

DRAFT

TRURO HOUSING AUTHORITY

**TOWN OF TRURO
AFFORDABLE HOUSING PLAN**

Members of the Truro Housing Authority

Carl Brotman (Chair)
Art Hultin
Mary Rose
Jeannette de Beauvoir
J. Vivian
Charleen Greenhalgh (ATA/Planner)

Prepared by

John A. Lipman
Bailey Boyd Associates, Inc.
120 Main Street, P.O. Box 215
West Harwich, MA 02671

June 2012

TABLE OF CONTENTS

EXECUTIVE SUMMARY

1. INTRODUCTION

A. Definition of Affordable Housing

B. Description of Use Restrictions

C. The Planning Process

2. SUMMARY OF HOUSING NEEDS ASSESSMENT

A. Demographic Data

B. Housing

C. Cost Analysis of Existing Market Conditions

D. Subsidized Housing Inventory

E. Gaps between Existing Housing Needs and Current Supply

F. Local and Regional Organizations

3. AFFORDABLE HOUSING CHALLENGES

A. Limitations on Existing Zoning

B. Infrastructure

C. School Enrollment

D. Public Transportation

E. Environmental Concerns

4. PROPERTY INVENTORY FOR POTENTIAL AFFORDABLE HOUSING

5. AFFORDABLE HOUSING PLANNED PRODUCTION GOALS

6. HOUSING ACTION PLAN

EXECUTIVE SUMMARY

In 2007, the Town of Truro adopted its Affordable Housing Plan. The Plan was a complete compendium of affordable housing issues, concerns and strategies. The document included:

- **Housing Needs Assessment** – The assessment explored many of the statistical factors that were prevalent, including changing market conditions and gaps between affordable housing needs and supply.
- **Obstacles to Development** – A description was provided detailing the existing challenges to affordable housing, including infrastructure and zoning limitations, school enrollment, environmental concerns, subsidies, and community attitudes.
- **Affordable Housing Planned Production Goals** – This section was intended to outline a strategy to help the Town of Truro develop affordable housing actions in the coming decade.
- **Housing Action Plan** – This section described a host of specific actions to create affordable housing consistent with the overall strategy.

As with any plan, much has been learned since strategy implementation began. While a small number of affordable housing units were created, they were very minimal in number; since the creation of the plan, only ten units of affordable housing are currently available. Because of inadequate restrictions agreed to in the past, several units will have their restrictions expire, allowing the units to be sold or transferred at a market rate. In short, the town has not come close to achieving its goals, and currently has the lowest percentage of affordable housing of any town on the Cape.

The purpose of this plan is to revise and update many of the statistical data that were used in the 2007 version, as many factors have changed such as price, income, and residency characteristics. In addition, this revision provides an opportunity to focus on those aspects of housing that are most troublesome for the town, and to suggest strategies that work most effectively in today's economic and regulatory environment. As such, this update has been pared down significantly to the most relevant issues. This makes the text much more readable for the average citizen, who will be responsible for helping to implement the Plan. For reference, the full text of the previous plan is available as an appendix.

This Affordable Housing Plan update is structured as follows:

Introduction – This includes basic statistics about Truro, summarizing the key affordable housing challenges facing the town and providing comparative information for other towns on the Cape and for the Commonwealth of Massachusetts.

Summary of Housing Needs Assessment – This section provides key demographic and housing data, updated for 2012. What is striking is how much the data have changed in the past ten years. Truro is a much more expensive town than in the past, and income levels have changed in response. This section also examines the continuing gap between existing housing needs and

current supply. Part of this section includes a description of the governmental agencies and private organizations dedicated to providing affordable housing or financial assistance to individuals seeking housing.

Affordable Housing Challenges – This section provides an analysis of local zoning efforts oriented toward providing affordable housing, with some discussion about where programs conceived in the past decade may not be working. This section also provides some insight into environmental challenges, transportation limitations, and changes in school enrollment that may be limiting the provision of affordable housing.

In particular, this section discusses the limitations of “suburban” zoning density, which allows only medium-sized lots with septic systems for wastewater disposal, thereby consuming relatively scarce land at a high price. The absence of wastewater treatment infrastructure further limits affordable housing because of the potential for excess nutrient loads to area watersheds. It will be important for any new affordable housing development to address these infrastructure constraints, water and septic issues in particular, and ensure that there are sufficient subsidies incorporated into the project to adequately service new residents and protect the environment.

Property Inventory for Potential Affordable Housing – This section provides a brief assessment of properties that are or may be suitable for new affordable housing, as well as an inventory of existing projects.

Affordable Housing Planned Production Goals – This section briefly highlights potential affordable housing production goals in the coming decade.

Housing Action Plan – This section highlights a strategy the Town can undertake to provide affordable housing in the coming years. Each recommendation contains a description of the problem and possible next steps. Actions are categorized as Two-Year Actions, Five-Year Actions, or Longer Term Actions, so that the Town can focus on meaningful, achievable steps in an appropriate sequence.

1. INTRODUCTION

Truro is primarily a rural, residential community on lower Cape Cod, approximately 40 miles north of Hyannis and 100 miles from both Boston and Providence. Approximately 70% of its 26-square-mile land area lies within the Cape Cod National Seashore, which represents the Town's greatest physical asset. Twenty miles of coast, a rich history, and quaint New England seaside charm continue to attract substantial numbers of seasonal visitors, second homeowners and retirees. However, significant increases in seasonal population, while stimulating the local economy, have also presented the Town with a host of challenges. A compelling question is whether Truro will be able to sustain the diversity of ages, occupations, and incomes that residents so treasure in light of escalating land and home values. The Housing Needs Assessment (summarized in Section 2) examines the issue of housing in Truro, particularly housing affordability, to present a documented snapshot of current conditions and trends. It also looks at the gaps between what housing there is to serve local residents and what is required to meet local needs including a survey of local, regional and state resources.

The 2010 population level of Truro was 2,003, a 4% decline from the moderately higher number of 2,087 in 2000, based on the 2010 Federal Census. A marked demographic trend has been the aging population; there are now more people age 80-84 living in Truro (61 people) than there are age five and under (59 people). The 2011 Town census indicates a total of 2,093 people.

Current housing growth rates are moderate; since 2000, according to the Massachusetts Department of Housing and Community Development (DHCD), year-round dwelling units increased by 91, from 999 to 1,090. (Note: The U.S. Census shows that 2010 year-round dwellings are 984 because it only reflects year-round residents, not unoccupied houses that may be for sale). Based on the DHCD's most recent data on Truro's supply of affordable housing included in the state's Subsidized Housing Inventory, Truro has 1,090 year-round housing units, of which ten can be counted as affordable, representing 0.92% of the year-round housing stock. To meet the 10% standard, at least 109 of the existing units would have to be "affordable" based on the state's definition. This means that right now Truro is short of the 10% standard by 99 housing units. Assuming future housing growth, this 10% figure is a moving target as the required minimum number of year-round units will increase over time. Affordable housing in Truro is woefully unavailable, and represents the lowest percentage of any town on Cape Cod (see "C: The Planning Process," below).

Most of the housing growth has been attributable to seasonal residents, the second home market or non-resident retirement households. This seasonal or non-resident housing stock increased from 1,552 units in 2000 to 2,093 units in 2010, a 35% increase. Total housing stock during that period went from 2,556 units in 2000 to 3,077 units in 2010, a 20.4% increase during this time period, meaning that vacation and seasonal units are increasing faster than the total. In sum, seasonal and non-resident homes represent 68% of the total housing stock. In addition, as cottage colonies and motel rooms are converted to residential units, they will be counted in the housing totals. Except for those units that might be marketed as affordable (which would require year-round occupancy, not currently allowed in Truro zoning for condominiums), this will only add to the total number of units and will put the Town further behind on meeting its 10% affordable housing goal.

The seasonal and second-home market has placed enormous pressures on Truro, causing dramatic increases in housing prices and taxing local infrastructure and services, particularly in the summer months when estimates indicate that there are up to 25,000 visitors. Despite the substantial demands of seasonal residents, 70% of the Town of Truro's operating budget is derived from nonresident taxpayers, and the nonresident population has been sizable enough to have their own association, the Truro Nonresident Taxpayers Association (TNRTA).

Spiraling housing prices, driven primarily by nonresidents, have depleted the affordable housing stock with the exception of very few tiny condominium units. As of April 30, 2012, there were only four very small 2+ bedroom single-family houses listed for less than \$400,000. Consequently those with average incomes and without substantial financial assets are virtually shut out of the private housing market based on conventional lending requirements. The median single-family house price in 2011 was \$570,000, affordable to households earning at least \$171,000, more than double the Barnstable County four-person median family income of \$80,000 in 2012.

Affordable housing demand is clearly a subregional issue, not simply a local one. Recently, Provincetown made available 90 units of affordable housing and received 370 applications from people who live throughout the outer Cape. Importantly, affordable housing demand is not attracting residents from outside of the area, indicating its vital need among area residents.

The Housing Needs Assessment, conducted in 2006, was the first step in the creation of an Affordable Housing Plan and the associated choices that must be considered in order to bring Truro closer to the state's 10% affordable housing goal. Due to the rising costs of homeownership in Truro, including escalating costs associated with taxes, insurance and utilities, some residents are finding it increasingly difficult to afford to remain. Children who grew up in the town are now facing the possibility that they may not be able to return to raise their own families locally. Long-term residents, especially the elderly, are finding themselves less able to maintain their homes and keep up with increased real estate taxes and energy costs but unable to find alternative housing that better meets their current life styles. Families are finding it more difficult to "buy up," purchasing larger homes as their families grow.

Town employees and employees of local businesses are also increasingly hard pressed to find housing that is affordable in Truro. In fact, it is becoming increasingly difficult to attract and retain teachers. Candidates for teaching positions are usually already living somewhere else on the Cape or have second homes in town and are looking to "finish" their careers in Truro. This results in applicants demanding very high salaries. Another trend is for residents to rent out their homes in the summer months and camp or move in with relatives during this period in order to maintain an income sufficient to cover housing costs. More housing options will be required to meet local and regional needs.

A. Definition of Affordable Housing

There are a number of definitions of affordable housing as federal and state programs offer various criteria. For example, HUD generally identifies units as affordable if gross rent (including costs of utilities borne by the tenant) is no more than 30% of a household's net

adjusted income (with a small deduction for each dependent, for child care, for extraordinary medical expenses, etc.) or if the carrying costs of purchasing a home (mortgage, homeowners association fees, property taxes and insurance) is not more than typically 30% of net adjusted income. If households are paying more than these amounts, they are described as experiencing housing affordability problems; and if they are paying 50% or more for housing, they have severe housing affordability problems and heavy cost burdens.

Affordable housing can also be defined according to percentages of median income for the area. Housing subsidy programs can be targeted to particular income ranges depending upon funding requirements. Extremely low-income housing is directed to households with incomes at or below 30% of area median income as defined by the U.S. Department of Housing and Urban Development (\$25,850 for a family of four for the Barnstable area) and very low-income is defined as households with incomes less than 50% of area median income (\$43,083 for a family of four). Low- and moderate-income generally refers to the range between 51% and 80% of area median income (\$68,933 for a family of four at the 80% level). These income levels are summarized in Table 1 below.

**TABLE 1
2012 TARGETED INCOME LEVELS FOR
AFFORDABLE HOUSING IN THE BARNSTABLE AREA**

# Persons in Household	30% Median Income	50% Median Income (Very Low Inc.)	60% Median Income	80% Median Income (Low Income)
1	\$18,100	\$30,200	\$36,240	\$45,500
2	20,700	34,500	41,400	52,000
3	23,300	38,800	46,560	58,500
4	25,850	43,100	51,720	65,000
5	27,950	46,550	55,860	70,200
6	30,000	50,000	60,000	75,400
7	32,100	53,450	64,140	80,600
8+	34,150	56,900	68,280	85,800

2012 Median Household Income (between 3 and 4 persons in household) for the Barnstable Metropolitan Statistical Area (MSA) = \$80,000

State legislation (Massachusetts Comprehensive Permit Law¹) allows developers to override local zoning if the project meets certain requirements and the municipality has less than 10% of its year-round housing stock defined as affordable under 40B. In calculating a community's progress toward the 10% Chapter 40B goal, the state counts a housing unit as affordable if it is created by state or federal programs that support low- and moderate-income households earning at or below 80% of area median income or under. In addition, Chapter 40B now allows a town to meet the protections of its 10% goal by producing affordable housing at an annual rate of .5% per year (or 1% in two years) until the 10% goal is met. For Truro, that would mean the creation of 5 affordable units per year.

¹ MGL, Chapter 40B

Additionally, most state-supported housing assistance programs are targeted to households earning at this same level, at or below 80% of area median income. Other programs, particularly rental programs, are directed to those earning at lower income thresholds. For example, the Low Income Housing Tax Credit Program that subsidizes rental units is targeted to households earning within 60% of median income: \$51,720 for a family of four in Truro. First-time homebuyer programs typically apply income limits of up to 80% of area median income. The Community Preservation Act allows resources to be directed to those within a somewhat higher income range – 100% of area median income – however, units occupied by those above 80% of area median income cannot be counted as part of the Chapter 40B Subsidized Housing Inventory.

B. Description of Use Restrictions

The Town of Truro is committed to maintaining its Subsidized Housing Inventory for as long a period as possible. Affordable units must serve households with incomes no greater than 80% of the area median income for Barnstable County. Units must be subject to use restrictions or resale controls to preserve their affordability as follows:

- For minimum of thirty years or longer from the date of subsidy approval or construction for new construction.
- For a minimum of fifteen years or longer from the date of subsidy approval or completion for rehabilitation.
- Alternatively, a term of perpetuity is encouraged for both new construction and completion of rehabilitation.

Units are or will be subject to an executed Regulatory Agreement between the developer and the subsidizing agency unless the subsidy program does not require such an agreement. The units have been, or will be marketed in a fair and open process consistent with state and federal fair housing laws. The resale prices included in homeownership projects should be indexed to HUD's area median income or other reasonable index as opposed to market value to better assure this affordability over the long-term. The state now has a model deed rider for participants in its Local Initiative Program (LIP) that can be adapted to other programs as well.

The annual recertification in the case of rental agreements should be the responsibility of the project sponsor who must report annually to a housing entity approved by the subsidizing agency, perhaps a regional non-profit organization. All LIP developments, rental or ownership, are now monitored by DHCD. The responsibility for monitoring re-sales of affordable homeownership units could be assumed by Citizens Housing and Planning Association (CHAPA), which is performing this function for affordable developments throughout the state if the project is not processed through LIP.

C. The Planning Process

This planning process builds on the work that was conducted in 2005-06 toward the completion of a Local Comprehensive Plan under the purview of the Local Comprehensive Planning

Committee. The Truro Housing Authority was designated to refine the housing component of the Local Comprehensive Plan, update it, and undertake a more comprehensive analysis of housing needs and strategies to direct Truro’s housing agenda.

This document updates key affordable housing statistical information. A summary of the 2006 housing needs assessment is presented here, with updated information where possible. The full Housing Needs Assessment conducted in 2006 is presented in Appendix A.

Existing zoning and other affordable housing challenges are briefly summarized. The Plan then discusses the property inventory for potential affordable housing, followed by the affordable housing planned production goals. Finally, a “Housing Action Plan” is suggested, with specific short, medium, and long-term actions that can be considered for Town approval in order to create more affordable housing in Truro and in neighboring towns as a means of more effective regional coordination.

A central piece of the development of this plan is the public participation component. During this update, the Town convened a forum on affordable housing that included Town elected officials, administrative staff, the Truro Housing Authority, the Cape Cod Commission, Highland Affordable Housing, Inc., and many local citizens. This forum was important to refining the plan, stimulating discussion about other possible affordable housing options, and generating greater participation in and ownership of the Affordable Housing Plan.

Table 2 below provides a recent summary of the affordable housing units by town on Cape Cod. As can be seen, Truro lags well behind virtually every other town in Barnstable County.

**TABLE 2
AFFORDABLE HOUSING IN BARNSTABLE COUNTY (BY TOWN)**

Community	Year Round Units-2000	Affordable Units- 2001	% Affordable- 10/1/2001	Year Round Units-2010	Affordable Units- 2011	% Affordable- 6/30/2011
Barnstable	20,266	953	4.7%	20,550	1,357	6.6%
Bourne	7,787	375	4.8%	8,584	568	6.6%
Brewster	4,379	200	4.6%	4,803	252	5.2%
Chatham	3,596	121	3.4%	3,460	174	5.0%
Dennis	8,079	272	3.4%	7,653	337	4.4%
Eastham	2,642	38	1.4%	2,632	49	1.9%
Falmouth	14,440	527	3.6%	14,870	962	6.5%
Harwich	5,862	214	3.7%	6,121	327	5.3%
Mashpee	5,578	183	3.3%	6,473	224	3.5%

Orleans	3,317	256	7.7%	3,290	294	8.9%
Provincetown	2,062	135	6.5%	2,122	127	6.0%
Sandwich	7,574	141	1.9%	8,183	309	3.8%
Truro	999	6	0.6%	1,090	10	0.9%
Wellfleet	1,430	40	2.8%	1,550	37	2.4%
Yarmouth	12,056	287	2.4%	12,037	407	3.4%
TOTAL	100,067	3,748	3.7%	103,418	5,434	5.4%

2. SUMMARY OF HOUSING NEEDS ASSESSMENT

Below is a summary of the Housing Needs Assessment from 2006, with updates to address some of the current conditions. The Housing Needs Assessment presented an overview of the housing situation in the Town of Truro in 2006, providing the context within which a responsive set of strategies were developed to address housing needs and meet production goals. One thing to note is the drastic change in the economy that has occurred since 2008. In some towns in Barnstable County, there have been dramatic changes in the “affordability gap” – the difference between the price of the median priced home and what a median income household can afford. Although it has virtually disappeared in four towns as of 2011, it is still significant in Truro, where vacation homes are preeminent.

A. Demographic Data

Population, Race and Household Type

Truro has seen no significant change in year-round population growth since the beginning of the first decade. The 2000 census data indicated that the Town of Truro had a total population of 2,084; it now has a population of 2,003, a decline of 3.9% in the past decade. This is a notable reversal from the 1990s, where the population grew from 1,573 to 2,084, or 31%.

More than 95% of householders identified themselves as white. Approximately 50 individuals identified themselves as Black or African American, 41 as Hispanic, 10 as Asian, and 4 as Native American.

Smaller, nontraditional² family households were becoming a more significant part of Truro, growing as a percentage of all households from about 32% in 1980 to 43% in 2000 to 47.1% in 2010. Correspondingly, the average household size decreased from 2.49 persons in 1980 to 2.18 persons in 2000, and 2.03 persons in 2010, reflective of the fact that nontraditional family households are smaller in size as there are fewer children, thereby increasing the number of households regionally. It is probable the Town’s school-age population will decline further,

² Referred to as non-family households in census data.

though middle-school school population has increased in the last several years, possibly as the result of Provincetown students – who no longer have a middle school – attending school in Truro.

Demographic trends also suggest that those entering the labor market and forming new families are dwindling in numbers in Truro, reducing the pool of entry-level workers and service employees. For example, those between the ages of 20 and 34 decreased from 339 in 1980 to 249 in 2000 to 196 in 2010, a 42% decline. This is well below the state average, likely reflecting the high costs of living and the relative difficulty in finding adequately paid jobs.

While there was a substantial population increase of those between the ages of 45 and 54 between 1980 and 2000, there was a slight decline from 2000 to 2010. Between 1980 and 2000, those between 45 and 54 increased from 113 residents or 7.6% of the population to 427 residents or 20% of the population, a percentage change of 278%. But between 2000 and 2010, the number of residents between 45 and 54 declined to 381, or -11%. Once again, this represents a divergence from the statewide level of those in this age group and even Barnstable County, with levels significantly lower in Truro. This likely demonstrates that more residents must wait to enter their higher wage-earning years in order to purchase a home in Truro given current market conditions.

The population of older residents appears to be growing. The median age in Truro in 2000 was 45.7 years, above the median age for Barnstable County (44.6 years). In 2010, the median age for Truro had jumped to 53.7 years while the median age for Barnstable County had increased to 49.9 years. This also increased the median age difference between Truro and Barnstable County from 1.1 years to 3.8 years. This correlates with higher than average levels of seniors as well as those in the prime of their earning potential who are attracted to the town as a place to retire and can afford the high costs of living. As stated earlier, there are now more people age 80-84 living in Truro (61 people) than there are people age five and under (59 people).

Income

Median incomes for Truro residents now exceed other communities on the Cape and the state as a whole. The median income for Truro in 2010 was \$80,425, while it was \$60,317 for Barnstable County and \$64,509 for the Commonwealth of Massachusetts. There are still substantial numbers of households with incomes below \$25,000, although it has shrunk since 2000, from almost 30% down to just over 20% of all households. Those earning more than \$100,000 grew from 8% in 1999 to 18% in 2010. These numbers are based on ACS 5-Year Estimates; 2012 data now lists median family income for Barnstable County at \$80,000, a number roughly equivalent to Truro's median income.

It is likely that many of the households in the lower income ranges may in fact be long-term residents who own their homes, which are now worth considerably more than when purchased. As such they are cash poor but equity rich. Nevertheless, continued increases in taxes, insurance and energy bills as well as health-related issues, may drive these households out of the community given the lack of affordable and/or service supported housing alternatives in Truro.

Employment

Truro is located on the outer reaches of the Cape and a fair distance from major population and job centers. The 2010 census indicated that most of Truro's workers were employed in jobs that supported the local economy, particularly service provision, including construction (16.3%), retail trade (10.7%), finance and real estate (7.2%), education and health services (12.7%), arts, entertainment, recreation, accommodation and food services (18.9%), other services (5.7%) and public administration (6.6%). The most significant changes were in education and health services, which dropped by roughly 1/3rd from 2000, and arts, entertainment, recreation, accommodation and food services, which increased by 1/3rd from 2000.

Poverty

The 2010 census indicates that the percentage of those with incomes below the poverty level had increased. 16.9% of children under the age of 18 were at or below the poverty level, up from 8.2% in 2004. This, however, may not reflect an actual increase in numbers. The numbers of people over 65 at or below the poverty level had fallen significantly, from 11% to 4.4%, possibly reflecting the increase in the number of wealthy retirees. Regardless, there are still a substantial number of people in poverty who may need housing, and many more who are well above the poverty level who still cannot afford a home.

Residency in 2010

The 2010 population level of Truro was 2,003, a *decline* from the moderately higher number of 2,087 in 2000. Since 2000, according to DHCD, year-round dwellings increased by 91, from 999 to 1,090. According to the U.S. Census, however, 2010 year-round dwellings decreased slightly to 984 (generally, the DHCD number is more frequently used). In either case, this reflects only year-round residents. Seasonal and non-resident homes still represent 68% of the total housing stock.

B. Housing

Housing in Truro involves two distinct markets, the year-round housing stock and the seasonal or second home market now comprising more than 68% of the total housing stock. This seasonal usage, the burgeoning interest in second homes by affluent baby boomers, and the attractiveness of the Cape for retirement, in addition to regional market pressures, have resulted in soaring housing prices that are no longer affordable to most year-round residents.

The median number of rooms per housing unit was 5.4, indicating that the average home was relatively small with three bedrooms at most. The number of rooms per dwelling ranged from three rooms or less in 440 units (17.2%) to nine rooms or more in 95 dwellings (3.7%), representing a relatively small number of very large residential units, although this data is based on 2000 information and it is likely that given the economics of new development, new home construction since then has been focused on the larger, luxury home market, particularly for second homes and summer residences. It should also be noted that there were 127 units

involving single rooms, most likely condominiums converted from motels and other small seasonal rental units.

The building permit data in Table 3 below indicates a high of 30 permits issued in 2005 and a low of 10 in 2008. The number of building permits issued has increased slightly in the past few years. The table below presents the number of building permits issued each year since 2005. Note that it is not clear how many of the building permits were for tear-down/rebuilds.

**TABLE 3
SINGLE-FAMILY RESIDENTIAL BUILDING PERMITS FOR TRURO: 2005-2011**

YEAR	NUMBER OF BUILDING PERMITS
2005	30
2006	26
2007	24
2008	10*
2009	11*
2010	16
2011	14

* - Includes one 2-family dwelling

Ownership

Census data also provides information on housing values for homeownership and rental. Capewide, home prices skyrocketed after 2000, then fell significantly after 2005 (see Table 4 below). In many places on the Cape, this virtually wiped out the affordability gap. In 2005, the median house value in Barnstable County was \$379,900; by 2009, it had fallen to \$315,000 and has stayed in that range ever since.

**TABLE 4
CAPE MEDIAN RESIDENTIAL SINGLE FAMILY HOME SALES PRICES**

Year	Median Price	% Change
1997	\$125,000	
1998	\$135,000	8.0%
1999	\$147,900	9.6%
2000	\$176,000	19.0%

2001	\$219,850	24.9%
2002	\$265,950	21.0%
2003	\$310,000	16.6%
2004	\$353,225	13.9%
2005	\$379,900	7.6%
2006	\$369,000	-2.9%
2007	\$346,900	-6.0%
2008	\$333,850	-3.8%
2009	\$315,000	-5.6%
2010	\$325,000	3.2%
2011	\$315,000	-3.1%

Source: Banker and Tradesman (transfers of more than \$1,000; excluding foreclosure deeds)

This was not the case, however, in Truro. As seen in Table 5 below, median single-family home prices peaked in 2004 at \$725,000. Although prices fell significantly after that, they are still very high. In 2011, the median single-family home price was \$570,000 (compared with \$315,000 for Barnstable County – see Table 3), and the median condominium was \$309,950, far above the county average. A family purchasing a single-family home would have to earn at least \$171,000, more than double the Barnstable County median family income of \$80,000 in 2012.

**TABLE 5
TRURO MEDIAN SALES PRICE:
SINGLE FAMILY HOMES AND CONDOMINIUMS**



Truro, MA - Median Sales Price - Calendar Year				
Year	Period	1-Fam	Condo	All
2012	Jan - Mar	\$595,000	\$163,102	\$505,000
2011	Jan - Dec	\$570,000	\$309,950	\$350,000
2010	Jan - Dec	\$571,250	\$294,500	\$435,000
2009	Jan - Dec	\$517,750	\$266,500	\$402,000
2008	Jan - Dec	\$650,000	\$240,000	\$477,500
2007	Jan - Dec	\$585,000	\$239,000	\$499,000
2006	Jan - Dec	\$717,000	\$239,000	\$360,000
2005	Jan - Dec	\$638,000	\$205,000	\$500,000
2004	Jan - Dec	\$725,000	\$236,350	\$489,000
2003	Jan - Dec	\$550,000	\$168,000	\$375,000
2002	Jan - Dec	\$477,750	\$180,000	\$350,000
2001	Jan - Dec	\$478,500	\$104,000	\$265,000
2000	Jan - Dec	\$347,500	\$89,500	\$279,000
1999	Jan - Dec	\$292,500	\$60,000	\$200,000
1998	Jan - Dec	\$230,000	\$67,000	\$150,000
1997	Jan - Dec	\$227,250	\$55,000	\$133,500
1996	Jan - Dec	\$181,500	\$115,000	\$154,950
1995	Jan - Dec	\$196,000	\$35,000	\$143,000
1994	Jan - Dec	\$186,000	\$89,900	\$162,000
1993	Jan - Dec	\$128,000	\$58,000	\$105,000
1992	Jan - Dec	\$150,000	\$44,000	\$115,000
1991	Jan - Dec	\$119,901	\$64,500	\$107,750
1990	Jan - Dec	\$98,700	\$112,500	\$90,000
1989	Jan - Dec	\$125,000	\$82,500	\$110,000
1988	Jan - Dec	\$127,500	\$45,000	\$129,000
1987	Jan - Dec	\$143,500	\$38,500	\$110,000

Copyright 2012 The Warren Group

Rentals

There has been some development of rental units over the past couple of decades, increasing by 22 units from 1980 to 1990, 30 more units from 1990 to 2000, and an additional 90 units from 2000 to 2010. The 2010 census indicated that there were 290 occupied rental units in Truro and

that the median gross rental was \$598, up 9% from the 1990 median rent of \$548, but down more than 8% from the 2000 level of \$652. Some of these units may be provided illegally.

Like housing values for homeownership units, rental values tend to be underestimated in the census data. There are also small rental units located in existing single-family homes, such as accessory or in-law apartments. Many of these lack the required permits, are occupied by family, or are advertised by word of mouth, and are therefore difficult to track. In addition, families that have lived in Truro for many years sometimes own more than one property, and decide to rent to children who otherwise could not afford to live there.

Conversions to Multi-Family

The Zoning Bylaw currently prohibits the occupancy of units within multi-family developments (former cottage colonies or motel/hotels) on a year-round basis, a sometimes controversial requirement. Currently, such uses are limited to a part-year residency – March 1 through November 30. This presents a significant constraint to building affordable ownership housing beyond single-family homes. The Town may consider an inclusionary zoning bylaw that would extend the occupancy of these developments to year-round use so long as the unit is maintained as affordable (see Section 6).

C. Cost Analysis of Existing Market Conditions

As housing prices have risen at a greater rate than the household income of year-round residents, the affordability gap in Truro has widened significantly, although it has fallen back from its historic high in 2006. The affordability gap is defined as the gap between the cost of housing and the proportion of income that is reasonable to pay for housing, typically defined as 30% of gross income. To afford the median sales price of the median valued home in Truro of \$570,000 (based on The Warren Group information for 2011), a household would have to earn approximately \$122,500, more than 1.5 times the 2012 median Barnstable County income of approximately \$80,000. It is interesting to note that the 2012 HUD low- and moderate-income level for the Barnstable area, based on 80% of median income, is \$55,200 for a household of two persons (the average size household in Truro in 2010 is 2.03 persons), which is lower than Truro's median income level of \$80,425 in 2010. Although this is a positive reversal from 2000 (when Truro's median income was lower than the 80% median for the County), a household earning this amount could afford a home priced at little more than \$374,244 based on conventional lending requirements, presuming a 5% down-payment with Premium Mortgage Insurance (PMI) at current (very low) interest rates.

*Applying the 2012 Barnstable County median income estimate of \$80,000 would result in an affordability gap of \$42,500, the difference between the \$372,266 mortgage that the median income household could afford (based on an \$80,000 income) and the income needed to afford the median priced house at \$570,000 (\$122,500). Based on 2010 income data per the census, roughly 49% of Truro's households would not be able to afford the **lowest** priced single-family home on the market now listed at \$349,000 (requiring an income of \$75,000 at current interest rates with 5% down and PMI).*

D. Subsidized Housing Inventory

Based on the Massachusetts Department of Housing and Community Development's most recent data on the Chapter 40B Subsidized Housing Inventory (SHI), Truro had 1,090 year-round housing units, of which 10 are counted in the state's Subsidized Housing Inventory, representing slightly less than 0.92% of the year-round housing stock. As mentioned earlier, to meet the 10% standard at least 109 of the existing units would have to be "affordable" based on the state's definition requiring at least another 99 housing units to be converted to affordable units in Truro to meet just the 10% standard for today's housing numbers, a daunting challenge.

This does not include the additional affordable units that will be required to keep pace with housing growth. Build-out projections estimated by the state's Executive Office of Environmental Affairs in 2000, indicated that Truro could support 1,128 additional units of housing based on current zoning, which would require that at least 113 additional units be affordable at buildout to comply with the state's 10% Chapter 40B goal. This is over and above the 99 additional affordable units that are needed based on the existing housing stock, meaning that 212 affordable units would be required at build-out – a daunting task for a small rural community where approximately 70% of the Town is enveloped in the National Seashore and virtually unbuildable.

E. Gaps between Existing Housing Needs and Current Supply

Countywide, what is referred to as the "affordability gap" – the difference between the price of the median-priced home and what a median income household can afford – has all but disappeared in a few areas. This is due to the fact that as housing prices have fallen substantially since the recession starting in 2008, interest rates have fallen to historic lows. As a result, in many areas of Barnstable County, there is no gap between what an individual or family can afford at the mean salary and what the monthly cost is of home ownership or rental cost. There is, however, a very significant difference in housing prices in Truro as compared to the rest of the County. As mentioned above, the median single-family home price in Truro was \$570,000 (compared with \$315,000 for Barnstable County), and the median condominium was \$309,950, far above the county average. With a Median Family Income (MFI) of \$80,000, the affordability gap in Truro is \$42,500, meaning that 49% of Truro's households would not be able to afford the lowest priced single-family home currently on the market for \$349,000.

F. Local and Regional Organizations

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

Truro Housing Authority

The Truro Housing Authority was established as the primary municipal agency to promote affordable housing in Truro. In addition to overseeing the Affordable Housing Plan, the Housing Authority is undertaking several affordable housing development projects.

Truro Community Preservation Committee

In September of 2000, the Community Preservation Act (CPA) was enacted to provide Massachusetts cities and towns with another tool to conserve open space, preserve historic properties and provide affordable housing. This enabling statute established the authority for municipalities in the Commonwealth to create a Community Preservation Fund derived from a surcharge of up to 3% of the property tax with a corresponding state match of up to 100% funded through new fees at the Registry of Deeds and Land Court.

In May 2005, Town Meeting approved the CPA, applying a 3% surcharge on most property taxes paid by residents without any of the available exemptions. Like the other communities on Cape Cod, Truro voted to convert the 3% property tax surcharge that had been committed to the Land Bank for the purchase and conservation of open space into funding to support the Community Preservation Fund. As a result, the Town was able to continue to receive state matching funds without raising additional taxes, as state support for the Land Bank had run out.

Truro Affordable Housing Trust Fund

The Truro Affordable Housing Trust Fund was established by Annual Town Meeting in 2001 to raise and appropriate money for affordable housing. Subject to Town Meeting approval, the funds can be used for capital purchases of land or buildings, and acquisition or disposition of real property. Other expenditures from the Trust Fund can be authorized by a majority vote of the Board of Selectmen.

Highland Affordable Housing, Inc.

This private non-profit entity was established in 1995 to promote affordable housing in Truro. Since 2008, Highland Affordable Housing, Inc. (HAH) has added four new rental units to Truro's affordable housing stock; one is for a senior and is handicapped accessible. In the past year, HAH has renovated and marketed an affordable three-bedroom home. A joint project with Habitat for Humanity of Cape Cod is underway. Two of HAH projects involved HOME funds provided through Barnstable County.

Truro Council on Aging

The Truro Council on Aging is a Town department that supports the quality of life of Truro's elders through a wide variety of services. The Council does not typically receive substantial numbers of inquiries regarding housing, although outreach does assist with housing options such as assisted living or a skilled nursing facility (available in other towns on the Cape). The Council on Aging also works with the Town on a program that abates taxes for qualifying seniors in

exchange for services to the Town. The Town currently allows a maximum of \$1,000 to be worked off in 125 hours, and there are twelve of these positions available.

Other Truro Programs

In addition to the above work program, the Town participates in the Deferred Tax Program or “Property Tax Deferral, MGL c.59, §5, clause 41A. Interest on deferred local property for seniors accrues at 4%, provided incomes (gross receipts) do not exceed \$40,000. In addition, the Town sponsors an Elderly and Disabled Fund. This fund was established to provide taxation assistance for elderly and disabled residents of Truro from volunteer contributions of its citizens. Eligible incomes are \$45,000 for married couples and \$35,000 for singles. The amount of assistance varies depending on the amount in the fund and the number of applicants.

Cape Cod Commission

The Cape Cod Commission was created as the regional planning and regulatory agency for the Cape. In addition to coordinating a wide range of planning and policy activities, the Commission administers the Technical Assistance Program (TAP) that provides funds for consultants to assist communities in identifying housing assistance resources and supports the preparation of Affordable Housing Plans (note that TAP money is *not* being used for this plan). The Commission also manages the allocation of some housing subsidy funds that can be made available to communities to support affordable housing efforts including the oversight of HOME Program funds on behalf of the Barnstable County Consortium, and the DRI Fund Management

Barnstable County HOME Consortium

This Consortium includes all municipalities in Barnstable County and provides federal HOME Program funding to support the financing of a wide variety of housing activities. These funds are available to all towns participating in the Consortium, including Truro, and are administered by the Cape Cod Commission.

Housing Assistance Corporation (HAC)

The Housing Assistance Corporation (HAC) is a nonprofit organization is working throughout the Cape as a sponsor of affordable housing developments and has a wide range of financial and educational resources available for renters, existing homeowners and first-time homebuyers including HOME Program funding and rental subsidies. HAC also administers the Soft Second Loan Program to subsidize mortgages for first-time homebuyers,

Lower Cape Community Development Partnership

The Lower Cape Cod Community Development Corporation (CDP) was established in 1992 to promote affordable housing and economic development in the eight towns of the Lower Cape. In regard to affordable housing, the organization recognized that the dwindling supply of affordable housing was becoming a critical problem and has been focused on two important strategies. Through its Housing Development Program it is creating new, year-round, affordable housing units by purchase existing units or building new units. The organization also used to

manage the Housing Rehabilitation Program that was supported through Community Development Block Grant (CDBG) funds provided by the state but was recently suspended given funding constraints.³

Habitat for Humanity of Cape Cod

Habitat for Humanity is an ecumenical, non-profit Christian ministry dedicated to building simple, decent homes in partnership with families in need. The organization has grown over the past two decades into one of the largest private homebuilders in the world. The organization has a Cape affiliate that has been able to build new homes for first-time homebuyers through donated land, materials, labor and funding as well as other special financing strategies. Truro will have its first affordable house through this organization in the coming year.

3. AFFORDABLE HOUSING CHALLENGES

A. Limitations of Existing Zoning

Truro, like parts of other towns on Cape Cod, has a “suburban” zoning density of at least 33,750 square feet, except in the Seashore district where it is three acres. This is due in large part to the reliance on septic systems. Because there is no centralized or neighborhood sewer systems in Truro, housing must be limited to medium densities to accommodate septic systems. This results in suburban-lot development, which consumes the relatively scarce land remaining in town. This kind of medium-density housing development severely constrains the construction of affordable housing. Minimum lot frontages of 150 feet, 25-foot side, rear and backyard setbacks, and two-story height limits also seriously constrain affordable housing development.

In addition, zoning in Truro currently prohibits the occupancy of structures created through a condominium financial instrument on a year-round basis, a controversial requirement. Currently, condominium use is limited to a part-year residency – March 1 through November 30. This presents a significant constraint to building affordable ownership housing beyond single-family homes. The Town should consider an inclusionary zoning bylaw that would extend condominium use to year-round so long as the unit is maintained as affordable.

There are, however, several zoning provisions included in the existing Zoning Bylaw that have the potential to create more affordable units:

Affordable Housing Overlay District

The Zoning Bylaw includes an Affordable Housing Overlay District “to allow for the development of clustered affordable rental housing units. The district will make it possible for families with low and moderate income to reside in Truro, encourage the protection of open

³ The Housing Rehabilitation Program provided loans to private property owners who committed to keeping their property affordable as year-round units. The terms of the loan were determined by the needs and budget of the qualifying applicants. Since 1994 the Program improved 140 units of affordable year-round rental or homeownership units on the Outer Cape, eight of these in Truro.

space on large tracts of land, and preserve the wooded areas within the developed parcel”.⁴ Additionally, it requires that all units be affordable for year-round residency. One such district has been established thus far to enable the Sally’s Way project to go forward. Given the high price of land, it is unlikely that affordable housing could be built within these parameters without donated land and substantial subsidies.

Duplex Houses and Apartments

The Zoning Bylaw also allows duplex houses and apartments stating that, “for the purpose of promoting the more efficient use of land, in keeping with the protection of the quality of life and ecology, and at the same time giving relief to those with problems of obtaining adequate housing, the Board of Appeals may approve a special permit authorizing the new construction of duplex houses or the conversion of single-family dwellings to apartments”.⁵ For new construction, at least one acre of land is required and the building cannot exceed 3,000 square feet. For conversions of single-family dwellings, lots need to meet minimum area requirements, no more than one apartment may be created, the new unit must not exceed 50% of that of the primary dwelling unit or 600 square feet, and one of the units must be owner-occupied. The Bylaw also requires that “the applicant shall demonstrate that the new construction or conversion is essential to provide needed housing”.⁶ While this regulation is a step in the right direction as it makes smaller, accessory apartments possible to promote some diversity in the housing stock, it is unclear what is required to demonstrate the essential nature of the new unit and how this fits in with the Affordable Housing Apartment bylaw described below.

Affordable Accessory Dwelling Units

Truro’s Zoning Bylaw also allows for Affordable Accessory Dwelling Units (AADU) “for the purpose of promoting the development of affordable rental housing in Truro for year-round residents.” One affordable accessory dwelling unit may be created through a Special Permit process from the Planning Board. The unit must be occupied exclusively by income-eligible households. There are a number of criteria that must be met, including that the unit may be established within or attached to a principal dwelling, principal structure, or a garage or constructed as a detached unit, which must be located on the same lot as the other structure(s). It shall not contain more than 1,400 square feet nor less than 400 square feet of Gross Floor Area and either the principal or the Affordable Accessory Dwelling Unit shall be owner-occupied. In addition, as part of this, the Town authorized Special Legislation to allow for a real estate tax exemption for the affordable unit. The Special Legislation is pending and, unfortunately, no units have been created under this bylaw.

B. Infrastructure

⁴ Town of Truro, Zoning Bylaw, Section 30.6.

⁵ Town of Truro, Zoning Bylaw, Section 40.1.

⁶ Town of Truro, Zoning Bylaw, Section 40.1.D.

A major constraint and cost factor for new development relates to infrastructure, particularly the lack of sewer and water services that raise concerns among residents about the impacts of any new development on the environment, the water supply and quality in particular.

Residents must rely solely on onsite septic systems unless special treatment facilities are integrated into the new development, a costly measure that requires a fairly large project to render it feasible. Septic systems require relatively low-density development that limits the efficiency of land for housing, specifically limiting development in most cases to one bedroom per 10,000 square feet of upland.

It will be important for any new affordable housing development to address these infrastructure constraints, water and septic issues in particular, and ensure that there are sufficient amounts of subsidies incorporated into the project to adequately service new residents and protect the environment. Also, comprehensive permit projects would enable developers to override the more stringent local Board of Health requirements, utilizing state Title 5 requirements when flexibility is critical to project feasibility and can be granted without jeopardizing sensitive environmental areas.

C. School Enrollment

Truro currently has one school, the Truro Central School (kindergarten through sixth grade). Over the past five years, school enrollment has increased by 20%. The 2011-12 school year opened with a 6.5% increase in enrollment over the previous year (an increase from 146 to 156 students). How much of this may be due to the influx of students from other towns is uncertain. After sixth grade, Truro students have the choice of attending either the Provincetown Middle School or at the Nauset Middle School. Once the students reach high school, they have the option of attending Nauset Regional High School, Cape Cod Technical School, or the Cape Light Charter School.

The Affordable Housing Plan must address the mix of housing types and unit sizes to accommodate not only families with children but also seniors, empty nesters, single individuals, special needs populations, and others who require small units and are less likely to have children.

D. Public Transportation

While most of Truro's roadways function well, the Town has limited access to public transportation. Starting in June 2006, a new transportation system was introduced, called Flex-Route, which provided bus service throughout the Outer Cape. Those living within a half-mile of the route can call the service to arrange pick-up. It should also be noted that Truro's Council on Aging offers free transportation to area seniors, thus promoting independent living on the part of this population. Nevertheless, public transit remains limited and largely requires residents to have access to automobiles, further increasing the cost of living in Truro and presenting a barrier to those low- and moderate-income residents who are more likely to feel the financial strains of owning and maintaining a car. Part of the affordable housing strategy is to explore affordable housing development in those areas most likely to be served by public transit.

E. Environmental Concerns

Truro's 20 miles of coastline include very sensitive environments such as the Cape Cod National Seashore and Pamet Harbor. These areas attract thousands of visitors annually and provide highly valued opportunities for a wide range of recreational activities. The drainage area of the Pamet River, from the dunes along the ocean to Cape Cod Bay, is the ecological heart of Truro, where most of the wetlands and biological diversity exists. In fact, the state's Division of Fisheries and Wildlife has identified most of the Town of Truro as a Priority Habitat and Estimated Habitat for rare species, both plants and animals, codified under the Massachusetts Endangered Species Act (MESA). Consequently, proposed development projects must be reviewed by the National Heritage and Endangered Species Program (NHESP) for MESA compliance. Environmental rules are essential, but can also increase the time and cost involved in affordable housing projects.

Fundamental to this Affordable Housing Plan are the housing goals that provide a framework for producing affordable housing in Truro. One of these goals involves making zoning and regulatory reforms that will promote smart growth, taking into consideration the need to avoid sprawl and preserve open space. As such, housing strategies are largely oriented to actions that will promote smart growth that concentrates development in appropriate areas or existing structures such as adaptive reuse, affordable accessory apartments, conversion of existing housing, and possibly mixed-use development. Moreover, proposed Housing Guidelines will include criteria for reducing negative impacts on the environment and for promoting cluster housing, where feasible, to preserve open space and sensitive environmental features.

4. PROPERTY INVENTORY FOR POTENTIAL AFFORDABLE HOUSING

Currently, the only property for which affordable housing is being developed by the Town is on Sally's Way. The project will create 16 housing units, all of them affordable. Other projects that were pending during the 2006 version of this report have been completed, and one Habitat for Humanity home is pending and will be built this year. The development of an affordable duplex at the location of the former North Truro Fire Station and two homes on Snow Road (one rehabilitated unit and one new duplex) have been completed (see Table 6 below).

**TABLE 6
DHCD SUBSIDIZED HOUSING INVENTORY**

DHCD SUBSIDIZED HOUSING INVENTORY (SHI) as of 5-10-12							
*This data is derived from Information provided to the Department of Housing and Community Development (DHCD) by individual communities and is subject to change as new information is obtained and use restrictions expire.							
Note: Projects appear more than once if more than one subsidy (see project ID #)							
Town	Project Name	Address	SHI Units	comp permit?	Yr End	own or rent?	Funding Agency
Truro	Old Firehouse Road	Old Firehouse Rd	1	NO	Perp	Ownership	DHCD
Truro	DDS Group Homes	Confidential	0	NO	N/A		DDS
Truro	LCCCDC HOR Program FY00	Shore Road	1	NO	10/04/16	Ownership	DHCD
Truro	LCCCDC HOR Program FY00	Shore Road	1	NO	7/09/16	Ownership	DHCD
Truro	LCCCDC HOR Program FY02	S. Highland Rd	1	NO	12/23/17	Ownership	DHCD
Truro	LCCCDC HOR Program FY03	Friendship Way	1	NO	11/06/19	Ownership	DHCD
Truro	LCCCDC HOR Program FY03	Truro Center Rd	1	NO	6/30/19	Ownership	DHCD
Truro	Shore Road Duplex	Shore Road	2	YES	Perp	Rental	DHCD
Truro	First Discovery Duplex	Helen's Way	2	YES	Perp	Rental	DHCD

Another location that is currently Town-owned is next door to the Public Safety Facility. This location could accommodate up to eleven bedrooms, which could provide for anywhere from four affordable units (three 3-bedroom units and one 2-bedroom unit) to eleven 1-bedroom units or a combination thereof. The total number of bedrooms (eleven) current Title 5 requirements. The use of an innovative/alternative Title 5 unit could result in the creation of additional bedrooms and units.

In addition to these Town-owned parcels, the Town of Truro may decide to acquire privately owned sites over the next decade for the purposes of protecting open space and developing some amount of housing, including affordable housing, through cluster development on a portion of the sites. Some limited opportunities may also be available through the taking of tax-foreclosed properties for affordable housing.

It is also likely that at least some point in the future developers may pursue comprehensive permit applications or the standard regulatory process for affordable housing development, and it will be incumbent on the Town to determine the best approach for negotiating with these developers so that such development satisfies local needs and requirements. One of the strategies recommended in this Affordable Housing Plan is to prepare housing guidelines that establish acceptable local criteria for new housing development.

Additionally, the Town should become alert to opportunities for acquiring property that would be suitable for affordable housing. Ideally such properties would meet a number of smart growth principles such as:

- the redevelopment of existing structures;
- size large enough to accommodate clustered housing;

- good carrying capacity for water, septic systems or advanced treatment facilities;
- a buffer to adjacent properties, and
- locations along a major road and public transit route.

The Town might also work with other entities to pursue mixed uses whereby affordable housing would complement and support targeted commercial uses.

5. AFFORDABLE HOUSING PLANNED PRODUCTION GOALS

The Massachusetts Department of Housing and Community Development (DHCD) is administering the Planned Production Program in accordance with regulations that enable cities and towns to prepare and adopt an affordable housing plan that demonstrates production of an increase of .5% over one year or 1.0% over two years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.⁷ Truro will have to produce approximately nine affordable units annually to meet these goals through 2020. If DHCD certifies that the locality has complied with its annual goals, the Town may, through its Zoning Board of Appeals, deny comprehensive permit applications without opportunity for appeal by developers.

Using the strategies summarized under the Housing Action Plan, the Town of Truro has developed a Planned Production Program to chart affordable housing activity over the next decade (see Table 7 below). The projected goals are best guesses at this time, and there is likely to be a great deal of fluidity in these estimates from year to year. The goals are based largely on the following criteria:

- To the greatest extent possible, at least fifty percent (50%) of the units that are developed on Town-owned parcels should be affordable to households earning at or below 80% of area median income and at least another 10% affordable to those earning up to 150% of area median income, depending on project feasibility. The rental projects will also target some households earning at or below 60% of area median income and lower depending upon subsidy program requirements.
- Projections are based on no fewer than four (4) units per acre. However, given specific site conditions and financial feasibility it may be appropriate to decrease or increase density as long as projects are in compliance with state Title 5 and wetlands regulations.
- Because housing strategies include some development on privately owned parcels, production will involve projects sponsored by private developers through the standard regulatory process or possibly the “friendly” comprehensive permit process. The Town will continue to work with these private developers to fine-tune proposals to maximize their responsiveness to community interests and to increase affordability to 30% of total project units to the greatest extent feasible.
- The projections involve a mix of rental and ownership opportunities. The Town will work with private developers to promote a diversity of housing types directed to different populations with housing needs including families, seniors and other individuals with special needs to offer a wider range of housing options for residents.

⁷ Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

**TABLE 7
TRURO PLANNED PRODUCTION PROGRAM***

Strategies by Year	Units < 80% AMI	Units 80%-150% AMI	Total # units
Year 1 – 2013			
Sally’s Way (rental)	16		16
Habitat for Humanity	1		1
<i>Subtotal Year 1</i>	17		17
Year 2 – 2014			
AADU Bylaw		2	2
<i>Subtotal Year 2</i>		2	2
Year 3 - 2015			
AADU Bylaw		2	
Habitat for Humanity	1		
<i>Subtotal Year 3</i>	1	2	3
Year 4 - 2016			
Buy-down Program		2	2
Revised condo bylaw	3		3
AADU Bylaw		2	2
<i>Subtotal Year 4</i>	3	4	7
Year 5 - 2017			
Cluster Zoning Bylaw		5	5
30-unit regional project (w/ P’town and Wellfleet)	5	5	10
AADU Bylaw		2	2
Habitat for Humanity	1		1
<i>Subtotal Year 5</i>	6	12	18
5-Year Total	27	20	47

** Final determination of the use of existing Town-owned parcels for new affordable housing is subject to a more thorough feasibility analysis of site conditions and Town Meeting approval. If any of the preliminarily identified existing Town-owned properties are finally determined infeasible or do not obtain approval from Town Meeting, it is anticipated that the projected numbers of affordable units would be met through the acquisition of privately owned properties or private development.*

It is difficult to project which specific projects will involve ownership vs. rental for all units beyond Year 3, and these projections are therefore conservative with totals assuming

homeownership projects with at least 30% of the units affordable although a mix of rental and ownership is planned to meet local needs. The numbers would be higher in the case of rental projects with all units counting as part of the Subsidized Housing Inventory. Additionally, these estimates do not earmark particular projects as being directed to seniors, families, individuals or special needs populations. However, this Plan projects that all of these needs will be addressed through local development efforts during the next five years.

6. HOUSING ACTION PLAN

The strategies outlined below are based on previous plans, reports, studies, the Housing Needs Assessment, and the experience of other comparable localities in the area and throughout the Commonwealth. They are categorized into Two-Year Actions, Five-Year Actions, and Longer Term Actions for future consideration. Two-Year Actions are those that must begin immediately in order to be implemented within the next two years. Five-Year Actions will work toward initial implementation after Year Two and full implementation before Year Five. Longer Term Actions are not priorities at this time, but may be of considerable importance in the future, or may move up to a shorter time frame as conditions change.

1. Adopt an Inclusionary Zoning Bylaw

Current Status: Inclusionary zoning, not currently included in Truro's Zoning Bylaw, is a zoning provision that requires a developer to include affordable housing as part of a development or contribute to a fund for such housing. Most such bylaws include mandated percentages of units that must be affordable, typically 10% to 15%, and include density bonuses⁸. Some also allow development of affordable units off-site and/or cash in lieu of actual units.

Next Steps: The Truro Planning Board should explore models in other Massachusetts towns and prepare a zoning amendment that is best suited to support affordable housing in Truro. This amendment should be presented by the Planning Board to Town Meeting for adoption.

Timeframe: Two-Year Plan

Resources Required:

- Zoning consultant
- Possible funding from:
 - CPA funds
 - Cape Cod Commission Technical Assistance Program (TAP)
 - DHCD Priority Development Fund
 - EOEEA Smart Growth TA Program.

2. Create "Amnesty" Program for Accessory Apartments

⁸ Density bonuses allow increased densities beyond what is allowed under the Zoning Bylaw.

The current Zoning Bylaw allows accessory apartments through a special permit, however, only a few units have been permitted to date, none of them affordable. It is generally recognized that there may be a substantial number of accessory apartments scattered through town. It is conceivable that these illegal apartments could be made legal as affordable-only units through compliance with a checklist of minimum safety and health standards. The Town might consider opportunities for insuring that current illegal units are converted to legal use. For example, the Towns of Wellfleet, Watertown and Lexington established amnesty programs allowing a period of time for an owner of a nonconforming second dwelling unit to obtain a certificate of occupancy.

Accessory units are helpful in meeting a number of public policy objectives. They enable homeowners who may have financial pressures to capture additional income, without which their own homeownership would be jeopardized. They also provide appropriately sized units for growing numbers of smaller households, and are inexpensive ways of increasing the rental housing stock at lower cost than new construction and without loss of open space, significant impact on the surrounding neighborhood, and additional Town services. Finally, these units, often referred to as “in-law” apartments, have offered good opportunities for keeping extended families in closer contact. The state now allows accessory apartments to be counted toward a community’s 10% goal including accessory apartments constructed on or after July 1, 2002, pursuant to a local ordinance or bylaw, and “that is affordable to the occupant.”

Next Steps: In order to better promote new accessory units the Town should consider how it might improve its existing Zoning Bylaw. It will also be important to consult with DHCD on this program, as DHCD has been reviewing policies related to the fair marketing of affordable accessory apartments and may require that all tenants be selected from a list compiled through a lottery of applicants. In addition to reviewing existing language, changes might include:

- Allow accessory units as-of-right (not requiring any special regulatory approval) based on a codified list of minimum health and safety requirements specified in the bylaw;
- Extend use to detached structures or separate additions; and
- Extend availability to investor-owned properties.

Timeframe: Two-Year Plan

Resources Required: Time of the Planning Board to prepare the zoning amendment, possibly for Fall Town Meeting 2012, potentially with the support of a consultant. Additional time may be needed from the Assistant Town Administrator to prepare an implementation plan to insure the long-term affordability of new accessory apartments.

3. Amend Bylaw Regarding Conversion of Cottage or Cabin Colony, Motor Court, Motel or Hotel

Current Status: Truro’s Zoning Bylaw does not currently allow the year-round occupancy of converted cottage, cabin or hotel/motel units. This has largely been a result of community concerns about the appropriateness of these units for year-round use as they have typically

involved the conversion of small resort cottages or motel rooms, which are poorly insulated and not generally energy efficient. Concerns have also been raised about the market reaction to allowing year-round use that might spur steep price increases on existing units. Nevertheless, the converted units can provide an important affordable alternative to single-family homes, especially for changing lifestyles as a result of age and for changing demographics.

Next Steps: A separate forum should be convened to discuss how additional affordable housing could be created from the conversion of other non-residential structures without undue consequences. Even if the unit is deed restricted as affordable, any amendment to the current Zoning Bylaw to allow year-round occupancy must take into account appropriateness of location, appropriateness of use, livable space, energy concerns, environmental impacts, and other issues. For example, the Bylaw was originally conceived as such to avoid the possibility of too many school children. It is possible to tie a change in this bylaw to an annual growth rate restriction in order to properly manage the number of school children to stay within existing school capacity. Further exploration of all public concerns must be discussed before any concrete zoning changes are proposed to the Planning Board.

Timetable: Five-Year Plan

Resources Required: Town Planner should work with the Affordable Housing Authority to plan a forum or discussion on these issues.

4. Encourage Cluster Zoning

Current Status: Truro's Protective Bylaw currently does not include any provisions encouraging cluster development or the protection of open space that would promote more compact development patterns in line with smart growth principals. Additionally, unlike other communities, the Bylaw does not incorporate density bonuses as incentives for producing affordable units in new developments.

Next Steps: The Truro Housing Authority should explore what other communities are doing with respect to these more flexible zoning provisions and work with the Planning Board to prepare a zoning amendment to promote cluster development and open space protection with density bonuses for the inclusion of affordable units. For example, a model bylaw has been produced by the Metropolitan Area Planning Council, Massachusetts Audubon, and others in the Green Neighborhood Alliance, adopted by a number of Massachusetts's communities.

Timetable: Five-Year Plan

Resources Required: The Housing Authority should coordinate this effort with the Planning Board and other appropriate local officials in determining the feasibility of implementing this strategy in Truro, drafting the zoning amendment and coordinating the necessary approvals towards implementation. This strategy is also likely to require some technical support from a housing professional to provide information on what other communities have implemented in this regard and to help shape a strategy for Truro.

5. Allow Affordable Development on Nonconforming Lots

Current Status: There are parcels of vacant land that at this time cannot be developed because they do not meet the dimensional requirements of the Zoning Bylaw such as minimum lot size as well as front, rear and side yard requirements. Many of these parcels could be suitably developed as housing without violating the intended protections of the Bylaw, perhaps with variations on dimension and specialized wastewater systems. Smaller lots will also encourage the construction of smaller homes under appropriate guidelines to provide some housing options that are not currently being created by the private market.

Next Steps: The Truro Housing Authority might explore what other communities are doing with respect to these undersized lots and work with the Planning Board to prepare a zoning amendment to enable these lots to be developed based on specific criteria. One potential model is to adapt a bylaw that has been approved in Dennis to allow “affordable lots” that enables nonconforming lots to be built on by special permit if they meet the following conditions:

- Contains at least 10,000 square feet and satisfies other Board of Health requirements.
- Has safe and adequate access to a public or private way.
- Is similar in size and shape to surrounding lots.
- The dwelling cannot have more than three bedrooms with a minimum of 5,000 square feet of land needed per bedroom.
- The applicable front, rear and side yard requirements are determined by establishing an average setback based on the homes adjacent to and across the street from the lot in question.
- Where two lots are in common ownership, one of the two lots must be deed restricted to insure permanent affordability and where more than two lots are held in common ownership, the second, third and fifty percent of the remaining lots to be built upon shall be deed restricted as permanently affordable (the fourth lot may be market rate, fifth affordable, sixth market rate, etc.).

Timetable: Five-Year Plan

Resources Required: The Housing Authority should coordinate this effort with the Planning Board and other appropriate local officials in determining the feasibility of implementing this strategy in Truro, drafting the zoning amendment and coordinating the necessary approvals towards implementation. This strategy is also likely to require some professional support, possibly from the Assistant Town Administrator or a consultant.

6. Encourage Mixed-Use Development

Current Status: Truro’s Zoning Bylaw allows two-family dwellings and accessory apartments but does not have provisions for mixed-use development. There are bylaws that have been adopted in many other communities on how to integrate housing, including affordable housing, in town Centers and other commercial areas. It may also be useful to consider a bylaw that was

adopted in Dennis to establish greater flexibility on the part of the Town to approve affordable housing projects.

Next Steps: The Truro Housing Authority might explore adapting bylaws for promoting mixed-use development to Truro and work with the Assistant Town Administrator and Planning Board to propose a zoning amendment for Town Meeting approval.

Timetable: Five-Year Plan

Resources Required: The Housing Authority should coordinate this effort with the Planning Board and other appropriate local officials in determining the feasibility of implementing this strategy in Truro, drafting the zoning amendment(s) and coordinating the necessary approvals towards implementation. This strategy will require staff time from the Assistant Town Administrator.

7. Adopt Affordable Housing Guidelines

Current Status: “Affordable Housing Guidelines” should be considered by the Town of Truro as a helpful tool for promoting greater cooperation with private for profit and non-profit developers on affordable housing production. The Planning Board and Housing Authority should develop Affordable Housing Guidelines to provide direction to private developers and citizens regarding what will be acceptable to the Town. This will increase the predictability in what the Town is willing to approve, and may increase the number of “friendly” Chapter 40Bs.

A sample of Affordable Housing Guidelines that include possible factors for consideration and adaptation in Truro is included as Appendix 2. Also, other towns have established guidelines including the Town of Grafton.

Next Steps: The Truro Housing Authority, working in coordination with the Planning Board, should revise the sample Affordable Housing Guidelines as needed and share them with the Board of Selectmen, Conservation Commission, Board of Health, Zoning Board of Appeals and other interested boards and committees for their review and comment. The Guidelines can then be finalized and made public.

Timeframe: Five-Year Plan

Resources Required: The donated time of local officials and various town boards and committees and potentially the services of a consultant, funded through available state technical assistance funds, CPA or the Cape Cod’s Commission’s Technical Assistance Program (TAP).

8. Explore Possible Tax Policy Changes to Promote Affordable Housing

Current Status: In order to remain in their homes, lower income households may be willing to consider restricting the resale price of their homes through a deed rider for a period of time in exchange for an exemption from property taxes during that timeframe. This could include

offering existing lower income homeowners grant funds through the CPA in exchange for insuring the long-term affordability of their homes. These units could then be counted as part of the Town's Subsidized Housing Inventory through the state's Local Initiative Program (LIP), and existing owners would have greater financial means to remain in their homes. The Town would have to request state legislative approval to change its current tax policies that is likely to take considerable time to process.

Next Steps: There are two warrant articles that were approved at 2012 Annual Town Meeting to allow tax exemption for affordable rental units. Truro may also want to consider a strategy such as the one approved by Provincetown and Wellfleet, to offer a property tax exemption for affordable year-round housing units. An alternative strategy for future consideration would be to adopt a fee on the property transfer tax on buyers purchasing luxury homes over a certain purchase price to support affordable housing. This measure would also require state approval of a home rule petition.

Timeframe: Longer Term Action

Resources Required: Being developed.

9. Build Local Capacity through Continued Educational Campaign

Current Status: The Affordable Housing Plan is being revised. A forum will be held in order to evaluate the status and progress of the Plan and its implementation. This would be a good opportunity to establish an ongoing housing forum on an annual basis to monitor progress and pursue additional actions. These can include:

- Forums/meetings of the Truro Housing Authority
- Annual Housing Summits
- Newsletter/flyer distributed on an annual basis
- Section of Town website devoted to affordable housing, with easy input/comment from web visitors

In addition, the Town can do the following:

Promote Affordable Housing Organizations – Truro should consider the establishment of a Municipal Affordable Housing Trust Fund, a dedicated housing fund that offers communities greater ability to support the development of affordable housing. The Municipal Affordable Housing Trust Fund Act allows communities to collect funds for housing, segregate them out of the general budget into an affordable housing trust fund, and use these funds without going back to Town Meeting for approval. It also enables trusts to own and manage real estate, not just receive and disburse funds.

Next Steps: Outreach can continue to be directed to local officials and committees and then followed by more formal public efforts directed to the entire community through the local press, media and events. Additional community outreach to various local groups (e.g., churches,

PTA's, women's clubs, fraternal organizations, realtors, hospitality organizations, Council on Aging, etc.) can occur through speakers or information meetings, and a newsletter or some progress report can be prepared for general distribution. This work can be aided by the Highland Affordable Housing Committee.

Timetable: Two-Year Plan

Resources Required: The donated time of the Truro Housing Authority.

10. Continue to Make Suitable Public Land Available for Affordable Housing

Current Status: The Truro Housing Authority is in the process of developing an affordable housing development in tandem with private developers on the Town-owned Sally's Way parcel. The Town of Truro may decide that it will acquire privately owned sites over the next decade for the purposes of protecting open space and developing some amount of housing, including affordable housing, through cluster development on a portion of the sites – the so-called “affordable housing-land trust” model, which marries compact affordable housing with open space protection and land and environmental stewardship. There is, however, very little land available in Town.

Next Steps: The Housing Authority should conduct a preliminary feasibility analysis of existing Town-owned parcels, or on sites identified at a later time that might potentially include some amount of affordable housing. Highland Affordable Housing, Inc. could work cooperatively with the Truro Conservation Commission and local land trusts to establish potential sites for joint conservation and affordable housing.

In addition to existing Town-owned parcels, the Town might consider acquiring other privately owned properties over the next decade through a debt exclusion of Town tax revenues or by leveraging other financial resources.

Timetable: Ongoing

Resources Required: A professional expert should be hired to coordinate this effort, working with the Town's Chief Procurement Officer to prepare a Request for Proposals, coordinate the developer selection process and oversee development and construction, marketing and tenant/owner selection and occupancy. In addition to costs of coordinating development, resources will be required to help subsidize the development.

It is likely that a number of financial and technical resources will be required to produce affordable units in Truro.

11. Build Regional Cooperation/Organization

Current Status: It is likely that regional cooperation with the surrounding towns of Wellfleet and Provincetown will be a very important component to providing affordable housing in the outer Cape region. While finances and regulation inevitably require a local focus, the reality is that the towns of the outer Cape are a more appropriate economic focus in a highly mobile, 21st century world. Each of the three outer Cape towns is constrained by a different combination of issues, such as water supply, wastewater disposal, land availability and economic demand. In addition, people tend to travel for work; the actual location of affordable housing, and how it is provided, is a sub-regional issue demanding a comprehensive response from all three towns. Finally, the capacity for providing housing, given all of the constraints, is greatly enhanced through sub-regional cooperation.

Next Steps: Re-establish the Outer Cape Affordable Housing Roundtable. This would continue very important work that was put on hold when the Roundtable stopped meeting. The Roundtable could address issues such as:

- Sub-regional cooperation/sharing of affordable housing production, each contributing to the Towns' affordable housing numbers
- Sharing of costs
- Establishment of a regional funding pool
- Determination of additional support actions needed at the state level to account for regional cooperation

Timetable: Two-Year Plan

Resources Required: Work of Town planners and administrators to pull together first meeting and re-establish the Roundtable.

12. Continue to Convert Existing Housing Units to Affordability

Current Status: Because Truro has a limited supply of affordable housing that is eligible for inclusion in the state-defined Subsidized Housing Inventory, currently ten units, the Town should continue to explore a range of options for creating new affordable units and should not overlook the potential of working with for profit, non-profit and local residents on strategies to not only preserve the affordability of the existing housing stock but to, when possible, convert existing market units to state-defined "affordable" ones.

This strategy, however, is particularly challenging in Truro because of the very limited supply of multi-family rental properties and no year-round condominiums that are typically the most feasible targets for "buy-down" initiatives aimed at purchasing, improving, subsidizing and reselling or leasing units in accordance with Chapter 40B requirements (see Housing Action #3).

Next Steps: The Housing Authority should look for additional opportunities to acquire property or work with other sponsors to convert existing unsubsidized units into new affordable housing. Using Community Preservation Funds, Affordable Housing Trust Funds, or funding from other resources, such as the state or Cape Cod Commission, a project sponsor could purchase units on the market, make the necessary repairs, and create either ownership or rental units. This should

also include the adaptive reuse of underutilized, nonresidential properties that might be purchased, rehabilitated and converted to residential use and some level of housing affordability and then attract interested for profit or non-profit developers to undertake development.

Timeframe: Five-Year Plan

Resources Required: Some professional staff time, most likely from the Assistant Town Administrator or a consultant, to work with the Housing Authority to develop projects including support for securing subsidy funds.

13. Preserve all affordable housing that has been or will be created

Current Status: Affordable housing production is critical, but the Town also needs to be concerned that it does not lose current as well as future units counted as part of its Subsidized Housing Inventory and provides resources to support the deferred home maintenance needs of seniors. Truro's existing Subsidized Housing Inventory includes a Habitat for Humanity house that has a deed restriction that protects the affordability of the home in perpetuity. Unfortunately, several homes that had time-limited deed restrictions that expired have reverted to market units and have been sold. Expiration dates for the remaining homes range from present to November 2019. Two deed restrictions will expire in 2016, one in 2017, two in 2019. It is essential that action be taken to extend these restrictions.

Next Steps: The Housing Authority should closely monitor developments with affordable units, and the Town should intervene if necessary and feasible to maintain the units as affordable through the courts or through purchase and refinancing if necessary.

Timeframe: Two-Year Plan and ongoing.

Resources Required: Donated time of members of the Housing Authority.

14. Establish an Affordable Housing Buy-Down Program

Current Status: There is no buy-down program in Truro, although the idea is innovative and potentially cost effective. This program would provide grants to people who become qualified as buyers. The buyers must take a homebuyer's certification course. They are then given \$125,000 from Community Preservation Act funds to buy a house on the open market. The bank then finances the rest as a mortgage to the buyers, and the home becomes permanently deed-restricted. Both Wellfleet and Harwich have this program.

Next Steps: The Town should explore how to structure this program for Truro based on expected housing costs over the next several years and the expected success of the program.

Timeframe: Five-Year Plan

Resources Required: Research into program design and success in other communities.

15. Change the current Affordable Housing Trust to one that is more consistent with current Massachusetts law.

Current Status: The Massachusetts Affordable Housing Trust Fund Act of 2005 (MGL 44, Sect. 55C) would allow greater flexibility and faster response in acting on affordable housing opportunities. Truro's existing Affordable Housing Trust allows the Selectmen (who are the trustees) to acquire property; however, any property acquisition requires Town meeting approval. Under 55C, the Trustees would have the ability to acquire property without Town Meeting approval, which means that the Trust could respond to market opportunities without having to worry about the timing and other constraints of Town Meeting.

Next Steps: Review options and draft an amendment to the Affordable Housing Trust enabling legislation.

Timeframe: Five-Year Plan

Resources Required: Research and revised language drafted by Assistant Town Administrator; review by the Board of Selectmen.

16. Help Qualifying Homeowners Access Housing Assistance

Current Status: Some Town residents, including seniors living on fixed incomes, are finding it increasingly difficult to afford the costs associated with rising taxes, energy costs, insurance and home improvements. Additionally, some seniors and those with special needs require handicapped adaptations and repairs to help them remain in their homes. Truro residents might also benefit from technical and financial support in the case of septic failures and Title 5 compliance issues.

There are a number of programs available for home repair, upgrading and de-leading. For example, the Housing Assistance Corporation administers several programs including:

- *Home Modification Loan Program* – Offers financial assistance to persons seeking to make modifications to their home to improve accessibility for the physically disabled.
- *Weatherization* – A federally-funded program to help qualifying property owners make energy-efficient home improvements. Most households that receive fuel assistance also qualify for this program.
- *Heartwrap* – An emergency repair program for households receiving fuel assistance that require the repair or replacement of their heating system.
- *Cape Light Compact Efficiency Program* – Offers energy-saving devices (i.e., light bulbs, water conservation and other devices) and technical assistance to qualifying tenants and homeowners on how to save on their electrical bills. Some participants can also qualify for a free refrigerator, freezer.

Next Steps: Through a community educational campaign, important information on housing improvement resources could be disseminated to real estate professionals, local organizations and community residents. The Town, through its Council on Aging and Housing Authority should provide the necessary education and referrals to programs sponsored by the Housing Assistance Corporation and MassHousing for example, which provide low-cost financing for repair needs including de-leading, septic systems, weatherization and other home improvements.

Timeframe: Two-Year Plan

Resources Required: Donated time of volunteers or some limited staff time from appropriate Town employees.

APPENDIX 1
SUMMARY OF PAST PUBLIC FORUMS

The Affordable Housing Plan was finalized in February 2007 and approved by the state in April 2007. The Housing Authority held its first public forum on July 17, 2006, to explain the purpose of the planning effort, to present the results of its draft Housing Needs Assessment, and to obtain input from local residents on their housing concerns, obstacles to the development of workforce housing, and actions that the Town should consider to promote affordable housing. Approximately 40 residents attended the forum.

As part of the update of this Plan, a second public forum will be held in the fall of 2012. The results of the forum will be included in this document. It is anticipated that in July 2012, the Plan will be presented to the Planning Board and the Board of Selectmen for their review. These results will also be included in the final plan.

APPENDIX 2: SAMPLE AFFORDABLE HOUSING DEVELOPMENT GUIDELINES

For Consideration and Possible Adaptation to Truro

These Affordable Housing Guidelines include a number of factors that might be considered and possibly adapted to Truro in an effort to articulate project characteristics that are likely to be welcomed by the Town for further discussion and negotiation on affordable housing developments.

Affordability

The Housing Needs Assessment that is part of this Affordable Housing Plan indicates housing needs across the full range of incomes including families, seniors and others with special needs. Even households earning at the median income level are priced out of Truro's private housing market. While the actions in the Housing Plan focus housing production on households with incomes at or below 80% of area median income, the Plan also takes into consideration mixed-income developments for a number of reasons. First they minimize the stigma that can be identified with a housing development that is exclusively limited to low- and moderate-income units. Second, they allow for the creation of internal subsidies⁹ that cover at least some of the costs associated with producing the affordable units such that the market units cross subsidize the affordable ones. Third, they promote the creation of units that are targeted to those households earning above 80% of area median income but within the state's definition of middle-income, up to 150% of area median income, many of whom are also priced out of Truro's housing market. Consequently, Housing Guidelines incorporate different income tiers to better serve the diverse needs of the community.

Town-Owned Property

Homeownership Developments

At least 50% of the units should be affordable to those earning at or below 80% of area median income with sales prices calculated for those earning no more than 70% of median to offer a sufficient "marketing window" for first-time homebuyers. At least 10% of the units should be directed towards households earning between 80% and 150% of median income to cover the needs of moderate- and middle-income households who are priced out of the current housing market.

Rental Developments

At least 50% of the units should be affordable to those earning at or below 80% of area median income with many of these units targeted to those earning less than 60% of median income, with even affordability reaching down to those with incomes of 50% or 30% of the area median to reach very low-income households when feasible. Another 10% of the units should be directed to those earning between 80% and 150% of area median income to address housing needs of

⁹ Internal subsidies are possible when the prices of the market units are sufficient to cover the costs associated with constructing the affordable units where purchase prices are lower than unit costs.

those moderate- and middle-income households who are priced out of the current housing market.

Privately Owned Property

Homeownership Developments

Promote the inclusion of at least 30% of the units reserved for those earning at or below 80% of area median income and at least another 10% to those earning above 80% of median income but at or below 150% of area median income to address a range of housing needs.

Rental Developments

Promote mixed-income communities for rental projects and whenever feasible, with the inclusion of subsidy funds, increase the level of affordable rental units to at least 30% of total housing units targeted to those earning at or below 80% of area median income. Projects that set-aside units for low-income households earning less than 60% of area median income or more moderate- and middle-income households earning up to 150% of area median income will receive priority consideration.

Unit Mix

Based on a distribution of needs by seniors, starter households, families, and special needs populations, developments shall strive for an overall equal distribution of one, two and three bedroom units with the inclusion of some four-bedroom units in family developments. Truro needs both new affordable homeownership and rental opportunities for its seniors and families.

Elderly Housing: Mix of one and two-bedroom units, of which 10% shall be barrier free and accessible for the wheelchair bound.

Family Housing: Mix of two and three-bedroom units with at least 5% of units including 4-bedroom apartments.

Special Needs Housing: Mix of efficiencies and one-bedroom units with allowance of shared living facilities such as congregate units and group homes.

Design Criteria

Affordable units should be designed to be harmonious in appearance, construction, and quality of materials with the other units in the development and with the surrounding area. It is important that new development contribute to the historic, small town character of Truro. Affordable units should be integrated and dispersed throughout the development and subsidized and market rate units should not be distinguishable from the exterior. Appropriate recreational facilities should

be provided, pedestrian access and bike path required, and vegetation buffers required for projects of more than 30 units.

Location

The Housing Plan emphasizes the distribution of affordable housing throughout the town of Truro in an attempt to avoid unnecessarily high impacts from new development in any one area. Another objective is to look for affordable housing opportunities that will minimize impacts on the built or natural environment such as the refinancing and redevelopment of existing housing, the creation of accessory apartments, or the redevelopment of those areas of town most accessible to transportation, goods and services such as the Town Center and other commercial areas.

Size and Density

The density of a particular development should relate to its location in the community whether it is in a residential zoning district, a business district or in an area that is relatively removed from an existing neighborhood. In all residential areas the total number of proposed dwelling units within the development should not exceed four units per acre to comply with these guidelines and in all other districts the number of proposed dwelling units within the development should not exceed eight units per acre unless there are compelling reasons to increase densities for project feasibility. Additionally, structures may be built up to three stories in all zoning districts. These guidelines encourage the use of triplexes and quadruplexes and discourage structures with more than six units per building.

Open Space and Landscaping

The project should incorporate open space of at least 25% of the parcel, and to the greatest extent possible based on the size of the parcel, this open space should be set aside as common land and maintained by a homeowners association or the owner of the property. All projects must also include proper landscaping such as grass, trees and shrubs, insuring the same number and quality of items for all units in the development, including the affordable units. Cluster development is encouraged for larger projects of more than five units.

Parking

Each dwelling unit in a development targeted to seniors must include one parking space and in developments targeted to families, two parking spaces must be provided.

Environmental Concerns

Avoid targeting development projects to areas that are ecologically sensitive and will degrade nearby conservation land. Developers should also be prepared to support plans for addressing water and septic services and address the impact of the traffic created by the development.

Marketing

The Housing Authority or regional non-profit organization could assume the responsibility of marketing affordable units in any proposed development including managing the lotteries.

Affordability Restrictions

Deed riders or affordable rental restrictions should assure continued affordability in perpetuity to the greatest extent possible. The resale prices included in homeownership projects should be indexed to HUD's area median income or other reasonable index as opposed to market value to better assure this affordability over the long-term. In regard to monitoring and enforcing the affordability restrictions on homeownership projects, DHCD is now serving as monitoring agent on all Local Initiative Program project and Citizens Housing and Planning Association (CHAPA) could assume responsibility for all other. The regional non-profit organization or another entity would be identified as monitoring agent for rental developments.

Management

The professional management of new rental housing is critical to the future viability of the development, and the management entity must have a proven track record and be approved by the Town of Truro through its Housing Authority.

**APPENDIX 3:
List of Affordable Housing Resources**

Below is a list of affordable housing regulations and resources that can be used to assist towns in the development of affordable housing. They are:

I. SUMMARY OF HOUSING REGULATIONS

- A. Chapter 40B Comprehensive Permit Regulations
- B. Planned Production Regulations
- C. Commonwealth Capital
- D. Local Initiative Program (LIP) Guidelines

II. SUMMARY OF HOUSING RESOURCES

- A. Technical Assistance
 - ⤴ Peer to Peer Technical Assistance
 - ⤴ MHP Chapter 40B Technical Assistance Program
 - ⤴ Smart Growth Technical Assistance Grants
 - ⤴ Cape Cod Commission's Technical Assistance Program (TAP)

B. Housing Development

HOME Program
Community Development Block Grant Program (CDBG)
Housing Stabilization Fund (HSF)
Low Income Housing Tax Credit Program
Affordable Housing Trust Fund
Housing Innovations Fund (HIF)
Massachusetts Housing Investment Corporation
The Life Initiative
Federal Home Loan Bank Board's Affordable Housing Program (AHP)
MHP Permanent Rental Financing Program
Section 8 Rental Assistance
Massachusetts Preservation Projects Fund
District Improvement Financing Program (DIF)
Private Tax Credit Investors

C. Homebuyer Financing and Counseling

- ⤴ Soft Second Loan Program
- ⤴ American Dream Downpayment Assistance Program
- ⤴ First Time Homebuyer Program through Housing Assistance Corporation or the Cape CDP.

D. Home Improvement Financing

- CDBG Housing Rehab Program
- HAC Weatherization Program (see below)
- MassHousing Home Improvement Loan Program (HLP)
- Get the Lead Out Program
- Barnstable County Septic Repair Program
- USDA rural development program (see below)
- SMOC (see below)

SMOC: The South Middlesex Opportunity Council provides repairs and home modifications for residents with disabilities. SMOC can install a handicap ramp, modify bathrooms, adapt existing space or add a bedroom onto the first floor of your home. The SMOC program is a loan that is paid back upon sale of the house with very lenient income guidelines. For more details contact Mary Ann Walsh at 508-202-5919.

USDA: The USDA Rural Development Office in West Wareham has loan funds for home repairs. The 504 Direct Loan Funds have a 1% interest rate and can be paid back over 20 years. Senior Citizens are also eligible for grants. Contact Ticia Weare at 508-295-5151 ext 138 for additional information.

HAC: Housing Assistance Corporation in Hyannis has federal funds for weatherization. Residents who are eligible for fuel assistance are eligible for their program. The weatherization program will make significant repairs to your home including insulation, new furnaces, windows, etc. Contact Ruth Bechtold at 508-790-7106 ext. 2

In addition, in June 2012 Truro received a CDBG Grant for FY 2012 for Housing Rehabilitation and Child Care Subsidies. This will provide rehabilitation for 25 homes in the three-town region.