by the Cape Cod Commission. The MPO is responsible for developing a transportation funding program, conducting planning studies, ensuring compliance with air quality mandates and developing a long-range transportation plan to coordinate regional transportation activities, the Cape Cod Transportation Improvement Program (TIP), which is updated each year. Dennis also participates in the Cape Cod Regional Transit Authority that coordinates and provides fixed-route buses throughout the Cape.

Starting in June 2006, a new transportation system was introduced, called Flex-Route, which provides bus service throughout the Outer Cape including Dennis. Those living within a half mile of the route can call the service to arrange pick-up. Twelve buses were purchased through a federal grant obtained by the National Seashore and all participating towns pay the operating expenses, with some support from passengers via a token system.

It should also be noted that Dennis's Council on Aging offers free transportation to area seniors, thus promoting independent living for this part of the population. Nevertheless, public transit remains limited and largely requires residents to have access to automobiles, further increasing the cost of living in Dennis and presenting a barrier to those low- and moderate-income residents who are more likely to feel the financial strains of owning and maintaining a car. The 2000 census indicated that only 62 workers reported using public transportation.

#### **6. *Availability of Subsidy Funds***

Financial resources to subsidize affordable housing preservation and production as well as rental assistance, have suffered budget cuts over the years making funding more limited and extremely competitive. Communities are finding it increasingly difficult to secure necessary funding and must be creative in determining how to finance projects and tenacious in securing these resources. Community Preservation funding offers Dennis an important resource for affordable housing production and HOME funding from the Barnstable County HOME Consortium is also an important and flexible resource (see Section III.E for more information on the use of CPA and HOME funds in Dennis). The Town has also established a Municipal Affordable Housing Trust that manages a dedicated housing fund and has a number of important powers, including the ability to accept tax-exempt donations of land and money. Nevertheless, the Town will continue to leverage its limited local resources to secure substantial support from regional, state and federal resources as well.

#### **7. *Community Perceptions***

Residents in most communities are concerned about the impacts that any new development will have on local services and quality of life, and many may also have negative impressions of affordable housing in general. Therefore, local opposition to new affordable developments is more the norm than the exception. On the other hand, with such high real estate prices, community perceptions have been tilting in the last few years towards the realization that workforce housing is needed in the community. More people are recognizing that the new kindergarten teacher, their grown children, or the elderly neighbor may not be able to afford to live or remain in the community. Housing for seasonal workers is also a serious concern of local employers. Residents are increasingly aware that those who provide local services, whether they are municipal workers, a waitress in a nearby restaurant, or the local handyman, need an affordable place to live without huge commutes.<sup>20</sup> It is this growing awareness that is spurring communities such as Dennis to take a more proactive stance in supporting affordable housing initiatives.

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<sup>20</sup> The Town of Dennis, through its Municipal Affordable Housing Trust, sponsored a survey of Dennis' workforce, the results of which are summarized in Section III.C.

## **E. Local and Regional Organizations**

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

### **1. *Dennis Housing Authority***

The Dennis Housing Authority was established in 1970 and currently owns and manages 144 units of affordable housing including 20 family rental units at Mulhern Drive and in four (4) scattered sites. The Housing Authority also manages 124 units of rental housing for seniors and those with disabilities including 52 units at Center Street Village, 40 units at Windmill Village and 32 units at Old Bass River Village. The wait list for these units includes two to ten-year turn-around waits depending on the type of housing with the longest waits for handicapped-accessible units and family housing.

In addition to managing housing developments, the Dennis Housing Authority manages several programs including the following:

- State Aided Transitional Housing Program – 5 units
- Massachusetts Rental Voucher Program (MRVP) – 47 vouchers
- Department of Mental Health Rental Subsidy Program – 3 vouchers
- Federal Section 8 Housing Choice Voucher Program – 98 vouchers
- Local Affordable Housing Units – 10 units

The Housing Authority is managing a special initiative, the State's Transitional Housing Program, to help formerly homeless families move into transitional apartments in the community and has contracted with the organization, Community Action Committee of Cape Cod and the Islands, to provide support services, including training and counseling, to enable these families to either stay in the unit permanently or move to another permanent housing unit in the future. The Housing Authority is managing two (2) units in Dennis, two (2) in Brewster and another unit in Barnstable, however recent funding changes decreased the number of units from ten (10) to five (5).

The Dennis Housing Authority also manages 148 rental subsidies that allow low-income households to secure affordable housing in the private housing market. The subsidies pay the difference from an established fair market price and a percentage of the household's income. Moreover, the Housing Authority has been charged with monitoring the affordability of units created through the Town's local 40B bylaw, thus far including 40 housing units, most of which are being documented for counting as part of the SHI. In its role of monitoring agent for these Town-sponsored affordable housing units, the Authority must insure that the units comply with all state requirements under the Local Initiative Program (LIP) and remain eligible for inclusion on the Subsidized Housing Inventory.

### **2. *Dennis Municipal Affordable Housing Trust***

The Dennis Municipal Affordable Housing Trust was established by the Board of Selectmen to promote diverse solutions to the acknowledged shortage of affordable housing that will further the Town's goal of reaching the 10% affordability goal. The Board of Selectmen appoints five (5) members that will work in partnership with the Dennis Housing Authority and other housing-related agencies and organizations to promote affordable housing including important workforce housing. The Housing Trust sponsored a survey in 2008 that assessed Dennis' workforce housing needs, which is summarized in Section III.C. The Housing Trust is also sponsoring the preparation of this Housing Needs Assessment and Housing Production Plan.

### **3. *Dennis Community Preservation Committee***

In September of 2000, the Community Preservation Act (CPA) was enacted to provide Massachusetts

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

In November 2004, Dennis Town Meeting adopted the CPA and ballot approval occurred in May 2005, with support of 89% of all voters. Dennis approved a 3% surcharge without any exemptions. Like the other communities on Cape Cod, Dennis voted to convert the 3% property tax surcharge that had been committed to the Land Bank for the purchase and conservation of open space into funding to support the Community Preservation Fund. As a result, the Town was able to continue to receive state matching funds, as state support for the Land Bank had run out, without raising additional taxes.

The Community Preservation Committee includes eight (8) members including representatives of the Board of Selectmen, Housing Authority, a Selectmen representing the Park Commission, Historical Commission and Planning Board, each appointed for three-year terms by the Board of Selectmen. Estimates indicate that the **surcharge will raise approximately \$200,000 from local funds annually. The state match is expected to decrease somewhat, potentially to as low as 65% or about \$? for a total of almost \$? million. The Town commits 10% of the annual allocation to the Housing Trust** and has allocated specific funding for the following housing efforts:

- \$160,000 for the Housing Assistance Corporation (HAC) to purchase, rehabilitate and market two or more housing units in Dennis, deed restricted as affordable in perpetuity
- \$105,000 to subsidize the construction of three (3) units to be developed by Habitat for Humanity of Cape Cod.
- \$500 to help update the Town's Affordable Housing Plan

#### **4. *Dennis Council on Aging***

The Dennis Council on Aging is a Town department that supports the quality of life of Dennis's elders through a wide variety of services. These activities include an information and referral service on a wide range of issues, community-based services to promote independent living such as a free shuttle vans (has two vans and has just recently received funding for a third) to local stores and services, and in-home support services. The Council relies heavily on local volunteers to support its activities and operates a senior center.

Recently the Council has been asked to intervene to help a number of low-income seniors and families, including handicapped individuals, find alternative housing given enforcement proceedings by the Town against an owner of a local motel who had not corrected outstanding code violations. The motel includes 26 units, and there are other motels in town that have been housing low-income households, individuals and families, on a weekly basis, turning over time into permanent housing for those who cannot find other affordable options. The Council on Aging stressed the need for more affordable rental units in the community, whether new Housing Authority units, accessory apartments or other forms of permanent housing.

The Council on Aging coordinates the Fuel Assistance Program for qualifying area seniors as well as families and other eligible households. It has recently had 264 new applications for such assistance,

demonstrating the need for this type of program. The Board of Selectmen had approved support for those elderly residents looking for a warm place to spend the evenings when the Senior Center was not open. While back-up support was arranged, it has not been needed to date.

The Council on Aging is dedicated to helping seniors age in place and indicated that reverse mortgages have been fairly popular but stresses the need for seniors to work with credible lenders to avoid possible “scams”. Keeping seniors in their own homes is particularly important in Dennis where there are no other options for seniors who require supportive services including assisted living units.

The Council on Aging also works with the Town on a program that abates taxes for qualifying seniors in exchange for services to the Town. The Town currently allows a maximum of \$500 per year to be worked off in exchange for no more than 83.33 hours credited at \$6.00 per hour. In addition to this work program, the Town also operates a variety of tax exemption programs for income-eligible seniors, veterans, surviving spouses, etc. that reduce property tax bills.

Moreover, the Council on Aging receives generous support from the *Friends of Dennis Senior Citizens, Inc.*, a charitable organization that promotes and supports activities and facilities that benefit Dennis seniors. For example, the Dennis Senior Center was built through the support of numerous private donations coordinated by the Friends of Dennis Senior Citizens.

#### **5. *Cape Cod Commission***

The Cape Cod Commission was created as the regional planning and regulatory agency for the Cape. In addition to coordinating a wide range of planning and policy activities, the Commission administers the Technical Assistance Program (TAP), which provides funds for consultants to assist communities in promoting affordable housing. The Commission also manages the allocation of a number of housing subsidy funds that can be made available to communities to support affordable housing efforts including the oversight of HOME Program funds on behalf of the Barnstable County HOME Consortium, the Soft Second Loan Program to subsidize mortgages for first-time homebuyers, the DRI Fund Management, and the County Home Ownership Fund (CHOP). (3225 Main Street, Barnstable, MA 02630; 508/362-3828).

#### **6. *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 Dennis, and are administered by the Cape Cod Commission. HOME funding for Dennis, as of the end of June 2008, totaled \$336,200 for the following affordable units:

- \$106,200 to HECH for the development of 8 rental units in duplexes
- \$60,000 to support Dennis Commons including 11 HOME-funded units
- \$70,000 to support Northside Village including 11 HOME-funded units
- \$100,000 for Telegraph Road that has 7 units, 5 of which were funded by HOME (C/O the Cape Cod Commission; 3225 Main Street, Barnstable, MA 02630; 508/362-3828).

#### **7. *Harwich Ecumenical Council for the Homeless (HECH)***

Harwich Ecumenical Council for the Homeless (HECH) was formed in 1991 by clergy and lay people from seven (7) Harwich churches for the purpose of providing housing for homeless families with children. HECH has developed programs in homelessness prevention, mortgage foreclosure prevention, childcare, and youth counseling. In 1996, HECH began purchasing its own rental housing and has purchased homes or condos as well to keep a family housed. The

organization raises funds from individual donors and through special events. HECH developed the Woodcock and Sachus Village project that included eight (8) rental units in four duplex structures. (P.O. Box 86, West Harwich, MA 02671; (508) 432-0015).

**8. *Habitat for Humanity of Cape Cod***

Habitat for Humanity is an ecumenical, non-profit Christian ministry dedicated to building simple, decent homes in partnership with families in need that has grown over the past two decades into one of the largest private homebuilders in the world. The organization has almost 1,600 U.S. affiliates and over 2,000 affiliates worldwide, including one on the Cape that has been able to build new homes for first-time homebuyers through donated land, materials, labor and funding as well as other special financing strategies. The organization is in the process of developing three (3) new affordable homes in Dennis on former municipally owned land and \$105,000 in Community Preservation funding. (658 Main Street, West Yarmouth, MA 02673; 508/775-3559)

**9. *Housing Assistance Corporation (HAC)***

The Housing Assistance Corporation (HAC) has proclaimed its mission to “promote and implement the right of all people on Cape Cod and the Islands to occupy safe and affordable housing”. This non-profit organization is working throughout the Cape as a sponsor of affordable housing developments and has a wide range of financial and educational resources available for renters, existing homeowners and first-time homebuyers including HOME Program funding and rental subsidies. It was awarded \$160,000 in Community Preservation funding from the Dennis Town Meeting to purchase, rehabilitate and market at least two (2) properties to qualifying first-time homebuyers, converting existing properties to long-term affordability. (460 West Main Street, Hyannis, MA 02601; 508/771-5400)

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

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

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

- Oversees the submission of annual funding applications to HUD (the SuperNOFA/Vento Homeless Assistance grant application process which has brought more than \$3 million to the region and includes the creation of 19 new permanent supportive housing beds for homeless and disabled individuals and maintains over 100 beds for homeless individuals and families);
- Oversees the implementation and monitoring of the Council’s Ten Year Plan to End Homelessness;
- Conducts the annual “point in time” count of the number of homeless; and

- Facilitates monthly meetings and the coordination of various subcommittees (115 Enterprise Road, Hyannis, MA 02601; 508/771-1727)

**11. *Bailey Boyd Associates (BBA)***

For over twenty years, Bailey Boyd Associates has been successfully funding and implementing community development activities related to community housing, large infrastructure projects and sustainable employment opportunities, working as a consultant with a wide range of clients in the private, public and non-profit sectors. In regard to housing, BBA has helped dozens of municipalities and community groups plan, fund and build affordable housing. They have provided consulting services on an annual and project basis, creating and updating housing plans, preparing pro formas, completing environmental reviews and RFP's, and securing funding or financing. BBA has also implemented a wide range of housing initiatives including elder housing, first-time homebuyer programs, affordable rental programs, friendly 40B developments and LIP projects, and have qualified thousands for affordable units. They have worked closely with the Town of Dennis on numerous projects and affordable housing issues, and as mentioned earlier are managing the Housing Rehab Loan Program for the towns of Harwich and Dennis (see Section III.B.4 for more information).

(P.O. Box 215, West Harwich, MA 02671; 508/430-4499)

## **APPENDIX 1**

### **Glossary of Housing Terms<sup>21</sup>**

#### **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.

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<sup>21</sup> Heudorfer, Bonnie, “Taking the Initiative: A Guidebook on Creating Local Affordable Housing Strategies”, Citizens Housing and Planning Association with funding from the Massachusetts Housing Partnership Fund, November 2002.

### **Inclusionary Zoning**

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

### **Infill Development**

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

### **Local Initiative Program (LIP)**

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

### **MassHousing (formerly the Massachusetts Housing Finance Agency, MHFA)**

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

### **Metropolitan Statistical Area (MSA)**

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

### **Mixed-Income Housing Development**

Mixed-income development includes housing for various income levels.

### **Mixed-Use Development**

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

### **Overlay Zoning**

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

### **Public Housing Agency (PHA)**

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

### **Regional Non-profit Housing Organizations**

Regional non-profit housing organizations include nine private, non-profit housing agencies, which administer the Section 8 Program on a statewide basis, under contract with DHCD. Each agency serves a wide geographic region. Collectively, they cover the entire state and administer over 15,000 Section 8

vouchers. In addition to administering Section 8 subsidies, they administer state-funded rental assistance (MRVP) in communities without participating local housing authorities. They also develop affordable housing and run housing rehabilitation and weatherization programs, operate homeless shelters, run homeless prevention and first-time homebuyer programs, and offer technical assistance and training programs for communities. The Housing Assistance Corporation (HAC) serves as Dennis's regional non-profit housing organization.

**Regional Planning Agencies (RPAs)**

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

**Request for Proposals (RFP)**

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

**Section 8**

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

**Smart Growth**

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

**Subsidy**

Typically refers to financial assistance that fills the gap between the costs of any affordable housing development and what the occupants can afford based on program eligibility requirements. Many times multiple subsidies from various funding sources are required, often referred to as the “layering” of subsidies, in order to make a project feasible. In the state's Local Initiative Program (LIP), DHCD's technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. Also, “internal subsidies” refers to those developments that do not have an external source(s) of funding for affordable housing, but use the value of the market units to “cross subsidize” the affordable ones.

**Subsidized Housing Inventory (SHI)**

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

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

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

## **APPENDIX 2**

### **Summary of Housing Regulations and Resources**

#### **I. SUMMARY OF HOUSING REGULATIONS**

##### **A. Chapter 40B Comprehensive Permit Law**

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

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

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

According to Chapter 40B regulations, the ZBA decision to deny or place conditions on a comprehensive permit project cannot be appealed by the developer if any of the following conditions are met<sup>22</sup>:

- The community has met the “statutory minima” by having at least 10% of its year-round housing stock affordable as defined by Chapter 40B, at least 1.5% of the community’s land area includes affordable housing as defined again by 40B, or annual affordable housing construction is on at least 0.3% of the community’s land area.
- The community has made “recent progress” adding SHI eligible housing units during the prior 12 months equal at least to 2% of its year-round housing.
- The community has a one- or two-year exemption under Housing Production.
- The application is for a “large project” that equals at least 6% of all housing units in a community with less than 2,500 housing units.

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<sup>22</sup> Section 56.03 of the new Chapter 40B regulations.

- A “related application” for the site was filed, pending or withdrawn within 12 months of the application.

If a municipality does not meet any of the above thresholds, it is susceptible to appeals by comprehensive permit applicants of the ZBA’s decision to the state’s Housing Appeals Committee (HAC). This makes the Town susceptible to a state override of local zoning if a developer chooses to create affordable housing through the Chapter 40B comprehensive permit process.<sup>23</sup> Recently approved regulations add a new requirement that ZBA’s provide early written notice (within 15 days of the opening of the local hearing) to the application and to DHCD if they intend to deny or condition the permit based on the grounds listed above that make the application appeal proof, providing documentation for its position. Under these circumstances, municipalities can count projects with approved comprehensive permits that are under legal approval, but not by the ZBA, at the time.

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

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

- *40R*  
Units receiving Plan Approval under 40R now count when the permit or approval is filed with the municipal clerk provided that no appeals are filed by the board or when the last appeal is fully resolved, similar to a Comprehensive Permit project.
- *Certificate of Occupancy*  
Units added to the SHI on the basis of receiving building permits become temporarily ineligible if the C of O is not issued within 18 months.
- *Large Phased Projects*  
If the comprehensive permit approval or zoning approval allows a project to be built in phases and each phase includes at least 150 units and average time between the start of each phase is 15 months or less, then the entire project remains eligible for the SHI as long as the phasing schedule set forth in the permit approval continues to be met.
- *Projects with Expired Use Restrictions*  
Units become ineligible for inclusion in the SHI upon expiration or termination of the initial use

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<sup>23</sup> 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.

restriction unless a subsequent use restriction is imposed.

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

Towns are allowed to set-aside up to 70% of the affordable units available in a 40B development for those who have a connection to the community as defined within the parameters of fair housing laws and Section III.C of the Comprehensive Permit Guidelines including Dennis residents, employees of the Town of Dennis (including the school district) or employees of businesses located in town.

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

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

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

- Information provided by the municipality or other parties regarding municipal actions previously taken to meet affordable housing needs, including inclusionary zoning, multi-family districts and 40R overlay zones.
- Whether the conceptual design is appropriate for the site including building massing, topography, environmental resources, and integration into existing development patterns.
- That the land valuation, as included in the pro forma, is consistent with DHCD guidelines regarding cost examination and limitations on profits and distribution.
- Requires that LIP site approval applications be submitted by the municipality's chief executive officer.
- Specifies that members of local boards can attend the site visit conducted during DHCD's 30-day review period.
- Requires that the subsidizing agency provide a copy of its determination of eligibility to DHCD, the chief executive officer of the municipality, the ZBA and the applicant.

If there are substantial changes to a project before the ZBA issues its decision, the subsidizing agency can defer the re-determination of site/project eligibility until the ZBA issues its decision unless the chief executive officer of the municipality or applicant request otherwise. New 40B regulations provide greater

detail on this re-determination process. Additionally, challenges to project eligibility determinations can only be made on the grounds that there has been a substantial change to the project that affects project eligibility requirements and leaves resolution of the challenge to the subsidizing agency.

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

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

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

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

- Adds new language regarding what constitutes an uneconomic condition including requiring applicants to pay for off-site public infrastructure or improvements if they involve pre-existing conditions, are not usually imposed on unsubsidized housing or are disproportionate to the impacts of the proposed development or requiring a reduction in the number of units other than on a basis of legitimate local concerns (health, safety, environment, design, etc.). Also states that a condition shall not be considered uneconomic if it would remove or modify a proposed nonresidential element of a project that is not allowed by right.

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

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

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

#### **B. Housing Production Regulations**

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

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

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<sup>24</sup> Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

to DHCD, or 24 months if the 1.0% threshold is met.

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

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

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

### **C. Chapter 40R/40S**

In 2004, the State Legislature approved a new zoning tool for communities in recognition that escalating housing prices, now beyond the reach of increasing numbers of state residents, are causing graduates from area institutions of higher learning to relocate to other areas of the country in search of greater affordability. The Commonwealth Housing Task Force, in concert with other organizations and institutions, developed a series of recommendations, most of which were enacted by the State Legislature as Chapter 40R of the Massachusetts General Laws. The key components of these regulations are that “the state provide financial and other incentives to local communities that pass Smart Growth Overlay Zoning Districts that allow the building of single-family homes on smaller lots and the construction of apartments for families at all income levels, and the state increase its commitment to fund affordable housing for families of low and moderate income”.<sup>25</sup>

The statute defines 40R as “a principle of land development that emphasizes mixing land uses, increases the availability of affordable housing by creating a range of housing opportunities in neighborhoods, takes advantage of compact design, fosters distinctive and attractive communities, preserves opens space, farmland, natural beauty and critical environmental areas, strengthens existing communities, provides a variety of transportation choices, makes development decisions predictable, fair and cost effective and encourages community and stakeholder collaboration in development decisions.”<sup>26</sup> 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;

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<sup>25</sup> Edward Carman, Barry Bluestone, and Eleanor White for The Commonwealth Housing Task Force, “A Housing Strategy for Smart Growth and Economic Development: Executive Summary”, October 30, 2003, p. 3.

<sup>26</sup> Massachusetts General Law, Chapter 40R, Section 11.

- Provides two types of payments to municipalities; and
- Encourages open space and protects historic districts.

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

<b>Incentive Payments</b>	
<b>Incentive Units</b>	<b>Payments</b>
Up to 20	\$10,000
21-100	\$75,000
101-200	\$200,000
210-500	\$350,000
501 or more	\$600,000

There are also density bonus payments of \$3,000 for each residential unit issued a building permit. To be eligible for these incentives the Overlay Districts need to allow mixed-use development and densities of 20 units per acre for apartment buildings, 12 units per acre for two and three-family homes, and at least eight units per acre for single-family homes. Communities with populations of less than 10,000 residents are eligible for a waiver of these density requirements, however significant hardship must be demonstrated. The Zoning Districts would also encourage housing development on vacant infill lots and in underutilized nonresidential buildings. The Task Force emphasizes that Planning Boards, which would enact the Zoning Districts, would be “able to ensure that what is built in the District is compatible with and reflects the character of the immediate neighborhood.”<sup>27</sup>

The principal benefits of 40R include:

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

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

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

The state recently enacted Chapter 40S under the Massachusetts General Law that provides additional benefits through insurance to towns that build affordable housing under 40R that they would not be

<sup>27</sup> “A Housing Strategy for Smart Growth and Economic Development: Executive Summary,” p. 4.

saddled with the extra school costs caused by school-aged children who might move into this new housing. This funding was initially included as part of 40R but was eliminated during the final stages of approval. In effect, 40S is a complimentary insurance plan for communities concerned about the impacts of a possible net increase in school costs due to new housing development.

**D. Local Initiative Program (LIP) Guidelines**

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

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

Specific LIP requirements include the following by category:

*Income and Assets*

- Must be affordable to those earning at or below 80% of area median income adjusted by family size and annually by HUD. Applicants for affordable units must meet the program income limits in effect at the time they apply for the unit and must continue to meet income limits in effect when they actually purchase a unit.
- For homeownership units, the household may not have owned a home within the past three years except for age-restricted “over 55” housing.
- For homeownership projects, assets may not be greater than \$75,000 except for age-restricted housing where the net equity from the ownership of a previous house cannot be more than \$200,000.
- Income and asset limits determine eligibility for lottery participation.

*Allowable Sales Prices and Rents*<sup>28</sup>

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

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<sup>28</sup> DHCD has an electronic mechanism for calculating maximum sales prices on its website at [www.mass.gov/dhcd](http://www.mass.gov/dhcd).

- price, property taxes, condo fees<sup>29</sup>, private mortgage insurance (if putting less than 20% of purchase price down), and hazard insurance.
- The initial maximum sales price or rent is calculated as affordable to a household with a number of household members equal to the number of bedrooms plus one (for example a two-bedroom unit would be priced based on what a three-person household could afford).

*Allowable Financing and Costs*

- Allowable development costs include the “as is” value of the property based on existing zoning at the time of application for a project eligibility letter (initial application to DHCD). Carrying costs (i.e., property taxes, property insurance, interest payments on acquisitions financing, etc.) can be no more than 20% of the “as is” market value unless the carrying period exceeds 24 months. Reasonable carrying costs must be verified by the submission of documentation not within the exclusive control of the applicant.
- Appraisals are required except for small projects of 20 units or less at the request of the Board of Selectmen where the applicant for the LIP comprehensive permit submits satisfactory evidence of value.
- Profits are limited to no more than 20% of total allowable development costs in homeownership projects.
- In regard to rental developments, payment of fees and profits are limited to no more than 10% of total development costs net of profits and fees and any working capital or reserves intended for property operations. Beginning upon initial occupancy and then proceeding on an annual basis, annual dividend distributions will be limited to no more than 10% of the owner’s equity in the project. Owner’s equity is the difference between the appraised as-built value and the sum of any public equity and secured debt on the property.
- For LIP comprehensive permit projects, DHCD requires all developers to post a bond (or a letter of credit) with the municipality to guarantee the developer’s obligations to provide a satisfactory cost certification upon completion of construction and to have any excess profits, beyond what is allowed, revert back to the municipality. The bond is discharged after DHCD has determined that the developer has appropriately complied with the profit limitations.
- No third party mortgages are allowed for homeownership units.

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

- Marketing and outreach, including lottery administration in adherence with all Fair Housing laws.
- LIP requires that the lottery draw and rank households by size.
- If there are proportionately less minority applicants in the community preference pool than the proportion in the region, a preliminary lottery must be held to boost, if possible, the proportion of minority applicants to this regional level.
- A maximum of 70% of the units may be local preference units for those who have a connection to the community as defined under state guidelines (Section C: Local Preference section of the Affirmative Fair Housing Marketing Plan Guidelines (dated June 25, 2008)).

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<sup>29</sup> DHCD will review condo fee estimates and approve a maximum condo fee as part of the calculation of maximum sales price. The percentage interests assigned to the condo must conform to the approved condo fees and require a lower percentage interest assigned to the affordable units as opposed to the market rate ones. DHCD must review the Schedule of Beneficial Interests in the Master Deed to confirm that LIP units have been assigned percentage interests that correspond to the condo fees.

- The Marketing Plan must affirmatively provide outreach to area minority communities to notify them about availability of the unit(s).
- Marketing materials must be available/application process open for a period of at least 60 days.
- Marketing should begin about six (6) months before occupancy.
- Lottery must be held unless there are no more qualified applicants than units available.

***Regulatory Requirements***

- The affordable units design, type, size, etc. must be the same as the market units and dispersed throughout the development.
- Units developed through LIP as affordable must be undistinguishable from market units as viewed from the exterior (unless the project has a DHCD-approved alternative development plan that is only granted under exceptional circumstances) and contain complete living facilities.
- For over 55 projects, only one household member must be 55 or older.
- Household size relationship to unit size is based on “households” = number of bedrooms plus one – i.e., a four-person household in a three-bedroom unit (important also for calculating purchase prices of the affordable units for which LIP has a formula as noted above).
- Must have deed restrictions in effect in perpetuity unless the applicant or municipality can justify a shorter term to DHCD.
- All affordable units for families must have at least two or more bedrooms and meet state sanitary codes and these minimum requirements –

1 bedroom – 700 square feet/1 bath  
2 bedrooms – 900 square feet/1 bath  
3 bedrooms – 1,200 square feet/ 1 ½ baths  
4 bedrooms – 1,400 square feet/2 baths

- Appraisals may take into account the probability of obtaining a variance, special permit or other zoning relief but must exclude any value relating to the possible issuance of a comprehensive permit.

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

1. Written support of the municipality’s chief elected official, the Board of Selectmen in the case of towns, and the local housing partnership, trust or other designated local housing entity. The chief executive officer is in fact required to submit the application to DHCD.
2. At least 25% of the units must be affordable and occupied by households earning at or below 80% of area median income or at least 20% of units restricted to households at or below 50% of area median income.
3. Affordability restrictions must be in effect in perpetuity, to be monitored by DHCD through a recorded regulatory agreement.
4. Project sponsors must prepare and execute an Affirmative Fair Housing Marketing Plan that must be approved by DHCD.
5. Developer’s profits are restricted per Chapter 40B requirements.

The process that is required for using LIP for 40B developments – “friendly” comprehensive permit projects – is as follows:

1. Application process
  - Developer meets with Town
  - Developer and Town agree to proposal
  - Town chief elected officer submits application to DHCD with developer’s input
2. DHCD review involves the consideration of:
  - Sustainable development criteria (redevelop first, concentrate development, be fair, restore and enhance the environment, conserve natural resources, expand housing opportunities, provide transportation choice, increase job opportunities, foster sustainable businesses, and plan regionally),
  - Number and type of units,
  - Pricing of units to be affordable to households earning no more than 70% of area median income,
  - Affirmative marketing plan,
  - Financing, and
  - Site visit.
3. DHCD issues site eligibility letter that enables the developer to bring the proposal to the ZBA for processing the comprehensive permit.
4. Zoning Board of Appeals holds hearing
  - Developer and Town sign regulatory agreement to guarantee production of affordable units that includes the price of units and deed restriction in the case of homeownership and limits on rent increases if a rental project. The deed restriction limits the profit upon resale and requires that the units be sold to another buyer meeting affordability criteria.
  - Developer forms a limited dividend corporation that limits profits.
  - The developer and Town sign a regulatory agreement.
5. Marketing
  - An Affirmative Fair Housing Marketing Plan must provide outreach to area minority communities to notify them about availability of the unit(s).
  - Local preference is limited to a maximum of 70% of the affordable units.
  - Marketing materials must be available/application process open for a period of at least 60 days.
  - Lottery must be held.
6. DHCD approval must include
  - Marketing plan, lottery application, and lottery explanatory materials
  - Regulatory agreement (DHCD is a signatory)
  - Deed rider (Use standard LIP document)
  - Purchase arrangements for each buyer including signed mortgage commitment, signed purchase and sale agreement and contact information of purchaser’s closing attorney.

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

The contact person at DHCD is Janice Lesniak of the LIP staff (phone: 617-573-1309; fax: 617-573-1330; email: [Janice.lesniak@state.ma.us](mailto:Janice.lesniak@state.ma.us)). For resale questions contact Elsa Campbell, Housing Specialist (phone: 617-573-1321; fax: 617-573-1330; email: [elsa.campbell@state.ma.us](mailto:elsa.campbell@state.ma.us)).

#### **E. Commonwealth Capital<sup>30</sup>**

The state established Commonwealth Capital as a policy that encourages communities to implement smart growth by utilizing the smart growth consistency of municipal land use regulations as part of the evaluation of proposals for state funding under a number of state capital spending programs. Those municipalities with higher scores, will be in a more competitive position for receiving state discretionary funding, not just for housing, but for other purposes including infrastructure, transportation, environment, economic development, etc. The state's goal is to invest in projects that are consistent with Sustainable Development Principles that include:

1. Redevelop first;
2. Concentrate development;
3. Be fair;
4. Restore and enhance the environment;
5. Conserve natural resources;
6. Expand housing opportunities;
7. Provide transportation choice;
8. Increase job opportunities;
9. Foster sustainable businesses; and
10. Plan regionally.

Applications can be submitted at any time and will be valid for the programs listed above throughout the current fiscal year. Communities should submit applications prior to the deadline for any Commonwealth Capital program to which they are applying to ensure that their score will count. Applications should be submitted electronically, and each community is assigned its own login and password.

Programs which are affected by Commonwealth Capital include the following that are operated by the Executive Office of Administration and Finance (EOAF), Executive Office of Energy and Environmental Affairs (EOEEA), Executive Office of Housing and Economic Development (EOHED), Executive Office of Transportation and Public Works (EOTPW), Coastal Zone Management (CZM), Massachusetts Office of Business Development (MOBD), Massachusetts Office of Relocation and Expansion (MORE), and the Department of Housing and Community Development (DHCD):

- Public Works Economic Development Program (EOTPW)
- Bike and Pedestrian Program (EOTPW)\*
- Transit Oriented Development Bond Program (EOTPW)
- Community Development Action Grant Program (EOHED and DHCD)
- State Revolving Fund (EOEEA and DEP)
- Urban Brownfields Assessment Program (EOEEA)\*
- Urban Self-Help Program (EOEEA and DCS)
- Drinking Water Supply Protection Grant Program (EOEEA)

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<sup>30</sup> This program was created by the Romney administration and coordinated by the Office of Commonwealth Development. While OCD has been disbanded, applications are still being accepted

- Urban River Visions Program (EOEEA)\*
  - Coastal Pollutant Remediation Grant Program (EOEEA and CZM)
  - Coastal Nonpoint Source Pollution Grant Program (EOEEA and CZM)
  - Off-Street Parking Program (EOAF)
  - Smart Growth Technical Assistance Program (for this program EOEEA will use inverse Commonwealth Capital scores. Unlike the other 13 programs, a primary goal of this program is to help communities with low scores improve.)
- \* Indicates programs that are eliminated in proposed program changes.

Draft changes to Commonwealth Capital add the following programs:

- Small Town Road Assistance Program (EOTPW)
- MA Opportunity Relocation and Expansion (MORE)
- Jobs Capital Program (MOBD)
- Water Transportation Capital Funding Program (EOTPW)
- Alternative Energy Property Program (EOEEA-DOER)

The application involves a maximum score of 140 points, including bonus points. The Commonwealth Capital score will account for 30% of the possible application points for any of the Commonwealth Capital programs, the other 70% points related to the purpose of the particular program and the merits of the proposed project. Communities receive points for zoning, planning, housing, environmental, energy, transportation, and other measures that already exist as well as measures they commit to implement by the end of 2009 (for this year's application). Additionally, communities can receive bonus points for successfully implementing commitments made in their 2008 applications.

The major components of the proposed Commonwealth Capital application and corresponding total point allocations are provided below:

- Plan for and promote livable communities and plan regionally (19)
- Zone for and permit concentrated development and mixed use (26)
- Expand housing opportunities (21)
- Make efficient decisions and increase job and business opportunities (12)
- Protect land and ecosystems (21)
- Use natural resources wisely (7)
- Promote clean energy (9)
- Provide transportation choice (9)
- Advance equity (6)
- Promote sustainable development via other actions (10)
- Bonus points for every prior fiscal year commitment implemented

A greater number of points are granted for actions that are already in place but points are also issued for commitments that have not yet been implemented.

## II. SUMMARY OF HOUSING RESOURCES

Those programs that may be most appropriate to development activity in Dennis are described below.<sup>31</sup>

### A. Technical Assistance

#### 1. *Priority Development Fund*<sup>32</sup>

A relatively new state-funded initiative, the Priority Development Fund, provides planning assistance to municipalities for housing production. In June 2004, DHCD began making \$3 million available through this Fund on a first-come, first-served basis to encourage the new production of housing, especially mixed-income rental housing. PDF assistance supports a broad range of activities to help communities produce housing. Applications must demonstrate the community's serious long-term commitment and willingness to increase its housing supply in ways that are consistent with the Commonwealth's principles of sustainable development.

Eligible activities include community initiated activities and implementation activities associated with the production of housing on specific sites. Community initiated activities include but are not limited to:

Zoning activities that support the program objectives include:

- Incentive zoning provisions to increase underlying housing density;
- Smart Growth Zoning Overlay Districts;
- Inter- and intra-municipal Transferable Development Rights proposals;
- Zoning that promotes compact housing and development such as by right multi-family housing, accessory apartment units, clustered development, and inclusionary zoning;
- Zoning provisions authorizing live-and-work units, housing units for seasonal employees, mixed assisted living facilities and the conversion of large single-family structures, vacant mills, industrial buildings, commercial space, a school or other similar facilities, into multi-family developments; and
- Other innovative zoning approaches developed by and for an individual community.

Education and outreach efforts that support the program objectives include:

- Establishment of a local or regional affordable housing trust;
- Development of a plan of action for housing activities that will be undertaken with Community Preservation Act funds; and
- Efforts to build local support (grass-root education) necessary to achieve consensus or approval of local zoning initiatives.

Implementation activities associated with the production of housing in site-specific areas include but are not limited to:

- Identification of properties, site evaluation, land assembly and financial feasibility analysis; and
- Development of a Request for Proposal (RFP) for the disposition of land.

The PDF assistance is not available to serve as a substitute for pre-development assessment of alternative development scenarios for parcels already controlled by an identified private developer or to supplant municipal funds to pay staff salaries.

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<sup>31</sup> Program information was gathered through agency brochures, agency program guidelines and application materials as well as the following resources: Verrilli, Ann. Housing Guidebook for Massachusetts. Produced by the Citizen's Housing and Planning Association, June 1999.

<sup>32</sup> Description taken from the state's program description.

Eligible applicants consist of cities and towns within the Commonwealth. Municipalities may enter into third party agreements with consultants approved by DHCD, however only a municipality will be allowed to enter into a contract with MassHousing regarding the distribution of funds. Municipalities will be responsible for attesting that all funds have been expended for their intended purposes.

Joint applications involving two or more communities within a region or with similar housing challenges are strongly encouraged as a way to leverage limited resources, however, one municipality will be required to serve as the lead.

MassHousing and DHCD reserve the right to screen applications and to coordinate requests from communities seeking similar services. For example, rural communities may be more effectively served by an application for a shared consultant who can work with numerous towns to address zoning challenges that enhance housing production. Likewise, it may be more effective to support an application for a consultant to review model zoning bylaws or overlay districts with a number of interested communities with follow-up at the community level to support grassroots education, than it is to support the separate development of numerous zoning bylaws. Communities submitting multiple applications must prioritize their applications.

In exchange for the assistance, municipalities must agree to share the end product of the funded activities with DHCD and MassHousing and with other communities in the Commonwealth through reports, meetings, workshops, and to highlight these activities in print, on the web or other media outlets.

The agencies will focus the evaluation of applications to determine overall consistency with program goals and the principles of sustainable development. Applications will be evaluated based on:

- Eligibility of activity;
- Public support;
- Demonstrated need for funds;
- Likelihood activity will result in production of housing;
- Reasonableness of the timeline;
- Readiness to proceed with proposed project;
- Capacity to undertake activity;
- Cost estimates and understanding of the proposed project cost;
- Proposed activity having clearly defined benefits that will result in the production of housing; and
- Benefits being realized within a 2-3 year-timeframe.

Applications for funding will be accepted and evaluated on a rolling review basis. In order to deploy this assistance as effectively and efficiently as possible, or in the event the planning funds are oversubscribed, communities that have relatively greater planning capacity and/or resources may be requested to provide some matching funds. Additional consideration and flexibility for the assistance will be made for communities with little or no planning staff capacity or resources.

Communities may apply to DHCD for assistance of up to \$50,000. The amount of funds awarded will be a reflection of the anticipated impact on housing production. DHCD and MassHousing reserve the right to designate proposals as “Initiatives of Exceptional Merit,” in order to increase the amount of assistance and scope of services for certain projects.

## **2. *Peer to Peer Technical Assistance***

This state program utilizes the expertise and experience of local officials from one community to provide assistance to officials in another comparable community to share skills and knowledge on short-term

problem solving or technical assistance projects related to community development and capacity building. Funding is provided through the Community Development Block Grant Program and is limited to grants of no more than \$1,000, providing up to 30 hours of technical assistance.

Applications are accepted on a continuous basis, but funding is limited. To apply, a municipality must provide DHCD with a brief written description of the problem or issue, the technical assistance needed and documentation of a vote of the Board of Selectmen or letter from the Town Administrator supporting the request for a peer. Communities may propose a local official from another community to serve as the peer or ask DHCD for a referral. If DHCD approves the request and once the peer is recruited, DHCD will enter into a contract for services with the municipality. When the work is completed to the municipality's satisfaction, the Town must prepare a final report, submit it to DHCD, and request reimbursement for the peer.

### **3. *MHP Intensive Community Support Team***

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

### **4. *MHP Chapter 40B Technical Assistance Program***

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

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

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

### **5. *Smart Growth Technical Assistance Grants***

The state recently announced the availability of *Smart Growth Technical Assistance Grants* from the Executive Office of Environmental Affairs that provides up to \$30,000 per community to implement smart growth zoning changes and other activities that will improve sustainable development practices and increase scores on the Commonwealth Capital application. Eligible activities include:

- Zoning changes that implement planning recommendations;
- Development of mixed-use zoning districts;

- Completion of Brownfields inventory or site planning;
- Implementation of stormwater BMPs;
- Completion of Open Space Residential Design bylaws/ordinances;
- Implementation of Low Impact Development (LID) bylaws/ordinances; and
- Development of a Right-to-Farm bylaw/ordinance or zoning protections for agricultural preservation.

The state requires that localities provide a match of 15% of this special technical assistance fund and encourages communities that are interested in the same issues to apply jointly. Preference will be given to applications that improve sustainable development practices, realize a commitment from a community's Commonwealth Capital application, and implement a specific Community Development or Master Plan action. Additional preference will be offered those communities with lower Commonwealth Capital scores to support towns that have the greatest need for improved land use practices. For FY 2006, applications were due in mid-August for projects that must be completed by June 30, 2006, but no applications were required in FY 2006 if one had been submitted previously. Nevertheless, communities are able to submit supplemental information that will likely help boost their scores and competitiveness for state discretionary resources.

## **B. Housing Development**

While comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units in fact subsidize the affordable ones, communities are finding that they also require public subsidies to cover the costs of affordable or mixed-income residential development and need to access a range of programs through the state and federal government and other financial institutions to accomplish their objectives and meet affordable housing goals. Because the costs of development are typically significantly higher than the rents or purchase prices that low- and moderate-income tenants can afford, multiple layers of subsidies are often required to fill the gaps. Sometimes even Chapter 40B developments are finding it useful to apply for external subsidies to increase the numbers of affordable units, to target units to lower income or special needs populations, or to fill gaps that market rates cannot fully cover.

The state requires applicants to submit a One Stop Application for most of its housing subsidy programs in an effort to standardize the application process across agencies and programs. A Notice of Funding Availability (NOFA) is issued by the state usually twice annually for its rental programs and homeownership initiatives. Using the One Stop Application, applicants can apply to several programs simultaneously to support the funding needs of a particular project.

### **1. *HOME Program***

HUD created the HOME Program in 1990 to provide grants to states, larger cities and consortia of smaller cities and towns to do the following:

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

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

reserved for households earning less than 50% of median income. In addition to income guidelines, the HOME Program specifies the need for deed restrictions, resale requirements, and maximum sales prices or rentals.

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

Like all other communities on Cape Cod, Dennis is part of the Barnstable County HOME Consortium and has access to HOME funding.

## **2. Community Development Block Grant Program (CDBG)**

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

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

The program that potentially has the greatest applicability in Dennis is the **Housing Development Support Program (HDSP)** that provides gap financing for small affordable housing projects with fewer than eight units, including both new construction and rehabilitation. Eligible activities include development, rehabilitation, homeownership, acquisition, site preparation and infrastructure work. There is a maximum of \$500,000 plus administrative costs but the program can go up to \$750,000 per project for somewhat larger developments of up to ten units that involve mixed-use or adaptive reuse projects. A majority of the units must be affordable. All state and federal grants cannot exceed 75% of total project costs with the exception of special needs projects where such grants can amount to 100% of total costs. Funding involves a two-step process: 1) a notice of intent that provides basic information on the project, and 2) the municipality may be invited to submit a full application. HDSP Program funding is extremely competitive, and projects that receive funding through the state HOME or Housing Stabilization Fund Programs are excluded from applying to HDSP.

There are other programs funded through the Community Development Block Grant Small Cities Program for both homeownership and rental projects. A number of the special initiatives are directed to communities with high “statistical community-wide needs”, however, the **Community Development Fund II** is targeted to communities with lower needs scores that have not received CDBG funds in recent years. This may be the best source of CDBG funding for Dennis besides HDSP described above. Funding is also awarded competitively through an annual Notice of Funding Availability. DHCD also has a **Reserve Fund** for CDBG-eligible projects that did not receive funding from other CDBG funded programs or for innovative projects.

### **3. *Housing Stabilization Fund (HSF)***

The state's Housing Stabilization Fund (HSF) was established in 1993 through a Housing Bond bill to support housing rehabilitation through a variety of housing activities including homeownership (most of this funding has been allocated for the MHP Soft Second Program) and rental project development. The state subsequently issued additional bond bills to provide more funding. The HSF Rehabilitation Initiative is targeted to households with incomes within 80% of median income, with resale or subsequent tenancy for households within 100% of median income. The funds can be used for grants or loans through state and local agencies, housing authorities and community development corporations with the ability to subcontract to other entities. The funds have been used to match local HOME program funding, to fund demolition, and to support the acquisition and rehabilitation of affordable housing. In addition to a program directed to the rehabilitation of abandoned, distressed or foreclosed properties, the HSF provides funds to municipalities for local revitalization programs directed to the creation or preservation of rental projects. As with HOME, the maximum amount available per project is \$750,000 and the maximum per unit is \$65,000 for communities that do not receive HOME or CDBG funds directly from HUD, and \$50,000 for those that do. Communities can apply for HSF funding biannually through the One Stop Application.

### **4. *Low Income Housing Tax Credit Program***

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

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

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

### **5. *Affordable Housing Trust Fund***

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

- Deferred payment loans, low/no-interest amortizing loans.
- Down payment and closing cost assistance for first-time homebuyers.
- Credit enhancements and mortgage insurance guarantees.

- Matching funds for municipalities that sponsor affordable housing projects.
- Matching funds for employer-based housing and capital grants for public housing.

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

#### **6. *Housing Innovations Fund (HIF)***

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

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

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

#### **8. *MHP Permanent Rental Financing Program***

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

#### **9. *OneSource Program***

The Massachusetts Housing Investment Corporation (MHIC) is a private, non-profit corporation that since 1991 has provided financing for affordable housing developments and equity for projects that involve the federal Low Income Housing Tax Credit Program. MHIC raises money from area banks to fund its loan pool and invest in the tax credits. In order to qualify for MHIC's OneSource financing, the project must include a significant number of affordable units, such that 20% to 25% of the units are

affordable to households earning within 80% of median income. Interest rates are typically one point over prime and there is a 1% commitment fee. MHIC loans range from \$250,000 to several million, with a minimum project size of six units. Financing can be used for both rental and homeownership projects, for rehab and new construction, also covering acquisition costs with quick turn-around times for applications of less than a month (an appraisal is required). The MHIC and MHP work closely together to coordinate MHIC's construction financing with MHP's permanent take-out through the OneSource Program, making their forms compatible and utilizing the same attorneys to expedite and reduce costs associated with producing affordable housing.

**10. Section 8 Rental Assistance**

An important low-income housing resource is the Section 8 Program that provides rental assistance to help low- and moderate-income households pay their rent. In addition to the federal Section 8 Program, the state also provides rental subsidies through the Massachusetts Rental Voucher Program as well as three smaller programs directed to those with special needs. These rental subsidy programs are administered by the state or through local housing authorities and regional non-profit housing organizations. Rent subsidies take two basic forms – either granted directly to tenants or committed to specific projects through special Project-based rental assistance. Most programs require households to pay a minimum percentage of their adjusted income (typically 30%) for housing (rent and utilities) with the government paying the difference between the household's contribution and the actual rent.

**11. Massachusetts Preservation Projects Fund**

The Massachusetts Preservation Projects Fund (MPPF) is a state-funded 50% reimbursable matching grant program that supports the preservation of properties, landscapes, and sites (cultural resources) listed in the State Register of Historic Places. Applicants must be municipality or non-profit organization. Funds can be available for pre-development including feasibility studies, historic structure reports and certain archaeological investigations of up to \$30,000. Funding can also be used for construction activities including stabilization, protection, rehabilitation, and restoration or the acquisition of a state-registered property that are imminently threatened with inappropriate alteration or destruction. Funding for development and acquisition projects range from \$7,500 to \$100,000. Work completed prior to the grant award, routine maintenance items, mechanical system upgrades, renovation of non-historic spaces, moving an historic building, construction of additions or architectural/engineering fees are not eligible for funding or use as the matching share. A unique feature of the program allows applicants to request up to 75% of construction costs if there is a commitment to establish a historic property maintenance fund by setting aside an additional 25% over their matching share in a restricted endowment fund. A round of funding was recently held, but future rounds are not authorized at this time.

**12. District Improvement Financing Program (DIF)**

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

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

The Urban Center Housing Tax Increment Financing Zone Program (UCH-TIF) is a relatively new state initiative designed to give cities and towns the ability to promote residential and commercial development in commercial centers through tax increment financing that provides a real estate tax exemption on all or part of the increased value (the "increment") of the improved real estate. The development must be primarily residential and this program can be combined with grants and loans from other local, state and

federal development programs. An important purpose of the program is to increase the amount of affordable housing for households earning at or below 80% of area median income and requires that 25% of new housing to be built in the zone be affordable, although the Department of Housing and Community Development may approve a lesser percentage where necessary to insure financial feasibility. In order to take advantage of the program, a municipality needs to adopt a detailed UCH-TIF Plan and submit it to DHCD for approval.

#### **14. *Community Based Housing Program***

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

### **C. Homebuyer Financing and Counseling**

#### **1. *Soft Second Loan Program***

The Massachusetts Housing Partnership Fund, in coordination with the state's Department of Housing and Community Development, administers the Soft Second Loan Program to help first-time homebuyers purchase a home. The Program began in 1991 to help families earning up to 80% of median income qualify for a mortgage through a graduated-payment second mortgage and down payment assistance. Just recently the state announced that it had lent \$1 billion in these affordable mortgages. Participating lenders originate the mortgages which are actually split in two with a conventional first mortgage based on 77% of the purchase price, the soft second mortgage for typically about 20% of the purchase price (or \$20,000 if greater) and a requirement from the buyer of at least a 3% down payment. Borrowers do not need to purchase private mortgage insurance that would typically be required with such a low down payment, thus saving the buyer significant sums on a monthly basis. Program participants pay interest only on the soft second mortgage for the first ten years and some eligible buyers may qualify for an interest subsidy on the second mortgage as well. Additionally, some participating lenders and communities offer grants to support closing costs and down payments and slightly reduced interest rates on the first mortgage. Dennis is already a participating community in the Program.

#### **2. *American Dream Downpayment Assistance Program***

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

#### **3. *Homebuyer Counseling***

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

**4. Self-Help Housing.**

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

**D. Home Improvement Financing**

**1. *MassHousing Home Improvement Loan Program (HLP)***

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

**2. *Get the Lead Out Program***

MassHousing's Get the Lead Out Program offers 100% financing for lead paint removal on excellent terms that are based on ownership status and type of property. An owner-occupied, single-family home may be eligible to receive a 0% deferred payment loan up to \$20,000 that is due when the house is sold, transferred or refinanced. An owner-occupant of a two-family house could receive up to \$25,000 to conduct the de-leading work. Maximum income limits for owner-occupants are \$74,400 for one and two-person households and \$85,500 for three or more persons. Investor-owners can also participate in the program but receive a 5% fully amortizing loan to cover costs. Non-profit organizations that rent properties to income-eligible residents are also eligible for 0% fully amortizing loans that run from five to 20 years. Applicants must contact a local rehabilitation agency to apply for the loan.

**3. *Septic Repair Program***

Through a partnership with the Massachusetts Department of Environmental Protection and Revenue, MassHousing offers loans to repair or replace failed or inadequate septic systems for qualifying applicants. The interest rates vary according to the borrower's income with 0% loans available to one and two-person households earning up to \$23,000 and three or more person households earning up to \$26,000 annually. There are 3% loans available for those one or two person households earning up to \$46,000 and three or more persons earning up to \$52,000. Additionally, one to four-family dwellings and condominiums are eligible for loan amounts of up to \$25,000 and can be repaid in as little as three years or over a longer period of up to 20 years. To apply for a loan, applicants must contact a participating lender.

**4. *Dennis/Harwich Housing Rehabilitation Loan Program***

The Town of Dennis, jointly with the Town of Harwich, was recently awarded Community Development Block Grant (CDBG) funding to support the rehabilitation of at least a dozen properties owned or rented by low- or moderate-income residents (earning at or within 80% of area median income) in Dennis. The funding, which totals almost \$1 million to be split between the two towns, comes from HUD but is administered by the state's Department of Housing and Community Development (DHCD). The community development consultant, Bailey Boyd Associates, prepared the grant application for the funding and is also coordinating program implementation. The objective of the program is to address code violations and health and safety concerns in homes and apartments, which are identified through property inspections by licensed construction supervisors. Landlords are required to pay 50% of the costs, and homeowners can receive 100% of the costs up to \$30,000. The grant money is provided as a

no-interest deferred loan that is forgivable and declines by 1/15 per year. If the property is sold before the 15 years is up, the landlord or homeowner must repay the unforgiven portion of the loan.

**APPENDIX 3**  
**Map**

**Insert updated map with village areas**