

# Affordable Housing



*Finlay Road Affordable Housing Project*

# 10. Affordable Housing

## 10.1 Overview

Affordable housing is defined by the Cape Cod Commission as dwelling units that cost no more than 30% of the gross income of households that are at or below 80% of the county median income. The Commonwealth, however, requires that housing be subsidized in some manner or restricted in price by deed in order to be considered “affordable.” The analysis and conclusions of this chapter are predicated on providing the level of affordable housing that is required by the Commonwealth.

In Orleans, affordable housing is a long-term problem with no simple or quick solution. No opportunity, public or private, should be overlooked in an effort to move forward. Success will be measured in the sum of many small steps and initiatives.

While Orleans shares many county-wide housing problems, conditions for the development of affordable housing are, in many respects, more difficult in Orleans than in other towns. Housing and land costs are high and year-round rental opportunities are limited and expensive. For this reason the importance of Town initiatives and active support on every level cannot be overemphasized. The Town has demonstrated a commitment to increase the stock of permanently affordable rental opportunities as well as opportunities for first time home-buyers.

## 10.2 Goals & Policies

### Goal

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To promote the provision of fair, decent, safe, affordable housing for rental or purchase that meets the needs of present and future Orleans' residents. The Town will seek to raise its affordable housing stock to 10% of all year round units by 2020.

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### Policies

- Affordable housing should be encouraged in all areas including areas of mixed-use residential and business development, but not in industrial areas.
- Residential construction and redevelopment of 10 units or more should provide at least 10% of the proposed units as affordable units, under a program of qualification administered by the Orleans Housing Authority.
- Affordable housing units should remain affordable long-term through the use of deed restrictions or rental restrictions.

- Affordable housing units should be compatible with respect to design, appearance, construction, and quality of materials with other structures in the area.
- Housing contributions should be placed in the Affordable Housing Trust Fund, to be used to further affordable housing initiatives as recommended by the Joint Committee on Affordable Housing.

## Goal

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To promote equal opportunity in housing, both ownership and rental, and give special consideration to meeting the housing needs of the most vulnerable segments of Orleans' population including, but not limited to: very low income (50% of median income), low income (51%-80% of median income), single parent heads of households, elderly, minorities, the homeless, disabled, and others with special needs.

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## Policies

The Town should actively participate in regional affordable housing strategies, funding opportunities, and initiatives

- The Town should consider other options for affordable housing alternatives adhering to the needs of displaced residents and seasonal employees.
- In all of its actions the Town shall work to prevent discrimination in housing because of race, color, creed, religion, sex, national origin, primary language, age, political affiliation, disability, sexual orientation or any other consideration prohibited by law, and shall not knowingly approve any development that so discriminates.

## Goal

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To utilize seek out, provide support and encourage the development of innovative strategies designed to address the housing needs of Orleans' residents, with particular attention to the needs of low and moderate income renters.

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## Policies

- Reuse of existing structures as a means for creating affordable housing should be encouraged.
- The Town should monitor changes in the special needs population and provide additional programs and facilities as necessary.

## Goal

## 10.3 Inventory

The following inventory and analysis describes the condition, type, and affordability of Orleans' housing stock with respect to income, age, and household relationship. The inventory includes: (1) the location of housing types; (2) opportunities for conversion of existing structures to affordable housing units; and, (3) housing facilities that meet the needs of special segments of the population. Also included is an inventory of housing organizations both on the Cape and within Orleans with the ability to develop or manage affordable housing units.

Affordable Housing Units are those which may be purchased or rented by those who meet the guidelines for maximum annual income for a low-income or moderate-income family or household, and whose expenditure for housing costs does not exceed 30% of the gross annual income of an owner and 30% of the gross annual income of a renter in the previous calendar year. Based on October, 2004 data the a family of four (4) making less than \$49,450.00 annually qualifies for affordable housing units in Orleans are:

The following series of tables provide information on housing in Orleans. The source of the data is the 2000 U.S. Census. The U.S. Census is conducted every 10 years and is the most complete, and in some cases the only, source of data for certain statistics. For example, income data is only available through the Census report. However, data on the median sales price of a home is currently available. In illustrating the difference between housing cost and the ability to afford a home, based on income, the income figures cannot be compared to recent housing data. Therefore, 2000 Census data is used as the basis for information because it is consistent, reliable and is the most commonly used source of data for comprehensive planning purposes.

Table 10 - A: 2000 Year Round and Seasonal Housing in Orleans

Type of Housing Stock	Number of Units	% of Total Units
Year round housing	3,106	60.8%
<i>Owner occupied</i>	2,329	75%
<i>Renter occupied</i>	745	24%
Seasonal Housing	2,002	39.2%
Total Housing Units:	5,108	100%

Source: 2000 US Census Data

The table below presents information on the number and type of housing units in Orleans.

Table 10 - B: 2000 Housing Units

<b>Total housing units</b>	<b>5,108</b>	<b>100.0 %</b>
<b>UNITS IN STRUCTURE</b>		
1-unit, detached - (Single Family Home)	4,167	81.6 %
1-unit, attached	141	2.8 %
2 units	176	3.4 %
3 or 4 units	153	3.0 %
5 to 9 units	62	1.2 %
10 to 19 units	134	2.6 %
20 or more units	270	5.3 %
Mobile home	5	0.1 %
Boat, RV, van, etc.	0	0.0 %

*Source: 2000 US Census Data*

The table below inventories the type and number of subsidized housing units in 2004.

Table 10 - C: 2004 Affordable Unit Type and Number

1. Tonset Woods	100 one bedroom units	Restricted to elderly or disabled
2. Rock Harbor Village	80 one bedroom units 20 two bedroom units	Restricted to elderly or disabled
3. 181 Main Street	8 one bedroom units	Restricted to elderly or disabled
4. 53 Meetinghouse Rd	2 four bedroom units	Restricted to elderly or disabled
5. Canal House	8 one bedroom units	Restricted to substance abuse patients only
6. 3 Tonset Rd	1 staffed residence	Restricted to mentally disabled
7. Opa's Way	12 single family homes	Restricted to families who earn 60% to 80% of the median family income
8. Windmill Plaza	4 one bedroom units	Restricted to families who earn 60% to 80% of the median family income
9. Habitat for Humanity -Rt 28	2 single family homes	Restricted to families who earn 60% to 80% of the median family income
10. John Avellar Cir.	10 units	Restricted to families who earn 60% to 80% of the median family income
11. Finlay Road	3 Units	Restricted to families who earn 60% to 80% of the median family income
12 Wise Living	11 Units	Restricted to elderly who earn 60% to 80% of the median family income

Source: Orleans Housing Task Force, 2004

The Commonwealth defines affordable housing differently than the Cape Cod Commission. According to the Commonwealth housing may be considered “affordable” if it: (1) has a subsidized mortgage; (2) has a rental subsidy such as Section 8; or (3) is restricted in price by a long-term deed restriction. This means that low cost housing that does not meet the criteria of the Commonwealth does not count toward the 10% goal.

## Orleans Current Position

Even though Orleans is challenged by affordable housing issues, the Town has the highest percentage of affordable housing units in the county. According to the State Department of Housing and Community Development, 8.5% of the Town's housing stock is considered to be affordable. What this statistic does not reveal, however, is the very small percentage of affordable housing stock available to families within this 8.5%. Two hundred and nineteen units of affordable rentals are restricted to the elderly and persons with disabilities. For families, there were only 14 permanently affordable rentals in Orleans. The following statistics show that Orleans is again making progress towards achieving a 10% goal.

In 1980, 8.8% of Orleans housing stock was subsidized. This dropped to 8.1% by 1997. A total of 915 housing units were constructed between 1980 and 1990, only 11 of which were developed as affordable, thus lowering the percentage of affordable housing stock. In 2004, the amount of subsidized housing stock is back up to 8.5%. New housing production in Orleans has stabilized at around 45 units a year and since 1990 the Town has added 31 units of affordable housing. It is important to note that the percentage will decrease if market rate units are developed at a faster rate than affordable units. With every new home constructed, the Town falls further behind in achieving the goal if there are not affordable homes built to keep pace. In 2004, the median single family home sale price was \$638,000. At market prices like these the affordability gap grows even larger and affordable housing development becomes more and more difficult.

Based on the projected number of housing units at buildout, there will need to be 467 affordable housing units in order to reach the 10% goal set by the Commonwealth. Since there are 250 existing affordable units, there will need to be an additional 217 units. Table 10 - D shows the calculation of these figures.

Table 10 - E: Future Affordable Housing Units Required to Meet 10% Goal

Current Total Housing Units (2000 US Census)	5,108
Current Total Occupied Year-round (60.8%) (2000 US)	3,106
Additional New Units at Build-out* (Year-round - 60.8%)	1,562
Total Year-round units at Buildout*	4,668
Total Affordable Units Required (10%)	467
Total Current Affordable Units	250
Total New Affordable Units Needed	217

Source: Current units based on 2000 U.S. Census;

\*Buildout projections in the Land Use Chapter were based on the 40 yr outlook and 2003 Assessors data.

This can be achieved through a variety of approaches including, but not limited to: (1) conversion of existing housing stock, (2) development of new private or public affordable units, (3) passage of inclusionary zoning requirements that would require a certain percentage of affordable units be constructed as part of all new developments over a certain size.

If no new affordable housing is developed by buildout, the percentage of affordable housing stock would fall to approximately 5%.

There are other issues which work against the achievement of the 10% goal. They include the following:

1. *Shortage and high price of rental housing* - The lower price rental market has long been difficult in Orleans, which has produced few standard rental units over the years. In the summer of 1999, rental vacancies were so scarce that a tenant losing a rental stood a good chance of not finding a replacement, even becoming homeless, accelerating the trend of Orleans toward a more homogeneous population of middle and upper income people.
2. *Inability to purchase housing* - Low and moderate income families find it difficult to save enough money to afford the 5%-10% down payment on a home. While some could afford the mortgage payments, saving the \$ 15,000 - 20,000 down payment prevents many people who could pay for a home from buying one.
3. *Housing for People with Special Needs* - Orleans has a number of residents with special needs. Some have benefited by the construction of specially designed environments such as Canal House for people recovering from substance abuse. However, other special needs are not being met. There is a need for temporary shelter for the homeless and for assisted living for the elderly. Although there is still unmet need, historically the Town has had significantly more success with the development of housing for elderly or people with special needs than it has with producing family housing.



4. *Scarcity of rental units* - The lack of low rent or market rate units is now recognized by housing advocates as an acute problem throughout the Cape. Many homes that had long been utilized for lower priced year-round rentals have changed hands. They are commonly purchased and used as second homes or for year round use by retired people.
5. *Emergency Housing* - There is a need for a program to meet the needs of residents who find themselves in a desperate housing situation. Though regional agencies exist, their resources are limited and they are not always able to adequately serve the population.

Generally, Orleans shares the same housing problems as the rest of the Cape. However, more solutions are available to those few municipalities that have sewers. Also, sales and rental prices tend to be lower in most other Lower Cape towns.

Affordable rentals are a key to a healthy housing situation. Most young adults begin living independently in a rental apartment; few buy a home immediately. If affordable rentals are not available in the Town, local people will be forced to seek housing elsewhere. A goal of this plan is to foster population diversity. This can only be accomplished by having a diverse stock of housing opportunities, so that people of all ages and social strata have an opportunity to find local housing that is within their financial means.

### 10.3.1 Condition of Existing Housing Stock

There are no distinct sections of town or neighborhoods that have problems with the housing stock. There are a few exceptions, but for the most part, the condition of the Town's housing stock is rated as good to very good.

The Town periodically examines low-priced land parcels suitable for new construction of affordable units. Due to the recent increases in the land prices and the scarcity of available land parcels are not available or attainable. Also frequently examined are low-priced existing units suitable for rehabilitation. Because this the Town has determined this is a preferred means of creating affordable units, the Town should: (1) have a mechanism for quickly uncovering and disclosing to its housing agencies distressed, foreclosed, or tax-taken properties; and, (2) be prepared to actively avail itself of funding through private, regional, or government initiatives, and become a partner when possible, in such regional efforts. Habitat for Humanity and the Lower Cape Community Development Corporation continue to work on this issue.

### 10.3.2 Inventory of Housing for People with Special Needs

Within Orleans there are a number of housing developments established to serve the needs of specific sectors of the population. Below is a description of each type of development.

- *Tonset Woods*: Located at 94 Hopkins Lane, Tonset Woods provides 100 1-bedroom apartments for elderly and disabled residents. It is operated by the Orleans Housing

Authority, and subsidized as needed by the state to ensure that residents pay no more than 30% of their income for housing.

- *Rock Harbor Village:* This apartment complex is located on Main Street near the village center. It provides 80 single bedroom and 20 two bedroom apartments for elderly and disabled residents. The units are supported by Section 8 through MHFA.
- *181 Main Street, and 53 Meetinghouse Road:* Orleans has two group homes for adults with mental disabilities. A house at 181 Main Street is home to 8 adults. A duplex at 53 Meetinghouse Road has two four-bedroom apartments. Both are funded by Chapter 689 through MHFA. Both were developed with state funds by the Orleans Housing Authority.
- *Canal House:* Located at 71 Canal Road, this facility provides housing for people with substance abuse problems. It has 8 single occupancy units, is owned by Lower Cape Community Development Corporation, and is subsidized by the Orleans Housing Authority through the federal Section 8 rehabilitation program, as well as state and county HOME funds.
- *3 Tonset Road. Emmaus House* – A staffed residence for people with mental disabilities owned by the Federated Church of Orleans and subsidized by the Orleans Housing Authority.

### 10.3.3 Organizations that Develop or Manage Affordable Housing

#### Orleans Housing Authority

The Orleans Housing Authority is an elected public agency created by vote of Town Meeting in 1969 in accordance with Massachusetts General Laws. It has developed and managed rental housing since 1972 and has the capacity to develop and manage additional affordable housing, given proper provision for funding of staff assigned, or consultants needed. Funding sources often specify whether housing authorities are eligible applicants for grants. The Housing Authority is staffed by two management and two maintenance personnel.

#### Orleans Housing Task Force

The Orleans Housing Task Force is a volunteer Town Committee charged with the creation of affordable housing particularly for low and moderate income families. With no administrative staff or budget, it relies on either funding for consultants or working in partnership with other established organizations in its role as a developer. It does not have management capacity.

#### Affordable Housing Bylaw-Joint Committee on Affordable Housing

In May of 2000, the Town adopted an affordable Housing Bylaw to further advance the development of affordable units in Orleans. The purpose of this Bylaw is to define a coherent

set of policies and objectives for the development of affordable housing in compliance with state law and regional programs. This bylaw is also intended to assure that an appropriate share of the remaining undeveloped land in the Town is used to meet the Town's critical need for affordable housing. The Bylaw also directs how funds will be managed and administered from the Town Affordable Housing Trust Fund; a fund set up to foster the development of affordable units in Town. Expenditures are allocated by a joint committee made up of the Housing Task Force and the Orleans Housing Authority.

### Lower Cape Community Development Corporation (CDC)

The Lower Cape Community Development Corporation is located in North Eastham. It is a regional, nonprofit housing and economic development agency serving the eight Lower Cape towns. It is steadily developing its capacity to develop and administer affordable housing. It can work in a partnership or cooperative role with the Town, the Orleans Housing Authority or other local groups working on projects compatible with the CDC's identified goals.

### Housing Assistance Corporation (HAC)

The Housing Assistance Corporation is a regional nonprofit housing agency located in Hyannis that has the capacity to manage rental and home ownership programs. HAC is also often a willing partner or consultant on efforts compatible with its established goals.

### Habitat for Humanity

Habitat for Humanity has built affordable homes in many Cape Cod towns using volunteer labor and donated materials to offset the high cost of housing. They also rehabilitate homes and adapt them for residents with special needs.

### Interfaith Council for the Homeless

A private charity that deals with housing problems, and the crises of homelessness.

### Cape Cod Commission

The Commission helps secure funding, provides technical assistance, serves as an information clearinghouse, and leads innovative efforts for affordable housing. This is a significant source of funds for affordable housing programs.

### National and State Response to the Need for Affordable Housing

Historically there have been both federal and state responses to the need for affordable housing. In 1949, the Federal Housing Act was passed. The primary purpose of the Act was to "expand home ownership and rental housing opportunities for people not adequately served by the private mortgage markets." Title VIII of the Civil Rights Act outlawed discrimination in housing based on race, ethnicity, color, sex, or religion. This protection was expanded to the developmentally and physically disabled by the Federal Fair Housing Amendments Act of 1988.

In 1969 the Massachusetts legislature passed Chapter 774, also known as the “anti-snob zoning act.” This law established a goal of making 10% of all housing units in a community affordable for low and moderate income families. Chapter 774 also includes incentives and disincentives for the cities and towns to work toward compliance with the 10% goal. Under Chapter 774 a developer can submit a comprehensive permit application, also known as a Chapter 40B application, for an affordable housing development which does not have to comply with any local zoning requirements. This application is acted upon by the local Zoning Board of Appeals (ZBA) and the action of the ZBA is on a single “comprehensive permit” from all land use boards. The problem of a comprehensive permit is that it does not have to comply with local zoning requirements. Chapter 40B, the comprehensive permit process, is intended to provide motivation for communities to work toward compliance with the 10% affordable housing goal. Also, its purpose is to streamline the permitting process for affordable homes, and to allow higher density regardless of local zoning laws.

## 10.4 Analysis

### 10.4.1 Public Preferences

In 1996, voters agreed to purchase land as recommended by the Housing Task Force to be used to develop homes for first-time buyers. In 1997, a 12-unit subdivision was approved, and in 1998, Town Meeting created an overlay district to allow affordable homes to be built on the land. In 1998, the Board of Appeals allowed a variance so that a single-family derelict house could be converted to a two-family year-round rental that could provide affordable housing. In 2004 the Town gifted a 1.4 acre parcel to a private developer who, in turn, developed a 3 unit condominium building under chapter 40B for affordable candidates.

#### Open House/Workshop

In March of 1996, an open house/workshop concerning affordable housing was held. The comments that were received were supportive of the concept of affordable housing. Attendees of the workshop did have some concerns about how affordable housing plans were developed and how they would be financed.

Several ideas were presented at the workshop regarding how land and money could be attained for affordable housing. Among the ideas were using land that defaults on taxes; encouraging potential land donors to allow for mixed use, including housing where appropriate (in lieu of “conservation only” restrictions); purchasing land outright; and developing a revolving account to help with this goal.

Other issues discussed included a concern for maintaining affordability of existing affordable housing, and educating the public about loan and grant programs that are available to help create affordable housing.

## Housing Summit

In October of 2002, the Town held an Affordable Housing Summit run by a professional facilitator to discuss the past and future of affordable housing in town. The goal of the summit was to focus on priorities for affordable and other housing issues in the Town. The consensus of those in attendance was that several strategies to boosting the affordable housing stock should be looked at. Purchasing condominiums for affordable housing, developing apartments over business in the downtown, and providing tax incentives and reverse mortgages were just some of the ideas discussed. Also reviewed were some of the hurdles that the community may face when trying to develop affordable housing. Increased density, appearance, income levels, cost, and stigmas were just some of the many issues discussed. Information at the end of the summit was presented to the Orleans Board of Selectman and overall, is still being used today.

### 10.4.2 Affordability of Housing

There are several factors that have prevented people from being able to afford housing by purchase or rental in Orleans:

- The high cost of land;
- The seasonal nature of the economy with many low-income service industry jobs and no winter income for some;
- The influx of second homeowners and off-Cape retirees which has increased demand for housing and prices;
- The demographics of Orleans including the proportion of elderly persons to young persons, and the lower than average median household incomes (\$42,609) as compared to the State's median household income of \$50,502.

#### Demographics of Income

Analysis of relative housing costs requires a comparison with incomes to determine whether a family with a median income can afford housing. Current year statistics would be most valuable in this regard, but local income data is only available through the decennial U.S. Census. Therefore, for comparative purposes, 2000 U.S. Census data is used to compare housing costs to family income.

Table 10 - F presents information on income levels of households and demonstrates what they can afford to pay, per month, for housing (no more than 30% of their income).

Table 10 - G: 2000 Income and the ability to pay for housing

Income Groups	# of Households	% Total Households	30% Income	Affordability per Month
less than \$10,000	309	10.0%	\$up to \$2,999	up to \$250
\$10,000 - \$24,999	698	22.6%	\$2,999 - \$7,499	\$250 - \$624
\$25,000 - \$34,999	299	9.7%	\$7,499 - \$10,499	\$624 - \$874
\$35,000 - \$49,999	442	14.3%	\$10,499 - \$14,999	\$874 - \$1,249
\$50,000 - \$74,999	540	17.5%	\$14,999 - \$22,499	\$1,249 - \$1,875
\$75,000 - \$99,999	324	10.5%	\$22,499 - \$29,999	\$1,875 - \$2,499
\$100,000 or more	477	15.4%	\$ 30,000 or more	\$2,499 or more
Total:	3089	100.00%		
Median Household Income	\$42,609		\$12,783	\$1,065

Source: 2000 US Census Data

Keeping in mind that the median household income for Orleans residents in 2000 was \$42,609, Table 10 - H compares income distribution to affordable mortgages. This table demonstrates what the household can borrow. For the median household in Orleans it is a mortgage up to \$208,000 depending on the interest rate secured with the loan.

Table 10 - I: 2000 Income Distribution Compared to Affordable Mortgages

Income Distribution	% Total Households	Affordability per month (approx.)	Affordable 30 Year Mortgages (approx.) with Fixed Interest Rates at:		
			6.00%	7.00%	8.00%
less than \$10,000	10%	less than \$249	Less than \$20,848	Less than \$37,426	Less than \$35,068
\$10,000 - \$24,999	22.6%	\$249- \$624	\$20,848 - \$104,077	\$37,426 - \$93,791	\$35,068- \$85,174
\$25,000 - \$34,999	9.7%	\$624- \$875	- \$145,942	\$93,791 - \$131,519	\$85,174- \$119,245
\$35,000 - \$49,999	14.3%	\$875- \$1,250	- \$208,489	\$131,519 - \$187,884	\$119,245- \$170,352
\$50,000 - \$74,999	17.5%	\$1,250- \$1,875	- \$312,734	\$187,884 - \$281,826	\$170,352- \$255,529
\$75,000 - \$99,999	10.5%	\$1,875- \$2,500	- \$416,979	\$281,826 - \$375,768	\$255,529- \$340,706
\$100,000 or more	15.4%	More than \$2,499	More than \$417,000	More than \$376,000	More than \$340,706
Median Household Income	\$42,609	\$738	\$123,092	\$110,926	\$100,574

Source: 2000 US Census Data

The standard practice of lending institutions is to calculate the amount people can afford to spend on housing by assuming that housing costs should not exceed 30% of their total gross income. For rental units, this monthly cost should include utilities. Home ownership costs should include Principle, Interest, Taxes, and Insurance (PITI). Mortgages do not include the 5% down payment. These figures are equivalent to the mortgage.

In 2004, the average single family “starter home” (the lowest 25% of 2004 sales) sale price was \$422,320. In order for a person to afford a home at that price (with a 30-year mortgage of \$401,204 - sale price minus 5% down payment), one would need to make the following payment per month to meet the specified fixed interest rates:

Table 10 - J

% Interest Rate	Cost per Month	Annual Income Needed
6.00%	\$2,405.42	\$96,216.80
7.00%	\$2,669.22	\$106,768.80
8.00%	\$ 2,943.89	\$117,755.60

Banks have determined that a family should not spend more then 30% of its income on housing. Thus, a household at the Orleans median income (\$42,609 based on 2000 Census could only afford to pay \$1,065 per month.

Households that could afford the “starter home” described above would need a combined income of about \$100,000 a year. In 2000, 15.4% of total households in Orleans had a household income of over \$100,000.

### 10.4.3 Future Demands

#### Population and Projections

Population forecasts, from the build-out analysis in the Land Use chapter indicate that Orleans’ population would grow to near 10,000 people year round. The number of new year round units expected at build-out is 1,520 for a total of 4,668 units.

#### Need for Affordable Housing

In order to meet the goal of 10% of the housing stock as affordable housing at projected buildout, 467 housing units would have to be dedicated to affordable housing. Since the Town currently has 250 affordable units, 208 of the new units will have to be affordable.

Development over the period 1976-1996 increased the housing stock in Orleans by an average of 64 new units per year. Because remaining land is more difficult to develop, it may reasonably be assumed that housing growth will proceed at a slower rate in the next twenty years. Indeed, the rate of development from 1995 to 2004 averaged 47 units per year. Assuming that growth levels remain fairly constant, the next twenty years could see 900 new dwelling units in the Town. To keep pace with development, at least 90 of the units should be affordable.

For the Town to engage in an affordable housing development program, it will need to acquire land for this purpose. When asked if the Town should be buying land and developing affordable housing 64% agreed they would support such actions (*2006 Resident/Taxpayer Survey*). Large vacant parcels in the Town are becoming rare. Therefore, the Town may need to be flexible in the type of land it acquires, and the development that can be put on the land. Public opinion favors scattering of units as opposed to concentrating them in one place. It is recommended that the Town include in its capital budgeting the need to purchase land to be used for affordable housing. (AH-1)

High housing costs have priced the low and moderate income households out of the market in Orleans. Trends show Orleans families are now seeking homes in other areas on the Cape and some have been forced to leave the Cape altogether. There is also a need for the ability to respond to families in need of emergency housing assistance. It will take a joint effort by the Town, the Interfaith Counsel for the Homeless, the Lower Cape Outreach Council, and the private sector to address these needs on an ongoing basis. (AH-2, AH-3)

Homelessness is a threat for many families. The shortage of affordable rental housing can create a crisis for any family which loses its rental. Thus far, the problem has been addressed primarily through private charities. Interfaith has played an important role in this area. There are indications that the efforts of private charities are being increasingly strained and that public intervention may be needed.



The lower wages characteristic of tourist, service, and seasonal economies signify that the category “low income family” will include numbers of working families, as well as a smaller percentage who rely on some type of public or insurance benefit. A recent trend noted by homeless advocates is that of an increasing number of working families needful of emergency housing or emergency housing assistance. Single parent families statistically have significant representation among families below the poverty level.

### Single heads of households

Single heads of households and non family households are often at low or moderate income levels, particularly if they are supporting children. In Orleans, the median household income, \$42,609, is lower than the median family household income, \$62,629. Single heads of household and non family households will have difficulty affording a mortgage on a median priced home in Orleans. New housing programs should target this group for assistance through new housing development and through outreach programs to help make them become more aware of existing housing assistance programs. (AH-3)

### *Senior Citizens*

Orleans has the oldest population on Cape Cod (*Census 2000*). Based on past experience, elder care agencies support the need for congregate type facilities for elderly persons in Orleans. Continuing care health facilities have also become a viable means to provide housing for the elderly. However these are often moderate or upper income housing alternatives. Given the town’s high percentage of senior citizens, an effort should be made to continue the availability of affordable and available home care services. This need for combined shelter and services crosses income lines and therefore would need to be planned carefully to serve those who need and desire such a facility in order to stay close to their friends and family. An assisted living facility with some affordable units should be encouraged by the Town. (AH-4) In fact, when asked if they would support the Town actively encouraging the development of an assisted living facility, 76% of residents and taxpayers agreed (*2006 Resident/Taxpayer Survey*).

Rock Harbor Village (100 units) has a temporary restriction which maintains the affordability of the complex for elderly residents. The restrictions expire in 2019 when the subsidized mortgage is retired. The Town should take action now to ensure that the units will retain their affordable status on a permanent basis. (AH-5) The Joint Committee of Affordable Housing has expressed interest to the owner in 2001 and 2003 in permanently protecting these units for affordable candidates. At present, the owner will not discuss options due to the existing protection in place.

### *Disabled and others with special needs*

The high cost of housing indicates that there will be a continuing need for some type of affordable housing for people who are unable to work full time because of a disabling condition. In some instances certain building modifications or supportive services are needed. Stable, decent, affordable housing is the primary need for individuals that are disabled or have special needs.

The various special needs residences with supportive services created in Orleans for a specifically identified population (i.e. people with mental retardation, mental illness, substance abuse recovery, etc.) have resulted from the efforts of the Housing Authority, the Lower Cape Community Development Corporation, area churches, social services agencies and citizen's groups. An example of their recent success in this area is the Recovery House on Canal Road. In addition to the two agencies mentioned, citizen interest and initiative to provide housing for special need groups is also an approach that should be encouraged by the town.

The housing needs of this group of residents appear to be adequately met at present. The Town in conjunction with the Housing Authority should respond to increases in the special needs population as necessary.

### *Seasonal Workers*

A large work force is needed during the summer to take care of the influx of tourists and summer residents. The Town and local businesses are experiencing increasing difficulty in finding this help due in part to the lack of affordable housing for them. This problem could be alleviated by changing the present zoning bylaws to allow properly supervised dormitory-type housing for some of these workers. (AH-6)

### **Other Barriers to Affordable Housing**

In addition to the socioeconomic characteristics of Orleans that inhibit people from attaining affordable housing, local zoning and other land use regulations play a role in creating barriers to affordable housing. It was overcome in one instance through the creation of an affordable housing overlay district for the Baker's Pond Affordable Housing Project. Additional strategies include encouraging apartments over storefronts, (AH-7) allowing dormitory style housing for seasonal workers (AH-6) and allowing small rental units within private homes. (AH-8)

The Housing Task Force has worked diligently to identify and assess opportunities for affordable housing. However, there have been occasions when the Task Force has missed the chance to consider an available parcel of land that has had potential to support affordable housing. To remedy this situation, better internal communications are needed to assure that all boards or agencies which may have interest in an available parcel are given opportunity to review the matter and consider its merits before a decision is made. (AH-9)

The Town should pursue the following options for increasing affordable housing:

- Identify and implement programs to better utilize the existing and potential housing stock to meet the affordable housing needs of our very low, low, and moderate-income residents, including any defined special needs populations. (AH-10)
- Obtain land suitable for affordable housing development (or mixed municipal use, including housing) and develop new housing. (AH-1)
- Develop a program to facilitate private sector construction of affordable housing. (AH-11)
- Develop and implement programs to address the social service needs and self-sufficiency goals of public housing tenants. (AH-10)
- Integrate affordable housing goals into other regulatory, planning and zoning statements or regulations. (AH-6, AH-7, AH-8, AH-10, AH-12)
- Perform a detailed study of the 1999 Barnstable Inclusionary Bylaw (require all new housing to contribute toward affordable housing) to determine if this should be adapted to Orleans to help fund affordable housing initiatives. (AH-13)

## Protecting Existing Units

Since 1999, Orleans has developed and sold 15 housing units to qualified families. When the units are resold, deed requirements stipulate that it be made available to an income-qualified buyer. A qualified purchaser is identified, either through a housing lottery or the Housing Assistance Corporation's "ready to buy" list. Costs associated with advertising, qualifying buyers, and completing the real estate transaction must be available to ensure the long-term affordability of the units.

Deed restrictions required by the Massachusetts Department of Housing and Community Development stated that affordable housing was to be sold for a percentage of the appraised value. When a home is resold, a new appraisal is completed by the seller, and the original percentage is applied to determine the new purchase price. Due to the extraordinary increase in home prices between 1999 and 2006, this method of calculating resale price results in a new price that is higher than most qualified purchasers can afford.

In order to ensure that all existing affordable units are protected long-term and can be sold to qualified buyers, funding should be set aside expedite purchases and if necessary buydown the appraisal-based purchase price (AH-14). The Community Preservation Act may provide funding for this program. In 2006, DHCD recognized the problem and has approved a new deed rider that calculates resale price based on escalation of income limitation, not appraised value."

## Summary

The combination of high land and housing costs of existing stock in Orleans force many local individuals and families to seek housing in other towns. More affordable housing is needed,

both for purchase and rental, to retain a diversity of population in Orleans. The Town has demonstrated a willingness to address this issue in the past. It should continue to actively encourage organizations, such as the Lower Cape Community Development Corporation, Habitat for Humanity, and the private sector in their efforts to both build and rehabilitate affordable housing in Orleans. (AH-3)

The Town should continue to work towards the benchmark of providing 45 affordable dwellings over the next twenty years. Initiatives such as the inclusionary bylaw as well as Zoning amendments for the Village Center should be explored to find ways to facilitate affordable housing and affordable rental dwellings on the upper levels of commercial buildings. Affordable housing efforts should be included in the Capital Improvement Plan when applicable. (AH-1) Continuing to be proactive is the only way to catch up with the current deficit in affordable housing units.

## 10.5 Implementation Program

	Action	Time for Completion	Resources Required	Lead Responsible Agency
AH-1	Develop 35 new units of affordable housing for families over the next twenty years, and support this activity by scheduling it in the Capital Improvement Plan.	FY 11-20	H	Board of Selectmen
AH-2	Develop a program to address the emergency housing needs of Orleans residents, in coordination with Interfaith Council for the Homeless.	FY 07-10	L	Housing Task Force/ Housing Authority
AH-3	Actively encourage organizations such as the Lower Cape Community Development Corporation and Habitat for Humanity in their efforts to both build and rehabilitate affordable housing in Orleans.	Ongoing	L	Housing Task Force/ Housing Authority
AH-4	Encourage the development of a senior citizen assisted living facility that has an affordable component of at least 10%.	FY 07-10	L	Planning Board
AH-5	Negotiate the retention of Rock Harbor Village as affordable housing units. Deed restrictions are due to expire in 2019.	FY 11-20	M	Board of Selectmen
AH-6	<i>Consider amending the Zoning Bylaws to allow dormitory-type housing for seasonal workers under proper controls.</i>	<i>Addressed See Appendix</i>	<i>L</i>	<i>Zoning Bylaw Task Force</i>
AH-7	Actively encourage affordable housing by amending the Zoning Bylaws to facilitate the development of apartments in the business districts.	FY 07-10	L	Planning Board
AH-8	<i>Consider amending the Zoning Bylaws to facilitate affordable housing through small rental units in private homes.</i>	<i>Addressed See Appendix</i>	<i>L</i>	<i>Zoning Bylaw Task Force</i>
AH-9	Establish a process to assure that Town housing boards are given an opportunity to consider available land parcels for affordable housing.	FY 07-10	L	Town Administrator
AH-10	<i>Develop an ongoing Affordable Housing Plan to meet future needs, both rental and ownership, to reach the 10% goal.</i>	<i>Addressed See Appendix</i>	<i>M</i>	<i>Housing Task Force</i>
AH-11	Develop a program to facilitate private-sector construction of affordable housing.	FY 07-10	L	Housing Task Force
AH-12	Consider an inclusionary bylaw that requires that 10% of all new residential development or subdivision lots and condominiums of 10 or more lots or units be dedicated to affordable housing.	FY 07-10	L	Zoning Bylaw Task Force

AH-13	<i>Study the 1999 Barnstable Inclusionary Bylaw. Consider whether such a bylaw is suitable for Orleans.</i>	<i>Addressed See Appendix</i>	L	<i>Planning Department</i>
AH-14	Develop methods including improved deed restrictions to ensure the long-term affordability of current and future affordable housing units.	FY 07-10	L	Housing Task Force