

TOWN OF FALMOUTH
HOUSING DEMAND STUDY &
NEEDS ANALYSIS



*Town of Falmouth – Falmouth Housing Trust
Odd Fellows Hall: Site of Proposed Local Initiative Program (LIP)
4-Unit Affordable Rental Development*



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I. EXECUTIVE SUMMARY

Falmouth is one of four towns located in the Upper Cape section of Cape Cod. As host community for Woods Hole Oceanographic Institute (WHOI) and other marine research organizations, Falmouth has both special qualities and unique challenges. On one level, Falmouth functions as a specialized sub-regional economic center, yet on another level, it has a limited employment base and a small labor force for a town of its size. Falmouth also has many well-preserved historic structures, scenic features, and coastal resources that contribute to its beauty. However, the very beauty that makes Falmouth so appealing also masks the degree of economic hardship that exists in the town, especially in East Falmouth.

There are noticeable disagreements about the roles and responsibilities of local government, other public agencies, and private organizations ... unless groups with an interest in housing policy settle their disputes and work together as a team, Falmouth will find it difficult to move forward with a coherent, effective plan for fair and affordable housing.

The concerns that led Falmouth to prepare this housing study are shared, at least to some extent, by its neighbors and the Cape as a whole. The interdependence of education, housing, jobs, and living wages is not lost on policymakers anywhere on the Cape, though the region's imbalances occur in different degrees from town to town. Falmouth's attractiveness to retirees, small employment base,

comparatively low wages, and limited housing options have made it increasingly difficult to lure and keep young people. On these points, most observers seem to agree. Most observers seem to agree about the need for decent rental housing, too. Nevertheless, there are noticeable disagreements about the roles and responsibilities of local government, other public agencies, and private organizations; what "housing affordability" actually means in Falmouth; and the best ways to reduce housing barriers. Unless the groups with an interest in housing policy settle their disputes and work together as a team, Falmouth will find it difficult to move forward with a coherent, effective plan for fair and affordable housing.

At the heart of any housing plan or strategy are questions about need: who needs housing? Who needs to be creating, regulating, managing, maintaining, monitoring, and protecting the supply of safe, decent, and sanitary affordable housing – and who needs resources to carry out these tasks? As used in this report, **housing need** refers to households lacking their own housing or living in units that are unsuitable for the size and composition of their households, or who cannot meet their needs in the housing market without some assistance. **Housing demand** is the quantity and type/quality of housing that households want to purchase or rent and are able to afford. **Housing market areas** are geographical areas that are relatively self-contained in terms of housing demand, i.e. a large percentage of people moving or settling in the area will have sought a dwelling only in that area.

The purpose of this report is to help Falmouth understand the needs that exist in the community, the market dynamics and other factors that contribute to those needs, and opportunities to address the town's unmet needs despite the power of market forces. It is undeniably true that Falmouth's Cape Cod location plays a significant role in defining the

local housing market. However, communities do influence the make-up of their populations by the choices they make to control housing development, even on Cape Cod. Falmouth is no exception. An economy cannot thrive without the capacity to house workers at a variety of skill and wage levels. In Falmouth, housing is an issue both for social equity and an economic development.

A. KEY FINDINGS

1. Demographic (*Chapter 2)

- Between 2000 and 2010, Falmouth's year-round population decreased by 3.5 percent, much like Barnstable County, but all of Falmouth's Upper Cape neighbors experienced population growth.
- The projected population growth rate for 2018 is 1.4 percent for Falmouth and 2.1 percent for Cape Cod.
- The average household income in Falmouth exceeds that for Cape Cod, although the percent change is similar. The number of households earning less than \$50,000 has decreased since 2000 and will continue to decrease (2018) both for Falmouth and Cape Cod.
- Both median household and per capita incomes in Falmouth are greater than Cape Cod, though historic and projected rates of income growth are similar. The rates of growth in the number of households are similar, too, with Falmouth households accounting for about 13 percent of Cape Cod households.
- More households are projected to earn \$100,000 or more, from 26 percent of the Falmouth households in 2010 to 32 percent in 2018. For Cape Cod as a whole, 24 percent of all households earned \$100,000 or more in 2010; this is expected to reach 30 percent by 218.
- In Falmouth, about 32 percent of all homeowner households moved into their unit over the last decade. This equates to an annual average of approximately 370 owner households per year, indicating an annual turnover rate of 3.4 percent.
- The number of homeowner households fell slightly over the last decade, but major changes occurred in age and income groups. Most of the increases occurred in the three cohorts, age 55-and-older, as a result of attracting new retirees or the aging in place of the existing elderly. These increase came at the expense of the loss of owner households in the three cohorts younger than age 55. As a result, approximately two-thirds of the year-round owner households were age 55-and-older including 20 percent age 75 and older, while owner households younger than age 35 decreased to less than 4 percent of owner households in 2010.
- The median homeowner household income, \$70,350 in 2010, has increased by 29 percent since 2000. The number of homeowners earning less than \$75,000 decreased over the last decade, while increases were indicated for owners in the income groups earning \$100,000

or more. These changes varied between census tracts. For example; homeowners earning less than \$50,000 accounted for 52 percent of all homeowners in Tract 148.

- Most of Falmouth's employed residents work locally. Many parts of Cape Cod tend to have large percentages of people who live and work in the same community (larger than the statewide average of 31.6 percent), but Falmouth has an unusually large percentage of local workers (59.7 percent). Much of this can be attributed to Woods Hole and, to a lesser extent, large local employers like Falmouth Hospital and allied health care providers.

2. Housing Supply and Demand (*Chapter 3)

- Since 2000, nearly all residential construction in Falmouth has involved single-family homes and condominiums, though it appears that a small increase in two- and three-unit structures and mixed-use properties occurred as well.
- The supply of single-family homes, condominiums, small multi-unit buildings, and properties with multiple dwellings includes a combined total of about 20,970 units.

The Census Bureau estimates that less than 4 percent of the owner-occupied housing in Falmouth is valued below \$200,000: a sale price that would be affordable to many moderate-income people.

Together, they are characterized as selected residential properties in this report: selected because they lend themselves to comparative analysis, which is not really true for large investor-owned apartment buildings. The selected residential properties represent about 94.5 percent of Falmouth's entire housing supply (22,200 units).

- Approximately 39 percent of the selected residential parcels were built within the last 35 years or since 1980, including 10 percent built since 2000. About 24 percent of the multi-unit parcels were developed since 1980, but only 8 percent since 2000. Housing production over that last few years slowed considerably in comparison with activity in the 1980s or late 1990s.

HOUSING VALUES

- The assessed value of residential properties more than doubled over the last decade, but a decrease was evident after 2010. The assessed value of residential properties represents over 92 percent of Falmouth's tax base, so housing is a very important source of revenue for the town.
- According to estimates from the Census Bureau, the median value of owner-occupied housing (all housing types) in Falmouth is \$428,200, but the median varies considerably between census tracts. Moreover, the Census Bureau estimates that less than 4 percent of the owner-occupied housing in Falmouth is valued below \$200,000: a sale price that would be affordable to many moderate-income people. Another 15 percent falls in the \$200,000

to \$300,000 range, and over 80 percent of owner-occupied housing is valued at \$300,000 or more.

- These statistics appear to be supported by the assessor's parcel data, which indicate that 36 percent of the select residential parcels were valued at less than \$300,000, including 21 percent used as a local residence. The assessor's database also indicates that the average assessment of single-family parcels town-wide is \$481,300, but again, the average varies by neighborhood and in some cases quite significantly. Land assessment for single-family homes accounted for 56 percent of the total, town-wide, but in selected neighborhoods influenced by the water, land values are much higher.
- According to the assessor's database, the supply of residential properties valued at less than \$200,000 – that is, properties that would probably be affordable to a moderate-income homebuyer – accounts for over 7 percent of the selected residential properties. Almost half are seasonal homes or rentals. This supply is concentrated primarily in five of Falmouth's eighteen neighborhoods. Fifteen percent of the selected residential properties have a value in the \$200,000 to \$250,000 range, and another 14 percent in the \$250,000 to \$300,000 range. The remaining 64 percent are assessed at over \$300,000, and only 47 percent are occupied as a residence.

SEASONAL HOUSING

- The supply of seasonal housing may have increased by 10 percent or so since 2010, for the assessor estimates that Falmouth has 7,800 seasonal units today compared with 7,100 seasonal units reported in Census 2010. The assessed value of second homes is generally higher than that of year-round residences. Assessments vary by neighborhood, with Pinecrest, Teaticket, and Ashumet being the most affordable.
- If the number of seasonal homes has increased as suggested by data from the assessor's office, Falmouth's actual Chapter 40B "shortfall" may be smaller than it appears, given that the official percentage is based on federal census data, not records of the local assessor. Any change in seasonal housing will not affect Falmouth's Chapter 40B status until Census 2020.
- While an increase in seasonal homes may reduce the Town's 10 percent minimum under Chapter 40B, the same condition exacerbates the problems caused by a limited supply of affordable housing. This is because in general, seasonal homes are often more valuable and less available to low- or moderate-income homebuyers and renters.

HOUSING SALES

- The for-sale market showed signs of improvement as the number of sales of single-family homes and condominiums increased in the last few years, and conversely the number of short-sales decreased. On average, approximately 57 percent on the single-family sales over the last five years were bought by a non-local owner, which further increased the supply of seasonal housing, or reduced the year-round supply. In most cases, the median prices paid by non-local buyers were 10 to 25 percent higher than local buyers paid for single-family homes. The reverse however was indicated for condominiums as local

buyers, which accounted for 50 percent of the sales activity, paid 20 percent more than non-local buyers in some cases. Local buyers also outnumbered non-local buyers for short-sales; however, some were converted to rentals or subsequently resold. Short-sales represented about 12 percent of total activity on average over the last five years, but activity over the last year represented less than 3 percent.

- The median single-family sale price in 2014 was \$385,000 and only seven out of 18 neighborhoods have a median below this level. For condominiums, the median price in 2014 was \$362,500 and only three out of eight neighborhoods have a median value below this level. The number of current listings for single-family and condominiums at less than \$500,000 represented less than a one-year supply in most cases; however, properties listed in excess of \$500,000 indicate a two-year or more inventory based on historic activity.

RENTAL HOUSING

- Renter households increased by eight percent over the last decade, accounting for almost 24 percent of occupied housing but only 15 percent of total housing in 2010. An estimated 84 percent of the renters in Falmouth moved into their unit over the last decade, and indicated a renter turnover rate of 9 percent. The median income level for renter households was \$33,480 in 2010, and it would support rent of \$840 to be affordable. However, the median gross rent was \$960, and over 20 percent of renters incurred rents of \$1,500 or more, while 26 percent paid \$1,000 to \$1,499. A sample of current rents indicated a median rent of \$1,200 and in most cases the median rent from the sample was fairly similar to Fair Market Rent, determined by HUD.
- The rental market in Falmouth is more informal and affected by seasonal influences. Most of the rental stock was contained in single-family homes and to a lesser extent small 2-or-3 unit properties whose owners sometimes charged lower rents to keep long-term tenants. Second homes were reportedly rented out as well as owner residences to help defray housing cost during the off-season. In other words the rental market was more dynamic during the season than in the off-season, and as such difficult to quantify, since pricing and availability fluctuates throughout the year.

B. KEY ISSUES

1. Local Capacity (*Chapter 4)

- **Collaboration:** There is considerable tension in Falmouth, especially tension about housing. None of the ideas contained in this report can be carried out without a significant improvement in relationships between citizen activists, developers, staff, and town officials. Everyone has a role to play and everyone can help, but the Town and private organizations need to work on trust-building. They should identify where the greatest capacity and expertise are for a variety of housing strategies, collaborate, and share information and resources. A summit of the key people with an interest in housing policy (elected and appointed town officials, town staff, and private groups) to work on a strategic plan with someone trained in facilitation and conflict resolution would be a wise “first step” toward forging better relationships. The Planning Board and Board of

Selectmen have already been working to improve communications and coordinate their efforts. A similar initiative is needed with the Affordable Housing Committee and possibly the Community Preservation Committee, and others.

- **Use of Housing Development Resources:** Falmouth has an affordable housing fund that was created by a special act of the legislature in 2011. It needs to be reconceived because it does not provide all of the powers and duties that a board needs in order to create or facilitate the production of affordable housing. A better model than the structure created by Falmouth's home rule petition is the Municipal Affordable Housing Trust law that went into effect in 2004. The Town (by Town Meeting vote) would need to adopt the provisions of G.L. c. 44, c.55C and also adopt a local implementation bylaw.

2. Community Development (*Chapter 4)

- **Housing and the Local Economy:** Many people in Falmouth seem to recognize, at least intuitively if not from experience, that housing affordability is an economic development issue. A shortage of affordability hinders job growth and employee recruitment and retention. The absence of a diverse labor force will discourage prospective employers from doing business in Falmouth and prevent business growth for the Town's limited number of existing employers.
- **Housing Needs:** Falmouth's housing needs are not limited to the number of affordable units required to meet the 10 percent statutory minimum under Chapter 40B. While knowledgeable residents, town officials, and staff understand this, the general public may not. It could take considerable public education and a united front to build support for land use policy changes that would create more housing without ensuring that the additional units will "count" on the Chapter 40B Subsidized Housing Inventory (SHI). Efforts to provide for more housing diversity through zoning amendments may be met with some resistance.
- **Seniors.** Falmouth's housing market is increasingly dominated by older homeowners who find the town's scenic beauty and amenities very appealing. Many of them may have summered in Falmouth and eventually chose to retire here, but others are relative newcomers. The presence of an increasingly large percentage of residents over 55 years may imply that Falmouth does not have any senior housing problems, but the opposite is actually true. Falmouth has a shortage of affordable, suitable housing both for retirement-age residents and frail elders. Developing this kind of housing is very difficult because seniors who need affordable housing often need deeply subsidized housing.
- **Housing Preservation:** Falmouth has at least three types of housing preservation needs.
 - First, the Town still has some small, older homes – some of which are substandard – with relatively low tax assessments. Since these lower-value properties are not subject to any type of deed restriction, they will most likely be altered, expanded, or torn down and rebuilt because land values are so high.

- Second, Falmouth has affordable units that “count” on the SHI, yet there is no systematic monitoring process in place to ensure that the properties comply with their affordable housing deed restrictions. There are different monitoring agents for different projects and, it seems, some confusion about who is actually responsible for monitoring the units.
- Third, just over 16 percent of the units on Falmouth’s SHI are subject to **expiring use restrictions** that are scheduled to lapse in the next ten years. The restrictions may be extended (as often happens with rental housing), but the Town needs to monitor these projects and develop working relationships with the owners. There may be opportunities for Falmouth to intervene and provide financial support to extend the term of affordability, as other towns have done.

3. Planning and Land Use (*Chapter 4)

- **Zoning:** Falmouth’s predominantly single-family residential zoning is not designed to encourage a mix of housing, especially the small rental units that many people say the Town needs in order to attract and keep young workers. The vast majority of the town is zoned for large-lot residential development, and existing zoning provisions for affordable housing have not worked.

Falmouth has options for allowing a broader range of housing types and making it easier to create them, but it is not clear that enough broad-based community support exists to bring them to fruition.

Zoning effectively creates or constrains land by regulating how much development can occur as of right. Falmouth does have options for allowing a broader range of housing types and making it easier to create them, but it is not clear that enough

broad-based community support exists to bring them to fruition. Overall, the central policy of the Falmouth Zoning Bylaw seems to be limited change – and tightly controlled change when it does occur. The Zoning Bylaw did not happen in a vacuum. It expresses the will of the Town over a very long time.

- **Land for Multifamily Housing.** Falmouth has little if any land zoned for multifamily development. To provide for more types of housing in a broader range of price points, Falmouth needs to “create” land by zoning for a mix of housing types. The other option is to recruit and work with Chapter 40B developers, thereby “creating” land through comprehensive permits.
- **Development Review, Permitting, and Roles & Responsibilities:** There are complaints in Falmouth about the time required to obtain permits and approvals, lack of coordination in the permitting process, and onerous or unpredictable requirements. Falmouth should examine how it conducts land use permitting, as many towns do from time to time. Just as town boards would benefit from an assessment of how their procedures are actually working, there seems to be a need for public education about the roles and responsibilities of town boards and the permitting framework within which they operate. Sometimes

what appears to be a needless delay is actually the normal course of a public hearing and decision process. Similarly, sometimes town officials need to remember that their job is to administer the community's land use regulations – and the state's Chapter 40B regulations – in a fair and impartial way.

II. DEMOGRAPHIC PROFILE

The relationship between the economy, household composition, and housing is interactive and complex. Economic trends such as changes in interest rates can affect the operation of housing markets by altering the pace of sales, increasing (or decreasing) a homebuyer's purchasing power, or stimulating development by reducing the cost of capital. Just as economic and demographic changes affect demand, the housing market can influence household formation rates and the overall health of the economy, e.g., when high housing costs depress household spending on goods and services.

The interplay of these forces can be seen in Falmouth, where a combination of expensive homes, a limited range of housing options, the allure of Cape Cod, and a small, specialized employment base have made the town a magnet for well-off retirees and seasonal residents. Falmouth's loss of young people is echoed throughout Cape Cod, which experienced a net population decline of over 4,000 people between 2000 and 2010 in part because the region's youth cannot find work or year-round housing they can afford.¹ An economy cannot thrive without the capacity to house workers at a variety of skill and wage levels. In Falmouth, housing is an issue both for social equity and an economic development.

A. KEY FINDINGS

- Between 2000 and 2010, Falmouth's year-round population decreased by 3.5 percent, much like Barnstable County, but all of Falmouth's Upper Cape neighbors experienced population growth.
- The projected population growth rate for 2018 is 1.4 percent for Falmouth and 2.1 percent for Cape Cod.
- Both median household and per capita incomes in Falmouth are greater than Cape Cod, though historic and projected rates of income growth are similar. The rates of growth in the number of households are similar, too, with Falmouth households accounting for about 13 percent of Cape Cod households.
- The average household income in Falmouth exceeds that for Cape Cod, although the percent change is similar. The number of households earning less than \$50,000 has decreased since 2000 and will continue to decrease (2018) both for Falmouth and Cape Cod.
- More households are projected to earn \$100,000 or more, from 26 percent of the Falmouth households in 2010 to 32 percent in 2018. For Cape Cod as a whole, 24 percent of all households earned \$100,000 or more in 2010; this is expected to reach 30 percent by 2018.

¹ See Renski, Koshgarian, and Strate, *Long-Term Population Projections for Massachusetts Municipalities and Regions*, UMass Donohoe Institute for Commonwealth of Massachusetts, Secretary of State (November 2013), and Northeastern University, Dukakis Center for Urban and Regional Policy, *Shape the Cape: Executive Summary*, for Cape Cod Young Professionals (June 2014).

- Most of Falmouth’s employed residents work locally. Many parts of Cape Cod tend to have large percentages of people who live and work in the same community (larger than the statewide average of 31.6 percent), but Falmouth has an unusually large percentage of local workers (59.7 percent). Much of this can be attributed to Woods Hole and, to a lesser extent, large local employers like Falmouth Hospital and allied health care providers.

B. POPULATION CHARACTERISTICS

1. Population Growth and Change

Over the past several decades, Falmouth’s population has fluctuated due to periods of growth and decline. From 2000 to 2010, other Upper Cape towns absorbed year-round population growth, but Falmouth witnessed a 3.5 percent population decline (1,129 people), much like Barnstable County as a whole (-2.9 percent). The most significant population growth period in Falmouth occurred after World War II, when the population increased 51 percent from 1950-1960. A similar growth rate occurred again between 1970 and 1980 (48 percent) due to the then-emerging “Echo Boom” and an increase in year-round moves to the Cape. Despite its recent population decrease, Falmouth has gained year-round population since 1990 by 12.8 percent. Its projected population growth rate to 2018 is 1.4 percent, and for Cape Cod overall, 2.1 percent. By 2030, however, Falmouth is expected to have a somewhat smaller population (30,618) than the total reported in 2010.²

Population Changes, 1980-2010 Trends and 2020-2030 Projections						
Geography	Decennial Census (Actual)				Population Projections	
	1980	1990	2000	2010	2020	2,030
Massachusetts	5,737,037	6,016,425	6,349,097	6,547,629	6,757,574	6,838,260
Barnstable County	147,925	186,605	222,230	215,888	215,584	216,646
Bourne	13,874	16,064	18,721	19,754	20,838	22,033
Falmouth	23,640	27,960	32,660	31,531	31,086	30,618
Mashpee	3,700	7,884	12,946	14,006	15,923	18,159
Sandwich	8,727	15,489	20,136	20,675	21,420	23,655

Source: U.S Census Bureau, Massachusetts State Data Center and UMass Donohue Institute.

2. Population Age

Consistent with national trends, Falmouth’s population is aging. As the “Baby Boom” generation matures through retirement age, communities everywhere will witness significant growth in the 65-and-over population, and some communities will witness a disproportionate share of that growth. Many Falmouth residents and others affiliated with the town say it has absorbed more retiree population growth than the communities around it, and there is evidence to support this belief. The increase in people 75 years and over in Falmouth is

² UMass Donohue Institute, “Population Projections for Massachusetts Municipalities,” Population Estimates Program (November 2013).

particularly noteworthy. Between 1980 and 2010, the number of people in this age group increased from 1,600 to 4,062, or 142 percent.

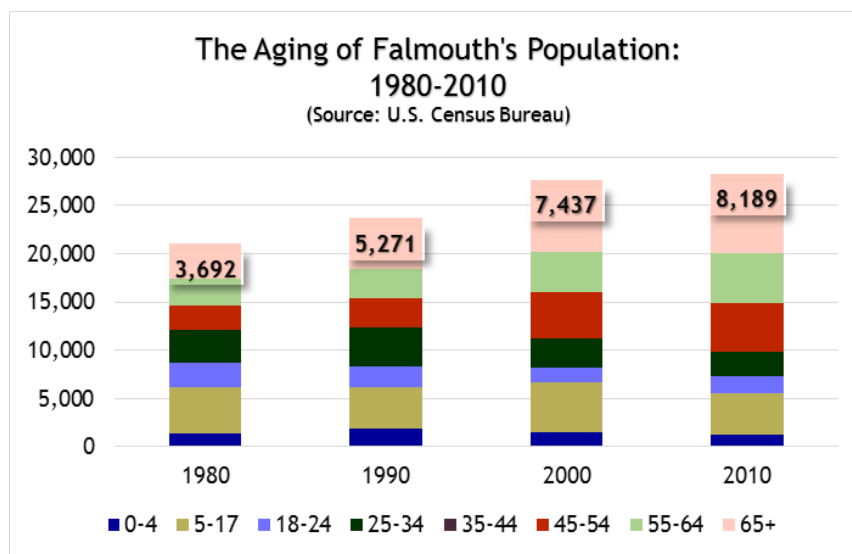


Figure 1

Since 1980, the **age-dependent population** in Falmouth – the sum of people under 18 and people 65 and over – has increased 38 percent, nearly all due to growth in the senior population. The number of seniors has steadily increased, yet the number of children under 18 has steadily decreased. Primarily due to senior population growth, Falmouth's **age dependency ratio** has increased from .715 in 1980 to .764 in 2010. The ratio means the population percent of working-age people is not much larger than those who depend on their economic productivity. The Massachusetts State Data Center predicts that Falmouth's total population will decline 2.9 percent between 2010 and 2013, yet the number of people 65 and over will increase by almost 50 percent.³ Moreover, the age dependency ratio will exceed 1.00, which means the town's working-age population will be smaller than the combined population of dependent children and people 65 and over.

3. Race, Ethnicity, and Culture

Race and Hispanic or Latino. Compared with the nation as a whole, Massachusetts has much less racial, ethnic, and cultural diversity, and Cape Cod is less diverse than the state. Regional parity is important because it may point to local barriers to **fair housing** – not necessarily intentional barriers, but regulations and policies that may have the effect of housing discrimination. Racial and ethnic minorities comprise almost one-fourth of the Commonwealth's Census 2010 population, yet just 9 percent (rounded) of Cape Cod's. Falmouth and Mashpee have somewhat larger minority populations than the Cape-wide experience, but the make-up of their minority groups is different. Most of Falmouth's minority population is composed of African Americans and Asians, and there is a somewhat higher concentration of African Americans in East Falmouth. A majority of Mashpee's

³ UMass Donohue Institute, "Population Projections for Massachusetts Municipalities: Age and Sex," *Population Estimates Program* (November 2013). See Appendix X for detailed projections.

minority residents are Native American. The Hispanic populations are very small throughout the Upper Cape and across Cape Cod.

TABLE 2.1. RACE AND HISPANIC OR LATINO POPULATIONS

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

Sources: Census 2010, RKG Associates, Inc.

Foreign-Born Population. Falmouth has a larger proportion of foreign-born residents than the surrounding towns or Barnstable County, but smaller than Massachusetts. Recent estimates from the American Community Survey (ACS) indicate that about 7 percent of Falmouth's residents were born outside the U.S., and 38 percent of the foreign-born population does not have U.S. citizenship. Though not significantly concentrated in any particular area, Falmouth's foreign-born residents tend to live in East Falmouth and the upper-central part of town, generally around the village of Hatchville. However, noticeably larger percentages of residents without U.S. citizenship live around Falmouth Village and North Falmouth.⁴ Over half of Falmouth's foreign-born population emigrated here from East Asian, South East Asian, and South Central Asian countries and Southern Europe.

TABLE 2.2. INDICATORS OF CULTURAL DIVERSITY: FOREIGN-BORN POPULATION AND NON-NATIVE SPEAKERS OF ENGLISH

Geography	Estimated Population; 2012	Percent Foreign Born	Foreign Born Percent not U.S. Citizens	Population Over 5 Speaking Language Other Than English at Home
Massachusetts	6,512,227	14.7%	50.8%	21.7%
Barnstable County	216,639	6.5%	47.4%	7.9%
Bourne	19,632	3.7%	43.4%	4.5%
Falmouth	31,674	7.3%	37.6%	7.9%
Mashpee	13,900	5.7%	56.8%	8.5%
Sandwich	20,635	3.8%	36.8%	5.5%

Sources: 2007-2011 American Community Survey Five-Year Estimates, and RKG Associates.

⁴ Falmouth Village refers to Barnstable County Census Tracts 148 and 149. North Falmouth is largely contained within Census Tract 143, which also includes portions of West Falmouth.

Languages Spoken at Home. Another measure of population diversity is the presence of families whose native language is not English. Given the small percentages of foreign-born residents in Falmouth, it is not surprising to find small percentages of people who speak languages other than English at home. In Falmouth, the most common non-English languages spoken at home are Portuguese, French, and Chinese. In most cases, those who preserve their traditional language customs at home are also fluent or near-fluent speakers of English. Still, planning to address a town's housing and community development needs should be conscious of cultural barriers (including but not limited to language) that can make it difficult for people who need housing to be accounted for through ordinary means.

4. Geographic Mobility

There does not appear to be significant population turnover in Falmouth. Over 92 percent of the Town's estimated population in 2012 had lived in the same house for at least one year, compared with 91 percent for Barnstable County and 86 percent for Massachusetts. The ACS estimates that the overwhelming majority of residents who lived in a different house the previous year relocated to Falmouth from some other part of Barnstable County (including moves that may have occurred within Falmouth).

C. HOUSEHOLD CHARACTERISTICS

The size and make-up of a community's **households**, the age of its householders, and the distribution of households in owner- and renter-occupied units matter more for a housing study than population change per se. A household is a single person or two or more people living in the same housing unit as their usual place of residence. From 2000 to 2010, Falmouth gained 210 households, or a 1.5 percent increase in ten years, despite its slight population decline. Compared with Falmouth's neighbors, 1.5 percent is a very slow rate of household growth, but it is similar to the county-wide experience.

1. Household Types

According to the Census Bureau, in the same ten-year period that Falmouth gained a small number of households, it also witnessed a decrease in number of **families**. The Census Bureau defines a family as a householder and one or more people in the same household who are related to the householder by birth, marriage, or adoption.⁵ Though the Cape overall

⁵ The Census Bureau's household definitions differ from the definitions of *family* and *household* in the federal Fair Housing Act (FFHA) regulations adopted by HUD in July 2013. For census purposes, *households* include single people living alone and two or more people occupying the same housing unit, while *families* are households of two or more people related in some way: blood, adoption, marriage. Households that include both related people and an unrelated person, such as an unmarried partner household in which one partner has dependent children, or unrelated partner households without children, are not counted as *families* in the decennial census or the American Community Survey (ACS). These households, along with single people living alone, are reported as nonfamily households. Under FFHA regulations, however, "family" includes single people living alone and groups of people living together, regardless of actual or perceived sexual orientation, gender identity, or marital status, such as families with or without children, seniors, people with disabilities, and displaced families (those who have lost housing for any reason). The Census-FFHA distinctions matter because on one hand, communities need to understand the interplay between demographics, housing supply, and housing demand, but on the other hand, they need to understand how "targeting" housing to certain groups may conflict with the FFHA.

experienced a decline in number of families, too, the towns next to Falmouth did not, as shown in Table 2.3.

TABLE 2.3. CHANGE IN HOUSEHOLDS AND FAMILIES: 2000-2010

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

Sources: Census 2000, Census 2010, RKG Associates.

What is significant about the living-alone population in Falmouth (and most of Cape Cod) is that seniors account for a much larger percentage than national or state averages. It appears that working-age singles have trouble finding housing on the Cape, or living-wage jobs, or both.

Nonfamily households consist of single people living alone and households of two or more unrelated people. Both nationally and statewide, singles account for about 79 percent of all nonfamily households, but they represent somewhat larger shares in Falmouth and Mashpee: 84 and 85 percent, respectively. Households of two unrelated people are the second

most common nonfamily type, accounting for 16 percent of nonfamilies nationally and 18 percent in Massachusetts, yet here again, Falmouth is somewhat different, at 13 percent. These differences are not all that significant. Still, they point to questions that may be appropriate for a housing demand study, especially one that seeks to analyze not only housing affordability needs, but a broader slate of housing needs that are not being met by ordinary operations of the market.

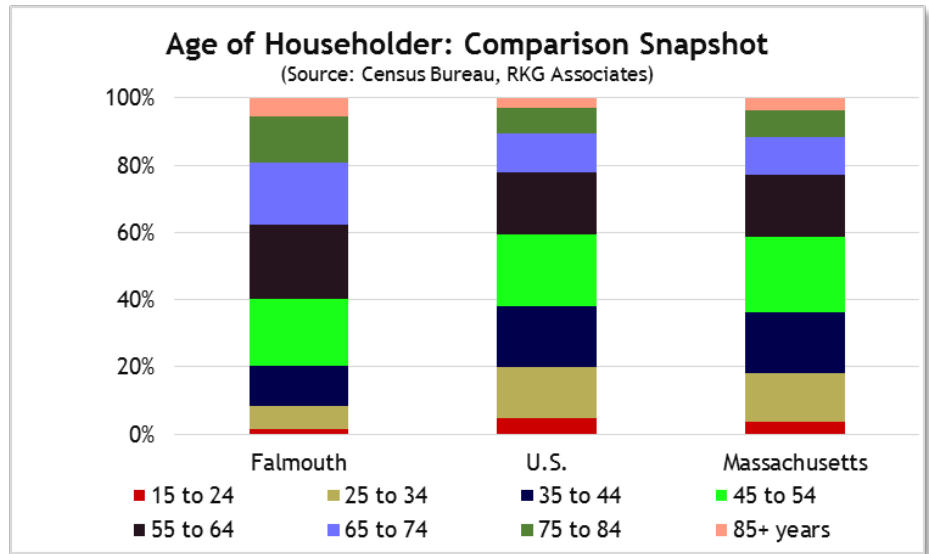
What is significant about the living-alone population in Falmouth (and most of Cape Cod) is that seniors account for a much larger percentage than national or state averages. It appears that working-age singles have trouble finding housing on Cape Cod, or living-wage jobs, or both. In Massachusetts, the living-alone population under 64 represents 49 percent of all nonfamily households, but in Falmouth they are only 40 percent. In fact, Falmouth has a smaller percentage of singles under 64 of any of the Upper Cape towns.⁶ Many people interviewed for this housing study describe Falmouth’s loss of young workers as a major social problem and barrier to economic development. They attribute it to the Town’s narrow employment base and expensive housing relative to the wages paid by local employers.

⁶ Census 2010, P28, PCT18.

2. Householder Ages

To some extent, the decrease in families in Falmouth can be attributed to a gradual decline in number of young households, i.e., householders under 35, coupled with significant growth among seniors. Most of the Cape has lost young households, and it is important to note that the rate of decline in Falmouth is not as great as in neighboring Sandwich and Bourne.

However, Falmouth has seen the largest decrease



in households of childrearing age – meaning householders under 55 years – and this is closely linked to the drop in family households. From 2000 to 2010, the number of households under 55 decreased 16.6 percent in Falmouth: more than all of the surrounding towns, Barnstable County, and the state as a whole. Today, Falmouth’s household profile is quite different from that of the U.S., for almost 60 percent of the nation’s householders are people of childrearing age yet in Falmouth, they represent just 40 percent. Though fairly consistent with Barnstable County (34.2 percent), Falmouth has a larger share of 65-and-over householders than any of the other Upper Cape communities.

3. Household Size and Composition

Falmouth households tend to be small. In fact, its average household size is smaller than that of all surrounding towns and Barnstable County (which has smaller households than the state). Table 2.4 shows that Falmouth’s families are small, too, so the overall average is affected by more than simply a large percentage of living-alone seniors.

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

Sources: Census 2010, RKG Associates, Inc.

Less than one-fourth of all households in Falmouth consist of three or more people, and Barnstable County as a whole is similar. Falmouth's Upper Cape neighbors are different, however: larger households and larger families, more like the profile of households throughout Massachusetts.

4. Family Characteristics

The composition of Falmouth's family households is similar to that of Barnstable County and the state. Husband-wife families make up the vast majority of the family households in Falmouth, and this is typical of communities where most of the housing is owner-occupied and most of the housing stock is single-family homes, both of which apply in Falmouth. While Falmouth and most towns have experienced growth in single-parent families – especially families headed by a single father – the traditional family structure tends to prevail in communities with traditional housing.

Table 2.5. Family Households by Family Type

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

Sources: Census 2010, RKG Associates.

Very few families in Falmouth are multigenerational households. The national average of multigenerational households is only 4.4 percent (of all households), so Falmouth's 2.6 percent, though small, is not really significant, especially since the proportion of multigenerational households is so small in all of the surrounding towns.⁷

5. Households and Housing Tenure

Falmouth's household characteristics are not all that surprising when viewed against basic housing tenure statistics. Nationally, 35 percent of all households regardless of age and 63 percent of all *young* households are renters. In Falmouth, less than 24 percent of all households are renters, and in some census tracts the percentage of renters is much smaller.⁸ Since the supply of rental housing is so limited, Falmouth does not offer many options for young people to move to or stay in the community. Throughout the country and in Massachusetts, over 35 percent of all rental units are occupied by young households and 14-18 percent, respectively, by seniors. In Falmouth, the corresponding statistics are 24 percent of all rental units are occupied by young households and 25 percent by seniors.⁹ There is a significant housing opportunity gap for young people in Falmouth and across Cape Cod, and the housing gap is

⁷ Census 2010, PCT16.

⁸ Census 2010, H16.

⁹ 2007-2011 ACS Five-Year Estimates, B25007.

exacerbated by limited diversity in the employment base, as discussed more in Section X below.

In Falmouth and most towns on the Cape, the homeownership rate among seniors – generally 85 to 90 percent – is much higher than for the state as a whole (69 percent). The region’s high elderly homeownership rate most likely explains the large percentage of homeowners who own their home free and clear, i.e., without a mortgage. In Falmouth, a strikingly high 35 percent of all homeowners have no mortgage or loan on their property. Although the local percentage is similar to that of Barnstable County (33.5 percent), it surpasses all of the other Upper Cape communities and it is much higher than that of the state (25.8 percent).¹⁰ The homeownership rate for young households is also high, yet this seemingly beneficial condition contributes to the small percentage of young people on Cape Cod. The disproportionate share of owner-occupied housing in Falmouth probably correlates with the changes in householder ages that happened over the past decade, but it is not the only factor. The number of rental units actually increased in Falmouth – modestly – between 2000 and 2010. More compelling, though, is the increase in seasonal units (see Section 2).

6. Income and Poverty

The ACS places Falmouth’s median household income is \$61,224, which is about 93 percent of the statewide median (\$65,981), Falmouth households have a somewhat higher economic position than their counterparts elsewhere in Barnstable County, where the median is \$60,525, but they are not as affluent as the households in other Upper Cape communities.

Geography	Median Household Income	Median Family Income	Difference
Massachusetts	65,981	83,371	26.4%
Barnstable County	60,525	76,708	26.7%
Bourne	62,531	79,613	27.3%
Falmouth	61,244	77,488	26.5%
Mashpee	62,763	73,560	17.2%
Sandwich	82,485	95,273	15.5%

Source: 2007-2011 ACS 5-Year Estimates, RKG Associates, Inc.

As in most communities, the economic position of families in Falmouth is generally better than that of all households (including families and nonfamilies). This is true for a few reasons: first, family households tend to be younger, so they are more likely to be in the labor force, and second, families often have more than one wage earner. Accordingly, there are significant income disparities between family types statewide, throughout Cape Cod, and in Falmouth, as shown in Table 2.7. Notably, single women with children under 18 have conspicuously low incomes compared with married-couple families and single men with children under 18. Falmouth is an exception, for single women with children here have higher incomes than

¹⁰ Ibid.

single men with children. However, their median income is less than half that of all family households (with or without children) and less than 40 percent of the median income of married-couple families with dependents.

TABLE 2.7. MEDIAN FAMILY INCOME BY FAMILY TYPE FOR FAMILIES WITH DEPENDENT CHILDREN

Geography	Families with Dependent Children under 18 Years			
	Married-Couple Families	Other Families	One-Parent Households; Female	One-Parent Households; Male
Massachusetts	\$108,988	\$41,740	\$28,399	\$45,153
Barnstable County	\$95,136	\$44,721	\$31,601	\$42,436
Bourne	\$89,800	\$41,672	\$14,482	\$95,407
Falmouth	\$97,469	\$49,418	\$38,421	\$26,339
Mashpee	\$96,673	\$39,417	\$32,167	\$41,691
Sandwich	\$106,238	\$46,200	\$34,591	\$41,765

Source: Source: 2007-2011 ACS 5-Year Estimates, RKG Associates, Inc.

Also noteworthy in Falmouth's household income characteristics is the relationship between senior household incomes and household incomes overall (including families and nonfamilies). The incomes of over-65 households are usually lower than those of working-age households, and this is true in Falmouth, too. However, the ratio of median household income for seniors to the community-wide median is quite a bit higher in Falmouth than in neighboring towns (though comparable to the ratio for Barnstable County). This means more Falmouth seniors have incomes closer to the community-wide median than seniors elsewhere in the Upper Cape. The issue is not that Falmouth's seniors are wealthier than their counterparts nearby. Rather, it is that seniors make up a large share of all households in Falmouth, and Falmouth's younger households in the workforce – householders between 25 and 44 years – tend to fall *below* the median for the Town as a whole. As for the latter, Falmouth is regionally unique.¹¹

TABLE 2.8. INCOME RATIOS BY AGE OF HOUSEHOLDER

	Median Household Income	Under 25	25 to 44	45 to 64	65 and over
Massachusetts	\$65,981	46.5%	113.7%	124.0%	55.0%
Barnstable County	\$60,525	66.0%	107.0%	124.6%	74.4%
Bourne	\$62,531	59.1%	121.2%	138.8%	56.5%
Falmouth	\$61,244	56.7%	98.0%	123.8%	73.8%
Mashpee	\$62,763	27.8%	121.1%	110.7%	73.3%
Sandwich	\$82,485	26.8%	112.7%	113.2%	56.8%

Sources: 2007-2011 ACS Five-Year Estimates; RKG Associates, Inc.

¹¹ 2007-2001 ACS Five-Year Estimates, B19049.

The sources of income that most households rely on differ by part of the country and region within Massachusetts. This is very obvious in the Commonwealth's largest tourism areas, Cape Cod and Southern Berkshire County. Table 2.9 shows that households with self-employment income tend to be more common on Cape Cod, and households receiving Social Security payments or pension distributions are far more common on the Cape.

TABLE 2.9. SOURCES OF HOUSEHOLD INCOME

Geography	Households (Estimated)	Percentage of Households with Income from These Sources				
		Self-Employment Income	Social Security	Retirement Income((Pensions)	Supplemental Security Income (SSI)	Food Stamps or Cash Public Assistance
Massachusetts	2,522,409	11.8%	27.5%	16.2%	5.1%	10.3%
Barnstable County	96,775	17.2%	41.1%	26.3%	3.4%	6.3%
Bourne	8,051	12.1%	36.1%	23.7%	4.3%	6.0%
Falmouth	14,293	14.8%	42.8%	25.7%	4.1%	6.1%
Mashpee	5,753	13.4%	44.0%	22.0%	3.4%	6.0%
Sandwich	7,702	18.2%	28.6%	20.2%	2.4%	3.3%

Sources: 2007-2011 ACS Five-Year Estimates; RKG Associates, Inc.
 Note: this table reports different numbers of households than previous tables because the data are not based on the same sources.

The U.S. Department of Housing and Urban Development (HUD) publishes estimates of the number of **low- and moderate-income households** in each city and town in the nation. According to the most recent Comprehensive Housing Affordability Strategy (CHAS) data, about 40 percent of the households in Falmouth have incomes at or below the median family income for Barnstable County as a whole. Thirty-three percent are homeowners and 65.6 percent are renters, many of whom live in housing they cannot really afford. Table 12 summarizes the income limits that are currently in effect for a majority of subsidized housing programs serving low- and moderate-income people. The income limits are adjusted for household size.

TABLE 2.10. HUD LOW- AND MODERATE-INCOME LIMITS FOR BARNSTABLE COUNTY (2014)

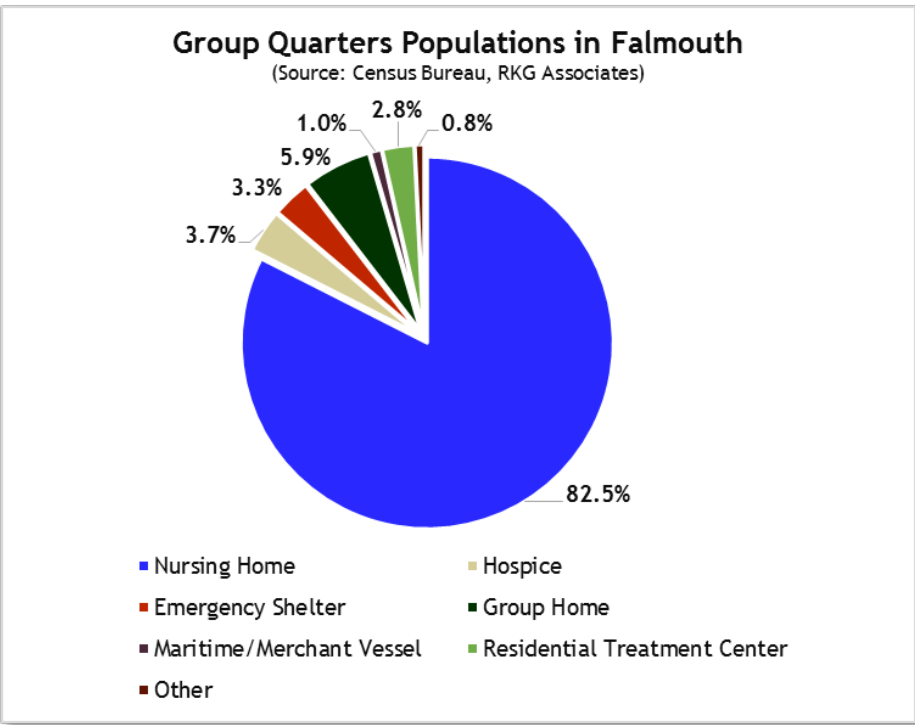
Income Tier	Number of People in Household							
	1	2	3	4	5	6	7	8
Very Low Income (30%)	\$18,050	\$20,600	\$23,200	\$25,750	\$27,910	\$31,970	\$36,030	\$40,090
Low Income (50%)	\$30,100	\$34,400	\$38,700	\$42,950	\$46,400	\$49,850	\$53,300	\$56,700
Moderate Income (80%)	\$44,750	\$51,150	\$57,550	\$63,900	\$69,050	\$74,150	\$79,250	\$84,350

Source: HUD/PDR, Income Limits.

The individual poverty rate in Falmouth, 7.8 percent, is not as high as that of Massachusetts, 10.7 percent.

D. GROUP QUARTERS POPULATIONS

Just about every community has residents – both permanent and short-term – who are not part of the local household population. Rather, they occupy some type of shared living arrangement or **group quarters**, which may be involuntary or institutional, such as a prison, or voluntary (non-institutional), such as a group home, a college dormitory, or a shelter for homeless people. The group quarters population is generally a very small percentage of the total population in any city or town, and this is true for Falmouth.



According to the federal census, group quarters residents (508 people) make up

Figure 3

1.6 percent of Falmouth’s total population. The vast majority (82 percent) reside in one of the town’s nursing homes. The others include residents of group homes or emergency shelters, people attending a residential treatment program, hospice patients, and people temporarily residing on a maritime vessel.

E. ECONOMIC CHARACTERISTICS

Access to employment – particularly access to jobs with decent wages – plays a crucial role in a community’s ability to attract and keep working-age people. Almost 60 percent of Falmouth’s employed population also works in Falmouth,¹² so characteristics of the local employment base are very important and clearly have an impact on what residents can afford to spend on housing. Below is an overview of business and employment trends, by selected industry sector, for Falmouth and all of Cape Cod, based on data for the Cape and Islands Workforce Investment Area (WIA).¹³ Employment levels by sector are also projected for 2022.

¹² 2007-2011 ACS Five-Year Estimates, B08009, and “Commuter-Adjusted Daytime Population: Minor Civil Divisions (MCD)” at Commuting: Journey to Work (Main), www.census.gov.

¹³ This includes Barnstable County, Martha’s Vineyard and Nantucket.

1. Labor Force and Unemployment

Today, Falmouth's **labor force** consists of almost 17,000 residents. As defined by the Bureau of Labor Statistics (BLS), the labor force includes a community's resident population 16 years and older, either employed or looking for work. Over the past few years, the average unemployment rate in Falmouth, 6.3 percent, has been somewhat better than that of the WIA (6.9 percent) and the state (6.8 percent). The unemployment rate in Falmouth has consistently been at or below the rate for the WIA and generally consistent with but somewhat above the state in the off-season.

2. Establishments

Between 2007 and 2012, the number employers in Falmouth declined by 81, or 6.7 percent, from 1,202 to 1,121. Most industry sectors experienced a decrease in number of businesses with the exception of information services, arts and entertainment, and accommodations and food service. By contrast, there was an approximate decline of 318 businesses in the WIA, or a 2.8 percent decline. In general, there were fewer declining industry sectors in the WIA compared with Falmouth, although the WIA also experienced growth in information services, arts and entertainment, and accommodations and food service. Other industry sectors realizing growth in the WIA include management, administrative, and educational services.

3. Employment

Total payroll employment in Falmouth declined from 14,525 in 2007 to 14,295, or 230 jobs, for a 1.6 percent loss. Not all industry sectors realized a loss in employment, however. Some sectors such as real estate and wholesale trade experienced significant decline. Throughout the WIA, employment decreased by 2.2 percent, or 2,363 jobs, with most industry sectors experiencing employment losses. WIA-wide, total employment was 104,647 in 2012, down from 107,010 in 2007.

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

Location Quotients. Location quotients provide a reasonable way of estimating strengths and weaknesses in a town's economy. A location quotient compares the percentage of jobs in a given sector at the local level to the percentage of jobs in the same sector in a larger comparison area (known as a reference economy), in this case the WIA. When the ratio in employment approximates 1.0, Falmouth is generally performing on par with the WIA. If the ratio for an industry is less than 0.80, that industry is probably underperforming in Falmouth relative to the WIA. Similarly, a location quotient greater than 1.20 usually indicates better performance locally than regionally. A very high location quotient could mean a very strong

industry, but it can also mean a specialized economy that may be vulnerable in an economic downturn. Overall, the available employment data for Falmouth and the WIA support several findings about the Town's economic base:

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

TABLE 2.11. LOCATION QUOTIENTS (ANALYSIS OF INDUSTRY SECTOR STRENGTHS AND WEAKNESSES)		
Industry	Location Quotient	Average Weekly Wage
Agriculture, Forestry, Fishing & Hunting	1.042	\$894
Construction	0.696	\$382
Manufacturing	1.462	\$1,121
Durable Goods	1.361	\$1,199
Non-Durable Goods	1.593	\$1,275
Utilities	0.000	\$1,109
Wholesale Trade	0.328	\$968
Retail Trade	0.753	\$574
Transportation and Warehousing	0.474	\$756
Information	0.673	\$678
Finance and Insurance	0.670	\$1,144
Real Estate and Rental and Leasing	0.400	\$738
Professional and Technical Services	2.839	\$1,461
Administrative and Waste Services	1.233	\$689
Educational Services	2.644	\$955
Health Care and Social Assistance	0.262	\$953
Arts, Entertainment, and Recreation	4.720	\$518
Accommodation and Food Services	0.159	\$460
Other Services, Ex. Public Admin	2.000	\$667
Source: Executive Office of Labor and Workforce Development (EOLWD), Es-202, and RKG Associates.		

4. Seasonal Changes in Jobs and Labor Force

Comparing monthly employment statistics (jobs in place) with labor force and unemployment statistics from January 2007 through September 2013 illustrates the challenges of trying to live and work in Falmouth. The number of jobs in Falmouth increased from

anywhere between 21 percent and 27 percent depending on the year, while the labor force increased between 25 percent and 28 percent. The labor force peaked at nearly 20,000 persons in 2007 and 2008 (July), and subsequently declined to about 18,500 in 2010 (July). By 2013 (July) it had recovered to nearly 20,000 people. However, the unemployment rate increased from about 3 percent in 2007 to over 5 percent in 2013. In the winter (January), averaged at 6 percent in 2007 and 2008, but increased to 11 percent in 2010 (January), and subsequently declined to over 9 percent in 2013 (January).

Table 2.12 reports change in employment between January and July of any given year by major sector in Falmouth. Total employment increased between 20-25 percent by July, and gains were indicated in nearly all industry sectors with exception of educational services (because of summer). Summer employment in Accommodation and Food Services ranged between 1,230 and 1,550 jobs depending on the year, and accounted for 42-49 percent of the total increase in employment. Arts, Entertainment and Recreation employment had seasonal gains ranging from 480 to nearly 610 jobs, and Retail Trade had seasonal gains ranging from 300 to 450 jobs depending on the year. A seasonal increase was also indicated in the Administrative and Waste Services sector, likely associated with additional trash collection, and Public Administration likely associated with public safety and the ferry terminal.

TABLE 2.12. SEASONAL EMPLOYMENT CHANGES IN FALMOUTH

Industry Sector	January to July Net Change in Employment						
	2007	2008	2009	2010	2011	2012	2013
Agriculture, Fishing	16	18	16	32	24	28	43
Construction	110	134	126	140	99	139	122
Manufacturing	101	110	36	106	95	59	53
Wholesale Trade	11	12	-27	-2	3	6	11
Retail Trade	449	417	367	331	326	344	303
Transportation, Warehousing	29	67	35	49	64	71	67
Information	17	13	-3	10	6	-1	4
Finance and Insurance	-11	-9	-14	-8	-2	-1	2
Real Estate, Rental, Leasing	39	27	21	35	37	37	35
Professional, Technical Services	133	227	209	196	234	126	168
Administrative, Waste Services	191	176	211	222	238	306	281
Educational Services	-615	-275	-239	-248	-282	-208	-158
Health Care, Social Assistance	93	87	-27	55	31	30	48
Arts, Entertainment, Recreation	480	458	492	522	608	533	577
Accommodation, Food Services	1,236	1,229	1,393	1,484	1,551	1,478	1,443
Other Services, Ex. Public Admin	52	107	96	56	62	62	65
Public Administration	220	108	172	154	176	150	156
Total	2,551	2,906	2,864	3,134	3,271	3,159	3,220
% Change in Total	19%	22%	22%	24%	25%	24%	25%

Source: MA EOL&WD and RKG Associates, Inc.

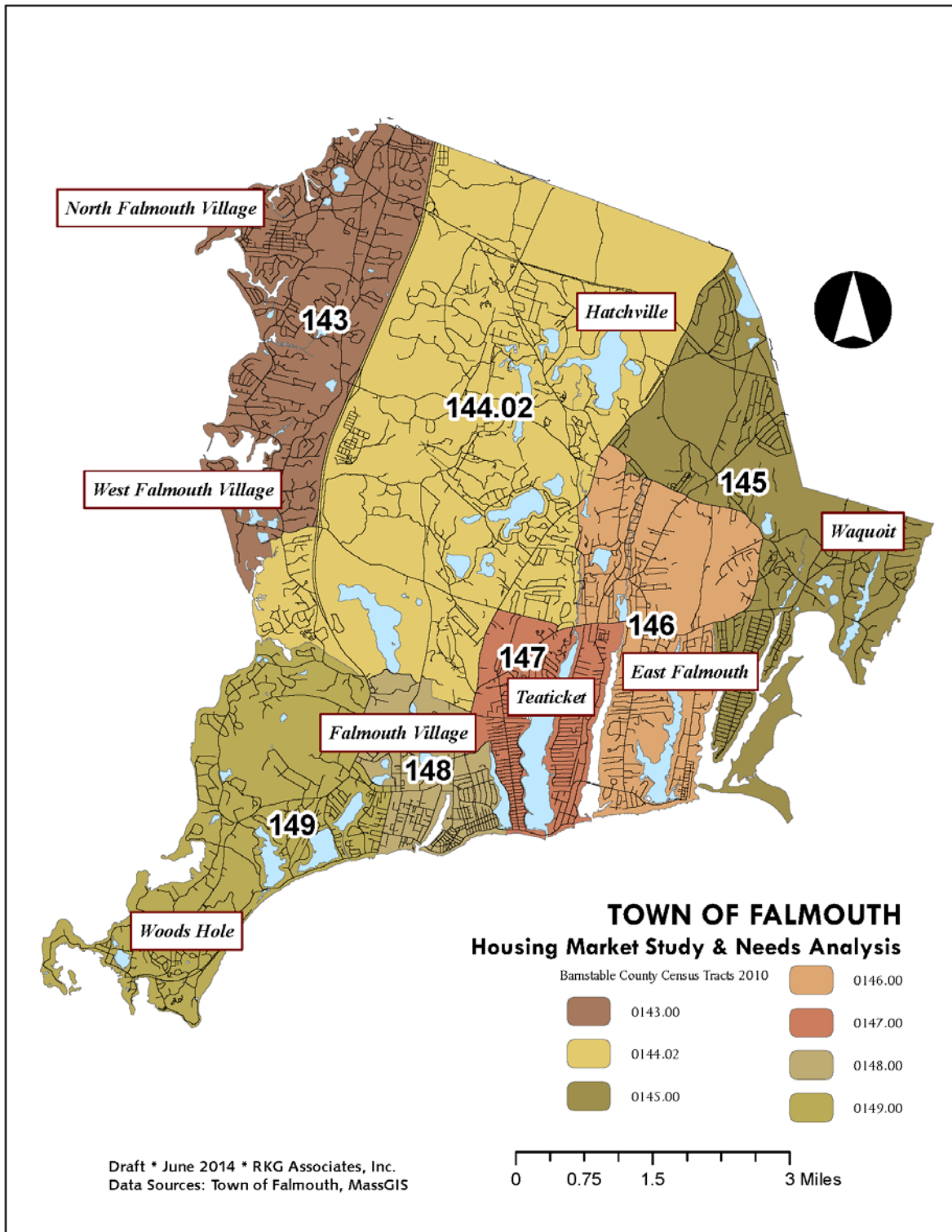
Summer employment causes the employment base in Falmouth to increase by nearly 25 percent. Gains are typically highest in the tourism-related industries, i.e., Accommodation and Food Services; Arts, Entertainment and Recreation; and Retail Trade. Still, nearly all the other sectors experience increases during the summer, mainly associated with public services and waste services.

III. LOCAL HOUSING CONDITIONS

It is harder to confirm the number of housing units in a community than many people realize. To the general public, a housing unit is a single-family home or two-family home, an accessory apartment, an apartment in a multi-family building or a townhouse condominium: fully enclosed spaces with facilities for “one family or household for living, sleeping, cooking, and eating” – that is, a dwelling unit as defined in Falmouth’s zoning bylaw. However, the “official” housing count reported by the Census Bureau every ten years is a little different. Under the Census Bureau’s broad definitions of “housing,” rooms in boarding houses and retirement homes can qualify as housing units. The federal definition also includes structures or portions thereof that are not classified (or regulated) as housing under the State Building Code, e.g., mobile homes, recreational vehicles, and boats, and rooms or groups of rooms without separate cooking or sanitation facilities. For purposes of this study, “housing unit” means what most people generally think of as housing, i.e., it does not include recreational vehicles. It could include shared quarters, however, such as single-room occupancy (SRO) units.

Falmouth’s total housing inventory increased 9.5 percent in the past ten years. As of Census 2010, the inventory includes 21,970 units. Falmouth’s experience is generally consistent with that of Barnstable County, which absorbed a 9 percent increase in housing stock between 2000 and 2010. Growth in seasonal housing occurred throughout Massachusetts in the past decade, and certainly in Falmouth, too. By 2010, Massachusetts had absorbed a 23 percent increase in seasonal units, from 93,771 in 2000 to 115,630 in 2010. Cape Cod continues to account for roughly half of all seasonal or vacation units in the state. The increase in Falmouth is noteworthy – 26.4 percent – a higher rate of seasonal housing growth than that of any neighboring town, and higher than the Barnstable County average, 20.9 percent. Today, over 32 percent of all housing units in Falmouth are owned for seasonal use.

The Census Bureau divides Barnstable County into fifty-one census tracts, including seven in Falmouth. A census tract is a small, relatively permanent area used by the Census Bureau to report demographic and housing data. Since census tract areas do not change very often, they make it possible to trace population and housing trends in geographic units that are delineated by natural features, development patterns, and roads more than by political boundaries. Due to the variety of local government types found throughout the United States, census tracts are actually subdivisions of counties, not cities or towns. In Massachusetts, however, virtually all census tracts fall entirely within municipal boundaries, as is the case in Falmouth. (See Fig. 4)



A. KEY FINDINGS

- Since 2000, nearly all residential construction in Falmouth has involved single-family homes and condominiums, though it appears that a small increase in two- and three-unit structures and mixed-use properties occurred as well.
- The assessed value of residential properties more than doubled over the last decade, but a decrease was evident since 2010. The assessed value of residential properties represents over 92 percent of Falmouth's tax base, so housing is a very important source of revenue for the town.
- According to information in the assessor's database, the average assessment of single-family parcels town-wide is \$481,300, but it varies by neighborhood and in some cases quite significantly. Also, land assessment for single-family homes accounted for 56 percent of the total, town-wide, but in selected neighborhoods influenced by the water, land values are much higher.
- The supply of single-family homes, condominiums, small multi-unit buildings, and properties with multiple dwellings includes a combined total of about 20,970 units. Together, they are characterized as selected residential properties in this report – selected because they lend themselves to comparative analysis, which is not really true for large investor-owned apartment buildings. The selected residential properties represent about 94.5 percent of Falmouth's entire housing supply (22,200 units).
- The supply of seasonal housing may have increased by 10 percent or so since 2010, for 7,800 units were identified as second homes in the assessor's file compared with 7,100 seasonal units reported in Census 2010. The assessed value of second homes is generally higher than that of year-round residences. Assessments vary by neighborhood, with Pinecrest, Teaticket, and Ashumet being the most affordable.
- The supply of residential properties valued at less than \$200,000 – that is, properties that would probably be affordable to a moderate-income homebuyer – accounts for over 7 percent of the selected residential properties. Almost half are seasonal homes or rentals. This supply is concentrated primarily in five of Falmouth's eighteen neighborhoods. Fifteen percent of the selected residential properties have a value in the \$200,000 to \$250,000 range, and another 14 percent in the \$250,000 to \$300,000 range. The remaining 64 percent are assessed at over \$300,000, and only 47 percent are occupied as a residence.
- Approximately 39 percent of the selected residential parcels were built within the last 35 years or since 1980, including 10 percent built since 2000. About 24 percent of the multi-unit parcels were developed since 1980, but only 8 percent since 2000. Housing production over that last few years slowed considerably in comparison with activity in the 1980s or late 1990s.
- If the number of seasonal homes has increased as suggested by data from the assessor's office, Falmouth's actual Chapter 40B "shortfall" may be smaller than it appears, given that the official percentage is based on federal census data, not records of the local

assessor. Any change in seasonal housing will not affect Falmouth's Chapter 40B status until Census 2020. Nevertheless, while an increase in seasonal homes may reduce the Town's 10 percent minimum under Chapter 40B, the same condition exacerbates the problems caused by a limited supply of affordable housing. This is because in general, seasonal homes are often more valuable and less available to low- or moderate-income homebuyers and renters.

- The number of homeowner households fell slightly over the last decade, but major changes occurred in age and income groups. Most of the increases occurred in the three cohorts, age 55-and-older, as a result of attracting new retirees or the aging in place of the existing elderly. These increase came at the expense of the loss of owner households in the three cohorts younger than age 55. As a result, approximately two-thirds of the year-round owner households were age 55-and-older including 20 percent age 75 and older, while owner households younger than age 35 decreased to less than 4 percent of owner households in 2010.
- The median owner household income, \$70,350 in 2010, has increased by 29 percent since 2000. The number of homeowners earning less than \$75,000 decreased over the last decade, while increases were indicated for owners in the income groups earning \$100,000 or more. These changes varied between census tracts; owners in Tract 148 earning less than \$50,000 accounted for 52 percent of the owners there.
- In 2010 the median owner value in Falmouth was \$428,200 in Falmouth and varied between the different census tracts.
- Less than 4 percent of the owner housing was valued below \$200,000: a sale price that would be affordable to many moderate-income people. Another 15 percent was in the \$200,000 to \$300,000 range, and over 80 percent of owner housing was valued at \$300,000 or more. These statistics appear to be supported by the assessor's file, which indicate that 36 percent of the select residential parcels were valued at less than \$300,000 including 21 percent used as a local residence.
- In Falmouth, about 32 percent of owner households moved into their unit over the last decade. This equates to an annual average of approximately 370 owner households per year indicating an annual turnover rate of 3.4 percent.
- The for sale market showed signs of improvement as the number of sales of single-family homes and condominiums increased in the last few years, and conversely the number of short-sales decreased. On average, approximately 57 percent on the single-family sales over the last five years were bought by a non-local owner, which further increased the supply of seasonal housing, or reduced the year-round supply. In most cases, the median prices paid by non-local buyers were 10 to 25 percent higher than local buyers paid for single-family homes. The reverse however was indicated for condominiums as local buyers, which accounted for 50 percent of the sales activity, paid 20 percent more than non-local buyers in some cases. Local buyers also outnumbered non-local buyers for short-sales; however, some were converted to rentals or subsequently resold. Short-sales

represented about 12 percent of total activity on average over the last five years, but activity over the last year represented less than 3 percent.

- The median single-family sale price in 2014 was \$385,000 and only seven out of 18 neighborhoods have a median below this level. For condominiums, the median price in 2014 was \$362,500 and only three out of eight neighborhoods have a median value below this level. The number of current listings for single-family and condominiums at less than \$500,000 represented less than a one-year supply in most cases; however, properties listed in excess of \$500,000 indicate a two-year or more inventory based on historic activity.
- Renter households increased by eight percent over the last decade, accounting for almost 24 percent of occupied housing but only 15 percent of total housing in 2010. An estimated 84 percent of the renters in Falmouth moved into their unit over the last decade, and indicated a renter turnover rate of 9 percent. The median income level for renter households was \$33,480 in 2010, and it would support rent of \$840 to be affordable. However, the median gross rent was \$960, and over 20 percent of renters incurred rents of \$1,500 or more, while 26 percent paid \$1,000 to \$1,499. A sample of current rents indicated a median rent of \$1,200 and in most cases the median rent from the sample was fairly similar to Fair Market Rent, determined by HUD.
- The rental market in Falmouth is more informal and affected by seasonal influences. Most of the rental stock was contained in single-family homes and to a lesser extent small 2-or-3 unit properties whose owners sometimes charged lower rents to keep long-term tenants. Second homes were reportedly rented out as well as owner residences to help defray housing cost during the off-season. In other words the rental market was more dynamic during the season than in the off-season, and as such difficult to quantify, since pricing and availability fluctuates throughout the year.

B. HOUSING SUPPLY AND VACANCY TRENDS

1. Overview

Over the last decade (2000-2010), Falmouth's total housing supply increased by 1,915 units, or 9.5 percent, as shown in Table 3.1. Gains in housing occurred in all seven census tracts, with Tract 144 having the highest percentage increase, while Tract 149 has the smallest. In 2010, Tract 143 had the highest percentage (16.7 percent) of housing in Falmouth, while Tract 146 had the lowest (11.9 percent).

Seasonal Housing. Between 2000 and 2010, the amount of seasonal housing in Falmouth increased by 1,483 units, accounting for 77 percent of the net increase in housing over the last decade. The Census Bureau defines a seasonal unit as one intended for occupancy for only certain seasons of the year. Tract 146 (generally East Falmouth) had the highest percentage increase over the last decade, although the highest absolute increase occurred in Tract 149, which includes much of Falmouth Village and all of Woods Hole and Sippewissett. In 2010, over 32 percent of Falmouth's housing inventory was seasonal. Census Tracts 143 and 147

had over 40 percent of all units classified as seasonal, while only 17 percent of the housing in Tract 144 was considered seasonal.

TABLE 3.1. CHANGE IN HOUSING SUPPLY BY CENSUS TRACT IN FALMOUTH, 2000-2010

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

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

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

2. Permit Activity

Building permit data from the Town and the Census Bureau shed light on construction activity since 2008, as summarized in Table 3.2.

TABLE 3.2. RESIDENTIAL CONSTRUCTION TRENDS						
Year	Permits to Rebuild S-F	Permits for New Construction (Units)				
		S-F	Condo	2 & 3-F	Apts	Total
2008	21	44		12		77
2009	26	22		8		56
Total	47	66		20		133
2010	27	37		10	39	113
2011	21	41	4	13		58
2012	29	27	11			38
2013	22	37	10	4		51
Total	99	142	25	27	39	260

Source: Town of Falmouth & RKG Associates, Inc.

Since the 2010 Census, building permits were issued to replace nearly 100 single-family homes and build 260 units, including a 39-unit Chapter 40B development called Veteran's Park Apartments. However, this project has been stalled, which suggests that about 220 units have actually been built in Falmouth since Census 2010. Today, Falmouth's housing supply includes approximately 22,200 units.

3. Chapter 40B Subsidized Housing

Most towns have some types of modestly priced housing, such as small, post-war single-family homes, multi-family units, apartments with low monthly rents, or summer cottages converted for year-round occupancy. These units stay affordable as long as the market will allow. However, affordable units created under G.L. c. 40B, §§ 20-23 (Chapter 40B), the state's affordable housing law, remain affordable to **low- or moderate-income households** even when home values and rents appreciate during robust market conditions. The units retain

their affordability under a deed restriction that lasts for many years, if not in perpetuity. Both types of affordable housing meet a variety of needs. However, the market determines the price of unrestricted affordable units while a recorded legal instrument regulates the price of Chapter 40B deed restricted units. Any household (regardless of income) may purchase or rent an unrestricted unit, but only a low- or moderate-income household may purchase or rent a Chapter 40B deed restricted unit.

... the market determines the price of unrestricted affordable units while a recorded legal instrument regulates the price of Chapter 40B units. Any household (regardless of income) may purchase or rent an unrestricted unit, but only a low- or moderate-income household may purchase or rent a Chapter 40B deed restricted unit.

Chapter 40B promotes the idea that every community should provide its regional “fair share” of housing for low- or moderate-income people. The regional fair-share standard is met if 10 percent of a community’s year-round housing is affordable to low- or moderate-income people and protected by a deed restriction approved the Massachusetts Department of

Housing and Community Development (DHCD). The 10 percent measure is based on the total number of year-round housing units reported in the most recent decennial census; for Falmouth, this means that 1,487 units out of a total of 14,870 (Census 2010). DHCD maintains a list of deed restricted low-income units in each city and town. Known as the Chapter 40B Subsidized Housing Inventory (SHI), the list determines whether a community meets the 10 percent minimum. It also tracks expiring use restrictions, i.e., when non-perpetual affordable housing deed restrictions will lapse. Falmouth’s SHI currently includes 793 low-income units (5.3 percent), which means the present Chapter 40B “shortfall” is 693 units.

In communities that do not meet the 10 percent statutory minimum, Chapter 40B authorizes the Board of Appeals to grant a **comprehensive permit** to qualified affordable housing developers. A comprehensive permit is a unified permit, i.e., a single permit that includes the approvals required under zoning and other local regulations. By designating one town board to administer the permitting process, the state legislature hoped to reduce low-income and minority concentration areas in the cities and provide more housing choices in suburbs and small towns. Under Chapter 40B, the Zoning Board of Appeals may approve, conditionally approve, or deny a comprehensive permit, but in communities that do not meet the 10 percent minimum, developers may appeal to the state Housing Appeals Committee (HAC). Although the Board of Appeals may still grant comprehensive permits after a town achieves the 10 percent minimum, the HAC no longer has authority to overturn the board’s decision. Despite many years of controversy about Chapter 40B, Massachusetts voters defeated a ballot question to repeal the law in 2010.

Table 3.3 summarizes Falmouth’s Chapter 40B SHI as of May 2014. It is important to note that 29 percent of the existing SHI units are governed by expiring use restrictions, so the owners will eventually be free to convert the properties to market-rate housing if they wish. Some of these restrictions will lapse in the next five years, meaning a potential loss of forty rental units and six homeownership units from the SHI. Not all property owners will convert, however. Some programs exist to help preserve affordable units after the use restriction expires.

Term or Expiration	Rental		Ownership		Total		
	Projects	Units	Projects	Unit	Projects	Units	%
Perpetual [1]	14	489	15	78	29	567	71.4%
2014-2018	2	40	6	6	8	46	5.8%
2019-2023	1	83	1	1	2	84	10.6%
2024-2028	1	20			1	20	2.5%
2029-2033			2	22	2	22	2.8%
2033 or later	3	55			3	55	6.9%
Total	21	687	24	107	45	794	100%
Percent	46.7%	86.5%	53.3%	13.5%	100%	100%	

[1] Rental includes 36 units at 2 projects operated by DDS/DMR whose expiration status is unknown; Ownership includes 2 mixed projects with 10 units; and a unit at Forest Cove whose assessment was half the others (3) that was not included in SHL.
Source: MA DHCD, Town of Falmouth, and RKG Associates, Inc.

C. RESIDENTIAL PROPERTY CHARACTERISTICS

Housing data from the Census Bureau are invaluable for estimating changes in the housing inventory over time. However, they are less useful for analyzing the physical and financial characteristics of residential properties. This section evaluates Falmouth's housing supply based on a review of the assessor's parcel database and other sources.

1. Trends in Residential Parcels and Assessments

Changes in the number of residential parcels shed light on changes in housing supply by different residential use types. Table 3.4 reports increases or decreases in the number of parcels by class of use, drawing on information from the Division of Local Services (DLS) at the Massachusetts Department of Revenue. The data from DLS measure changes in parcels, not housing units. Parcel counts and unit counts are virtually the same for single-family homes and condominiums, but parcel counts are not always helpful for understanding the size and composition of multi-family properties. In addition, the parcel data from DLS omit tax-exempt properties, e.g., multifamily housing owned and managed by the Falmouth Housing Authority. The data in Table 3.4 represent most but not all residentially used properties in Falmouth.

TABLE 3.4. CHANGE IN RESIDENTIAL TAX PARCELS								
As of January,	Residential Tax Parcels by Type							
	Single-Family	Condo	Multi-Family	Apts.	Misc. Parcels	Mixed Use	Total Parcels	Vacant Land
2000	17,049	993	243	66	285	150	18,786	3,578
2010	18,114	1,311	272	62	257	206	20,222	2,226
Net Δ	1,065	318	29	-4	-28	56	1,436	-1,352
AVG #	107	32	3	-0	-3	6	144	-135
2013	18,201	1,350	277	63	246	203	20,340	2,106
Net Δ	87	39	5	1	-11	-3	118	-120
AVG #	29	13	2	0	-4	-1	39	-40
Annual Change in Tax Parcels by Type								
2000	246	-2	-4	-4	-8	14	242	-322
2001	199	30	0	-3	4	5	235	-168
2002	143	23	-2	3	1	8	176	-128
2003	147	50	-1	-1	-5	6	196	-123
2004	109	33	0	3	-4	3	144	-122
2005	100	107	-3	-1	-9	6	200	-101
2006	50	46	1	-2	-3	10	102	-155
2007	55	9	-7	1	0	6	64	-84
2008	-18	12	48	1	-2	-7	34	-78
2009	34	10	-3	-1	-2	5	43	-71
2010	44	-1	0	-1	-8	-2	32	-50
2011	22	27	-1	1	-4	0	45	-37
2012	21	13	6	1	1	-1	41	-33
Total	1,152	357	34	-3	-39	53	1,554	-1,472
2000-12 AVG	89	27	3	-0	-3	4	120	-113
2000-05 AVG	157	40	-2	-1	-4	7	199	-161
2006-12 AVG	30	17	6	0	-3	2	52	-73

Source: MA Division of Local Services & RKG Associates, Inc.

As shown in Table 3.4, Falmouth had 18,114 single-family parcels in 2010 (January), or 1,065 parcels more than in 2000. There were 1,311 condominiums in 2010; 318 more than in 2000. A small increase in multi-family and mixed-use parcels also occurred. The combined result (1,468 parcels) was about 23 percent less than the net increase in total housing units (1,915 units) in Falmouth over the last decade, according to federal census data. The differences may be associated with tax-exempt rental properties and the actual number of units on multi-family or mixed-use parcels – a number not readily discernible in the assessor’s database. Since 2010, a net increase of another 118 parcels occurred, primarily single-family homes and condominiums. Housing production in Falmouth averaged about 200 parcels per year between 2000 and 2005, and just over 50 parcels per year since 2005. Housing growth can also be inferred from the decline in vacant parcels in the same period.

Table 3.5 reports the assessment by property types in Falmouth. Over the last decade, total assessed valuation more than doubled in Falmouth. In 2010, residential valuation represented over 92 percent of total assessed valuation while commercial, industrial and personal property (CIP) combined accounted for less than 8 percent. Since 2010, assessments for all property types have decreased, but the assessed value of residential property (including built lots and vacant residential land) still represents over 92 percent of the total.

TABLE 3.5. TRENDS IN PROPERTY ASSESSMENTS					
Property Use	2000	2010	% Δ	2013	% Δ
Assessment (\$millions)					
Residential	\$4,186.28	\$10,196.03	144%	\$9,926.40	-2.6%
Open Space	\$1.14	\$3.50	207%	\$3.25	-7.3%
Commercial	\$293.52	\$590.59	101%	\$578.78	-2.0%
Industrial	\$26.03	\$72.06	177%	\$73.84	2.5%
Personal Property	\$90.55	\$183.09	102%	\$178.51	-2.5%
Total	\$4,597.52	\$11,045.27	140%	\$10,760.78	-2.6%
Property Use	2000	2010	# Δ	2013	# Δ
% of Total					
Residential	91.1%	92.3%	1.3%	92.2%	-0.1%
Open Space	0.0%	0.0%	0.0%	0.0%	0.0%
Commercial	6.4%	5.3%	-1.0%	5.4%	0.0%
Industrial	0.6%	0.7%	0.1%	0.7%	0.0%
Personal Property	2.0%	1.7%	-0.3%	1.7%	0.0%
Total	100%	100%		100%	
Source: MA DLS & RKG Associates, Inc.					

2. Residential Components of the Tax Base

The summary-level data in Tables 3.4 and 3.5 originate in reports filed with the state by city and town assessors. Much like federal census data, they are an aggregate of individual records – in this case, records of individual properties. RKG reviewed and analyzed the Falmouth assessor’s database in order to understand the Town’s housing stock in greater detail, from unit types, styles, and sizes to age of housing, values, and sales activity. This level of analysis became very important because the Town wants to know how many “actually affordable” units exist in Falmouth, i.e., the total supply of units affordable to low- or moderate-income people, including units on the Chapter 40B SHI and units that are not SHI-Eligible but are nevertheless affordably priced. Table 3.6¹⁴ displays key features of residential properties in Falmouth, the highlights of which are summarized below.

- Improved residential parcels (land with buildings) represent about 81 percent of all taxable parcels in Falmouth but 41 percent of total acres and 85 percent of total building

¹⁴ Tables marked with an asterisk are in the Appendix because they are quite large.

improvements. Improved residential parcels also account for 82 percent of the Town's total assessed valuation.

- Single-family parcels account for nearly 74 percent of the total and yield about 71 percent of total assessment. In FY 2014, the fiscal year used for this analysis, the average single-family assessment is nearly \$481,320, or \$263 per square foot (sq. ft.) of floor area. The average land assessed value for a single-family parcel is slightly more than \$267,525 and represents 56 percent of the average value, suggesting high land costs for single-family homes.
- Condominiums account for 5 percent of all parcels in Falmouth, and the assessed value of condominiums represents about 3 percent of the total. The average assessed value for condominiums was nearly \$291,500, or \$229/sq. ft.
- The average assessed value for two- or three-family properties was less than for a single-family home, while the average assessed value for a multiple house parcel (parcel with more than one dwelling on the lot) was twice that for a single-family home.
- The average value for a congregate care facility (\$8.0 million) was the highest for any property types. Three such parcels exist in Falmouth. Other group quarters or transient housing parcels such as motel/time-share and nursing homes have average assessments in the \$2.5 to \$3.0 million range, while apartment properties with nine units or more have an average assessment of nearly \$2.1 million, or \$86/sq. ft.
- The average assessment for public/tax-exempt housing was less than \$700,000, but the value per sq. ft. (\$93) was 8 percent higher than for apartments.
- Approximately 1,830 acres were classified as vacant residential land, and the average parcel assessment was \$214,000.

3. Housing Characteristics of Falmouth Neighborhoods

Table 3.7* provides a profile of housing characteristics by neighborhood, using the assessor's neighborhood designations as a guide. According to the assessor's records:

- East Falmouth has the highest number of residential parcels of any neighborhood in Falmouth, and almost 90 percent are single-family homes. Residential parcels in general – including all residential use types – account for 84 percent of all parcels within East Falmouth.
- Falmouth Village has the second highest concentration of residential parcels, representing 73 percent of all parcels there. Single-family homes make up approximately 70 percent of the neighborhood.
- Single-family homes account for 95 percent of all residential parcels in nine of Falmouth's neighborhoods: Ashumet, Hatchville, Maravista, Menauhant, Old Silver Beach, Pinecrest, Seacoast Shores, Silver Beach, and Waquoit.

- East Falmouth and Falmouth Village have the highest number of condominiums and two- and three-family parcels. Falmouth Village also has the highest number of parcels with four or more units and parcels with mixed uses, e.g., a business and housing units. In addition, East Falmouth has the highest number of tax-exempt housing parcels, followed by Falmouth Village and West Falmouth.
- Woods Hole and West Falmouth have a relatively high number of two- and three-family properties compared with other neighborhoods. West Falmouth also has a large share of parcels with four or more units.

4. Single-Family and Other Residential Properties by Ownership and Values

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

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

- The selected residential properties contain an estimated 20,970 units, or about 94.5 percent of Falmouth's housing supply. (The remaining 5.5 percent, or 1,230 units, would be in buildings with four or more units, tax-exempt housing, or mixed use parcels, which are not included in this evaluation.)
- Approximately 49 percent (10,430 units) of the supply consists of residences (meaning year-round, principal residences) and another 43 percent (8,930 units), seasonal homes. The remaining 8 percent are rentals and units that are either vacant or under construction (1,700 units).¹⁵
- Ashumet and Hatchville are the only neighborhoods where over 70 percent of the selected housing units are used as residences. In five neighborhoods (East Falmouth, North Falmouth, Pinecrest, Teaticket, and Waquoit), residences represent between 50 and 62 percent of the selected housing.
- In absolute terms, East Falmouth and Falmouth Village have the highest number of units classified as seasonal homes, representing between 38 and 43 percent of the selected residential supply in these neighborhoods.

¹⁵ The supply of owner units in the assessor's file (10,430) was relatively similar to 2010 Census (10,705); however, a difference of 1,830 units in seasonal housing (second homes) resulted (assessor file - 8,930 versus 2010 Census-7,100), suggesting more non-local buyers took advantage of lower pricing since 2010, and the seasonal housing supply in 2014 increased by 25 percent since 2010, paralleling the 32 percent increase in seasonal housing that occurred over the last decade. Alternatively, some seasonal homes may have been occupied at the time of the 2010 Census or perhaps under - counted.

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

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

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

Together, East Falmouth and Hatchville have 47 percent of this group, and almost 70 percent are residences. Another five neighborhoods combined (Falmouth, Maravista, Pinecrest, Seacoast Shores, and Teaticket) have 1,250 properties or 42 percent of the supply in this price range, and only 53 percent are residences.

- About 14 percent of the selected residential parcels (2,840 properties) have an assessed value in the \$250,000 to \$300,000 range, of which 58 percent are residences. East Falmouth has 29 percent of the supply and Hatchville, 14 percent. Approximately 50 percent of the selected residential parcels in the \$250,000 to \$300,000 range can be found in eight neighborhoods (Falmouth, Maravista, North Falmouth, Pinecrest, Seacoast Shores, Silver Beach, Teaticket and Waquoit) and 52 percent of these properties are residences.
- Approximately 22 percent of the selected residential properties (4,460) have an assessed value of \$300,000 to \$400,000, and 55 percent were residences. East Falmouth has 30 percent of this supply, and three neighborhoods (Falmouth, Hatchville and North Falmouth) have another 31 percent.
- Approximately 42 percent of the select residential properties have a value of \$400,000 or more, and only 44 percent were residences, while the remainder were primarily second homes. East Falmouth, Falmouth and West Falmouth, combined, have 43 percent of this supply, and another 30 percent was locating in four other neighborhoods (Falmouth Heights, Hatchville, North Falmouth and Sippewissett).

5. Post-1980 Housing Production

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

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

TABLE 3.10. SELECTED RESIDENTIAL PROPERTIES BY AGE (YEAR BUILT)

Neighborhood	Period Parcels Built [1]				Sub-total	Total	% post 1980
	1980-89	1990-99	2000-09	2010-14			
Ashumet	92	24	12	1	129	235	55%
East Falmouth	822	493	454	78	1,847	4,695	39%
Falmouth Village	232	139	179	21	571	2,219	26%
Falmouth Heights	58	16	65	21	160	826	19%
Hatchville	573	500	250	20	1,343	2,092	64%
Maravista	50	31	30	5	116	849	14%
Menauhant	33	20	18	6	77	234	33%
North Falmouth	424	208	105	27	764	1,496	51%
Old Silver Beach	56	18	2	1	77	77	100%
Pinecrest	158	58	39	5	260	613	42%
Quissett	27	20	12	5	64	213	30%
Seacoast Shores	109	41	52	5	207	902	23%
Silver Beach	114	54	53	18	239	882	27%
Sippewissett	135	74	39	4	252	585	43%
Teaticket	234	131	77	7	449	1,178	38%
Waquoit	193	164	109	13	479	737	65%
West Falmouth	333	197	141	56	727	1,677	43%
Woods Hole	26	23	27	9	85	633	13%
Falmouth Total	3,669	2,211	1,664	302	7,846	20,143	39%
Avg. Annual Production	367	221	166	60	224		
% of Total	18.2%	11.0%	8.3%	1.5%	39.0%		

Source: Falmouth Assessor's Parcel Database, 2014, and RKG Associates, Inc.

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

TABLE 3.11. MULTIFAMILY PROPERTIES BY AGE (YEAR BUILT)

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

D. HOMEOWNERSHIP CHARACTERISTICS

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

1. Homeowner Households by Age

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

- In 2010, less than 4 percent of the homeowners were under age 35, ranging from 1.6 percent in Tract 149 to 5.5 percent in Tract 146. Households in this age group declined over the last decade by over 40 percent in Falmouth.

- Approximately 10 percent of the homeowners in 2010 were in the 35- to 44-year age group, and this cohort also declined by 39 percent in the last decade.
- Homeowners in the 45- to 54-year age group represented about 20 percent of all homeowners in 2010, but owners in this age group declined by 6 percent since 2000.
- About 25 percent of the homeowners in Falmouth were age 55-to-65 in 2010, and this age group increased by 22 percent between 2000 and 2010. Tract 144 experienced the highest percentage increase in homeowners in this age group.

TABLE 3.12. HOMEOWNER HOUSEHOLDS BY AGE AND CHANGE IN AGE DISTRIBUTION, 2000-2010

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

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

2. Homeowner Household Incomes

The median household income of Falmouth homeowners was nearly \$70,350 in 2010, as shown in **Error! Reference source not found.** The 29 percent increase in median homeowner income since 2000 did not keep pace with inflation. Today, Tract 149 has the highest median owner income, at \$103,725, and Tract 149 the lowest, at \$42,025.

TABLE 3.13. HOMEOWNER HOUSEHOLDS BY INCOME AND CHANGE IN INCOME DISTRIBUTION, 2000-2010

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

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

Noteworthy findings from Table 3.13 include:

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

3. Value of Owner-Occupied Housing

Table 3.14 reports the distribution of owner-occupied housing by census tract and home values in 2010, when the median owner-occupied value town-wide was \$428,200. Median values ranged from \$354,600 in Tract 145 to \$645,000 in Tract 149. Less than 4 percent was valued at less than \$200,000, with the highest concentration in Tract 146 and the lowest in Tract 143. Fifteen percent of all owner-occupied units were in the \$200,000 to \$300,000 range,

with the greatest concentration in Tract 145. Over 80 percent of all owner-occupied housing in Falmouth was valued at \$300,000 or more, with concentrations in Tracts 143 and 149.

TABLE 3.14. DISTRIBUTION OF OWNER-OCCUPIED HOME VALUES (2010)

Value Range	Town of Falmouth	Tract 143	Tract 144	Tract 145	Tract 146	Tract 147	Tract 148	Tract 149
Owner-Occupied Units	10,705	1,663	2,310	1,814	1,461	1,326	970	1,161
<\$100,000	1.9%	0.0%	1.7%	1.7%	5.6%	0.8%	1.2%	2.3%
\$100,000-\$149,999	0.7%	0.6%	0.0%	0.6%	0.2%	0.0%	3.8%	0.9%
\$150,000-\$199,999	1.7%	0.0%	2.7%	3.1%	0.4%	0.6%	5.4%	0.0%
\$200,000-\$299,999	15.0%	0.6%	21.1%	29.6%	18.3%	15.1%	10.2%	2.3%
\$300,000-\$499,999	42.8%	41.4%	45.2%	44.1%	42.0%	64.3%	42.9%	16.1%
\$500,000+	38.0%	57.3%	29.2%	20.9%	33.6%	19.2%	36.5%	78.4%
Median Value	\$428,200	\$551,000	\$387,400	\$354,600	\$397,700	\$380,200	\$427,400	\$645,000

Source: U.S. Census Bureau; American Community Survey; and RKG Associates, Inc.

4. Owner Households by Period Moved into Unit

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

TABLE 3.15. PERCENT HOMEOWNERS BY PERIOD MOVED INTO PRESENT HOUSING UNIT (2010)

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

[1] Factored on the post-2000 average and 2000 homeowner count.

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

E. FOR-SALE MARKET

The following is an analysis of conditions and trends in the single-family and condominium market in Falmouth. It examines sales activity and median value trends over the last five years, drawing primarily on data in the assessor's parcel database.¹⁶

1. Single-Family Sales

Table 3.16 reports sales activity of single-family homes in Falmouth over the last five years by price range and the buyer's place of residence, i.e., local or non-local.¹⁷

TABLE 3.16. SINGLE-FAMILY HOME SALES BY HOMEBUYER'S LOCATION							
Single-Family Sales [1]	Year ending April, XXXX						
Local Owners	2010	2011	2012	2013	2014	Avg.	
\$100,000 to \$199,999	6	8	10	4	13	8	
\$200,000 to \$299,999	40	34	45	59	50	46	
\$300,000 to \$399,999	37	30	44	42	56	42	
\$400,000 to \$499,999	20	31	20	27	26	25	
\$500,000 & up	27	32	36	29	50	35	
Total	130	135	155	161	195	155	
Median Sale Price	\$332,500	\$385,000	\$349,500	\$340,000	\$349,000		
Non Local Owners	2010	2011	2012	2013	2014	Avg.	
\$100,000 to \$199,999	4	4	7	9	14	8	
\$200,000 to \$299,999	22	35	36	52	52	39	
\$300,000 to \$399,999	51	43	45	50	60	50	
\$400,000 to \$499,999	16	24	35	46	37	32	
\$500,000 & up	64	63	51	101	101	76	
Total	157	169	174	258	264	204	
Median Sale Price	\$415,000	\$406,000	\$390,000	\$427,500	\$417,000		
All Owners	2010	2011	2012	2013	2014	Avg.	Listings
\$100,000 to \$199,999	10	12	17	13	27	16	13
\$200,000 to \$299,999	62	69	81	111	102	85	73
\$300,000 to \$399,999	88	73	89	92	116	92	86
\$400,000 to \$499,999	36	55	55	73	63	56	62
\$500,000 & up	91	95	87	130	151	111	237
Total	287	304	329	419	459	360	471
Median Sale Price	\$371,000	\$396,700	\$370,000	\$390,000	\$385,000		
[1] Valid Sales, Only							
Source: Town of Falmouth & RKG Associates, Inc.							

¹⁶ Only valid, arm-length sales as identified in the database have been included in the analysis, which means that it omits all non-valid sales such as intra-family transfers, sales due to bankruptcy, change of use after sale, short sales, and the like. However, short-sales of single-family homes have been tabulated for comparison purposes.

¹⁷ Buyers were separated into two groups (local and non-local) based on the property address of the owner.

Falmouth averaged 360 single-family sales per year over the five-year period, ranging from 290 sales in 2010 to nearly 460 in 2014. On average, homebuyers with a local address represented about 43 percent of all sales activity and a lower percentage of sales in the upper price range. Market activity for single-family homes gradually increased over the last five years as more sales occurred in 2013 and 2014 than in the prior years. However, there was no measurable increase in sale prices, for the median price in 2013 remained below that of 2011 and 2012. The median price paid by non-local owners was typically higher than the price paid by local owners, in fact the difference in 2013 was more than 25 percent. (This higher price for homes purchased by non-local homebuyers was exhibited in the earlier discussion on assessments as well.)

Table 3.16 also reports the number of listings of single-family homes on the market in Falmouth by asking price range. The number of listing in the four price ranges under \$500,000 equate to a one-year or less supply, based on the average; however, the supply of listings for \$500,000 or more represents at best a two-year inventory, suggesting some of the higher-priced listings in this group may be on the market for some time, and more than likely many were second or seasonal homes.

TABLE 3.17. MEDIAN SINGLE-FAMILY SALE PRICE BY NEIGHBORHOOD IN FALMOUTH [1]					
Neighborhood	Year ending April,				
	2010	2011	2012	2013	2014
Ashumet	\$329,000	\$265,000	\$224,000	\$267,950	\$245,000
East Falmouth	\$360,000	\$325,000	\$317,500	\$349,500	\$338,000
Falmouth	\$370,000	\$448,000	\$380,000	\$495,000	\$525,000
Falmouth Heights	\$572,500	\$525,000	\$458,000	\$455,000	\$525,000
Hatchville	\$303,250	\$419,000	\$345,000	\$318,000	\$347,500
Maravista	\$310,000	\$328,000	\$373,500	\$311,000	\$381,250
Menauhant	\$730,000	\$647,450	\$569,250	\$325,000	\$905,000
North Falmouth	\$440,750	\$427,500	\$425,000	\$425,000	\$432,000
Old Silver Beach	\$562,500	\$610,000	\$580,000	\$525,000	\$564,500
Pinecrest	\$285,000	\$255,000	\$300,250	\$246,200	\$217,500
Quissett	\$614,250	\$475,000	N/A	\$1,207,500	\$1,200,000
Seacoast Shores	\$250,000	\$246,250	\$255,000	\$275,240	\$257,500
Silver Beach	\$650,000	\$622,500	\$457,000	\$396,000	\$537,000
Sippewissett	\$565,000	\$715,000	\$622,000	\$706,200	\$674,000
Teaticket	\$292,000	\$302,500	\$274,650	\$283,750	\$270,000
Waquoit	\$862,000	\$420,000	\$665,000	\$507,250	\$635,000
West Falmouth	\$459,000	\$512,500	\$550,000	\$527,550	\$500,000
Woods Hole	\$408,000	\$555,500	\$369,000	\$745,000	\$440,200
Total	\$371,000	\$396,700	\$370,000	\$390,000	\$385,000

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

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

2. Condominium Sales

Table 3.18 report condominium sales activity in Falmouth by price range over a five-year period ending in April, 2014. The sales are separated between local and non-local buyers.

TABLE 3.18. CONDOMINIUM HOME SALES BY HOMEBUYER'S LOCATION							
Condominium Sales [1]	Year ending April,					AVG	
	2010	2011	2012	2013	2014		
Local Owners							
Less than \$199,999		2	3		3	2	
\$200,000 to \$249,999		4	2	5	1	2	
\$250,000 to \$299,999	5	3	7	3	6	5	
\$300,000 to \$399,999	9	5	7	11	9	8	
\$400,000 & up	7	9	5	16	10	9	
Total	21	23	24	35	29	26	
Median Sale Price	\$365,000	\$359,000	\$294,250	\$380,000	\$325,000		
Non Local Owners							
Less than \$199,999	2	3	3	3	4	3	
\$200,000 to \$249,999	4	2	3	4	2	3	
\$250,000 to \$299,999	6	3	3	6	5	5	
\$300,000 to \$399,999	2	5	8	4	7	5	
\$400,000 & up	6	6	12	8	17	10	
Total	20	19	29	25	35	26	
Median Sale Price	\$276,250	\$350,000	\$375,000	\$294,000	\$390,000		
All Owners							
Less than \$199,999	2	5	6	3	7	5	4
\$200,000 to \$249,999	4	6	5	9	3	5	3
\$250,000 to \$299,999	11	6	10	9	11	9	2
\$300,000 to \$399,999	11	10	15	15	16	13	10
\$400,000 & up	13	15	17	24	27	19	21
Total	41	42	53	60	64	52	40
Median Sale Price	\$315,000	\$352,500	\$349,000	\$364,000	\$362,500		
[1] Valid Sales, Only							
Source: Town of Falmouth, Kinlin Grover Real Estate & RKG Associates, Inc.							

Condominium sales ranged from 41 sales (2010) to 64 sales (2014), averaging 52 sales per year over five years. On average, local buyers accounted for half the sales, and in many cases (2010, 2011, and 2013) sales to local buyers generated a higher median sale price than sales to non-locals, unlike the situation with single-family sales. As shown in Table 3.18, the median price for all condominium sales exceeded \$360,000 for the last two years, and sales activity in each year was higher than in the previous years, suggesting a strengthening in this sector. The number of current listings equates to a nine-month supply based on the average. However, listings in the \$400,000 or more group may take longer to sell.

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

TABLE 3.18. MEDIAN CONDOMINIUM SALE PRICE BY NEIGHBORHOOD					
Median Sale Price By Neighborhood [1]	Year ending April,				
	2010	2011	2012	2013	2014
EAST FALMOUTH	\$285,250	\$250,000	\$272,000	\$350,000	\$325,000
FALMOUTH	\$391,000	\$372,500	\$377,500	\$332,000	\$445,000
FALMOUTH HEIGHTS	\$210,000	\$480,000	\$550,000	\$540,000	\$485,000
HATCHVILLE			\$180,000	\$195,000	\$187,500
NORTH FALMOUTH		\$3,500,000	\$451,200	\$452,000	\$380,000
SIPPEWISSETT	\$825,000		\$349,000	\$695,000	#####
TEATICKET	\$191,500	\$215,000	\$257,500	\$245,000	\$233,500
WEST FALMOUTH	\$354,500	\$585,000	\$400,000	\$632,500	\$597,500
Total	\$315,000	\$352,500	\$349,000	\$364,000	\$362,500
[1] Valid Sales, Only					
Source: Town of Falmouth & RKG Associates, Inc.					

3. Short Sales

The assessor's database is coded for **short sales**, or sales taken back by a lending institution through foreclosure or work-out and resold by the bank. This activity is reported in Table 3.20, which shows an average of nearly 60 short sales per year over five years. However, activity in the first two years exceeded 80 short sales, followed by 55 short sales in the next two years, and only 15 in the last year. This suggests that the inventory of bank-owned homes was gradually depleted.

Based on the addresses of the buyers (owner), approximately 57 percent of the sales were purchased by someone local, and in most cases the local owner paid a lower price as indicated by a lower median. The overall median for short sales decreased over the first four years, and the median prices were anywhere from 30 to 50 percent lower than indicated from single-family sales.

TABLE 3.20. SHORT SALES BY BUYER'S LOCATION

Short Sales [1]	Year ending April,					
Local Owners	2010	2011	2012	2013	2014	AVG
less than \$199,999	24	18	21	19	2	17
\$200,000 to \$299,999	9	23	4	7		9
\$300,000 to \$399,999	8	6	1	3	1	4
\$400,000 to \$499,999	4	3	2		1	2
\$500,000 & up	5		2		1	2
Total	50	50	30	29	5	33
Median Sale Price	\$227,000	\$217,250	\$182,500	\$185,000	\$342,500	
Non Local Owners	2010	2011	2012	2013	2014	AVG
less than \$199,999	11	12	8	15	6	10
\$200,000 to \$299,999	8	12	13	9	1	9
\$300,000 to \$399,999	8	4	2		1	3
\$400,000 to \$499,999	3	2	1	1	2	2
\$500,000 & up	5	1	1	2		2
Total	35	31	25	27	10	26
Median Sale Price	\$291,500	\$239,000	\$229,000	\$185,000	\$190,500	
All Owners	2010	2011	2012	2013	2014	AVG
less than \$199,999	35	30	29	34	8	27
\$200,000 to \$299,999	17	35	17	16	1	17
\$300,000 to \$399,999	16	10	3	3	2	7
\$400,000 to \$499,999	7	5	3	1	3	4
\$500,000 & up	10	1	3	2	1	3
Total	85	81	55	56	15	58
Median Sale Price	\$260,000	\$222,000	\$194,000	\$185,000	\$195,900	
[1] Includes 12 condominium short sales						
Source: Town of Falmouth, Kinlin Grover Real Estate & RKG Associates, Inc.						

F. RENTER HOUSEHOLDS CHARACTERISTICS

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

1. Renter Households by Age

Table 3.21 reports the distribution of renter households by age in Falmouth and by census tract in 2010, together with changes from 2000 to 2010. Renters under age 35 represent the largest age cohort, followed by those in the 45- to 54-year group. Tract 145 has the highest concentration of the former, and Tract 144, the highest concentration of the latter.

Approximately 15 percent of Falmouth's renter householders were 75 or older, and they accounted for nearly one-quarter of the renters in Tract 149 and 22 percent in Tract 148.

TABLE 3.21. RENTER HOUSEHOLDS BY AGE AND CHANGE IN AGE DISTRIBUTION, 2000-2010

	Town of Falmouth	Tract 143	Tract 144	Tract 145	Tract 146	Tract 147	Tract 148	Tract 149
Total Households	14,069	1,973	2,792	2,169	1,797	1,749	1,795	1,794
Renter Households	3,364	310	482	355	336	423	825	633
Under 35	23.9%	22.6%	24.9%	30.4%	29.2%	27.9%	17.6%	22.7%
Age 35 to 44	16.9%	20.0%	22.2%	22.0%	18.2%	20.6%	11.3%	13.0%
Age 45 to 54	19.5%	23.9%	25.1%	22.8%	22.9%	18.2%	16.1%	14.7%
Age 55 to 64	14.8%	17.4%	14.1%	16.3%	14.6%	13.9%	15.9%	12.3%
Age 65 to 74	10.3%	4.2%	6.4%	4.8%	8.6%	9.2%	17.0%	12.0%
Age 75 +	14.7%	11.9%	7.3%	3.7%	6.5%	10.2%	22.2%	25.3%
% Δ In Renters by Age from 2000	Town of Falmouth	Tract 143	Tract 144	Tract 145	Tract 146	Tract 147	Tract 148	Tract 149
Total H'holds	1.5%	0.2%	13.2%	1.2%	1.9%	-1.1%	2.3%	-10.0%
Renter H'holds	8.2%	2.0%	41.3%	-0.3%	4.0%	18.2%	12.1%	-8.5%
Less than Age 35	6%	-5%	45%	-8%	4%	22%	7%	-10%
Age 35 to 44	-26%	-24%	-9%	-36%	-41%	-8%	-26%	-34%
Age 45 to 54	23%	7%	95%	14%	48%	15%	32%	-17%
Age 55 to 64	61%	50%	94%	164%	40%	48%	44%	56%
Age 65 to 74	17%	-41%	7%	42%	93%	34%	21%	6%
Age 75 +	11%	76%	133%	0%	-8%	43%	10%	-8%

Source: US Census & RKG Associates, Inc.

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

2. Renter Households by Income

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

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

TABLE 3.22. RENTER HOUSEHOLDS BY INCOME AND CHANGE IN INCOME DISTRIBUTION, 2000-2010

Distribution of Renters by Income (2010)	Town of Falmouth	Tract 143	Tract 144	Tract 145	Tract 146	Tract 147	Tract 148	Tract 149
Total Households	14,069	1,973	2,792	2,169	1,797	1,749	1,795	1,794
Renter Households	3,364	310	482	355	336	423	825	633
Less than \$35,000	51.3%	16.1%	26.4%	33.9%	30.6%	46.8%	78.7%	54.8%
\$35,000 to \$49,999	19.3%	27.6%	27.4%	43.1%	45.6%	14.1%	3.6%	13.6%
\$50,000 to \$74,999	17.8%	39.1%	20.3%	15.2%	18.1%	21.1%	13.0%	20.2%
\$75,000 to \$99,999	6.8%	17.2%	16.8%	7.8%	0.0%	12.2%	1.4%	3.7%
\$100,000 to \$149,999	4.4%	0.0%	9.1%	0.0%	5.7%	5.8%	3.2%	5.2%
\$150,000 & up	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.5%
Median Renter \$	\$33,477	\$55,809	\$46,328	\$44,224	\$39,145	\$39,141	\$17,267	\$33,523
% Δ In Renters by Income from 2000	Town of Falmouth	Tract 143	Tract 144	Tract 145	Tract 146	Tract 147	Tract 148	Tract 149
Total Households	1.5%	0.2%	13.2%	1.2%	1.9%	-1.1%	2.3%	-10.0%
Renter Households	8.1%	2.0%	41.3%	-0.3%	4.0%	18.2%	12.1%	-8.5%
Less than \$35,000	-7%	-66%	-27%	-40%	-46%	-4%	20%	-11%
\$35,000 to \$49,999	36%	159%	86%	189%	136%	32%	-43%	-47%
\$50,000 to \$74,999	38%	124%	38%	32%	35%	33%	23%	83%
\$75,000 to \$99,999	18%	27%	797%	-36%	-100%	67%	-62%	-22%
\$100,000 to \$149,999	37%	-100%	451%	-100%	47%	251%	105%	82%
\$150,000 & up	-74%		-100%	-100%			-100%	-35%
Median Renter	14%	39%	44%	37%	30%	23%	-20%	7%

Source: U.S. Census; ACS & RKG Associates, Inc.

3. Renter Households by Rent

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

TABLE 3.23. DISTRIBUTION OF RENTERS BY GROSS RENT (2010)

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

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

4. Renter Households by Period Moved into Unit

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

TABLE 3.24. PERCENT RENTERS BY PERIOD MOVED INTO PRESENT HOUSING UNIT (2010)

Move-in Year	Town of Falmouth	Tract 143	Tract 144	Tract 145	Tract 146	Tract 147	Tract 148	Tract 149
Renter Households	3,364	310	482	355	336	423	825	633
2005 or later	55%	83%	48%	64%	43%	59%	54%	54%
2000 to 2004	29%	17%	43%	9%	35%	41%	28%	25%
1990 to 1999	11%	0%	8%	12%	22%	0%	15%	11%
1980 to 1989	3%	0%	1%	10%	0%	0%	3%	5%
1970 to 1979	0%	0%	0%	0%	0%	0%	0%	2%
1969 or earlier	1%	0%	0%	5%	0%	0%	0%	3%
Avg. Renters/Year								
2005 or later	372	51	47	45	29	50	89	68
2000 to 2004	195	11	41	7	24	35	46	31
1990 to 1999	37	0	4	4	7	0	13	7
1980 to 1989	11	0	0	3	0	0	2	3
1970 to 1979	1	0	0	0	0	0	0	1
Annual Turnover [1]	8.3%	10.0%	8.8%	7.3%	7.7%	10.0%	8.0%	7.2%

[1] Factored on the post-2000 average (less growth, if any) and the 2000 renter count.

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

G. RENTAL MARKET CONDITIONS

As Falmouth residents know, it is very difficult to quantify the town's year-round rental market due to the influences of seasonal housing and seasonal renters, and most offerings are single-family homes or units in small two-to-three-unit or mixed use properties. Many, if not all, of the larger apartment developments are owned by Falmouth Housing Authority or another entity providing subsidized rental housing.

For this analysis, RKG tabulated rental information from a variety of sources such as Craig's List, Realtor.com, and Trulia.¹⁸ RKG searched the community housing web page maintained by the Woods Hole Oceanographic Institution (WHOI), where listings are categorized by different housing types and by year-round or seasonal status. The WHOI listings in Falmouth totaled seventy-four, and approximately 42 percent were categorized as "year-round", and many of these were "sharing a house." In addition, RKG found 82 listings on Rental Homes.com; however, all were summer rentals with an average asking price that ranged from \$320 per week for three-bedroom homes to \$525 per week for a four-bedroom or larger home. RKG also consulted with the Falmouth Assessor about larger market-rate rental properties. A 39-unit project at 135 Scranton Avenue was identified as well as Gosnald Grove, a 33-unit, Chapter 40B development. All other rentals were reportedly in smaller properties (two to ten units) where rental pricing varied depending on the owner and/or season. Many owner-occupied rentals reportedly maintained lower rates since they have long-term tenants. Second homes and owner residences were also rented out in some cases on a seasonal basis to offset housing costs.

RKG spoke with brokers and property managers to confirm asking rents and ascertain different aspects of the local rental market. In many cases, two seasons exist in the Falmouth rental market: the summer rental market between June and August, and the off-season market between September and May, which further complicates identifying "market" year-round rental rates. Despite these limitations, RKG tabulated eighty-six listings and rents for apartments in Falmouth by type and compared the range with the Fair Market Rent (FMR) for the Barnstable MSA as set by HUD.¹⁹ The results are shown in Table 3.25, and the following are highlights from a review of the data.

- Almost 20 percent of the sample are houses or apartments to share or a room in a house. Prices range from \$400 to \$1,000 per month, with a median of \$675. This type of offering represents the lowest median in the sample.
- Research identified only one zero-bedroom unit (studio) at \$800 per month, including utilities, and this unit was at an eleven-unit building where one-bedroom rents are about \$1,000 and two-bedroom rents, about \$1,200. Occupancy remained high and limited to

¹⁸ The rental research conducted for this study occurred in May-June, 2014.

¹⁹ Using the HUD Fair Market Rent as a guide is a useful way of estimating whether Section 8 voucher recipients can find rental housing in a community. On its own, however, it is not an indicator of housing affordability. Rather, it is a cost-reasonableness standard that HUD sets in order to protect Section 8 funds from being used to pay for "luxury" housing. For low- or moderate-income renters without Section 8 assistance, actually affordable rents are lower than the FMR.

the turnover of a few units per year. The Fair Market Rent was slightly lower for this unit type.

- The one-bedroom sample accounted for 20 percent of the listings, and rents ranged from \$650 to \$1,500 per month, with a median of \$975 per month – almost \$100 more than the Fair Market Rent for this unit type.
- The two-bedroom sample accounts for 26 percent of the listings, and rents range from \$800 to \$1,750 per month. The median, \$1,200, is slightly higher than the Fair Market Rents (\$1,176).
- Another 22 percent of the sample are three-bedroom units with rents ranging from \$1,100 to \$2,600 per month, and most if not all of these units were single-family homes. The median for this sample of three-bedroom units, \$1,535, is almost the same as the Fair Market Rent.
- The remaining 13 percent of the sample involve rents at four-bedroom or larger units, ranging from \$1,600 to \$4,200 per month with a median of \$2,400. All of these rental listings are single-family homes in Falmouth. The Fair Market Rent for this unit type is similar to the low-end of the range.

TABLE 3.25. SAMPLE RENTS FOR YEAR-ROUND RENTAL UNITS

Unit Type	Sample/ Listings	Monthly Rent Range			Fair Market Rent [1]
		Median	Low	High	
Room/Share	16	\$675	\$400	\$1,000	
0-bedroom	1	\$800			\$787
1-bedroom	17	\$975	\$650	\$1,500	\$877
2-bedroom	22	\$1,200	\$800	\$1,750	\$1,176
3-bedroom	19	\$1,535	\$1,100	\$2,600	\$1,538
4-bedroom +	11	\$2,400	\$1,600	\$4,200	\$1,615
Total	86	\$1,200	\$400	\$4,200	
[1] For Barnstable Town, MA MSA					
Source: Craig's List; WHOI: Trulia, Realtor.com; HUD & RKG Associates, Inc.					

IV. ISSUES & OPPORTUNITIES

From life-long residents to “wash-ashores,” newcomers, and the seasonal home population, people living in Falmouth have an interest in protecting the town’s beauty and environmental quality – and rightly so. By any measure, Falmouth is one of the prettiest towns on Cape Cod. Its 70 miles of tidal shoreline, open space, coastal villages, and historic built environment make Falmouth an attractive place to live, visit, and work. As one of the Cape’s two regional economic centers, Falmouth offers a variety of goods and services, too. On first blush, Falmouth seems to have everything going for it. However, that is not really the case. Falmouth has several challenges that need to be addressed in order to move forward with any local housing initiative. Based on research and analysis conducted for this report and observations made during the study period, these are the most significant issues that Falmouth has to address in the near future.

- **Housing Needs:** Falmouth’s housing needs are not limited to the number of affordable units required to meet the 10 percent statutory minimum under Chapter 40B. While knowledgeable residents, town officials, and staff understand this, the general public may not. It could take considerable public education and a united front to build support for land use policy changes that would create more housing without ensuring that the additional units will “count” on the Chapter 40B Subsidized Housing Inventory (SHI). Efforts to provide for more housing diversity through zoning amendments may be met with some resistance.
- **Housing Preservation:** Falmouth has at least three types of housing preservation needs. First, the Town still has some small, older homes – some of which are substandard – with relatively low tax assessments. Since these lower-value properties are not subject to any type of deed restriction, they will most likely be altered, expanded, or torn down and rebuilt because land values are so high. Second, Falmouth has affordable units that “count” on the SHI, yet there is no systematic monitoring process in place to ensure that the properties comply with their affordable housing deed restrictions. There are different monitoring agents for different projects and, it seems, some confusion about who is actually responsible for monitoring the units. Third, just over 16 percent of the units on Falmouth’s SHI are subject to **expiring use restrictions** that are scheduled to lapse in the next ten years.
- **Zoning:** Falmouth’s predominantly single-family residential zoning is not designed to encourage a mix of housing, especially the small rental units that many people say the Town needs in order to attract and keep young workers. The vast majority of the town is zoned for large-lot residential development, and existing zoning provisions for affordable housing have not worked. Zoning effectively creates or constrains land by regulating how much development can occur as of right. Falmouth does have options for allowing a broader range of housing types and making it easier to create them, but it is not clear that enough broad-based community support exists to bring them to fruition. Overall, the central policy of the Falmouth Zoning Bylaw seems to be limited change – and tightly controlled change when it does occur. The Zoning Bylaw did not happen in a vacuum. It expresses the will of the Town over a very long time.

- **Development Review, Permitting, and Roles & Responsibilities:** There are complaints in Falmouth about the time required to obtain permits and approvals, lack of coordination in the permitting process, and onerous or unpredictable requirements. Falmouth probably

Just as town boards would benefit from an assessment of how their procedures are actually working, there seems to be a need for public education about the roles and responsibilities of town boards and the permitting framework within which they operate. Sometimes what appears to be a needless delay is actually the normal course of a public hearing and decision process.

needs to examine how it conducts land use permitting (most towns do). Just as town boards would benefit from an assessment of how their procedures are actually working, there seems to be a need for public education about the roles and responsibilities of town boards and the permitting framework within which they operate. Sometimes what appears to be a needless delay is actually the normal course of a public hearing and decision process.

- **Local Resources for Housing Development:** Falmouth has an affordable housing fund that was created by a special act of the legislature in 2011. It is needlessly convoluted and could be streamlined for easier administration. A better model than the structure created by Falmouth's home rule petition is the Municipal Affordable Housing Trust law that went into effect in 2004. The Town (by Town Meeting vote) would need to adopt the provisions of G.L. c. 44, c.55C and also adopt a local implementation bylaw.
- **Local Capacity and Collaboration:** There is considerable tension in Falmouth, especially tension about housing. None of the ideas contained in this report can be carried out without a significant improvement in relationships between citizen activists, developers, staff, and town officials. Everyone has a role to play and everyone can help, but the Town and private organizations need to work on trust-building. They should identify where the greatest capacity and expertise are for a variety of housing strategies, collaborate, and share information and resources. A summit of the key people with an interest in housing policy (elected and appointed town officials, town staff, and private groups) to work on a strategic plan with someone trained in facilitation and conflict resolution would be a wise "first step" toward forging better relationships. The Planning Board and Board of Selectmen have already been working to improve communications and coordinate their efforts. A similar initiative is needed with the Affordable Housing Committee and possibly the Community Preservation Committee, and others.

A. HOUSING NEEDS

The inquiry Falmouth hoped to achieve with this study is commendable because the Town has resisted define a town's housing needs by its shortfall of Chapter 40B units. In fact, the need for decent, affordable housing for a variety of household types exists at several market levels in Falmouth. Even outside of Falmouth, the state's affordable housing shortage is more complicated than many people realize. The very high rents for market-rate apartments in Chapter 40B developments throughout Eastern Massachusetts serve as a reminder that higher

density and an expanded housing supply do not on their own guarantee that homes will be affordable even to middle-income renters.

Even if Massachusetts reached the 10 percent minimum, however, there would still be about 740,000 low- and moderate-income families without a guarantee of affordable housing. In Falmouth, 10 percent means 693 Chapter 40B units in addition to the town's current 794-unit inventory, yet technical compliance with Chapter 40B would leave almost 2,500 households in homes they cannot afford.

According to the U.S. Department of Housing and Urban Development (HUD), almost 40 percent of the state's 2.5 million households have incomes at or below 80 percent of the area median income (AMI) for the regions in which they live, adjusted for household size. Providing Chapter 40B housing equal to 10 percent of all year-round homes in Massachusetts requires a total of about 252,000 units. An update of the Subsidized Housing Inventory in

April 2014 shows that 247,000 Chapter 40B units already exist. Even if Massachusetts reached the 10 percent minimum, however, there would still be about 740,000 low- and moderate-income families without a guarantee of affordable housing. In Falmouth, 10 percent means 693 Chapter 40B units in addition to the town's current 794-unit inventory, yet technical compliance with Chapter 40B would leave almost 2,500 households in homes they cannot afford.

A second challenge in defining housing needs is that sometimes communities lose sight of needs that exist within larger regions or among communities with similar housing markets. Although officials in most cities and towns worry about the social, economic and fiscal impacts that affordable housing developments may bring to their communities, many households can choose to move from one town to another because they have economic mobility. On the Cape, the shortage of reasonably priced housing is a shortage of choices for workers in lower-wage industries, young professionals, divorced non-custodial parents trying to maintain relationships with their children, frail seniors, and others. All of these needs exist in Falmouth, as evidenced by current data as well as plans and studies prepared for the Town in the past, and clearly throughout the Cape, based on work conducted by the Cape Cod Commission.

Just about everyone interviewed for this housing study – thirty-two people knowledgeable about housing conditions in Falmouth – said the town's most critical need is suitable, low-cost rental housing for young workers. Echoing plans and studies prepared by the Cape Cod Commission, the Town of Falmouth, and others, interviewees described the shortage of affordably priced housing as a key contributor to the out-migration of young people from Cape Cod to other areas in Massachusetts and beyond. The near-absence of decent, affordable housing in Falmouth is not lost on anyone in human services, the town's major employers, the clergy, or the schools. The Town has commissioned housing needs studies in the past, and all point to similar conclusions.

That said, while well-informed residents recognize the Town's dire need for more housing options for young adults and people in the labor force with modest incomes, there are other needs as well. For example:

- Falmouth has some year-round rentals, but overall, the condition of privately owned rental stock appears to be fair at best. Falmouth has residents today with very low incomes, high housing cost burdens, and few options but units that have various housing quality problems. The needs of existing residents for safe, decent, affordable housing need to be balanced against the Town's economic development needs.
- Not all of Falmouth's seniors are wealthy retirees. Some consideration should be given to developing deeply affordable rental units for the elderly whose incomes are both fixed and very low.
- Falmouth has existing homeowners with housing quality problems. Evidence of this can be found in a windshield survey the Town conducted for a recent Community Development Block Grant (CDBG) application, a detailed review of data from the assessor's office, and HUD's Comprehensive Housing Affordability Strategy (CHAS) data. It may be possible to address some of these problems in ways that preserve the affordability of smaller homes in the long run, thereby meeting both existing needs and increasing future housing opportunities for young families.
- Whether in Falmouth or any other community, strategies to address local and regional housing needs cannot target or unduly benefit one population at the expense of others. State agencies in Massachusetts recently entered into an inter-agency agreement that requires at least 10 percent of all units in comprehensive permit developments to be three-bedroom units. They did so because so many towns have refused to approve housing that would accommodate families with children. While it is clear that regionally unique housing needs exist on the Cape and in other vacation areas across the state, good-quality rental units for low-income families with young children remains the most difficult need to address just about everywhere, both for political and financial reasons. A program similar to Chatham's CPA-funded rental voucher/self-sufficiency program could help lower-income families in Falmouth while also catalyzing improvements to privately owned rental housing (because the units would have to meet basic housing quality standards).

B. HOUSING PRESERVATION

Three obvious housing preservation concerns exist in Falmouth. Although all of them pertain to housing affordability, the underlying issues are not the same.

1. Modest Housing

Falmouth has some "informally" affordable homes: units not subject to deed restrictions, yet because of their size, age, location, or condition, they are relatively low value. It is very unlikely that any of these units will remain affordable over time because the demand for housing in Falmouth is so strong. Instead, they will most likely be remodeled and expanded

(or demolished and rebuilt) by future buyers, and transformed into more expensive housing stock – as has already happened throughout the town. There are streets along the coast in Falmouth where virtually every house is a “mansionized” version of its former self.

Expansions and alterations of existing homes, demolition-rebuild projects, and renovations associated with seasonal and year-round conversions attract new investment ... However, as these activities cause older homes to appreciate in value, they also remove lower-cost housing from the market.

Like other towns in Massachusetts, Falmouth does not have many ways to preserve its traditional mix of single-family homes. Expansions and alterations of existing homes, demolition-rebuild projects, and renovations associated with seasonal and year-round conversions attract new investment. They also contribute “new growth” tax

revenue under Proposition 2 ½. However, as these activities cause older homes to appreciate in value, they also remove lower-cost housing from the market.

There are approximately 1,490 single-family homes in Falmouth with assessed values below \$200,000. They are relatively small residences, mainly built during the inter-war era or shortly thereafter. Strategies to secure the affordability of some of these homes could help to create moderate-income units that may or may not be SHI-eligible, depending on the particular approach the Town decides to pursue. Preservation would avoid the environmental costs of new development, preserve architectural traditions that pre-date modern conventional subdivisions, and provide affordability for young families or older residents who no longer need or want a large house to maintain.

- With CPA or other funds, Falmouth could negotiate a right of first refusal with the owners of small, older homes, and purchase the units when the owners are ready to sell. Following upgrades for code compliance and basic amenities, the units could be sold with deed restrictions to preserve them as affordable housing. Unfortunately, strategies such as these tend to be an expensive way to subsidize housing affordability on a per-unit basis, but they are an option.
- Falmouth could consider extending its demolition delay bylaw to all demolition activity (not just properties on the Cultural Resources Inventory), and provide incentives to preserve lower-value homes in-place or on relocation sites, including on lots with an existing structure (which would require amendments to the Zoning Bylaw).
- Exploring the possibility of tax incentives to preserve smaller homes and creative affordable units, similar to programs in place in Provincetown and Truro.

2. Monitoring and Enforcement

Protecting Long-Term Affordability. Falmouth has an affordable housing issue that exists in nearly every town in Massachusetts: monitoring and enforcement of affordable housing restrictions. Whether affordable units are created with comprehensive permits or through other means, their eligibility for the Chapter 40B SHI hinges in part on whether they comply with the regulatory agreements and deed riders that are supposed to retain affordability over

time. The basic requirements of these instruments, which are recorded with the Registry of Deeds, are as follows:

- For homeownership units:
 - Whether they were sold to an income-eligible homebuyer under an affirmative marketing plan approved by a housing subsidy program (or DHCD, in the absence of a financial subsidy); and
 - Whether the homebuyers occupy the unit as their principal residence; and
 - Upon resale, whether the unit is purchased by another income-eligible homebuyer.²⁰
- For rental units:
 - Whether the initial rent-up process complied with an affirmative marketing plan approved by a housing subsidy program (or DHCD, in the absence of a financial subsidy); and
 - Whether units remain occupied by income-eligible tenants on a year-to-year basis.

In Falmouth today, the inventory of SHI-Eligible units involves a variety of monitoring agents: the Falmouth Housing Authority, the Housing Assistance Corporation, the Falmouth Housing Trust, Citizens Housing and Planning Association (CHAPA), the Cape Cod Commission (for federal HOME-assisted units), and possibly others. Based on information reviewed for this report, it seems clear that not all of the units are being monitored in a timely manner, and there are significant questions about whether the deed restrictions are being enforced when a monitoring agent identifies non-compliance problems.

Monitoring deficiencies exist throughout Massachusetts; they are not unique to Falmouth. State agencies have begun to take the problem seriously because the subsidized housing for which they are responsible needs to be monitored, too. For example, DHCD recently contracted with a private firm to monitor Low-Income Housing Tax Credits (LIHTC) developments and plans to extend the same arrangement to all future Local Initiative Program (LIP) projects. Similarly, MassHousing is procuring monitoring services from a number of private vendors and plans to roll out a uniform monitoring protocol in the near future. While these efforts could help to improve monitoring consistency and timeliness in the future, they do not necessarily solve existing problems in Falmouth and other towns that have LIP units, inclusionary zoning units, and CPA-, CDBG- or HOME-funded units that need to be monitored now.

Falmouth may want to consult with its Upper Cape neighbors about forming an inter-local housing services office similar to that which exists in Sudbury for the MetroWest area. Doing so could help to create a more efficient, reliable framework for monitoring and enforcing affordable housing restrictions and do more to build the region's housing capacity than if each town continues trying to solve these problems on its own. Under the Sudbury model,

²⁰ Under the current model deed rider, the unit may be sold to an over-income homebuyer if the seller cannot find an income-eligible purchaser within a reasonable period. However, the over-income purchaser has to accept the equity limitations of the affordable housing restriction, thereby preserving the unit's affordability for future moderate-income homebuyers.

one town would serve as the regional service provider and each town would contribute funds to pay for the services purchased from the regional entity. There are private groups that could provide the service under a multi-town agreement, too, but the Town should consider the merits of engaging a monitoring agent that is also not in the business of housing development.

In addition, the Town should consider holding a mortgage on any affordable units that it assists with CPA or other funding sources in addition to holding a deed restriction. The mortgage would give the Town more enforcement leverage in cases where housing restrictions have been violated. It also could help to overcome potential legal issues that might arise with affordable housing restrictions the Town has accepted without a vote of Town Meeting.

Land Leases. There are other techniques available to facilitate long-term affordability and reduce the risk of non-compliance. For example, some communities had had success with land-lease approaches to affordable housing development, i.e., where the community retains ownership of the land and homebuyers own their dwelling units, a model that gives the community more direct oversight over the resale process. In fact, the Falmouth Housing Trust attempted a ground-lease affordable housing development about twenty-four years ago with the so-called Long Shank property: a 21.8± acre site that the Town had turned over to the Trust. For various reasons the project did not work and eventually it was converted to a subdivision, with lots sold in fee to the affordable unit homebuyers. Falmouth and the Housing Trust were ahead of their time, for ground leases were almost unheard of in the late 1980s but they have been used often in the past five or six years. In at least one case in Massachusetts, a non-profit has a 99-year lease of a former school that it redeveloped for rental housing and the community still owns the land. This method of preserving affordability has potential both for ownership and rental developments.

3. Expiring Use Restrictions

Several of Falmouth's affordable units that were developed under comprehensive permits or created through other means are subject to affordable housing restrictions that will eventually expire. According to DHCD, 25 percent of Falmouth's entire SHI could convert to market-rate housing because the affordable housing restrictions will lapse – in several cases, soon (see Table 4.1).

The owners of deeply subsidized rental developments often seek new sources of housing subsidy before the restrictions expire because the subsidy helps to ensure profitable operations over time. The new sources help to extend the affordability restrictions, though not permanently. However, it is not always possible to secure effective subsidies for older rental developments, and under favorable market conditions the owners may find it more advantageous to opt for market-rate conversion. In addition, there have been problems in other parts of the state with older rental developments that needed capital improvements and lacked the reserves to pay for them, placing the projects at risk for other reasons. Falmouth may want to consider “banking” some of its CPA revenue in order to help extend the subsidies for expiring rental developments in the future. (The Town has used CPA funds to preserve the affordability of some individual homeownership units.) Although the circumstances were different, the Town of Stow used the same technique to save a troubled rental development about ten years ago. Created under an old and no-longer-active state

subsidy program, the project was on the verge of foreclosure and would have been removed from Stow's SHI. Instead, Stow stepped in as a lender, hired a workout consultant, and infused the project with sorely needed capital. Aside from the impact on many households when a rental development converts to market-rate housing, the loss of rental units from the SHI has a significant impact on a community's status under Chapter 40B.

TABLE 4.1. EXPIRING AFFORDABILITY RESTRICTIONS IN FALMOUTH

Development	Type	Units	Expiration Year
Cape Cod United Church 62 Locust Street	Rental	83	2021
Fairwinds Apartments 520 Main Street	Rental	20	2027
Flynn House 7 Palmer Avenue	Rental	7	2015
Foundations Project Palmer Avenue	Rental	3	2037
Gosnold Grove 362 Main Street	Rental	33	2018
Longshank Sam Turner Road/Esker Place	Ownership	18	2030
Maravista Village Marivista Village Ext.	Ownership	4	2032
Cape Cod Commission Homeowner Rehab Program (Various Addresses)	Ownership	7	2014-2016
Habitat for Humanity Fresh Pond Road	Ownership	1	2019
20 Edgerton Drive North Falmouth	Rental	24	2055

Source: DHCD, May 2014. Note: the restriction on one of the Cape Cod Commission's HOR units reportedly expired a year ago, but DHCD has not removed the unit from the SHI.

4. Housing Coordinator

Many Massachusetts towns with Community Preservation Act (CPA) funds have hired a housing coordinator to help local volunteers with managing an affordable housing program – from conducting lotteries and maintaining a “Ready Buyer” list to monitoring affordability restrictions. Falmouth is trying to hire a Housing Coordinator, but finding the right candidate has been difficult. (See Appendix for an example of a Housing Coordinator job description, in this case from the Town of Carlisle).

C. ZONING FOR HOUSING CHOICE

As a matter of policy, Falmouth decided long ago to develop as a predominantly single-family residential town. It has business and industrial areas and, as expected for a coastal community, it also has marine districts for water-dependent uses and oceanographic research. However, acreage intended for nonresidential uses is a small fraction of the Town's total land area, as shown in Table 4.2. The more significant revelation in Table 4.2 is that about 95 percent of the Town is zoned for large-lot development (minimum lot area of 40,000 sq. ft. or more). Except for the General Residence District and the Business Districts where Falmouth allows both one- and two-family dwellings, the only residential use allowed as of right in over 90

percent of the Town is a detached single-family home. The other housing options allowed in Falmouth require a special permit, which means the Board of Appeals or Planning Board has discretion to grant or deny proposals. In an environment like Falmouth's, with a very limited range of land use options for property owners, a long history of "change-limiting" development policies, and a market driven by seasonal demand, it is not surprising to find many unmet housing needs. It is also not a surprise to find that meeting those needs is both difficult and very expensive.

TABLE 4.2. EXISTING USE DISTRICTS BY TOTAL AREA AND MINIMUM LOT REQUIREMENTS					
District	Area	Minimum Lot Area	District	Area	Minimum Lot Area
Agricultural A	6,230.1	45,000	Business 1	21.9	N/A
Agricultural AA	3,440.7	80,000	Business 2	324.6	40,000
Agricultural B	1,366.2	40,000	Business 3	141.4	
Single Residence A	2,897.6	45,000	Business Redevelopment	38.4	20,000
Single Residence AA	352.5	80,000	Limited Industrial A	296.7	40,000
Single Residence B	5,886.2	40,000	Limited Industrial B	109.2	80,000
Single Residence C	3,386.7	40,000	Limited Industrial C	3.4	40,000
General Residence	165.6	20,000	Marine	39.1	20,000
Senior Care Retirement District	6.7	15 acres	Public Use	3,203.7	45,000
Source: Falmouth Zoning Bylaw (Chapter 240 of the Town Code).					

Falmouth does have some zoning policies that could serve as a springboard for addressing both housing diversity and housing affordability needs. At issue is whether the Town is willing to take some risks in order to make its existing zoning a better framework for creating new housing opportunities.

1. Inclusionary Zoning

Falmouth was among the first towns in Massachusetts to adopt zoning for affordable housing. In 1986 – a year after the Massachusetts Housing Partnership was established and well before the state created the Local Initiative Program (LIP) – Falmouth Town Meeting amended the Zoning Bylaw by adding Article XXVI, Affordable Housing Development. Falmouth was ahead of its time, for the Town took steps to create affordable housing before the state had even instituted a process for recognizing affordable units that do not require a comprehensive permit.

Unfortunately, **inclusionary zoning** has not produced any affordable housing in Falmouth. The existing affordable housing bylaw gives the Planning Board discretion to grant special permits for additional density in Planned Residential Developments (PRD) in order to accommodate affordable units, but all of the additional units have to be affordable and eligible for the Subsidized Housing Inventory (SHI). In addition, the bylaw lacks a clear formula for determining the number of additional units the Planning Board will approve. Furthermore, all of the responsibility for complying with DHCD's program requirements falls to the developer, and for small developers, those requirements can be overwhelming. Viewed in its entirety, Falmouth's "incentive" to create affordable units is not really an incentive from a

developer's perspective. Despite the popularity of Falmouth's PRD provision, staff report that only one project was proposed as a mixed-income development and the affordable housing component never went forward.

Falmouth is not the only town with an ineffective affordable housing bylaw. Ever since the advent of LIP in the early 1990s, inclusionary zoning has become increasingly attractive to town officials throughout the state, but it is not without pitfalls and it does not appeal to most residential developers. In Massachusetts (and most parts of the country), cities often allow more units in developments that have to comply with inclusionary housing requirements, but some of the additional units can be sold at market rates in order to offset the cost of providing affordable housing. Often, suburban inclusionary zoning works in tandem with open space-cluster regulations, so it seems to provide ways to save development costs by siting homes close together and building shorter roads. This is clearly what Falmouth had in mind with Article XXVI. However, the value of any tract of land is determined by what can be built on it as of right. When a zoning bylaw reduces development income through restrictions on sale prices or rents, it effectively alters the value of the land itself. Zoning can be used to "make" land or constrain it. Together, the lack of predictability in Falmouth's inclusionary zoning, the burdens of state-regulated affirmative marketing and monitoring, and the absence of realistic cost offsets for the affordable units help to explain why Article XXVI has failed to achieve what the Town hoped to accomplish in 1986. The same problems exist in most towns throughout the state.

Another issue with inclusionary zoning is whether communities have adequate capacity to administer it. If given the choice, developers almost always opt to pay a fee in lieu of units, i.e., to contribute money to a community's housing fund instead of providing affordable units in their projects. Until recently, Falmouth allowed developers to pay a fee in lieu of units under Article XXVI, but that provision was eliminated. The Town's decision makes sense; developers know how to build housing and municipalities generally do not. In order to restrict the revenue generated by developer fees, communities have to create a trust fund, either by seeking special legislation from the General Court or adopting the provisions of a uniform housing trust fund law that went into effect in 2004. However, while the accounting mechanism is easy, managing the fund is not. (See Part X in this section for discussion of Municipal Affordable Housing Trusts).

2. Other Regulatory Techniques

Falmouth has other options to provide for different types of housing, including affordable housing. Whether the Town changes its existing inclusionary zoning to make it more realistic for developers or considers some of the following strategies, the results will be incremental and almost always small-scale. For the most part, Falmouth's remaining vacant land is environmentally constrained and has limited access to utilities. Though Falmouth should not rule out the risk of large comprehensive permit developments, they are not as great a threat to the Town as the long-term impact of limited housing options on the local economy, the tax base, and the social fabric of the community.

- **Accessory Apartments.** Falmouth has had an accessory apartment provision since the late 1980s. It applies in the Single Residence and Agricultural Districts and requires a special permit. Curiously, an accessory apartment option is not available in the General Residence

or Business Districts, yet in both cases, the Town allows a higher-density land use pattern and two-family dwellings by right. A few years ago, Town Meeting changed the accessory apartment rules in the Single Residence District by requiring a unit to qualify as affordable and eligible for the SHI unless it is leased to a non-profit organization or occupied by the homeowner or a family member. Since DHCD policy all but excludes accessory apartments from the SHI, the language that Town Meeting added is unlikely to create any SHI-eligible units.

Falmouth's accessory apartment regulations are fairly prescriptive as to lot area, parking, and owner-occupancy requirements. With some additional work, this provision of the Zoning Bylaw could be converted to a permitted (by right) use, subject to a simple administrative site plan review process handled by staff. If a homeowner meets all of the Town's requirements, it seems unlikely that an accessory apartment would have an adverse impact on surrounding properties. The Town could retain a special permit option to consider applications that do not fully comply with the standards imposed on by-right apartments, and also to consider applications for accessory units in accessory structures, e.g., above a detached garage or barn.

- **Multifamily Conversions.** On a very limited basis, Falmouth allows special permits to convert single-family homes in the Single Residence Districts to multifamily buildings with up to four units. This aspect of the Zoning Bylaw does not seem very useful for producing a variety of housing (affordable or market-rate) because the only structures eligible for conversion are those which pre-date 1980. The Town could consider resetting the clock for eligible conversions by adopting a minimum building age, e.g., a building constructed more than ten years prior to the special permit application date. In addition, the Town could consider removing the bedroom limitation (capped at the number existing in 1980) if it can be shown that the property's septic system complies with Title V and can support additional bedrooms.
- **Multifamily Housing in Business Districts.** Also by special permit, Falmouth allows the Board of Appeals to approve multifamily dwellings in the Business Districts, up to a maximum density of six units per acre. In the interests of encouraging multifamily use and providing more housing choices in Falmouth, the Town could establish standards that multifamily developments would have to meet and allow projects that comply to proceed as of right, subject to Site Plan Review. Retaining a special permit option makes sense, however, in order for the Town to consider applications that can meet most but not all of the standards imposed on a permitted project. The point is to create conditions for predictable permitting while being flexible enough to consider worthy projects that need waivers but nevertheless would provide a public benefit.
- **Mixed Uses.** There does not seem to be a specific provision for housing units above the ground floor of commercial buildings in Falmouth's Business Districts. The Town already allows single-family and two-family dwellings by right and multifamily units by special permit in these districts. It makes sense to consider upper-story housing units, too. They could increase the number of year-round customers for local businesses and they would help to diversify the Town's housing stock.

D. DEVELOPMENT REVIEW, PERMITTING, ROLES & RESPONSIBILITIES

Just about every activity involving the use of land requires some type of permit or license, from replacing a roof or putting up a modest back yard shed to constructing a new residential subdivision or shopping center. Massachusetts laws establish timelines within which city and town boards must act on a wide variety of land use permits. Since the timelines are poorly aligned (see Fig. X), they can make it difficult for boards and commissions to act as quickly as applicants would like. They also can make it difficult for boards to coordinate their efforts, e.g., if they want to conduct joint public hearings or engage in some type of joint decision-making process.

Falmouth is not the only town where project proponents have complained about perceived delays, lack of coordination and communication between town boards and departments, and procedures that either seem onerous, duplicative, or unnecessary. It may be that Falmouth's land use permitting procedures need to be overhauled or that Town boards need some training, but judging from newspaper accounts, meeting minutes, and other sources, it seems that *everyone* in Falmouth – the boards, applicants, and residents – would benefit from some education about how permitting is designed to work under various state laws and the Town's own bylaws and regulations.

By adopting zoning that is so dependent on special permits, Falmouth has embraced an approach to development that all but invites disputes. The process for considering a special permit requires a public hearing, and special permit decision standards are generally loose, erring on the side of the issuing authority. The same land use permitting process that gives citizen activists a voice in the decision process also increases the risk of appeals for developers. As a result, Falmouth's zoning (and that of many Massachusetts towns) creates tension by design. Falmouth residents are clearly passionate about limiting change and controlling the impact of growth on residential neighborhoods, so perhaps the existing framework is what they really want. Regardless, it is the framework that the Planning Board, Board of Appeals, and others have to work within; Town Meeting – not town boards – created it.

1. Educational Opportunities

There are some strategies and resources available to help Falmouth's boards, developers, and the general public communicate better about how permitting works and what to expect during the review and decision process. Some fairly standard methods include the following:

- **Permitting Guide.** A well-organized permitting guide would help property owners and developers understand each board's application, review, and decision procedures and timelines. An abbreviated version of the same guide can be used as handout at public hearings to educate interested residents about how the permitting process works. Note, too, that permitting guides can be extremely helpful to new members of town boards as they work to educate themselves about their own responsibilities.
- **Public Education Materials.** Poster-size charts at public hearings can be used to inform abutters and other residents about public hearing protocol: the order of business, the rights of all interested parties, and the standards or criteria the board will use to make a decision.

- **Internal Audit.** Several towns have conducted internal audits of their permitting procedures in order to determine how long various procedures usually take and why some applications required much longer permitting timelines than others. Audits like these are fairly common in communities that have adopted legislation such as Chapter 43D (Expedited Permitting for Priority Development Sites), but they can be done by any town that simply wants to improve their permitting procedures, reduce the workload on volunteer boards, and provide greater customer satisfaction to developers. Publishing an audit summary can go a long way toward transparency, building good relationships with the community, and – quite often – demonstrating that overall, local permitting decisions occur well within statutorily prescribed deadlines.
- **Training.** There are training resources available about the roles and responsibilities of city and town boards. Falmouth could consider holding a training series for town boards and the public and bring in outside (neutral) facilitators from organizations like the Citizen Planner Training Collaborative (CPTC).

2. Comprehensive Permit Guidelines

Most developers yearn to know the answer to one question: "what do I have to do to get my permit?" Unfortunately, communities sometimes forget that if they want certain outcomes from the development process - any type of development, including but not limited to affordable housing - they need to be clear about what they hope to accomplish and their expectations have to be anchored in economic reality. One way to communicate effectively about Falmouth's comprehensive permit priorities would involve developing guidelines, with text, photographs, and maps, that developers can consider in the early stages of planning their projects.

The Board of Appeals is responsible for adopting Chapter 40B **administrative rules** and managing the comprehensive permit process in accordance with DHCD regulations and guidelines. Falmouth's Board of Appeals has adopted local rules and provides developers with an application package that is tailored to Chapter 40B requirements and decision criteria. The local rules are very similar to the process outlined in DHCD's Chapter 40B Regulations (760 CMR 56.00 et seq.). Clearly, the Board has done exactly what it is required to do by law.

Local project review guidelines serve different purposes, however:

- To inform developers about the Town's affordable housing concerns and priorities, and
- To provide criteria for boards and staff to use when they review comprehensive permit applications and provide comments to the Board of Appeals.
- To implement a community's housing plan or local comprehensive plan.

Ideally, comprehensive permit guidelines should be developed by a working group of board members and staff, in consultation with many other town boards. Guidelines usually cover matters such as priority housing needs, the scale and density of developments, design review, areas of town that may be suitable for moderate- to higher-density development, and areas that would not be suitable because they have high natural resources value or significant

physical constraints. Ultimately, the guidelines should be approved by the Board of Selectmen and Planning Board, jointly, and perhaps other boards as well, depending on how the Town decided to conduct the adoption process. The goal is a set of guidelines that help to unify the Town's approach to comprehensive permit reviews and provide clear direction to prospective developers.

E. LOCAL RESOURCES FOR AFFORDABLE HOUSING

To maximize the affordable housing benefits of developer fees, communities need a management plan for their trust funds. A management plan includes policies governing how the revenue will be used, who will decide how much of the fund can be invested in a given year, what kind of return the community expects, and so forth. These issues have been addressed and largely overcome in experienced states such as California, Illinois, New Jersey and Maryland, but not in Massachusetts. Although many communities have established housing trusts, very few have the organizational capacity to act as investors in affordable housing development. Allocating inclusionary zoning fees to housing projects requires a policy framework, clear application, review, and decision procedures, underwriting standards, and basic agreement about the goals the community wants to achieve.

A Housing Trust formed under G.L. c. 44, § 55c would be able to acquire, hold, and dispose of real property for affordable housing. It could function as a land bank – a role that can be critical for the success of local housing initiatives. A board of trustees appointed by the Board of Selectmen would oversee the trust fund and have authority to invest monies in the trust for any of sixteen purposes listed in the statute.

The existing housing fund legislation (Chapter 29, Acts of 2011) in Falmouth needs to be revisited and improved. Falmouth could take the approach that many Massachusetts towns have embraced by creating a Municipal Affordable Housing Trust under G.L. c. 44, § 55C. In 2004, the General Court enacted the Municipal Affordable Housing Trust Law in order to increase the capacity of cities and towns to create affordable housing.

An Affordable Housing Trust provides a funding mechanism for segregating revenues from the General Fund and dedicating them for the purpose of creating affordable housing, but it is much more. A Trust formed under G.L. c. 44, § 55C can acquire, hold, and dispose of real property for affordable housing. It can function as a land bank – a role that can be critical for the success of local housing initiatives. A board of trustees appointed by the Board of Selectmen oversees the fund and has authority to invest monies in the trust for any of sixteen purposes listed in the statute. They include:

- 1) to accept and receive real property, personal property or money, by gift, grant, contribution, devise or transfer from any person, firm, corporation or other public or private entity, including but not limited to money, grants of funds or other property tendered to the trust in connection with any ordinance or by-law or any general or

special law or any other source, including money from chapter 44B [Community Preservation Act];

- 2) to purchase and retain real or personal property, including without restriction investments that yield a high rate of income or no income;
- 3) to sell, lease, exchange, transfer or convey any personal, mixed, or real property at public auction or by private contract for such consideration and on such terms as to credit or otherwise, and to make such contracts and enter into such undertaking relative to trust property as the board deems advisable notwithstanding the length of any such lease or contract;
- 4) to execute, acknowledge and deliver deeds, assignments, transfers, pledges, leases, covenants, contracts, promissory notes, releases and other instruments sealed or unsealed, necessary, proper or incident to any transaction in which the board engages for the accomplishment of the purposes of the trust;
- 5) to employ advisors and agents, such as accountants, appraisers and lawyers as the board deems necessary;
- 6) to pay reasonable compensation and expenses to all advisors and agents and to apportion such compensation between income and principal as the board deems advisable;
- 7) to apportion receipts and charges between incomes and principal as the board deems advisable, to amortize premiums and establish sinking funds for such purpose, and to create reserves for depreciation depletion or otherwise;
- 8) to participate in any reorganization, recapitalization, merger or similar transactions; and to give proxies or powers of attorney with or without power of substitution to vote any securities or certificates of interest; and to consent to any contract, lease, mortgage, purchase or sale of property, by or between any corporation and any other corporation or person;
- 9) to deposit any security with any protective reorganization committee, and to delegate to such committee such powers and authority with relation thereto as the board may deem proper and to pay, out of trust property, such portion of expenses and compensation of such committee as the board may deem necessary and appropriate;
- 10) to carry property for accounting purposes other than acquisition date values;
- 11) to borrow money on such terms and conditions and from such sources as the board deems advisable, to mortgage and pledge trust assets as collateral;
- 12) to make distributions or divisions of principal in kind;
- 13) to comprise, attribute, defend, enforce, release, settle or otherwise adjust claims in favor or against the trust, including claims for taxes, and to accept any property, either in total

or partial satisfaction of any indebtedness or other obligation, and subject to the provisions of this act, to continue to hold the same for such period of time as the board may deem appropriate;

- 14) to manage or improve real property; and to abandon any property which the board determined not to be worth retaining;
- 15) to hold all or part of the trust property uninvested for such purposes and for such time as the board may deem appropriate; and
- 16) to extend the time for payment of any obligation to the trust.

In effect, the trustees may function as a developer, investor, lender, property manager, or housing services provider. They can acquire, improve, and sell or lease real property as long as they use the trust for the purposes for which it is intended: the creation and preservation of affordable housing. An important advantage of an affordable housing trust is that the trustees can receive and expend monies without a specific authorization vote from Town Meeting, which means they will be able to act quickly as opportunities arise. The statute does not set a cap on the number of trustees, so the Town may decide how large the board should be (the law requires at least five members), the town boards and commissions that should be represented on it, and the particular skills and interests that would create a balanced board of trustees. The Board of Selectmen must have representation on the board of trustees, but other town boards are optional at the community's discretion.

Establishing a Municipal Affordable Housing Trust is fairly straightforward; activating it is more challenging. The Board of Selectmen would need to place an article on a Town Meeting warrant to adopt G.L. c. 44, § 53C and a basic bylaw establishing the trust and the board of trustees. A simple majority vote is required. Once the board of trustees has been appointed and executes a Declaration of Trust for recording with the Registry of Deeds, it will be able to operate as a legally recognized entity. Examples of bylaws and a declaration of trust from other towns can be found in Appendix X.

The Trust's first steps should include the following:

- Obtain technical assistance;
- Network with active Municipal Housing Trusts elsewhere in Massachusetts (there are several already in existence);
- Consult with non-profit developers located or working on the Cape or South Shore to explore ways the trust fund can be used to support mixed-income housing developments. In addition to HAC and the Falmouth Housing Trust, off-Cape entities such as Neighborhood of Affordable Housing (NOAH) have had enormous success helping to develop affordable housing in "high barrier" suburb;
- Consult with competent for-profit developers whose backgrounds include working with cities and towns on local affordable housing initiatives;

- Consult with housing finance programs about possibilities for leveraging non-local dollars with CPA and other resources;
- Establish funding priorities;
- Develop a business plan for the trust fund;
- Set one-year and five-year goals and an action plan; and
- Begin with a relatively low-risk, simple project, ideally by partnering with an experienced organization.

The Town would need to determine how it wants to provide funding for the trust. Practices vary from town to town, but many CPA communities have decided to transfer their annual appropriations for community housing directly to the trust. This helps to ensure that housing appropriations actually produce some results. A Municipal Affordable Housing Trust may also be used to account for and report other revenues and expenditures, such as housing development grants received from state or federal sources. It would be wise to provide coordination or a liaison function to assist projects needing permits from the Town and subsidies from the Housing Trust.

F. LOCAL CAPACITY

There is considerable tension in Falmouth, especially tension about housing. **None of the ideas contained in this report can be carried out without a significant improvement in relationships between citizen activists, developers, staff, and town officials.** To an outsider, Falmouth seems to be a well-run community with thoughtful local officials, residents who care about the quality of their town, and competent organizations that believe in housing choices as a matter of basic social fairness. However, virtually every person interviewed for this study confirmed that there is tension – some described it as deep hostility – between community organizations and Town boards and staff.

There are not many solutions for these kinds of problems. Ultimately, people with an interest in providing housing for people who need it **must** work cooperatively toward the same goals or the Town will not accomplish much. As one Massachusetts planner has often said, affordable housing is the third rail of planning. It is a difficult challenge for communities because:

- Many people do not want affordable housing in their towns, even if they say otherwise.
- Issues of race, ethnicity, and class usually operate as an unstated sub-text in public discussions about affordable housing needs.
- Town officials grow weary of public criticism.
- The available subsidies are very limited because the federal and state governments have abdicated their responsibility for affordable housing. Aside from the challenges this

creates for meeting housing needs, it also means that organizations often compete for the same resources, and this contributes to the tension as well.

- Developers of affordable housing often fail to understand the constraints under which local governments operate, and local governments often fail to understand how complicated it can be to create a seemingly simple, small-scale project. There is usually an “oil and water” relationship between city and town officials and the developers who need permits, and it can be very difficult to find a common language between them.

Town boards and committees should follow the lead of the Board of Selectmen and Planning Board, for they have started to work on improving their own communications, find common ground, build a stronger relationship, and collaborate to meet the town’s needs.

Falmouth needs to focus on building better relationships between town government and groups that want to provide affordable housing. Town boards and committees should follow the lead of the Board of Selectmen and Planning Board, for they have started to work on improving their own communications, find common ground, build a stronger relationship, and collaborate to meet the Town’s needs.

Strategies such as public “all-boards” meetings or an approach like the Delphi method of conflict resolution might be useful to pursue. Some potential resources include:

- The Edward J. Collins Center for Public Management at U-Mass Boston
- Massachusetts Housing Partnership
- McCormack Graduate School of Policy and Global Studies, Department of Conflict Resolution, Human Security, and Global Governance, U-Mass Boston
- Community Dispute Resolution Center, Cambridge
- Massachusetts Office of Dispute Resolution (which may not be able to provide direct assistance but could offer referrals)

V. INFORMATION RESOURCES

Topic: Preservation of Affordable Housing

Tool: Community Land Trust

Example: Champlain Housing Trust. Burlington, Vermont

LAND TRUSTS

Land Trusts have existed around the world in some form for centuries. The basic premise of the land trust concept is for an organized group or institution to control land for the purpose of environmental conservation, equitable farming, or more recently affordable housing. In the United States, the first land trusts were established to preserve open land in the face of industrial and residential development. The Trustees of Reservations, founded in Massachusetts, was the first private non-profit land trust organization in the nation with roots back to the late nineteenth century. The Nature Conservancy, founded in 1951, is the largest and most well-known land trust, owning or controlling almost 18 million acres. Almost 1,700 accredited local and national land trusts protect over 23 million acres of land (2010).^{21,22} Massachusetts alone has 159 accredited land trusts (second only to California).²³

COMMUNITY LAND TRUSTS

From the conservation land trusts movement emerged the **Community Land Trust (CLT)**, which applies the same principals of fair and sustainable land stewardship to housing, CLT's protect land for affordable and accessible housing. The first example of a CLT in the United States was actually the product of the Civil Rights movement in the South in the late 1960s, where African-American farmers were largely unable to own their land. In Albany, Georgia, a group of mostly African-American civil rights activists, including a cousin of Dr. Martin Luther King, created a trust called New Communities, Inc. (NCI). NCI was a "nonprofit organization to hold land in perpetual trust for the permanent use of rural communities." The founders used the Indian Gramdan land-lease model and travelled to Israel to learn about the Kibbutz and Moshav models before establishing their first CLT in Georgia in 1970 on 3,000 acres of land. (CITE)

The CLT movement grew slower than the environmental land trust movement, but by the 1980s several more CLTs were in operation to preserve land for affordable housing and curtail gentrification. The preeminent and still largest CLT in the nation was created in Burlington, VT in 1984 (discussed in the case study below). In the standard community land trust model a non-profit corporation purchases and maintains ownership of property.

²¹ Land Trust Alliance. "2010 National Land Trust Census Report"

²² An additional 23 million acres are controlled by non-accredited land trusts. Ibid.

²³ Ibid.

Housing constructed on the land is then leased for long terms (usually ninety-nine years) to an owner-occupier or rented. By separating property from the actual housing unit, a CLT is able to maintain affordable value of the housing by controlling deeds and mortgages. Homeowners have equity in their holdings and the market may affect prices, but a CLT will have restrictions on resale that both control profit on resale and determine eligibility for residency.

Today there are over 200 CLTs operating across the country. A good source for these trusts is the **National Community Land Trust Network**, which supports CLTs as well as other organizations that “offer homeownership programs with lasting affordability” such as Community Development Corporations (CDC), government -based inclusionary zoning programs, deed-restricted programs, Habitat for Humanity affiliates, and Community Development Financial Institutions (CDFI).²⁴

CHAMPLAIN HOUSING TRUST (CHT)

The Burlington Community Land Trust (BCLT) was established in 1984 with the mission of preserving affordable housing options in gentrifying neighborhoods. In 2006, the BCLT merged with the Lake Champlain Housing Development Corporation and was renamed the **Champlain Housing Trust (CHT)**. This grass-roots non-profit now serves three counties in northern Vermont with a variety of affordable housing products. CHT presently manages over 1,800 rental apartments and stewards 520 owner-occupied homes on its properties. Homeowners are given 99-year leases for their houses, but liens on property deeds and mortgages are held by the trust in order to maintain control on property values and keep homes perpetually affordable.

Potential homeowners are selected based on income and household size restrictions. The criteria for homebuyers is specific for each project the CHT operates, but a typical income range of 60-80 percent of AMI normally applies. The homeowner, although restricted with resale conditions, is able to build equity in their homes, including value gains from improvements that would be realized if the market goes up. The basic formula for resale with CHT homes distributes 25-percent of gains in equity to the homeowner and 75-percent back to the trust. New homebuyers will also have income restrictions. Thus, even if the market causes an increase in price, these measures allow the trust to maintain low and affordable housing costs in perpetuity.

The CHT has assembled a diverse portfolio of properties ranging from small and large condos, single-family homes, mobile home parks, co-ops, a converted motel, and a “main street” mixed-use apartments block. It also provides home repair loans, down payment loans for manufactured home, and even home-buying lessons for customers not within its

²⁴ National Community Land Trust Network Website: <http://cltnetwork.org/who-we-are/>. Aug. 5, 2014.

portfolio. Although a non-profit and eligible for exemption, the trust made a decision to pay property tax.

Contact Information (Effective 2014):

1. Champlain Housing Trust

Address: 88 King Street, Burlington, VT 05401

Telephone:(802) 862-6244

Fax: (802) 862-5054

Web: www.getahome.org

Contacts: Brenda M. Torpy, CEO; Kandi Thermansen, Chief Administration Officer

ADDITIONAL RESOURCES:

1. Angotti, Tom. "Community Land Trusts and Low-Income Multifamily Rental Housing: The Case of Cooper Square, New York City." Lincoln Institute of Land Policy. 2007.
2. Foldy, Erica and Jonathan Walters. "The Power of Balance: Lessons from Burlington Community Land Trust." NYU Wagner. December 2004.
3. National Community Land Trust Network: <http://cltnetwork.org>
4. Champlain Housing Trust: <http://www.getahome.org/>

Topic: Partnerships for Affordable Housing

Tool: Community Land Trust, Land Bank

Example: Island Housing Trust, Martha's Vineyard Land Bank Commission

DESCRIPTION:

The six towns of Martha's Vineyard have similar housing challenges as Falmouth and other Cape communities. The influx of seasonal vacation dwellers has produced absentee homeownership, lowered existing supply and raised property values, all of which affecting housing affordability for local residents. In addition, the necessity of preserving open space and natural assets has reduced the amount of available land resources, further raising prices on land and increasing the cost for new housing units.

The Dukes County Regional Housing Authority is the publically chartered housing authority for Martha's Vineyard. It assists towns, agencies and developers to provide and

develop housing solutions. The primary agency and steward of affordable housing units on the island is the Island Housing Trust.

THE ISLAND HOUSING TRUST (IHT)

The Island Housing Trust on Martha's Vineyard was formed in 2002 and serves all six towns on the island. The IHT is a community based non-profit that purchases property and housing units in order to provide perpetually affordable housing units. Due to its rural settings, most developments are small scale and include either single family homes or rental apartment units. In the past decade, the IHT has sold homes to nearly fifty low- and moderate-income families on the Vineyard. In addition the IHT manages the rental of over twenty homes, apartments and neighborhoods.²⁵

The organization is one of the thirty-eight community development corporations allocated by the Commonwealth in 2014 for Community Investment Tax Credits (CITC). It was awarded \$110,000 to exchange for donations toward its Community Investment Plan.

The IHT works in partnership with local towns, The Resource Inc. (TRI), Martha's Vineyard Land Bank, Duke's County Regional housing Authority, and private entities.

MARTHA'S VINEYARD LAND BANK COMMISSION

Since 1986, the Martha's Vineyard Land Bank Commission has purchased land to preserve open and agricultural land on the island. Faced with rapid development on the island, the land bank commission has acquired over 3,000 acres, approximately five percent of land on the Vineyard. Funds to purchase lands are generated by a two percent public surcharge on most land transfers on the island²⁶

Although the land bank commission does not develop affordable housing, it has both a policy and track record that supports projects, including:

1. Not to purchase properties in town centers or other parcels that are suitable for affordable housing projects.
2. If prospective land could be used for both conservation and affordable housing, the Land Bank will initiate an agreement whereas a section of the parcel would be sold directly to the Dukes County regional housing authority or other affordable housing entity (such as the IHT) for the sole purpose of perpetual affordable housing. This partnership also lends to lower wholesale-like property prices.
3. To sell surplus buildings located on land bank property free-of-charge for relocation and refurbishment into affordable housing off land bank properties.²⁷

²⁵ <http://www.ihtmv.org/our-homes/>

²⁶ <http://www.mvlandbank.com/>

²⁷ <http://www.mvlandbank.com/documents/Arialaffordablehousingpolicy.pdf>

The following case in the Town of West Tisbury is an innovative example of how the IHT and the Land Bank worked together.²⁸

Based on the principles outlined above, the Island Housing Trust entered into a joint venture with the Land Bank in the parallel purchase of a land parcel. The IHT bought eight acres and the Land Bank the remainder of twenty-seven acres of open land. On their new property, the IHT contracted the South Mountain company to create an eight-unit affordable housing project "Eliakim's Way." The Island Affordable Housing Fund and the Town of West Tisbury (through CPA funds) provided grants for construction costs.

All eight houses in this development were sold, seven by lottery to households selected by the Dukes County Regional Housing Authority, and one through the Habitat-for-Humanity program. The land is ground-leased for \$50 a month to the owners, and deed restrictions are imposed to keep income-level limitations on future sales.

Contact Information (Effective 2014):

1. Island Housing Trust

Address: 346 State Road, Vineyard Haven / P.O. Box 779, West Tisbury, MA 02575
Telephone:(508) 693-1117
Email: pjordi@ihtmv.org
Contact: Philippe Jordi, Executive Director.

2. Martha's Vineyard Land Bank Commission

Address: 167 Main Street, Edgartown, MA 02539
Telephone:(508) 627-7141
Email: jameslengyel.mvlbc@verizon.net
Contact: James Lengyel, Executive Director

3. Dukes Country Regional Housing Authority

Address: 346 State Road, Vineyard Haven, MA 02568
Telephone:(508) 693-4419
Email: dcrha@vineyard.net ; dvigneault@vineyard.net
Contact: David Vigneault, Executive Director

ADDITIONAL RESOURCES:

1. "How to Run CPA Rental Assistance Programs: Lessons From the Dukes County Regional Housing Authority and the Eastham Affordable Housing Trust"
<http://communitypreservation.org/news/7097>
2. Island Housing Trust: <http://www.ihtmv.org/>

²⁸ <http://www.communitypreservation.org/successstories/community-housing/274>

3. MV Land Bank Commission: <http://www.mvlandbank.com/>
4. Vineyard Housing - information website managed by the DCRHA:
<http://www.vineyardhousing.org/>

Topic: Conflict Resolution

Tool: Land Use Mediation

Example: Rowley

DESCRIPTION:

The "West Ox Pasture" 40B development in Rowley, MA is an excellent case for mediated resolution of a comprehensive permit dispute. The development site was ninety-seven acres of commercially-zoned land next to Route 1 in Rowley. The owner, the Ipswich Savings Bank acquired the land and decided to pursue a 40B housing development. Through a development company, the Rowley Investment Corporation, they proposed a residential project with 100 units including 25 percent affordable units. The Town of Rowley's Zoning Board of Appeals (ZBA) rejected the proposal "citing wetlands and traffic safety concerns".²⁹ There was also concern that a portion of the land should be used for commercial or industrial use.

The project reached the Housing Appeals Committee (HAC) which recommended the parties enter mediation under the Massachusetts Office of Dispute Resolution (HODR). Important to note, this decision by the HAC was made several years before the rules ordering mediation took effect in January 1, 2008.³⁰

The MODR hired Edith Netter, a respected and experienced land use attorney to mediate the case.

THE OUTCOME:

1. Forty single-family homes (including ten affordable units)
2. 20-acre commercial / industrial park
3. Open space and protected wetlands

Both the residential and commercial sections of the project were constructed.

"The mediation model as a tool to resolve land use disputes emerged as a natural outgrowth of the shifting demands on land use planners in the 1990s to resolve disagreements and build consensus."³¹

²⁹ Lincoln Institute of Land Policy. "Using Assisted Negotiations to Settle Land Disputes" 1999. P.13

³⁰ Commonwealth of Massachusetts, Housing Appeals Committee, Standing Order 07-01 "Mediation": Dec 20, 2007. <http://www.mass.gov/hed/docs/dhcd/hac/so0701.pdf>

³¹ Susskind, Lawrence, et al. "Mediating Land Use Disputes: Pros and Cons" Lincoln Institute of Land Policy. P. 32. http://www.cbuiding.org/sites/default/files/Mediating%20Land%20Use%20Disputes_0.pdf

Mediation is now a requirement for all 40B projects that reach the Housing Appeals Committee. A 2007 MIT Center for Real Estate report reveals that 25-percent of 40B decisions at the ZBA level are appealed to the HAC.³² As a result, the caseload and time delay involved in these projects made it necessary for an outside negotiated system to be established. Mediation is cheaper and more time efficient than litigation, and most importantly, it results in a decision that is agreed upon by all parties. This is not court ordered arbitration to render a decision, but rather a consensus building effort to maximize the gain for each party involved.

Contact Information (Effective 2014)

1. Rowley Investment Corporation

Address: 23 Market Street, Ipswich, MA 01938

Telephone:(978) 356-2971

Project location: Spencer Knowles Drive, Arthur Gordon Drive, Turcotte Drive, Rowley, MA

ADDITIONAL RESOURCES:

1. Lincoln Institute of Land Policy. "Using Assisted Negotiations to Settle Land Disputes". Cambridge: 1999.
2. Susskind, Lawrence, et. al. "Mediating Land Use Disputes: Pros and Cons". Lincoln Institute of Land Policy. Cambridge: 2000.

Topic: Preserving Affordable Housing

Tool: County affordable home-buying program

Example: Montgomery County, Maryland – Moderately Priced Dwelling Units (MPDU)

DESCRIPTION:

Montgomery County, Maryland, a suburban region north of Washington DC, has a successful government-managed affordable home-buying program in operation for almost forty years. The Moderately Priced Dwelling Units (MPDU) program gives access for "lower or moderate income first-time homebuyers" to affordable homeownership. The MPDU program allows qualified home-buyers to purchase a home for as little as one-third of market rate prices. Buyers must agree to resell their homes according an affordability preservation formula that the program established.

This formula allows the homeowner to recover their initial investment value plus inflation. In addition, MPDU sellers are able to get a return on any capital improvement investments

³² Massachusetts Institute of Technology, Center for Real Estate. "Chapter 40B Permitting and Litigation". http://mitcre.mit.edu/wp-content/uploads/2012/11/40B-report_fisher_07-0618.pdf

they made to their homes. The MPDU program has produced more than 14,000 “moderately priced homes” across the county since 1974, including 9,561 for-sale units and 4,468 rentals (2013).³³ Retaining or acquiring existing structures has proven to be much cheaper than producing new affordable units and the MPDU is attempting to increase property retention within the program. Home prices are restricted for a thirty-year period, renewed for a new thirty-year period every time an MPDU home resells. Similar to the private-non-profit CLT model, the county is able to preserve affordable housing.³⁴ However, price controls are limited to thirty years under one owner or renter and some units have fallen off the inventory in the past ten years. A 2004 review of the program recommended extending sale and rental price control on new units to 99 years (from 30 years for sale and 20 years for rental). It also recommended lowering income eligibility requirements for rentals (currently at 65% of AMI).³⁵

Contact Information (Effective 2014)

1. Department of Housing and Community Affairs

Address: 100 Maryland Avenue, 4th Floor, Rockville, MD 20850

Telephone:(240) 777-0311

Project location: Montgomery County, MD

ADDITIONAL RESOURCES:

1. Montgomery County, Maryland. “A Report to the Montgomery County Council on Future Program and Policy Options.” February 2014.

Topic: Mixed-income housing development

Tool: Multi-agency / Innovative financing

Example: Morgan Woods³⁶, Edgartown, Martha’s Vineyard.

DESCRIPTION:

The Community Builders, Inc. was awarded a 60-unit housing development by the Town of Edgartown through an RFP process. The development, “Morgan Woods”, is the largest affordable housing development on Martha’s Vineyard and “more than doubled the total stock of year-round affordable housing units in Edgartown”. This is a comprehensive

³³ DEP’T OF HOUS. & COMMUNITY AFFAIRS, MONTGOMERY COUNTY, MARYLAND, MPDU PURCHASE PROGRAM, available at <http://www.montgomerycountymd.gov/DHCA/housing/singlefamily/mpdu/produced.html>

³⁴ dep’t of hous. & community affairs, montgomery county, maryland, mpdu purchase program, available at http://www.montgomerycountymd.gov/dhctmpl.asp?url=/content/dhca/housing/housing_p/mpdu/mpdu_purchase_program.asp.

³⁵ [tp://www.montgomerycountymd.gov/DHCA/Resources/Files/housing/singlefamily/mpdu/report_mpdu30yearreview.pdf](http://www.montgomerycountymd.gov/DHCA/Resources/Files/housing/singlefamily/mpdu/report_mpdu30yearreview.pdf)

³⁶ The project was originally referred to as “Pennywise Path”

permit project built on twelve acres of land “donated” by the town in the form of a ninety-nine year ground lease at \$1 per year. Morgan Woods is designed in three clusters comprised of twenty-one buildings roughly organized around central commons. The site is located on an extended cul-de-sac surrounded by woods and a golf course.

PROJECT DETAILS:

- Completed: July 2007
- Developer: The Community Builders, Inc.
- Total Cost: \$16 million
- 36 units available to lower-income households who earn less than 60-percent of AMI.
- 24 units available to a mix of middle-income households earning between 60 and 140 percent of AMI.
- Unit sizes: 1-bedroom: 8; 2-bedroom: 30; 3-bedroom: 19; 4-bedroom: 3

FINANCING PARTNERS AND BREAKDOWN:

MassHousing provided the following Innovative financing package:

1. \$4.9 million forty-year permanent loan.
2. \$3.3 million six-month bridge loan
3. Loan for up to \$1.8 million from the Agency's Priority Development Fund.
4. \$1 million from the **Affordable Housing Trust Fund (AHTF)**, which MassHousing jointly administers with the **Department of Housing and Community Development (DHCD)**.³⁷

DHCD also awarded \$750,000 in Housing Stabilization Funds.

The **Community Economic Development Assistance Corporation (CEDAC)** provided a predevelopment loan of \$60,000 in 2005 to help the development to be “ready to proceed” and eligible for AHTF assistance.

Federal and **state low-income housing tax credits** (approximately \$6.8 million) were available for investors and donors.

The **Town of Edgartown** provided

1. “Free” property (99-year ground lease at \$1 per year)
2. \$400,000 in infrastructure improvements
3. Capped annual real estate taxes for the first fifteen years of operations, in exchange for a payment in lieu of taxes.

³⁷https://www.masshousingrental.com/portal/server.pt/document/947/new_affordable_rental_housing_to_be_built_for_year-round_residents_of_martha's_vineyard

CONTINUED SUPPORT:

After the project was completed, state and local agencies were called on several instances to provide additional support. For example, financial difficulties arose for several renters paying market-rate prices in 2009. Edgartown's Affordable Housing Trust Fund provided \$16,000 in rental subsidies to five families, paid directly as rent to Morgan Woods to prevent non-payment, evictions, or lost revenue.³⁸ Another subsidy was paid in 2012, \$3,000 to the developer to cover the par between open market-rate rents it was receiving and the original contractually set price (which was higher).³⁹

CPA ASSISTANCE:

Conservation Protection Funds administered through the DCRHA has provided continuous funding to the project, including the following rental subsidy allocations.

- 2013 Rental subsidies of \$21,000⁴⁰
- 2012 Rental subsidies of \$24,000⁴¹
- 2011 Rental subsidies of \$25,000⁴²
- 2010 Rental subsidies of \$30,000⁴³

Additional Resources

1. UMass Donahue Center. "The Fiscal Impact of Mixed-Income Housing Developments on Massachusetts Municipalities." May 2007.

Topic: Small-Scale Rental Development**REFERENCES:**

1. Rolland, Keith L. "Maintaining the Viability of Small-Scale Rental Housing." Federal Reserve Bank of Philadelphia. Cascade: No 77, Spring/Summer 2011.
2. Freddie Mac. "Multifamily Demand Forecast". Multifamily Research Perspectives. October 31, 2012.
3. The Furman Center for Real Estate and Urban Policy and Johns Hopkins Institute for Policy Studies. "Maintenance and Investment in Small Rental Properties: Findings from New York City and Baltimore." November 2013.
4. Florida Housing Coalition. "Guide to Developing and Operating Small Scale Rental Properties". November 2012.

³⁸ <http://mvgazette.com/news/2009/10/01/selectmen-approve-rent-subsidy-morgan-woods?k=v953d96ac36f801>

³⁹ <http://www.mvtimes.com/2012/04/04/edgartown-votes-extra-rental-subsidy-affordable-housing-10144/>

⁴⁰ https://tpl.quickbase.com/db/bcstvw3d3?a=API_GetRecordAsHTML&key=39191

⁴¹ https://tpl.quickbase.com/db/bcstvw3d3?a=API_GetRecordAsHTML&key=33736

⁴² https://tpl.quickbase.com/db/bcstvw3d3?a=API_GetRecordAsHTML&key=32834

⁴³ https://tpl.quickbase.com/db/bcstvw3d3?a=API_GetRecordAsHTML&key=17048

5. Apgar, William. Joint Center for Housing Studies. "Rethinking Rental Housing: Expanding the Ability of Rental Housing to Serve as a Pathway to Economic and Social Opportunity." Harvard University. December 2004.
6. Housing Partnership Equity Trust: <http://hpequitytrust.com/>
7. "Nonprofit Firms Form REIT", Wall Street Journal, April 28, 2013. As visited on Aug 8, 2014:
<http://online.wsj.com/news/articles/SB10001424127887323528404578451023072622486>
8. Joint Center for Housing Studies. "America's Rental Housing: Meeting Challenges, Building on Opportunities ." Harvard University. 2011.
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APPENDIX

APPENDIX A: GLOSSARY

Affirmative Marketing Plan. A plan that meets the fair housing and non-discrimination requirements of the Department of Housing and Community Development (DHCD) for marketing affordable housing units. Such plan typically provides for a lottery and outreach to populations protected under the federal Fair Housing Act of 1968, as amended. The plan must be designed to prevent housing discrimination on the basis of race, creed, color, national origin, sex, age, disability, familial status, sexual orientation, gender identity, or any other legally protected class under state or federal law.

Affordable Housing. As used in this report, "affordable housing" is synonymous with low- or moderate-income housing, i.e., housing available to households earning no more than 80 percent of area median income at a cost that does not exceed 30 percent of their monthly gross income.

Affordable Housing Trust Fund. The mechanism used to account for and report revenues and expenditures for affordable housing, including but not limited to Community Preservation Act (CPA) receipts and other affordable housing funding sources.

Area Median Income (AMI). The median family income, adjusted for household size, within a given metropolitan or non-metropolitan area, updated annually by HUD and used to determine eligibility for most housing assistance programs.

Chapter 40A. G.L. c. 40A, the state Zoning Act. The current version of the Zoning Act was adopted in 1975 (1975 Mass. Acts 808).

Chapter 40B. G.L. c. 40B, § 20-23 (1969 Mass. Acts 774), the state law administered locally by the Board of Appeals in order to create affordable housing. It provides eligible developers with a unified permitting process that subsumes all permits normally issued by multiple town boards. Chapter 40B establishes a basic presumption at least 10 percent of the housing in each city and town should be affordable to low- or moderate-income households. In communities below the 10 percent statutory minimum, affordable housing developers aggrieved by a decision of the Board of Appeals can appeal to the state Housing Appeals Committee, which in turn has authority to uphold or reverse the Board's decision.

Chapter 40R. G.L. c. 40R (2004 Mass. Acts 149, s. 92), a state law that provides for overlay districts with variable densities for residential development and multi-family housing by right (subject to site plan review). At least 25 percent of the units in a Chapter 40R district have to be affordable to low- or moderate-income people.

Chapter 44B. G.L. c. 44B (2000 Mass. Acts 267), the Community Preservation Act, allows communities to establish a Community Preservation Fund for open space, historic preservation, and community housing by imposing a surcharge of up to 3 percent on local property tax bills. The state provides matching funds (or a partial match) from the Community Preservation Trust Fund, generated from Registry of Deeds fees.

Comprehensive Permit. The unified permit authorized by Chapter 40B for affordable housing development.

Community Development Block Grant (CDBG). Under the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5300 et seq.), the U.S. Department of Housing and Urban Development (HUD) makes funds available each year for cities with populations of 50,000 or more ("entitlement communities") and each of the fifty states (the Small Cities or "non-entitlement" program). CDBG can be used to support a variety of housing and community development activities provided they meet one of three "national objectives" established by Congress. Housing activities are usually designed to meet the national objective of providing benefits to low- or moderate-income people. Funds may be used for housing rehabilitation, redevelopment of existing properties for residential purposes (in some cases), making site improvements to publicly owned land in order to support the construction of new housing, interest rate and mortgage principal subsidies, and downpayment and closing cost assistance. As a "non-entitlement community," Falmouth can seek CDBG funds only by applying to DHCD. The state program is guided by a five-year Consolidated Plan and One-Year Action Plans required by HUD.

Community Housing. As defined under Chapter 44B, "community housing" includes housing affordable and available to (a) households with incomes at or below 80 percent AMI and (b) between 81 percent and 100 percent AMI.

Comprehensive Permit. The unified permit authorized by Chapter 40B for affordable housing development.

Consolidated Plan. A five-year plan prepared by CDBG entitlement recipients and Participating Jurisdictions under the HOME Program. The purpose of the plan is to document and analyze housing market conditions, affordable housing needs, homelessness and disability housing needs, and non-housing community development needs in the city or state that receives federal housing and community development funds and design a strategy to address those needs using federal, state, local, and private resources. Grant recipients also have to prepare one-year action plans showing how each year's funding will be used in a manner consistent with the five-year Consolidated Plan.

Department of Housing and Community Development (DHCD). The state's lead housing agency, originally known as the Department of Community Affairs (DCA). DHCD oversees state-funded public housing and administers rental assistance programs, the state allocation of CDBG and HOME funds, various state-funded affordable housing development programs, and the Community Services Block Grant (CSBG) Program. DHCD also oversees the administration of Chapter 40B.

Extremely Low Income. See Very Low Income.

Fair Housing Act, Federal. Established under Title VII of the 1968 Civil Rights Act, the federal Fair Housing Act prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal

custodians, pregnant women, and people securing custody of children under the age of 18), sexual orientation, gender identity, and disability.

Fair Housing Law, Massachusetts. G.L. c. 151B (1946), the state Fair Housing Act prohibits housing discrimination on the basis of race, color religious creed, national origin, sex, sexual orientation, age, children, ancestry, marital status, veteran history, public assistance reciprocity, or physical or mental disability.

Fair Market Rent (FMR). A mechanism used by HUD to control costs in the Section 8 rental assistance program. HUD sets FMRs annually for metropolitan and non-metropolitan housing market areas (a total of 2,736 FMR areas nationally). The FMR is the 40th percentile of gross rents for typical, non-substandard rental units occupied by recent movers in a local housing market. (See 24 CFR 888.)

Family. Under the Federal Fair Housing Act (FFHA), family includes any of the following:

- (1) A single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; or
- (2) A group of persons residing together, and such group includes, but is not limited to:
 - (a) A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);
 - (b) An elderly family;
 - (c) A near-elderly family;
 - (d) A disabled family;
 - (e) A displaced family; and
 - (f) The remaining member of a tenant family.

Gross Rent. Gross rent is the sum of the rent paid to the owner plus any utility costs incurred by the tenant. Utilities include electricity, gas, water and sewer, and trash removal services but not telephone service. If the owner pays for all utilities, then gross rent equals the rent paid to the owner.

Group Home. A type of congregate housing for people with disabilities; usually a single-family home.

Inclusionary Zoning. A zoning ordinance or bylaw that encourages or requires developers to build affordable housing in their developments or provide a comparable public benefit, such as providing affordable units in other locations ("off-site units") or paying fees in lieu of units to an affordable housing trust fund.

Infill Development. Construction on vacant lots or underutilized land in established neighborhoods and commercial centers.

HOME Investment Partnership Program (HOME). A HUD-administered formula grant program that supports the creation and preservation of housing for low- or moderate-income people. Authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended, HOME provides funding to states, larger cities, and groups of contiguous communities that form a consortium for the purpose of qualifying as a "Participating Jurisdiction," or "PJ," which is similar to a CDBG entitlement recipient. Falmouth is part of the Barnstable County HOME Consortium, administered by the Cape Cod Commission. HOME funds can be used for home purchase or rehabilitation financing assistance to eligible homeowners and new homebuyers, construction or rehabilitation of housing for rent or ownership, or site acquisition or improvement, demolition of dilapidated housing to make way for HOME-assisted development, and relocation expenses. PJs may also use HOME funds for tenant-based rental assistance contracts of up to two years if doing so is consistent with their Consolidated Plan and justified under local market conditions. Up to 10 percent of the PJ's annual allocation may be used for program planning and administration.

Household. One or more people forming a single housekeeping unit and occupying the same housing unit.

Housing Appeals Committee (HAC). A five-member body that adjudicates disputes under Chapter 40B. Three members are appointed by the Director of DHCD, one of whom must be a DHCD employee. The governor appoints the other two members, one of whom must be a city councilor and the other, a selectman.

Housing Authority. Authorized under G.L. 121B, a public agency that develops and operates rental housing for very-low and low-income households.

Housing Cost, Monthly. For homeowners, monthly housing cost is the sum of principal and interest payments, property taxes, and insurance, and where applicable, homeowners association or condominium fees. For renters, monthly housing cost includes rent and basic utilities (oil/gas, electricity).

HUD. See U.S. Department of Housing and Urban Development.

Inclusionary Zoning. Zoning regulations that encourage or require the inclusion of affordable units in residential or mixed-use developments.

Jobs-to-Housing Ratio. An indicator of the adequacy of employment and housing in a given community or area.

Local Initiative Program (LIP). A program administered by DHCD that encourages communities to create Chapter 40B-eligible housing without a comprehensive permit, e.g., through inclusionary zoning, purchase price buydowns, a Chapter 40R overlay district, and so forth. LIP grew out of recommendations from the Special Commission Relative to

the Implementation of Low or Moderate Income Housing Provisions in 1989. The Commission prepared a comprehensive assessment of Chapter 40B and recommended new, more flexible ways to create affordable housing without dependence on financial subsidies.

Low Income. As used in this report, low income means a household income at or below 50 percent of AMI. It includes the household income subset known as very low income.

Massachusetts Housing Partnership (MHP). A public non-profit affordable housing organization established by the legislature in 1985. MHP provides technical assistance to cities and towns, permanent financing for rental housing, and mortgage assistance for first-time homebuyers.

MassHousing. The quasi-public state agency that provides financing for affordable housing.

Mixed-Income Development. A residential development that includes market-rate and affordable housing.

Mixed-Use Development. A development with more than one use on a single lot. The uses may be contained within a single building ("vertical mixed use") or divided among two or more buildings ("horizontal mixed use").

Moderate Income. As used in this report, moderate income means a household income between 51 and 80 percent of AMI.

Overlay District. A zoning district that covers all or portions of basic use districts and imposes additional (more restrictive) requirements or offers additional (less restrictive) opportunities for the use of land.

Regulatory Agreement. An affordable housing restriction, recorded with the Registry of Deeds or the Land Court, outlining the developer's responsibilities and rights

Section 8. A HUD-administered rental assistance program that subsidizes "mobile" certificates and vouchers to help very-low and low-income households pay for private housing. Tenants pay 30 percent (sometimes as high as 40 percent) of their income for rent and basic utilities, and the Section 8 subsidy pays the balance of the rent. Holders of Section 8 certificates have to choose rental units with a monthly gross rent that does not exceed the Fair Market Rent (FMR), and the subsidy they receive makes up the difference between 30 percent of their monthly gross income and the actual gross rent for the unit. By contrast, the subsidy for a Section 8 voucher holder is the difference between the FMR and 30 percent of their monthly gross income. Thus, while Section 8 voucher holders may choose units with gross rents that exceed the FMR, they have to make up the difference between the FMR and the monthly gross rent. Section 8 also can be used as a subsidy for eligible rental developments, known as Section 8 Project-Based Vouchers (PBV), which are not "mobile" because they are attached to specific units.

Shared Equity Homeownership. Owner-occupied affordable housing units that remain affordable over time due to a deed restriction that controls resale prices, thereby retaining the benefits of the initial subsidy for future moderate-income homebuyers.

Single Room Occupancy (SRO). A building that includes single rooms for occupancy by individuals and usually includes common cooking and bathroom facilities shared by the occupants.

Subsidized Housing Inventory (SHI). A list of housing units that "count" toward a community's 10 percent statutory minimum under Chapter 40B.

SHI-Eligible Unit. A housing unit that DHCD finds eligible for the Subsidized Housing Inventory because its affordability is secured by a long-term use restriction and the unit is made available to low- or moderate-income households through an approved affirmative marketing plan.

Subsidy. Financial or other assistance to make housing affordable to low- or moderate-income people.

Typical, Non-substandard Rental Units. A term that defines the types of rental units that HUD includes and excludes in establishing the FMR for each housing market area. The term excludes: public housing units, rental units built in the last two years, rental units with housing quality problems, seasonal rentals, and rental units on ten or more acres.

U.S. Department of Housing and Urban Development (HUD). The lead federal agency for financing affordable housing development and administering the Fair Housing Act.

Very Low Income. As used in this report, very low income is a household income at or below 30 percent of AMI. In some housing programs, a household with income at or below 30 percent of AMI is called extremely low income.

APPENDIX B: HOUSING COORDINATOR SAMPLE JOB DESCRIPTION**POSITION PURPOSE:**

The purpose of this position is to perform responsible professional, technical, and administrative work in providing administrative support services for housing-related programs, projects and activities; all other related work as required. The Housing Coordinator is responsible for administrative duties assigned through Town Administrator for the Housing Authority, the Council on Aging and other boards and committees that do not have an employee presence in Town Hall.

SUPERVISION:

Supervision Scope: Performs varied and responsible duties requiring the exercise of considerable judgment and initiative in coordinating operations, formulating decisions,

Supervision Received: Work is performed under the administrative direction of the Town Administrator and in accordance with state and local laws and regulations. Employee generally establishes own work plan and completes work in accordance with established departmental policies and standards. This position is subject to review and evaluation according to the town's personnel plan.

Supervision Given: May be assigned supervisory responsibility for full-time and part-time employees. Supervises the work of various technical contractors.

JOB ENVIRONMENT:

Administrative work is performed under typical office conditions. The noise level is moderate at times. Employee is required to attend evening meetings.

Operates an automobile, computer, printers, facsimile machine, copier, calculator, and other standard office equipment.

Makes frequent contact with other municipal employees, state, federal, and regional agencies, board/commission members, attorneys, engineers and applicants; makes regular contacts with the general public. Contacts are in writing, in person and by telephone and involve an information exchange dialogue. Contacts may also require the Housing Coordinator to provide advice and direction.

Has limited access to department-related confidential information requiring the application of appropriate judgment, discretion and professional protocols.

Errors in administration and judgment could result in reduced levels of service, cause confusion and delay, adverse public relations, and have legal repercussions.

APPENDIX C: ADDITIONAL TABLES FOR SECTION 3

TABLE 3.6. ANALYSIS OF RESIDENTIAL PROPERTIES IN FALMOUTH

Parcel Type	Parcels	Acres	Bldg SF (FIN)	Land Ass'd Value	Total Ass'd Value	Percent of Total				Average Values		
						Parcels	Acres	Bldg SF	Total \$	Land	Parcel	Bldg SF
Single-Family	18,387	10,545	33,665,996	\$4,919,018,900	\$8,849,990,500	71.2%	35.7%	71.8%	72.0%	\$267,527	\$481,318	\$263
Condominium [1]	1,205	176	1,788,810	\$0	\$405,214,700	4.7%	0.6%	3.8%	3.3%		\$336,278	\$227
Two-Family	242	120	489,449	\$50,219,700	\$99,258,500	0.9%	0.4%	1.0%	0.8%	\$207,519	\$410,159	\$203
Three-Family	41	24	102,055	\$8,862,400	\$18,209,000	0.2%	0.1%	0.2%	0.1%	\$216,156	\$444,122	\$178
Out Buildings	147	136	30,262	\$37,710,900	\$40,768,800	0.6%	0.5%	0.1%	0.3%	\$256,537	\$277,339	\$1,347
Multiple Houses	268	343	828,670	\$191,408,200	\$286,235,300	1.0%	1.2%	1.8%	2.3%	\$714,210	\$1,068,042	\$345
Multi-family (4-8 units)	43	24	143,974	\$9,438,300	\$22,178,300	0.2%	0.1%	0.3%	0.2%	\$219,495	\$515,774	\$154
Apartment 9+ units	14	70	338,499	\$12,147,000	\$28,998,000	0.1%	0.2%	0.7%	0.2%	\$867,643	\$2,071,286	\$86
Boarding Homes	3	1	9,583	\$1,545,100	\$2,214,700	0.0%	0.0%	0.0%	0.0%	\$515,033	\$738,233	\$231
Dormitory	1	0	2,370	\$119,200	\$370,600	0.0%	0.0%	0.0%	0.0%	\$119,200	\$370,600	\$156
Congregate Care	3	18	175,436	\$4,962,200	\$24,036,600	0.0%	0.1%	0.4%	0.2%	\$1,654,067	\$8,012,200	\$137
Motel/Time-Share [2]	316	107	894,661	\$54,599,500	\$128,391,400	1.2%	0.4%	1.9%	1.0%	\$172,783	\$406,302	\$144
Nursing Home [2]	4	12	132,624	\$3,279,600	\$10,178,400	0.0%	0.0%	0.3%	0.1%	\$819,900	\$2,544,600	\$77
Public/Exempt Hsg [3]	47	74	352,370	\$15,297,800	\$32,731,100	0.2%	0.3%	0.8%	0.3%	\$325,485	\$696,406	\$93
Mixed Uses [4]	159	414	837,945	\$48,942,824	\$108,767,124	0.6%	1.4%	1.8%	0.9%	\$307,817	\$684,070	\$130
Improved Residential	20,880	12,064	39,792,704	\$5,357,551,624	\$10,057,543,024	80.8%	40.8%	84.9%	81.8%	\$256,588	\$481,683	\$253
Vacant Residential Land	1,468	1,830	2,240	\$314,161,900	\$314,308,100	5.7%	6.2%	0.0%	2.6%	\$214,007	\$214,106	\$140,316
Commercial/Industrial [5]	786	2,177	3,866,120	\$279,815,998	\$541,581,098	3.0%	7.4%	8.2%	4.4%	\$356,000	\$689,034	\$140
OS/Ch. 61 /Ag. et al [6]	1,235	1,994	14,978	\$31,103,812	\$32,718,812	4.8%	6.8%	0.0%	0.3%	\$25,185	\$26,493	\$2,184
Government/Tax Exempt [7]	1,470	11,472	3,211,176	\$716,093,768	\$1,343,494,368	5.7%	38.8%	6.8%	10.9%	\$487,139	\$913,942	\$418
Total	25,839	29,537	46,887,217	\$6,698,727,102	\$12,294,540,002	100.0%	100.0%	100.0%	100.0%	\$259,249	\$475,813	\$262

[1] Includes those with building value of \$25,000 or more; [2] Commercial coded for assessment purposes (parcel count includes 266 timeshare/condo units at 350 Quaker Road); [3] Tax-exempt housing properties; [4] Mixed residential & commercial parcels; [5] Includes Child Care (code 140) and non-residential mixed uses; [6] Included Open Space and Undevelopable Residential Land (code 132); [7] Includes 121 parcels classified as condominium land but the 176 acres were allocated to residential and excludes Public/Exempt Housing Parcels

TABLE 3.7. RESIDENTIAL PARCELS BY TYPE AND (GENERAL) NEIGHBORHOOD LOCATION

Neighborhoods	Single-Family	Condominiums	2-3 F. & Multiple	4 units or more	Exempt Housing	Mixed Use	Transient/GQ	Total Parcels	% of Total	Overall Parcels	Total as % of Overall
Ashumet	232		3		2			237	1.1%	263	90%
East Falmouth	4,259	352	84	6	12	27	1	4,741	22.9%	5,612	84%
Falmouth	1,635	450	134	23	7	50	27	2,326	11.2%	3,172	73%
Falmouth Heights	713	77	36	4		3	14	847	4.1%	989	86%
Hatchville	2,010	58	24		4	13	1	2,110	10.2%	2,818	75%
Maravista	840		9		4	1	1	855	4.1%	987	87%
Menauhant	228		6				2	236	1.1%	297	79%
North Falmouth	1,421	42	33	7	2	10	4	1,519	7.3%	1,943	78%
Old Silver Beach	77							77	0.4%	93	83%
Pinecrest	610		3		3			616	3.0%	712	87%
Quissett	197		16			2		215	1.0%	291	74%
Seacoast Shores	895		7		3			905	4.4%	994	91%
Silver Beach	872		10			2		884	4.3%	1,041	85%
Sippewissett	535	44	6					585	2.8%	729	80%
Teaticket	1,071	64	43	6	3	22	3	1,212	5.8%	1,510	80%
Waquoit	713	12	12			6	2	745	3.6%	996	75%
West Falmouth	1,520	97	60	9	5	21	269	1,981	9.6%	2,696	73%
Woods Hole	559	9	65	2	2	2	3	642	3.1%	874	73%
Total	18,387	1,205	551	57	47	159	327	20,733	100%	26,017	80%
% of Total	88.7%	5.8%	2.7%	0.3%	0.2%	0.8%	1.6%	100.0%			

Source: Town of Falmouth & RKG Associates, Inc.

TABLE 3.8. RESIDENTIAL UNITS BY TYPE OF OWNERSHIP, NEIGHBORHOOD AND AVERAGE ASSESSMENT

Neighborhood	Unit Count [1]					Percent of Total				AVG Parcel Assessment by Type				
	Primary Res.	Second Home	Rental, Other	Vacant or UC	Total	Primary Res.	Second Home	Rental, Other	Vacant or UC	Primary Residence	Second Home	Rental, Other	Vacant or UC	Total
Ashumet	176	43	19	0	238	73.9%	18.1%	8.0%	0.0%	\$266,742	\$276,542	\$239,106		\$266,654
East Falmouth	2,561	1,836	374	20	4,791	53.5%	38.3%	7.8%	0.4%	\$330,436	\$422,698	\$296,712	\$448,947	\$364,282
Falmouth	1,137	1,016	213	9	2,375	47.9%	42.8%	9.0%	0.4%	\$434,284	\$538,264	\$394,717	\$615,450	\$477,371
Falmouth Heights	253	552	49	10	864	29.3%	63.9%	5.7%	1.2%	\$486,139	\$529,588	\$453,176	\$1,079,360	\$520,253
Hatchville	1,548	416	145	7	2,116	73.2%	19.7%	6.9%	0.3%	\$340,561	\$377,058	\$358,574	\$390,100	\$348,991
Maravista	267	548	43	0	858	31.1%	63.9%	5.0%	0.0%	\$321,876	\$342,477	\$279,813		\$333,194
Menauhant	79	150	11	1	241	32.8%	62.2%	4.6%	0.4%	\$780,170	\$954,827	\$910,200	\$1,142,600	\$895,710
North Falmouth	843	599	85	4	1,531	55.1%	39.1%	5.6%	0.3%	\$462,727	\$674,599	\$408,743	\$1,574,225	\$547,307
Old Silver Beach	23	52	2	0	77	29.9%	67.5%	2.6%	0.0%	\$575,443	\$551,398	\$470,350		\$556,475
Pinecrest	378	197	38	3	616	61.4%	32.0%	6.2%	0.5%	\$259,355	\$247,890	\$247,681	\$131,167	\$254,377
Quissett	65	148	16	2	231	28.1%	64.1%	6.9%	0.9%	\$1,053,517	\$1,539,864	\$1,077,722	\$996,100	\$1,366,815
Seacoast Shores	329	530	50	0	909	36.2%	58.3%	5.5%	0.0%	\$306,557	\$330,472	\$229,667		\$316,609
Silver Beach	223	653	15	1	892	25.0%	73.2%	1.7%	0.1%	\$630,030	\$645,145	\$641,754	\$68,700	\$640,620
Sippewissett	268	306	17	1	592	45.3%	51.7%	2.9%	0.2%	\$635,447	\$916,215	\$633,453	\$3,004,800	\$782,943
Teaticket	746	336	147	2	1,231	60.6%	27.3%	11.9%	0.2%	\$269,203	\$298,938	\$271,717	\$292,150	\$277,716
Waquoit	463	244	39	2	748	61.9%	32.6%	5.2%	0.3%	\$453,021	\$624,042	\$445,564	\$52,100	\$507,059
West Falmouth	794	847	95	7	1,743	45.6%	48.6%	5.5%	0.4%	\$566,318	\$832,235	\$506,892	\$688,217	\$693,595
Woods Hole	185	457	65	3	710	26.1%	64.4%	9.2%	0.4%	\$687,132	\$1,291,668	\$802,787	\$2,092,667	\$1,094,841
Town Total	10,338	8,930	1,631	72	20,971	49.3%	42.6%	7.8%	0.3%	\$401,776	\$583,308	\$369,246	\$747,381	\$479,517

[1] At Single-family; 2-or 3-family; multiple house parcels. Source: Town of Falmouth & RKG Associates, Inc.

TABLE 3.9. RESIDENTIAL PARCELS BY OWNERSHIP, PRICE RANGES AND NEIGHBORHOODS

Neighborhoods	< \$200,000 [1]			\$200,000-\$249,999 [1]			\$250,000-\$299,999 [1]			\$300,000-\$399,999 [1]			\$400,000 & up [1]			Total [1]		
	Residence	Non-Resid.	Sub-total	Residence	Non-Resid.	Sub-total	Residence	Non-Resid.	Sub-total	Residence	Non-Resid.	Sub-total	Residence	Non-Resid.	Sub-total	Residence	Non-Resid.	Sub-total
Ashumet	6	4	10	77	18	95	56	27	83	32	9	41	5	1	6	176	59	235
East Falmouth	294	278	572	590	287	877	481	340	821	694	633	1,327	502	596	1,098	2,561	2,134	4,695
Falmouth	57	50	107	105	67	172	107	78	185	280	217	497	588	670	1,258	1,137	1,082	2,219
Falmouth Heights	2	0	2	2	6	8	9	12	21	61	136	197	179	419	598	253	573	826
Hatchville	141	63	204	393	135	528	310	81	391	333	100	433	371	165	536	1,548	544	2,092
Maravista	2	11	13	67	144	211	83	138	221	65	153	218	50	136	186	267	582	849
Menauhant	0	0	0	0	0	0	0	0	0	11	10	21	68	145	213	79	155	234
North Falmouth	6	9	15	15	16	31	93	76	169	316	132	448	413	420	833	843	653	1,496
Old Silver Beach	0	0	0	0	0	0	0	0	0	0	0	0	23	54	77	23	54	77
Pinecrest	56	65	121	143	68	211	103	60	163	65	33	98	11	9	20	378	235	613
Quissett	0	1	1	0	1	1	1	0	1	7	7	14	57	139	196	65	148	213
Seacoast Shores	66	124	190	108	177	285	58	97	155	31	51	82	66	124	190	329	573	902
Silver Beach	0	4	4	4	39	43	27	119	146	48	152	200	144	345	489	223	659	882
Sippewissett	1	1	2	0	0	0	3	1	4	27	28	55	237	287	524	268	317	585
Teaticket	131	68	199	241	129	370	177	93	270	145	95	240	52	47	99	746	432	1,178
Waquoit	9	7	16	52	18	70	88	21	109	124	48	172	190	180	370	463	274	737
West Falmouth	5	22	27	18	35	53	36	45	81	152	150	302	583	631	1,214	794	883	1,677
Woods Hole	1	3	4	3	0	3	3	16	19	45	74	119	133	355	488	185	448	633
Subtotal	777	710	1,487	1,818	1,140	2,958	1,635	1,204	2,839	2,436	2,028	4,464	3,672	4,723	8,395	10,338	9,805	20,143
% Of Total [1]	3.9%	3.5%	7.4%	9.0%	5.7%	14.7%	8.1%	6.0%	14.1%	12.1%	10.1%	22.2%	18.2%	23.4%	41.7%	51.3%	48.7%	100.0%

[1] Single-Family; Condominiums & 2-3 Family Parcels

Source: Town of Falmouth & RKG Associates, Inc.