

Town of Sturbridge

*Housing Needs Assessment
Housing Production Concepts*

Fall/Winter 2008

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Sturbridge Community Preservation and the Sturbridge Zoning Board of Appeals*

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Executive Summary

While it is debatable whether Sturbridge has reached crisis level in terms of affordable housing, what is clear is that there is a housing need. It is also clear that it is important to understand this need so that Sturbridge can work to address housing needs in a way that enhances the community and maintains community values.

- The state goal for affordable housing is that 10% of a community's year-round housing stock be affordable. Sturbridge has 3,141 year-round housing units (2000 Census), so the goal is 314 affordable units. As of fall 2008, Sturbridge has 207 affordable units (6.59%), leaving a gap of 107 units. This gap is projected to increase at the next decennial Census count, when, based on estimates of population and building, the number of year-round housing units will increase, and therefore the affordability needs and goals will also increase.
- Sturbridge median family income for 2008 is \$76,900. For housing to be affordable (as defined by the state), it must be affordable to households earning at or below 80% of area median income, as adjusted for family size. This means, for a family of four, a house priced at \$170,000 or a 2 bedroom rental at \$1,383 (including utilities).
- As the median sales price for a single family Sturbridge home hovers over \$315,000, there is a substantial affordability gap – over \$145,000. There is virtually no housing stock (traditional homes or condominiums) available priced below \$200,000.
- On the rental side, it appears that the open market is providing some affordable rentals. Sturbridge also has a comparatively large subsidized rental development, Heritage Green, that provides 130 affordable rentals (over 1/3 of Sturbridge's 10% affordability goal). Of note is that the deed restriction that keeps these units affordable is due to expire in 2011.
- Demographically, Sturbridge is a small but growing community. As is true for many Commonwealth communities, the growth is more heavily weighted towards the older population segments. Sturbridge is also a community of predominantly family households, and Sturbridge's housing stock is predominantly single-family dwellings. Sturbridge has infrastructure issues that present a challenge to denser development (sewer and water), but also has areas of town where both town sewer and water are available.

Critical priorities for Sturbridge for near-term include the preservation of the Heritage Green rental affordability (130 units) and working with the Department of Housing and Community Development (DHCD) to determine if there is an acceptable process that would allow for the state to recognize the mobile homes at the Sturbridge Retirement Cooperative as affordable and count them towards the 10% goal. Other priorities include a short series of planning initiatives centered on an understanding of existing resources (inventory of town owned land) and an implementation of Smart Growth techniques (inclusionary zoning).

Goals and Objectives

The Sturbridge Housing Partnership is dedicated to helping Sturbridge remain a vibrant community where young families, working people and seniors can afford to live, by raising awareness, influencing civic and government initiatives, and developing affordable housing opportunities.

The goal of this Housing Needs Assessment is to assist the Sturbridge Housing Partnership and the community as a whole to gain a clearer understanding of community housing and its availability in Sturbridge, as well as a clearer understanding of the housing needs in Sturbridge. Based on this understanding, a series of priorities are given that should serve to focus near-term housing efforts.

COMPREHENSIVE HOUSING NEEDS ASSESSMENT:

Community Overview

Sturbridge is a small south central Massachusetts community located at the junction of Interstate 84, Interstate 90 and US Route 20. Sturbridge is known as a desirable community, boasting a central location for commuters, quality schools, an abundance of open space, and a quintessential small New England historic town feel. Originally a farming community, Sturbridge saw the boom and decline of water-driven mills. Sturbridge, together with neighboring Charlton and Southbridge, are considered the birthplace of the fiber optic industry. While perhaps best known for Old Sturbridge Village, a re-created village that depicts life in the early 1800's, Sturbridge is much more than a location for a museum.

Demographics

Population

In the two decades between 1980 and 2000, the town of Sturbridge saw a 31% population increase. This compares to a 16% population increase in the Worcester County area, and an 11% population increase for the Commonwealth in the aggregate. And while the second half of this time span, the decade between 1990 and 2000, showed little growth, it is clear that the trend of Sturbridge population increase has not abated. Massachusetts Institute for Social and Economic Research (MISER) Population estimates (“High Series”) project Sturbridge 2020 population to be at 9,497. Alternate projections from the Central Massachusetts Regional Planning Commission (endorsed March 2006) are slightly higher, but not significantly, projecting 2010 population at 9,300 and 2020 population at 9,800. In contrast to these projections is the actual data collected by the Sturbridge Town Clerk. Current, 2008 local census data shows Sturbridge with population of 9,832. So before even reaching 2010 Sturbridge has by-passed both 2020 estimates.

Population Estimates, % Change per Decade

	1980-1990	1990-2000	2000-2010	2010-2020
Sturbridge	30.10%	0.80%	9.63%	10.53%
Worcester County	9.80%	5.67%	8.77%	9.84%
Massachusetts	4.87%	5.53%	6.45%	6.76%

Source: Massachusetts Institute for Social and Economic Research

As well as looking at total population, it is important to examine the age distribution within a community. Different age segments will have differing housing needs, and changes in different age segments show trends useful in planning for housing needs. The numbers of Sturbridge residents in the various age brackets for the most part closely resembles the patterns shown in the Worcester County population and in the state-wide population. Census data (2000) shows 27.3% of Sturbridge population under the age of 20; 8.6% from 20 to 29 years of age; 14.2% from 30 to 39 years, 18.5% from 40 to 49 years; 13.4% from 50 to 59 and 18% 60 and over.

Age Distribution, 2000

	Sturbridge town, Worcester County, Massachusetts	Worcester County, Massachusetts	Massachusetts
Under 20 years of age	27.3%	28.2%	26.3%
20 – 29 years of age	8.6%	11.8%	13.2%
30 – 39 years of age	14.2%	16.5%	16.3%
40 – 49 years of age	18.5%	16.1%	15.7%
50 – 59 years of age	13.4%	10.9%	11.3%
60 years of age and over	18.0%	16.5%	17.3%

Source: US Census 2000, Summary File 3, Table P8

Of these brackets, the only age segment where Sturbridge varies more than 3% from either Worcester County or Massachusetts is the 20-29 bracket, where Sturbridge lags behind Worcester and the State (8.6% for Sturbridge, compared to 11.8% for Worcester and 13.2% for the state). Simply examining population under forty or forty and over, Sturbridge has an almost even 50-50 split. Both Worcester and the Commonwealth have more younger residents (rounding off decimals, 56% under forty versus 44% forty and over). In addition, not only does Sturbridge have an older population than its surrounds, but it is in this older bracket where the expected population growth is most heavily concentrated, based on MISER estimates (MISER estimates project 43% growth in the 60+ age bracket between 2010 and 2020; by far the largest increase). Again, this trend is consistent with other area wide and state wide demographic trends.

Household Characteristics

In addition to examining age characteristics, it is important to look at household characteristics when assessing housing needs. Household characteristics have a direct affect on style and type of housing units needed.

Household Size, Household Type, and Presence of Own Children, 2000

	Sturbridge town, Worcester County, Massachusetts	Worcester County, Massachusetts	Massachusetts
Total:	3,066	283,927	2,443,580
1-person household:	23.4%	26.2%	28.0%
Male householder	9.8%	11.1%	11.4%
Female householder	13.6%	15.1%	16.6%
2 or more person household:	76.6%	73.8%	72.0%
Family households:	72.2%	67.8%	64.5%
Married-couple family:	60.7%	52.5%	49.0%
With own children under 18 years	27.6%	24.8%	22.4%
No own children under 18 years	33.1%	27.7%	26.6%
Other family:	11.5%	15.2%	15.5%
Male householder, no wife present:	2.8%	3.8%	3.6%
With own children under 18 years	1.5%	1.9%	1.5%
No own children under 18 years	1.3%	2.0%	2.1%
Female householder, no husband present:	8.7%	11.4%	11.9%
With own children under 18 years	5.1%	6.9%	6.7%
No own children under 18 years	3.6%	4.5%	5.2%
Nonfamily households:	4.4%	6.0%	7.5%
Male householder	2.8%	3.5%	4.1%
Female householder	1.6%	2.5%	3.4%

Source: US Census 2000, Summary File 1, Table P18,

While the differences in household size and type do not appear overly dramatic, the significance can be seen in the lower numbers for Sturbridge 1-person family households and non-married-couple families (single adults with children). An interesting data point is elementary students per household. Based on 2000 data, Sturbridge has .24 elementary students per household compared to the national average of .45 (see Burgess Elementary School Feasibility Study). This smaller average number of students per household might lead to the conclusion that Sturbridge would have a smaller average household size. However, this is not true. The average household size in Sturbridge, based on 2000 Census data, is 2.55. This is just slightly larger than the average household size at the state level of 2.51, and very slightly smaller than the Worcester County average household size of 2.56.

Household Size, 2000

	1-person	2-person	3-person	4-person	5-person	6-person	7+ person
# of households	722	1075	499	507	192	52	19
percentage	23%	35%	16%	17%	6%	2%	<1%

Source: US Census 2000, Summary File 3, Table P14

Disability Data

In examining population with disabilities, the 2000 Census shows Sturbridge with an overall lesser rate of disabilities. When examining individual categories, for the most part, Sturbridge again shows consistency with both Worcester County and the Commonwealth of Massachusetts (see below chart). However, one area stands out, in addition to the overall lower rate of population reporting a disability. This area is the sensory disability category in ages 16-64. Sturbridge has an 8% rate of population 16-64 years with a sensory disability, compared to 4% for both Worcester County and the state. This has implications for both building and rehabilitating housing units.

Type of Disability by Age, 2000

	Sturbridge town, Worcester County, Massachusetts	Worcester County, Massachusetts	Massachusetts
Total disabilities tallied:	1,957	223,446	1,891,563
Population, % reporting a disability:	25.0%	29.8%	29.8%
Total disabilities - 5 to 15 yrs:	4%	4%	4%
Sensory disability	1%	0%	0%
Physical disability	0%	0%	0%
Mental disability	2%	3%	3%
Self-care disability	1%	0%	0%
Total disabilities - 16 to 64 yrs:	68%	65%	64%
Sensory disability	8%	4%	4%
Physical disability	11%	12%	11%
Mental disability	8%	8%	8%
Self-care disability	3%	3%	3%
Go-outside-home disability	12%	11%	12%
Employment disability	25%	26%	26%
Total disabilities - 65 yrs +:	29%	31%	32%
Sensory disability	8%	6%	6%
Physical disability	10%	10%	11%
Mental disability	2%	4%	4%
Self-care disability	2%	3%	4%
Go-outside-home disability	7%	8%	8%

Source: US Census 2000, Summary File 3, Table P41

Employment

Although Sturbridge's Commercial and Industrial tax base is remarkable high for a community of its size, it can still be described as a "bedroom community." Located with quick access to Interstate 84, Interstate 90 (Mass Pike) and Route 20, Sturbridge offers an

easy commute to a variety of employment locations. Based on 2000 Census data, almost three-quarters (74.5%) of Sturbridge workers aged 16 and older worked outside of Sturbridge. While this does not differ significantly from many of the Worcester county communities (region average is 69.2%), what does differ is the amount of travel time to work. Over half of Sturbridge workers (51.1%) spend 30 minutes or more traveling to work. This compares with 37.5% for Worcester County and 41.4% for the State of Massachusetts (see below chart).

Travel Time to Work, Workers 16 years and over, 2000

	Sturbridge town, Worcester County, Massachusetts	Worcester County, Massachusetts	Massachusetts
Total:	4,125	360,343	3,102,837
Less than 5 minutes	4.4%	3.3%	2.7%
5 to 9 minutes	6.8%	11.0%	9.9%
10 to 14 minutes	16.6%	15.0%	13.7%
15 to 19 minutes	8.5%	14.2%	13.7%
20 to 24 minutes	8.8%	13.1%	13.1%
25 to 29 minutes	4.0%	5.8%	5.5%
30 to 34 minutes	10.6%	11.5%	13.2%
35 to 39 minutes	4.5%	3.1%	3.1%
40 to 44 minutes	6.3%	3.6%	4.1%
45 to 59 minutes	13.1%	8.3%	8.9%
60 to 89 minutes	8.6%	6.1%	6.5%
90 or more minutes	4.2%	2.3%	2.4%
Worked at home	3.7%	2.7%	3.1%

Source: US Census 2000, Summary File 3, Table P31

Based on data collected by the Town of Sturbridge Planning Board in 2006, the top five employers in Sturbridge, in order of number of employees are:

Town of Sturbridge (315)
Old Sturbridge Village (255)
Walmart (240)
The Sturbridge Host (180)
OFS Fitel (130)

Source: Town of Sturbridge, Planning Board

The chart below shows employment by industry in Sturbridge over the past seven years. Of note is the over 50% decline in manufacturing jobs. Manufacturing, in all years represented

in the chart, was the sector with the second highest average weekly wages. To compare, in 2007 the average weekly wage for manufacturing was \$1,070. Accommodation & Food Service, the sector with the highest average employment in 2007, shows an average weekly wage of \$295.

Employment by Industry, Average Number of Employees, Sturbridge

	2001	2002	2003	2004	2005	2006	2007
Total, All Industries, All Ownership	5,307	5,271	4,995	4,845	4,852	4,646	4,737
Total All industries, Private Ownership	4,715	4,666	4,400	4,273	4,278	4,060	4,124
Construction	94	83	82	89	113	109	99
Manufacturing	1093	804	598	479	482	465	467
Wholesale Trade	83	76	69	79	53	34	46
Retail Trade	1,149	1,224	1,194	1,196	1,194	1,160	1,095
Transportation & Warehousing	61	68	51	53	48	54	---
Information	14	14	14	---	---	---	---
Finance & Insurance	87	84	105	115	119	124	146
Real Estate & Rental and Leasing	40	45	49	40	36	32	30
Professional & Technical Services	73	66	73	75	114	126	136
Administrative & Waste Services	---	21	22	20	---	143	---
Educational Services	---	---	---	---	10	11	---
Health Care & Social Assistance	198	199	209	218	205	204	247
Accommodation & Food Services	1,462	1,548	1,504	1,500	1,372	1,291	1,348
Other Services, ex. Public Admin	68	76	77	93	87	83	118
Total, All Industries, All Ownership, Average Weekly Wage	\$537	\$518	\$518	\$517	\$523	\$543	\$569

Source: Massachusetts Division of Employment and Training www.massstats.detma.org

In addition, the unemployment rate for Sturbridge as of May 2008 is 4.5%. This compares favorably with the Worcester County unemployment rate of 5.1% and the overall State rate of 5.1%.

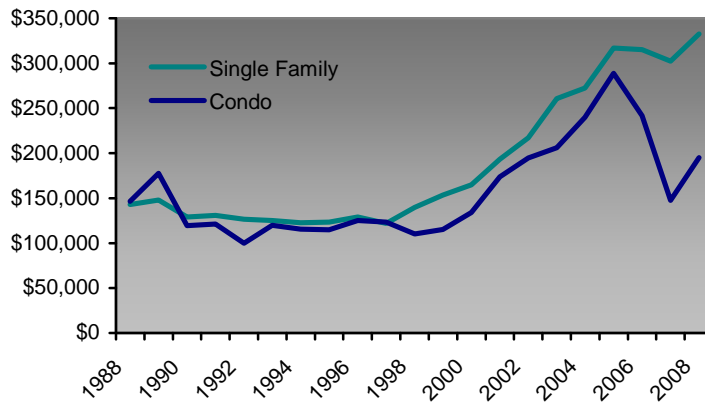
Housing Stock

Perhaps the most direct housing statistic is housing costs. Median home prices in Sturbridge have increased over the last twenty years; most dramatically in recent years. Current available data for Sturbridge median housing prices from The Warren Group shows single family homes at \$315,950 and condominiums at \$171,250 (combine to have a median price for all sales of \$275,500, through July 2008). Condominium sales as a percentage of all sales have ranged from a low of 6% to a high of 20% over the past decade. Additionally, while data collection methodologies vary significantly and comparisons among different data sources

can be problematic, as a benchmark, the 2000 US Census records median home values for Sturbridge at \$145,000, for Worcester County at \$146,000 and for Massachusetts at \$185,700.

Sturbridge Median Home Sales Price
Calendar Year

www.thewarrengroup.com



Note: 2008 data for January – July

As income is a critical variable in any housing affordability model, looking at housing prices and availability alone does not offer a complete picture. However, before jumping into incomes and affordability (see income section, page 13), some understanding of the housing stock at hand is useful.

Sturbridge has a total of 3066 occupied housing units based on 2000 Census; 77.6% owner occupied and 22.4% renter occupied (see below chart). Comparing this ratio with Worcester County and Massachusetts shows that Sturbridge has a high portion of owner occupied housing as of the 2000 Census.

Occupied Housing Units, 2000

	Sturbridge town, Worcester County, Massachusetts	Worcester County, Massachusetts	Massachusetts
Occupied Housing Units			
Total:	3,066	283,927	2,443,580
Owner occupied	77.6%	64.1%	61.7%
Renter occupied	22.4%	35.9%	38.3%

Source: US Census 2000, Summary File 3, Table H7

Between 2000 and 2008 an average of 76 single family home residential building permits were issued per year according to the Sturbridge Building Commissioner (see below chart). This rate of building meshes with Sturbridge current population count (Town Clerk, 2007 population at 9,832) and shows the weakness in the MISER population projections.

Sturbridge Building Permits Issued 2004 - 2008

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Single Family Dwellings, Number of Permits	53	63	117	131	87	80	51	26	8

Source: Sturbridge Department of Inspectional Services / Division of Code Enforcement

In addition to having a comparatively lower proportion of housing stock used as rentals, Sturbridge also has a comparatively greater proportion of its vacant housing stock used as seasonal (based on 2000 US Census). Vacancy rates in general for Sturbridge are higher than those of Worcester County and of the state; 8.1% compared to 4.7% the county and 6.8% for the state. This larger vacancy percentage can be attributed mostly to Sturbridge's higher seasonal use (see below chart). Of Sturbridge's vacant housing stock, approximately two thirds (66.5%) is seasonal, recreational or occasional use (179 units). This compares to 22.3% for Worcester County and 54.6% for Massachusetts. Conversations with local real estate professionals point to a noticeable trend of conversion from seasonal to year-round housing.

Vacant Housing Units, 2000

	Sturbridge town, Worcester County, Massachusetts	Worcester County, Massachusetts	Massachusetts
Total Vacant:	269	14,232	17,409
Vacancy as Percentage of Total Housing Units:	8.1%	4.7%	6.8%
Type of Vacancy, % of total Vacant			
For rent	6.3%	34.5%	20.1%
For sale only	14.5%	14.4%	8.6%
Rented or sold, not occupied	12.6%	8.3%	5.4%
For seasonal, recreational, or occasional use	66.5%	22.3%	54.6%
For migrant workers	0.0%	0.1%	0.1%
Other vacant	0.0%	20.3%	11.2%

Source: US Census 2000, Summary File 3, Table H8

Also of note is the small amount of for rent vacancy. Only 17 units are listed on the 2000 Census as vacant and for rent. While typically a low vacancy rate can be an indicator a tight rental market, based on anecdotal information gathered and discussion with one of the larger

providers of rental units (Sturbridge Meadows, 104 apartment homes), it appears that there is significant enough turnover so that rental availability is not usually an issue. The property manager at Sturbridge Meadows approximated a 60% turnover in a given year.

In terms of housing type, Sturbridge is predominantly a community of single family homes. From the 2000 US Census count, Sturbridge has almost three-quarters of its housing stock as single family dwellings (74%) compared to 61% for Worcester and 56% for Massachusetts. The multi-family dwellings available in Sturbridge are mostly in smaller-sized developments (developments of 5 to 9 units). Of note is the smaller representation of duplexes. On a percentage basis, Sturbridge has approximately half the number of duplexes than either Worcester County or Massachusetts.

Units in Housing Structures, 2000

	Sturbridge town, Worcester County, Massachusetts	Worcester County, Massachusetts	Massachusetts
Total:	3,066	283,927	2,443,580
Owner occupied:	77.6%	64.1%	61.7%
1, detached	65.2%	53.5%	48.5%
1, attached	4.4%	2.5%	2.5%
2	1.3%	3.9%	4.8%
3 or 4	0.0%	2.3%	2.3%
5 to 9	0.0%	0.5%	0.8%
10 to 19	0.2%	0.3%	0.6%
20 to 49	0.0%	0.3%	0.7%
50 or more	0.0%	0.1%	0.7%
Mobile home	6.5%	0.8%	0.8%
Boat, RV, van, etc.	0.0%	0.0%	0.0%
Renter occupied:	22.4%	35.9%	38.3%
1, detached	3.6%	3.6%	3.7%
1, attached	0.7%	1.1%	1.4%
2	3.1%	5.9%	6.9%
3 or 4	2.2%	10.6%	9.1%
5 to 9	4.7%	5.2%	5.1%
10 to 19	2.6%	3.4%	3.8%
20 to 49	2.9%	2.3%	3.3%
50 or more	2.7%	3.6%	4.8%
Mobile home	0.0%	0.2%	0.1%
Boat, RV, van, etc.	0.0%	0.0%	0.0%

Source: US Census 2000, Summary File 3, Table H32

The decade that saw the most building in Sturbridge was the 1980's, with close to a third (29.3%) of current housing stock being built in this time frame (as of 2000 Census). This compares to Worcester County which has a large portion of its housing stock built before 1940 and Massachusetts, which also has a large portion of housing stock build before 1940.

Year Structure Built, 2000

	Sturbridge town, Worcester County, Massachusetts	Worcester County, Massachusetts	Massachusetts
Total:	3,066	283,927	2,443,580
Owner occupied:	77.6%	64.1%	61.7%
Built 1999 to March 2000	0.9%	1.1%	0.7%
Built 1995 to 1998	5.2%	3.9%	2.7%
Built 1990 to 1994	4.4%	4.4%	3.2%
Built 1980 to 1989	23.7%	9.7%	7.6%
Built 1970 to 1979	12.6%	7.0%	7.0%
Built 1960 to 1969	9.5%	6.7%	7.6%
Built 1950 to 1959	7.1%	8.8%	8.9%
Built 1940 to 1949	6.0%	4.7%	4.6%
Built 1939 or earlier	8.3%	17.7%	19.6%
Renter occupied:	22.4%	35.9%	38.3%
Built 1999 to March 2000	0.0%	0.1%	0.2%
Built 1995 to 1998	0.0%	0.5%	0.6%
Built 1990 to 1994	1.0%	1.1%	0.9%
Built 1980 to 1989	5.6%	3.8%	3.5%
Built 1970 to 1979	4.7%	5.6%	5.9%
Built 1960 to 1969	2.8%	3.3%	4.5%
Built 1950 to 1959	1.2%	3.5%	4.1%
Built 1940 to 1949	0.2%	3.3%	3.6%
Built 1939 or earlier	6.8%	14.6%	15.0%

Source: US Census 2000, Summary File 3, Table H36

2000 US Census data shows over half (57.5%) of all Sturbridge households (owners and renters) moving into their homes in the 1990's. Another way of stating this is that, as of 2000, over half of all Sturbridge households had lived in their homes 10 years or less. This compares with 59.5% for Worcester and 60% for Massachusetts. Sturbridge also had a surge in the 1980's, with nearly a quarter of all households (24.5%; owner occupied and renter occupied combined) moving in during this decade.(compares to 16.5% for Worcester and 16.1% for Massachusetts). This surge corresponds to the surge of housing production in the

1980's as well (see pervious chart; 29.3% of the housing stock measured in the 2000 Census was built in the 1980's).

Year Household Moved Into Unit, 2000			
	Sturbridge town, Worcester County, Massachusetts	Worcester County, Massachusetts	Massachusetts
Total:	3,066	283,927	2,443,580
Owner occupied:	77.6%	64.1%	61.7%
Moved in 1999 to March 2000	6.8%	5.5%	5.1%
Moved in 1995 to 1998	20.3%	13.6%	13.3%
Moved in 1990 to 1994	11.1%	10.4%	9.9%
Moved in 1980 to 1989	22.7%	13.2%	12.4%
Moved in 1970 to 1979	8.7%	8.7%	9.0%
Moved in 1969 or earlier	8.2%	12.7%	12.1%
Renter occupied:	22.4%	35.9%	38.3%
Moved in 1999 to March 2000	8.9%	10.5%	11.3%
Moved in 1995 to 1998	6.0%	14.0%	14.8%
Moved in 1990 to 1994	4.4%	5.4%	5.7%
Moved in 1980 to 1989	1.8%	3.3%	3.7%
Moved in 1970 to 1979	0.5%	1.4%	1.4%
Moved in 1969 or earlier	0.7%	1.4%	1.3%

Source: US Census 2000, Summary File 3, Table H38

Income

The US Census reports 1999 median household income for Sturbridge at \$56,519; 1999 median household income for Worcester at \$47,874 and 1999 median household income for the state at \$50,520. Housing and Urban Development (HUD) publishes median income limits annually (www.huduser.org), so 2008 data is available, but this is for a broader geographic area. 2008 Median Family Income for Sturbridge is \$76,900, including Sturbridge as part of the Worcester County HUD Metro Fair Market Rent Area, an area defined as:

Auburn town, Barre town, Boylston town, Brookfield town, Charlton town, Clinton town, Douglas town, Dudley town, East Brookfield town, Grafton town, Holden town, Leicester town, Millbury town, Northborough town, Northbridge town, North Brookfield town, Oakham town, Oxford town, Paxton town, Princeton town, Rutland town, Shrewsbury town, Southbridge town, Spencer town, Sterling town, Sturbridge town, Sutton town, Uxbridge town, Webster town, Westborough town, West Boylston town, West Brookfield town, Worcester city

HUD Income limits are used for affordability calculations. There will also be differing affordability levels, depending on family size and the relationship to median income.

Housing targeted to household incomes at or below 80% of median income is typically referred to as affordable. Community Preservation funds are somewhat unique in the field of housing in that they can be used to create affordability not just for households at or below 80%, but also for households earning between 80% and 100% of median income. Some housing programs will target greater affordability, looking to create affordability for households making 60%, 50% or 30% of median income. Housing programs targeted to households earning over 100% of median income are often referred to as moderate income or middle income programs.

2008 HUD Income Limits, Median Incomes

	1-person	2-person	3-person	4-person	5-person	6-person
120% of Area Median Income (low Income)	\$64,560	\$73,800	\$83,040	\$92,280	\$99,720	\$107,040
100% of Area Median Income (low Income)	\$53,800	\$61,500	\$69,200	\$76,900	\$83,100	\$89,200
80% of Area Median Income (low Income)	\$43,050	\$49,200	\$55,350	\$61,500	\$66,400	\$71,350
50% of Area Median Income (very low Income)	\$26,900	\$30,750	\$34,600	\$38,450	\$41,550	\$44,600
30% of Area Median Income	\$16,150	\$18,450	\$20,750	\$23,050	\$24,900	\$26,750

Source: Housing and Urban Development

Compared to the surrounding area, Sturbridge has fewer households earning lower incomes and more households earning higher incomes (based on 2000 US Census data); see below table. And while the distribution figures will not be updated until the next decennial Census (2010) for a rough gauge, it is helpful to use the Consumer Price Index to adjust the 1999 dollars to current dollars: \$25,000 in 1999 loosely correlates to \$30,000; \$50,000 to loosely \$60,000 and the over \$75,000 category would be roughly equivalent to an over \$90,000.

Household Income Distribution in 1999

	Households earning below \$25,000	Households earning \$25,000 - \$49,999	Households earning \$50,000 - \$74,999	Households earning \$75,000 +
Sturbridge	19.6%	25.5%	20.6%	34.3%
Worcester County	25.8%	26.1%	20.7%	27.3%
Massachusetts	24.5%	24.9%	20.1%	30.5%

Source: US Census 2000, Summary File 3, Table H52

Housing Affordability

Affordability Definitions - Homeownership

The federal and state accepted “rule-of-thumb” for housing affordability is a 30% benchmark. This means that for housing to be regarded as affordable, no more than 30% of a household’s income should go towards housing expenses. While the baseline concept is simple, there are details involved. These details become very important when determining financial feasibility of a project or when implementing programs.

For example, home ownership affordability takes into account not just principal and interest payments (what many think of as the “monthly mortgage”) but also taxes, homeowner insurance, mortgage insurance, and condo or homeowner association fees.

2008 Purchase Price Limits, Sturbridge

Housing Costs	
Sales Price	\$170,000
5% Down payment	\$8,500
Mortgage	\$161,500
Interest rate	6.25%
Amortization	30
Monthly P&I Payments	\$994.38
Tax Rate	\$11.32
monthly property tax	\$160
Hazard insurance	\$85
PMI	\$105
Condo/HOA fees (if applicable)	\$0
Monthly Housing Cost	\$1,345
Necessary Income:	\$53,791
Household Income:	
# of Bedrooms	3
Sample Household size	4
80% AMI/"Low-Income" Limit	\$61,500
Target Housing Cost (80%AMI)	\$1,538
10% Window	\$53,813
Target Housing Cost (70%AMI)	\$1,345

Source: Department of Housing and Community Development

Homeownership affordability calculations will differ greatly based on assumptions regarding down payment amounts and interest rates. On the state level there is also a strong preference for what is termed a “window of affordability”. This concept targets a price that is affordable to a household earning 10% less than the stated maximum income, enabling more households to qualify. Additionally, as more local programs focus on principals of sustainable development and look to convert existing housing to affordable housing, there is more of a focus on short-term maintenance costs and mechanisms for factoring these costs into an affordability equation.

The previous calculation is based on a household size of 4, earning 80% of area median income. Using the same variables, the affordable home price for a family of 4 earning 100% of median income is \$212,500 and a middle income family of 4 (150% of median income) could afford a home priced at \$319,000.

2008 Incomes, Affordable Home Price, Median Home Price and “Affordability Gap”

	Family of 4 Earning 80% of Median Income	Family of 4 Earning 100% of Median Income	Family of 4 Earning 120% of Median Income	Family of 4 Earning 150% of Median Income
Area Median Income	\$61,500	\$76,900	\$92,280	\$115,350
Affordable Home Price	\$170,000	\$212,500	\$255,000	\$319,000
Median Home Price (single family)	\$315,950	\$315,950	\$315,950	\$315,950
“Affordability Gap”	\$145,950	\$103,450	\$60,950	none

Source: Housing and Urban Development / Department of Housing and Community Development / The Warren Group

Market Rate Homeownership Opportunities: Not all housing that is affordable based on pricing models is categorized as “affordable” by the state and eligible for inclusion on the State’s Subsidized Housing Inventory (see page 18 for more details the “Subsidized Housing Inventory”). Sturbridge has a supply of condominiums that are priced at levels, if not affordable to families at the 80% of median income level, affordable to those at the 100% level. The Warren Group data shows median condominium prices at \$171,250 (a price close to affordable to those making 80%, and affordable to those making 100% of median income, see above chart). A real estate agent familiar with Sturbridge properties referenced Sturbridge Hills, a 120 unit condominium development, as an opportunity for those looking for condo living (citing prices mostly over \$200,000, although there was a recent sale for \$199,000). Another opportunity that meets the affordable range financially is the Sturbridge Retirement Cooperative, a group of 175 mobile homes for residents 55 and older (43

additional units planned). Pricing ranges from a low of \$80,000 to a high of \$150,000, with a “share” cost of \$25,000 (for the ownership cooperative) and a monthly fee of \$180. This pricing structure falls within the affordability ranges for many Sturbridge households. It is interesting to note that of the Sturbridge residents interviewed for this report, all spoke very highly of these mobile homes, felt they provide quality housing and a positive housing option for older Sturbridge residents. While mobile homes cannot currently be included on the Subsidized Housing Inventory, recent communications with the Department of Housing and Community Development indicate the possibility that under certain circumstances, mobile homes may be counted.

Affordability Definitions - Rental

On the rental side, affordability includes rental payment and all utility payments. For example, a 3 bedroom, to be affordable to a household earning 80% of the area median income, should rent for \$1,598, including all utilities. For computing affordable rents, household size is assumed to be 1.5 persons per bedroom, except for studios (assumed to house only one person). Utility allowances are difficult to gauge, and depend on type of housing, type of heat/appliances, age of housing, etc. The Southbridge Housing Authority provides utility allowances for single family detached homes ranging from approximately \$250 to \$400 per month. The below chart shows affordable rental rates for 2008 incomes.

2008 Affordable Rents, Sturbridge

	studio	1-bedroom	2-bedroom	3-bedroom	4-bedroom	5-bedroom
80% of Area Median Income (low Income)	\$1,076	\$1,153	\$1,383	\$1,598	\$1,783	\$1,968
50% of Area Median Income (very low Income)	\$672	\$720	\$865	\$1000	\$1,115	\$1,230
30% of Area Median Income (very low Income)	\$403	\$432	\$518	\$599	\$668	\$738

Source: Housing and Urban Development / Department of Housing and Community Development

Market Rate Rents: A recent survey of the main provider of rentals in the town, Sturbridge Meadows, shows market rents in a range close to some of the higher end of the affordable rents. Sturbridge Meadows has 104 apartment homes, ranging in size from studios to 3-bedroom units. Rents range from a low of \$610 (a studio, rent including utilities), with one bedrooms renting for between \$790 - \$1,000 (including utilities), two-bedrooms in the \$1,045-\$1,105 range (not including utilities), smaller townhomes of two-bedrooms ranging from \$800-\$990 (includes utilities) and three-bedroom units at \$1,350 (not including utilities). Based on conversation with the Sturbridge Meadows property manager, while there is sometimes more demand than availability for the smaller units and the largest units,

as the management policy is quite flexible on lease-breakage, there is significant turnover (estimated at approximately 60% per year). Sturbridge Meadows management characterized the apartments, as quality, well-maintained housing.

Available Affordable Housing/Subsidized Housing Inventory

The Department of Housing and Community Development (DHCD) keeps a Subsidized Housing Inventory (SHI) for each Commonwealth community. This is the state's measure of housing affordability. When the goal of "10% affordability" is reference, the context usually is the goal of having 10% of year-round housing stock counted as affordable on the SHI (year round housing stock as measured by the most recent decennial Census). The SHI connects with 40B Comprehensive Permits. Chapter 40B is a state law that encourages low-and-moderate income housing in a variety of ways, the most commonly cited of these being that it allows a developer to build with more housing density than is allowed by local regulations. When a community has reached its 10% affordability goal, the community is then able to exert local control over a 40B Comprehensive Permit application, and the state will uphold a local denial of a 40B Permit. Please note that this is a very abbreviated discussion of Chapter 40B and the SHI. For more details see the DHCD website on Chapter 40B Planning (under Community Development) www.mass.gov/dhcd, As well as 760 CMR 56: Comprehensive Permit; Low or Moderate Income Housing).

It is important to realize that not all units with affordable prices (either rental or ownership) may be included on this inventory. More details are available on the DHCD website, but in summary, in order to be included on the state inventory, an affordable housing unit:

- must be created under an eligible subsidy program (there are for provisions for local programs and Community Preservation funded projects)
- must meet affordability requirements for household income and household assets
- must meet affordability requirements for housing costs
- must have a DHCD use restriction (affordability covenant) and
- must have DHCD approved Affirmative Fair Marketing and Resident Selection Plan

As of July, 2008 Sturbridge has 207 units on the SHI (see chart on following page for details). With 3,141 year-round housing units (2000 Census) this is 6.6% affordability. In order to meet the 10% state goal, Sturbridge needs to create an additional 107 units of SHI eligible affordable housing (either rental or homeownership). When 2010 Census data is available, the 10% goal will change to reflect this (and based on trends, it is projected that the number will increase). And as some use restrictions expire (some deed restriction are for a specified term of years), units may be taken off the SHI.

DHCD Subsidized Housing Inventory, July 2008

project name	address	type	total SHI units	affordability expires	build w/comp permit	subsidizing agency
Autumn Ridge	425 Main St.	rental	30	2024	yes	DHCD
Heritage Green	40/100 Heritage Green Dr.	rental	130	2011	yes	MassHousing
Snell Street Apts	11 Snell St.	rental	4	2096	no	EOHHS
Westwood Drive/ Cedar Street	9 Westwood Dr/ 136 Cedar St	?	4	2100	no	EOHHS
DMR Group Homes	confidential	rental	21	n/a	no	DMR
DMH Group Homes	confidential	rental	0	n/a	no	DMH
Crescent Gate	450 Main St.	ownership	18	perpetuity	yes	MassHousing
			Total: 207	Census 2000 Yr Round Housing Units: 3,141		
Percent Subsidized – 6.59%						

In addition to the overall 10% goal, DHCD has also created shorter-range goals as a way to measure progress, a way to acknowledge community efforts and achievements, and a way to encourage communities to take a proactive approach to affordable housing development. These shorter range goals are measured yearly, and are set at 0.5% or 1% of a community's year-round housing stock. These goals are part of the Housing Production Plan process (formerly "Planned Production"). From the DHCD website:

A Housing Production Plan (HPP) is a community's proactive strategy for planning and developing affordable housing by: creating a strategy to enable it to meet its affordable housing needs in a manner consistent with the Chapter 40B statute and regulations; and producing housing units in accordance with the HPP. The HPP regulation became effective on February 22, 2008 when the DHCD promulgated 760 CMR 56.00, Comprehensive Permit; Low or Moderate Income Housing. The HPP regulation is contained in 760 CMR 56.03(4). HPPs replace Planned Production under 760 CMR 31.07(1)(i). If a community has a DHCD approved HPP and is granted certification of compliance with the plan by DHCD, a decision by the Zoning Board of Appeals (ZBA) relative to a comprehensive permit application will be deemed "consistent with local needs" under MGL Chapter 40B. "Consistent with local needs" means the ZBA's decision will be upheld by the Housing Appeals Committee.

The 0.5% and 1% goals for Sturbridge translate into the goal of producing 16 or 31 SHI housing units in a year. With an approved HPP AND the requisite unit production, Sturbridge will be eligible for certification of compliance. This would gain local control over 40B Comp Permit applications for a period of one or two years (length depending on whether the 0.5% goal is met or the 1% goal).

Community Infrastructure

Zoning: The Town of Sturbridge has two Residential Zoning Districts. The Suburban Residential District is located mainly in the central part of town and the Rural Residential District is located in the northern and southern parts of town. While the town is predominantly comprised of single family neighborhoods, both the Suburban Residential and the Rural Residential Districts allow two-family dwellings, multi-family dwellings that do not exceed 4 units, and Housing for the Elderly by Special Permit. Multiple Dwelling Projects are also permitted in both Districts provided that certain criteria are met. The Suburban Residential Districts are generally within areas of existing infrastructure and the lot size requirements are less than in the Rural Residential District. Lot size requirements ranging from a half acre (Suburban Residential, with Town water and sewer service) to one acre (Rural Residential).

Commercial and Industrial areas are generally located along Routes 20 and 131 and at the intersection of I-90 and I-84 through the central and eastern parts of town. Much of this development consists of retail shops and professional offices with the Sturbridge Business Park and the Sturbridge Technology Park anchoring both ends of Route 20.

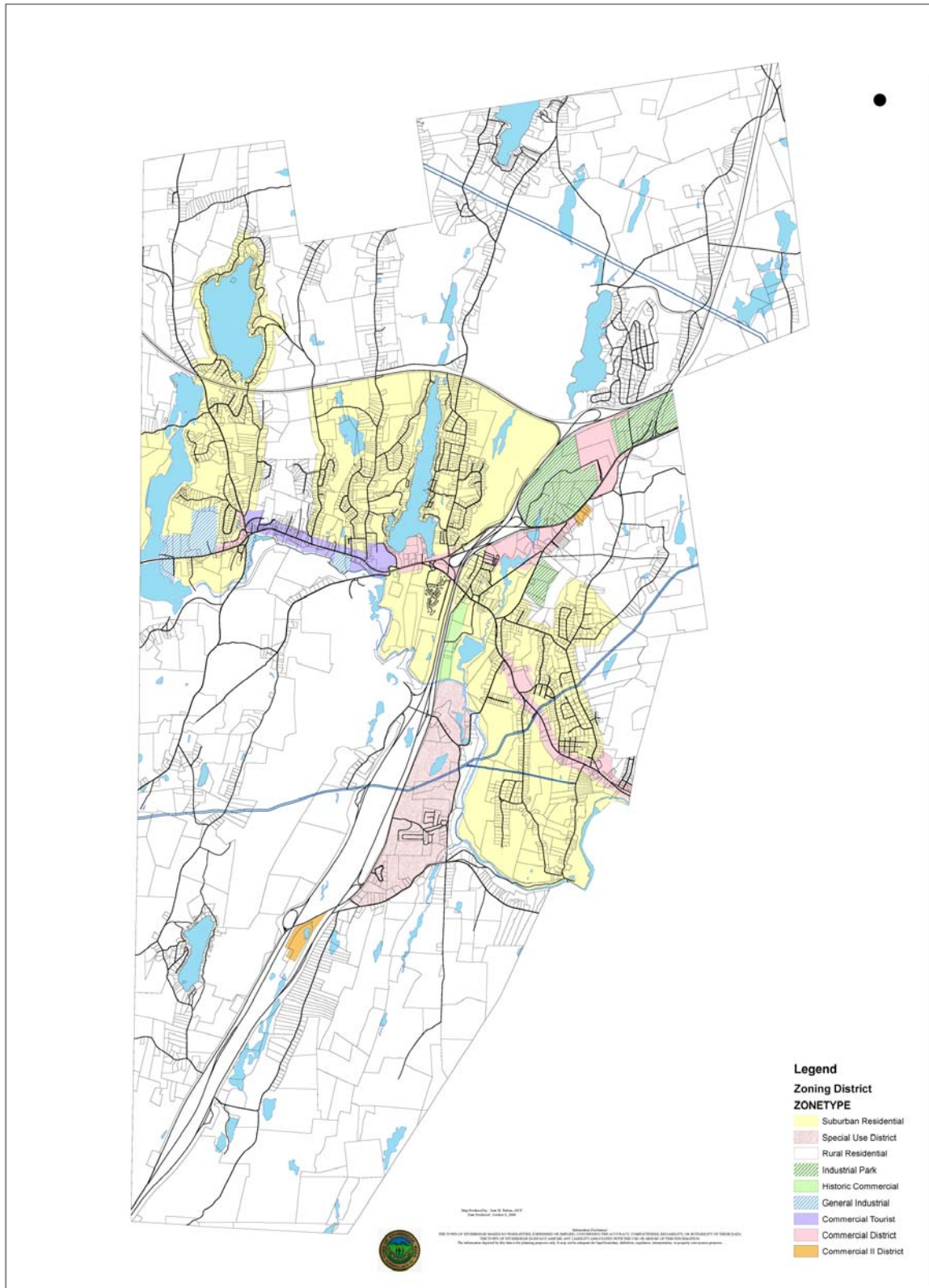
The Commercial Districts, of which there are four (Commercial Tourist, Historic Commercial, Commercial and Commercial II) all allow for mixed use development to occur in some fashion. All four districts allow the construction of single family homes, multi family dwellings are allowed by Special Permit in the Commercial District, and apartments accessory to a commercial building are allowed in the Commercial, Commercial II, and Commercial Tourists Districts.

There is also a Special Use District located along Route 15 that allows for Planned Unit Business Development. A variety of uses are allowed within that overlay district including homes and a variety of business types, but there have been no applications submitted as of this writing for such a development. Additionally, this District allows for Mobile Retirement Communities.

With the results of the Housing Needs Assessment in hand, the plan is to review zoning in light of encouraging affordable community housing and ensuring the proper use restrictions are required.

For zoning map, please see the following page.

Town of Sturbridge Zoning Map



Sewer: Public sewer service is limited to the areas closest to the center of the community. According to a recent study prepared for the Town, the Sturbridge sewer system consists of approximately 19 miles of gravity sewers, and approximately 15 miles of low pressure sewers and force main. The oldest sections of the sewer system are located in the western portion of Town, west of Interstate 84, and were constructed approximately 25 to 40 years ago. The sewer system in the eastern portion of Town, east of Route 84, was constructed more recently, within the last 10 years. Due to capacity issues with the current wastewater treatment facility, the town has been under a sewer moratorium for several years now. Under the terms of the moratorium, new sewer connections have not been permitted with the exception of connections for lots existing when the moratorium went into effect. Voters at the Annual Town Meeting held in April 2008, appropriated funds to upgrade and expand the wastewater treatment facility. The upgrade/expansion is in design phase currently, and construction is expected to begin in the Spring of 2009.

The remainder of the town is served by on site septic systems. According to the Sturbridge Board of Health, there are approximately 2,700 septic systems within the town (based upon the records held by that department). There are also several on-site wastewater treatment facilities in town.

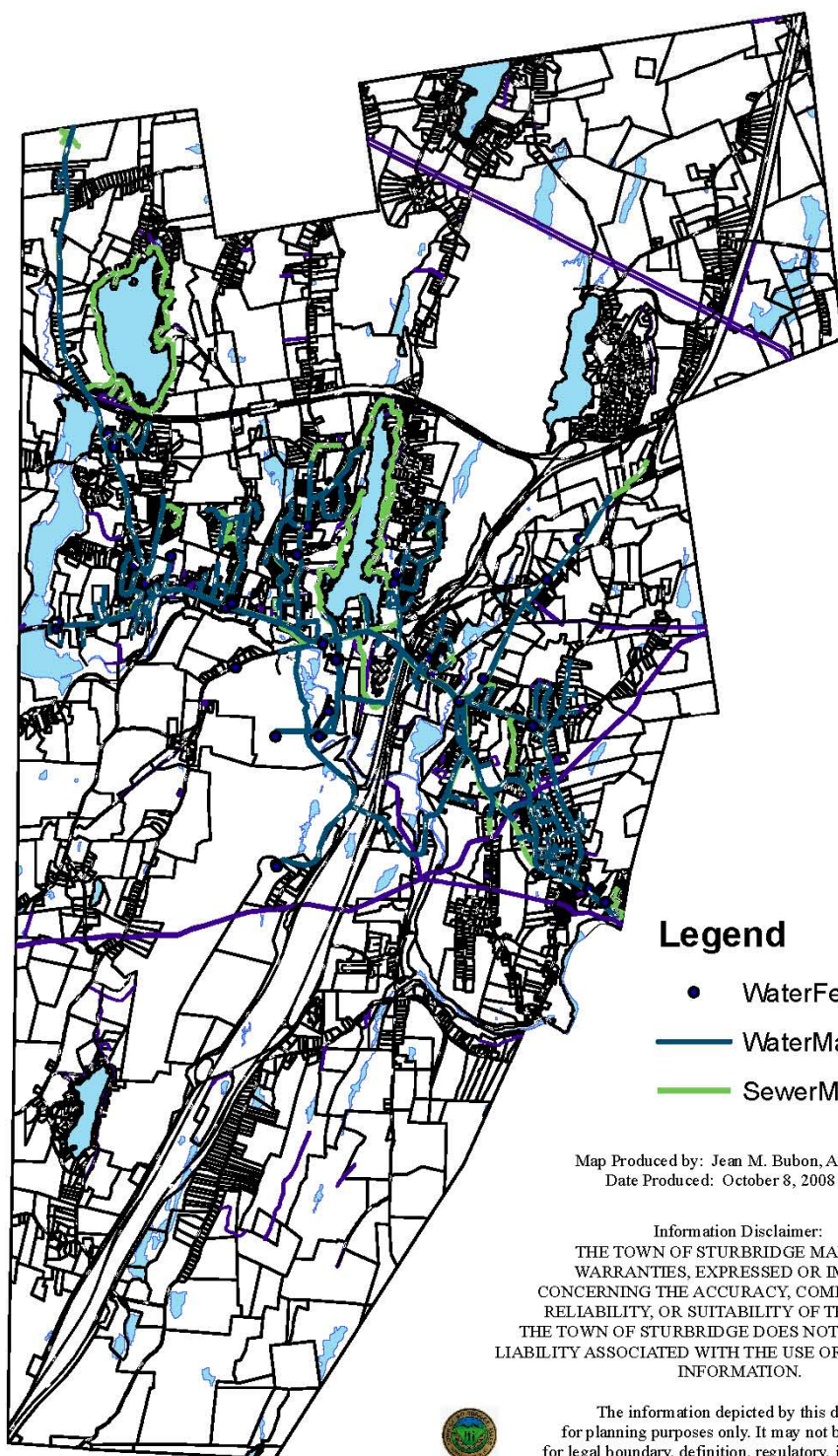
Water: As with public sewer, the public water lines exist mainly near the center of the community. There are twenty four public water supply wells within the town that serve residential and commercial needs. The remainder of town is served by on site wells. According to the Finance Department there are 1,649 active water accounts within the town. The source of water supply for the Town of Sturbridge is the three wells located within the aquifer area located in the central portion of town. This area is depicted on a map entitled “Zone II delineation for Well #1, Well #2, and Well #3 Sturbridge Water Department, Sturbridge, Ma. Dated January 2002”. This Groundwater Protection District regulates uses within that District, but does not prohibit the use of land for residential development.

A new Well # 4 has recently been approved by the DEP and the Town. This well will be located on Shattuck Road and once on-line will provide redundancy of supply and treatment for the Town’s Water System. The installation of this well will require the Groundwater Protection District to be expanded to include the Zone II and III areas around the well. It is expected the new delineation will be accepted by 2009 Town Meeting and the new area will be subject to the same development regulations as the current Groundwater Protection District.

For sewer and water map, please see the following page.

Water and Sewer Lines

3



Roadways: The Town of Sturbridge is located at the junction of Interstate 84, Interstate 90 and US Route 20. The Massachusetts Turnpike serves as the major east west highway, with Route 20 running east to west. Routes 131, 49 and 148 all intersect with Route 20 and provide direct routes to neighboring communities. Interstate 84 terminates in Sturbridge at the Massachusetts Turnpike Interchange. I84 provides easy access to Connecticut and New York. Due to the location and easy highway access, Sturbridge is a very desirable community providing easy access to other job markets.

Public Transportation: There is currently no public transportation serving the Town of Sturbridge.

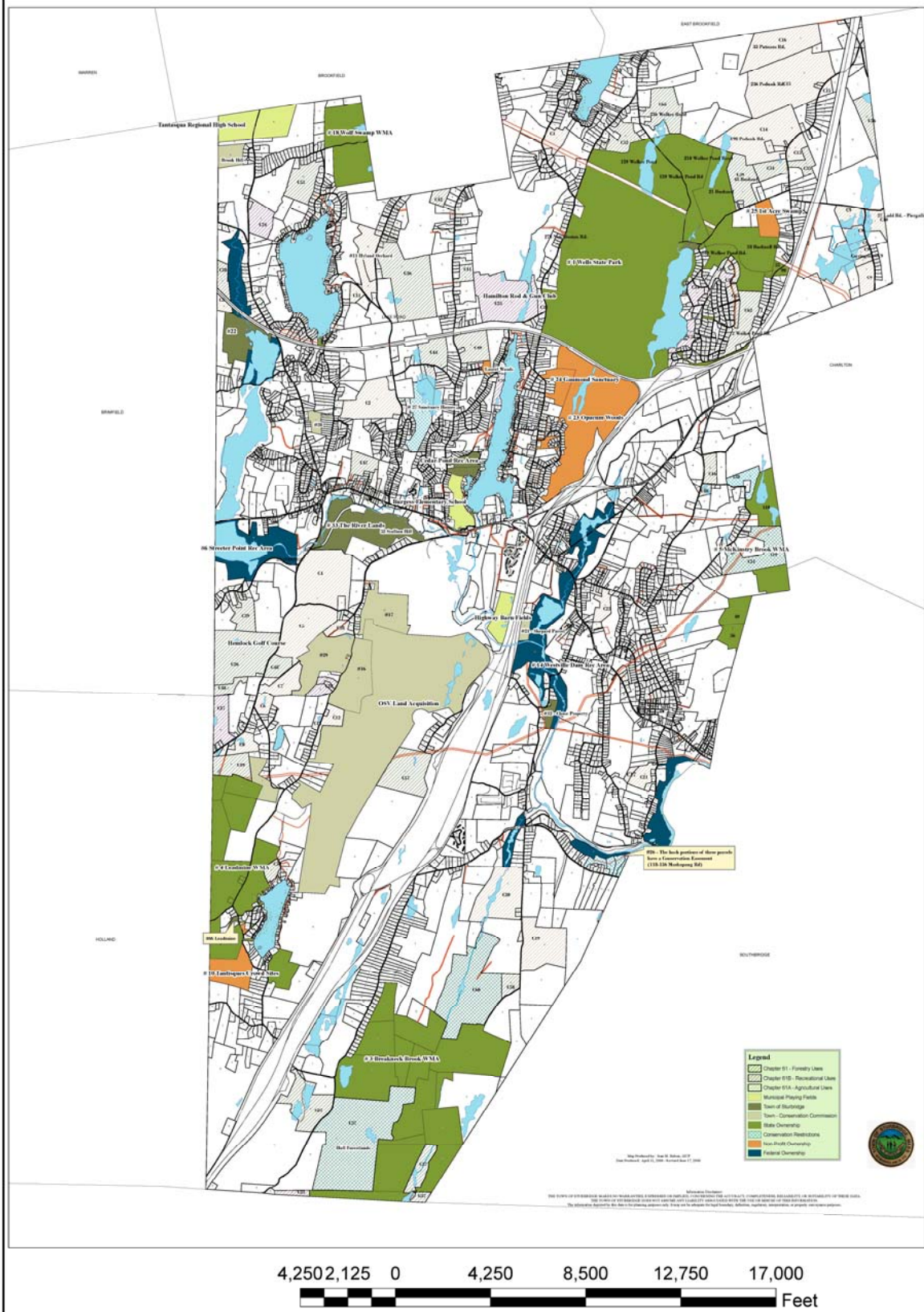
Environmental : The Town of Sturbridge is part of the French and Quinebaug Rivers Watershed. There are seven major water bodies within the Town: Big Alum Lake, Breakneck Pond, Cedar Pond, Leadmine Pond, Long Pond, South Pond, and Walker Pond. A portion of the Quinebaug River winds its way through town and there are many other wetland areas within the Town, particularly near the Quinebaug River, Hobbs Brook, Breakneck Brook, McKinstry Brook, and Hamant Brook areas. Work within wetland resource areas and their buffer zones require approval from the Sturbridge Conservation Commission. These areas are protected through the Rivers Protection Act and the Local Wetlands Bylaw. If the project will result in wetland impacts of 5,000 square feet or greater, additional permitting with DEP, United States Army Corps of Engineers (USACOE) and Massachusetts Environmental Policy Act (MEPA) Office will be required.

The most recent version of the “Priority Habitats and Estimated Habitats Map – October 1, 2006”, identifies large portions of the town falling within these areas. Properties located within these areas are required to file under the Massachusetts Endangered Species Act (MESA) for certain activities including the construction of single family homes.

The Town has a large amount of formally protected land within its bounds with 6,588.01 acres or 26% of the land area being permanently protected. The protected lands are, for the most part owned by the Town of Sturbridge, the Army Corp of Engineers, the Division of Fisheries and Wildlife, Opacum Land Trust and the Trustees of Reservations. There are also a substantial amount of parcels that are in Chapter Land Protection.

For open space map, please see the following page.

•



Schools: In the early 2000's population growth and school enrollment projections forecasted capacity issues for the Sturbridge schools (Burgess Elementary, Tantasqua Regional Junior High and Tantasqua High School). However, as enrollment has continued to remain stable over the past 10 years, capacity concerns have not materialized to the extent forecast. In addition, the Massachusetts School Building Authority has agreed to assist the Town with the renovation and expansion of Burgess Elementary School. The Feasibility Study, including a schematic design, will be finalized in early 2009 and with Town approval construction drawings should be completed in 2009. Construction could then start as soon as funds are available. So long as any development and housing production remain within the scope of the Sturbridge community, it is doubtful that schools would be a limiting factor.

Funding: Funding for affordable housing is a continual challenge. As Sturbridge works to increase and encourage affordable housing production, a variety of funding sources will be sought. Sturbridge approved adoption of the Community Preservation Act in April 2001 with a three percent surcharge and a \$100,000 residential exemption. To date, the town has purchased land for housing and funded this plan with CPA funds. The Zoning Board of Appeals also contributed to this Housing Needs Assessment using funds donated to it for "a housing production plan or other public purposes" by the developers of Crescent Gate, a "friendly 40B project" for 55 and over residents.

Community Perception: As is the case in many communities, residents may have pre-conceived notions about the effects of creating affordable housing. Part of the local planning process is also an education and outreach campaign. Greater understanding of community housing and the benefits that a diversity of housing options offers will lead to greater levels of local support and pro-active efforts to create and encourage housing that fits local needs.

Recent Development: Recent large scale housing developments have been tailored for the 55 and over group with a "friendly" 40B, Crescent Gate creating 18 affordable housing units and 51 market rate units. All of the affordable units in this development have been sold and the market rate units are 90% sold according to SK Properties, the developer of this project. Blue & Gold Development has also received approval from all Land Use Boards for a 71 unit active adult community (market rate) to be constructed off of Hall Road. Construction has not yet begun on this project with the developer citing economic conditions as the reason for the delay. The developer is unwilling to move forward in a market where eligible purchasers may not be able to sell their existing homes; and therefore has chosen to wait for the economy to improve. Both the Zoning Board of Appeals and Planning Board have granted extensions to permits granted for this development. A small six lot subdivision has been approved and constructed this past year. The project off of Farquhar Road has been

complete with the exception of final paving and a few finishing touches although the homes have not yet been constructed. The town has approved several new housing developments since 2000 and with the exception of Brook Hill these are still under construction. The following page contains a listing of recent subdivisions.

Recent Sturbridge Subdivisions

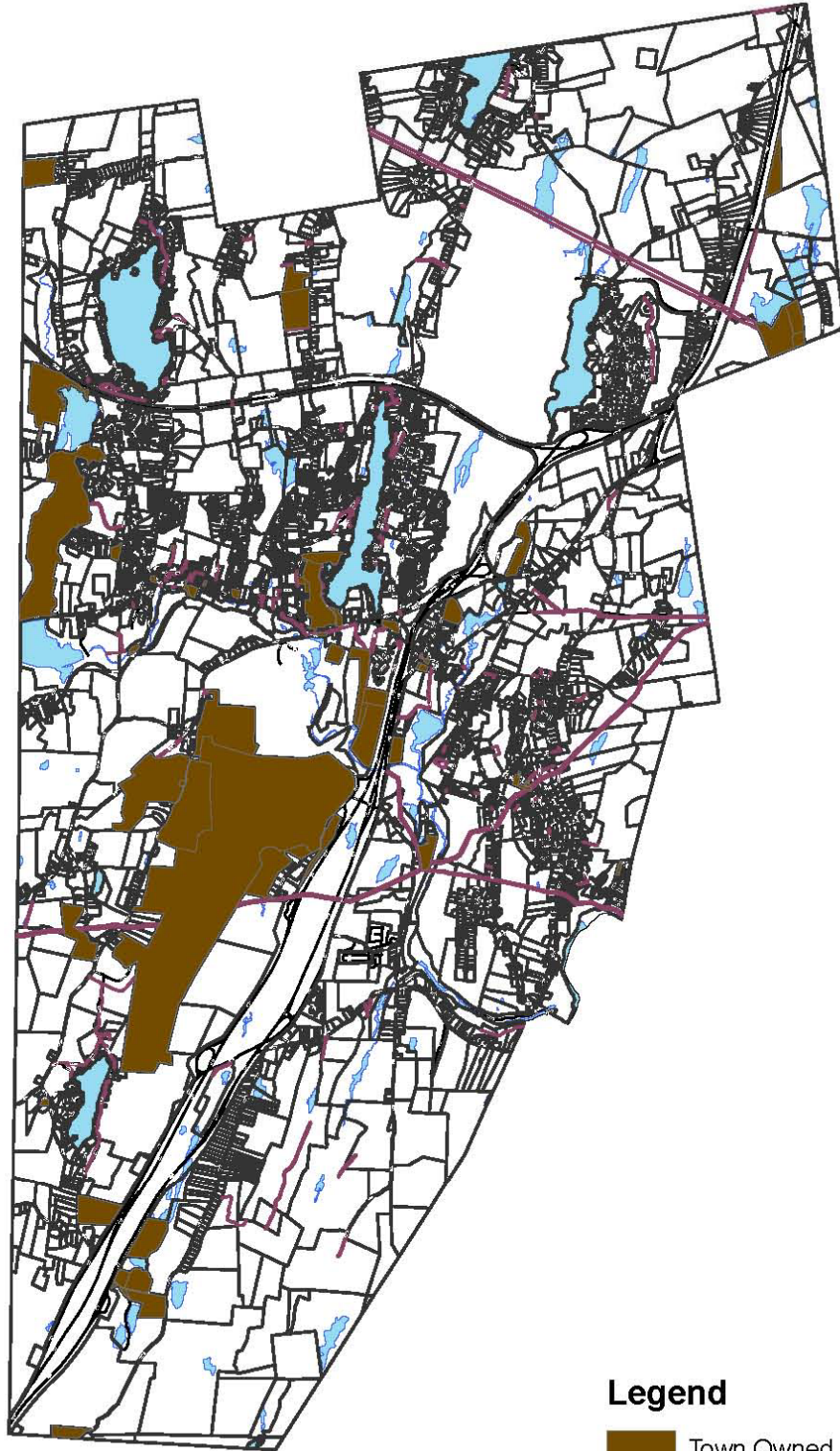
project name	year approved	# of lots built	street/intersection	# of lots remaining
Allen Homestead	2001	39	Colette Road	10
Brook Hill	2002	10	Brookfield Road	0
The Preserve	2002	71	New Boston Road	3
The Sanctuary	2002	24	Arnold Road	0
Draper Woods	2003	46	Brookfield Road	21
The Highlands	2004	26	Arnold Street	7
Laurel Woods	2005	9	Cedar Street	9
Estates at Sturbridge Farms	2007	6	Farquhar Road	6

There has been discussion about a larger 40B project to be located off of Main Street. The project, called Fiske Hill Commons, is proposed to contain 200 townhouse condominium units on approximately 42.5 acres of land on 30 Main Street. The owner has received a written determination of Project Eligibility (Site Approval) from MassHousing. However, at this time the developer is undecided if they will be pursuing the proposed 40B or a smaller scale market rate proposal. This same tract of land is part of a larger proposal for a four lot mixed use subdivision that will likely contain retail space, professional offices and a potential Assisted Living Facility. An application for the subdivision roadway has been filed with the Conservation Commission and will be followed by an application for Definitive Subdivision approval with the Planning Board. Once the subdivision has gained approval and the road can be constructed, separate approvals will be required for each parcel to be developed.

The Town has been working towards implementing various Smart Growth techniques including an Accessory Dwelling Unit bylaw, however the bylaw became quite controversial with some believing that ADU's should be allowed only for family members and others believing that this requirement would be difficult to police and that ADU's be allowed for anyone wishing to go through the permitting process. The bylaw received a majority vote at Town Meeting, but failed to gain the 2/3 vote required. The Planning Board is currently reviewing language for an Open Space Residential Design Bylaw and hopes to incorporate some density bonuses in the bylaw. It is likely that a density bonus will be included for affordable housing, among other things. Additionally, the Planning Board is eager to propose an Inclusionary Zoning Bylaw pending direction from the Housing Needs Assessment.

For Town owned land map, please see the following page.

Town Owned Property



Legend

 Town Owned Parcels

Map Produced by: David Butler, GISP
Data Provided: October 4, 2016



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Affordable Housing Goals

The housing goal for Sturbridge is 10% of year-round housing units affordable and eligible for DHCD's Subsidized Housing Inventor (SHI). This 10% goal correlates to 314 units, based on 2000 US Census data (3,141 year-round housing units). It is acknowledged that this will increase when 2010 Census data is available. At that time, when data is available, goals will be re-aligned.

As Sturbridge currently has 207 units on the SHI, the overriding goal is to ensure these units stay affordable as well as to increase this number by an additional 107 units to achieve the full 10%. Shorter-term goals follow the framework laid out by DHCD's Housing Production Plan Regulations (760 CMR 56.03(4)), focusing on creating an amount of affordable housing equal to one-half of one percent ($1/2\%$) of Sturbridge year-round housing stock – 16 units per year.

Preservation: HOWEVER, while adding 16 units per year to the SHI is the stated goal, it is also an overriding priority to preserve existing affordability. Heritage Green, a MassHousing subsidized 130 unit apartment project, has affordability due to expire in 2011. Funneling all required energy and funding into the steps necessary to ensure that this affordability is maintained will be critical. It is understood that the process of preserving these units does not “count” for production and certification under the Housing Production Plan Regulations. While the hope and intent is to create additional units while working to preserve Heritage Green's affordability, as Heritage Green represents over $1/3$ of Sturbridge's 10% SHI goal, and is an important housing resource not just for Sturbridge but for the surrounding communities, this is a critical priority.

Housing Mix

While it is important to create a variety of housing options, it is also important to examine what currently exists. All but 18 units currently on Sturbridge's SHI are rental. The 18 units that are homeownership are age restricted. Based on this existing affordable housing stock, and demographic data and community priorities, it has been determined that, for the next five years, new production priorities should focus to the greatest extent possible on homeownership opportunities.

- **Unit Size:** As 68% of Sturbridge households (based on 200 US Census) would require a 2 bedroom home, the majority of affordable homeownership opportunities should be this size. A mix of 5% 1-bedrooms; 70% 2-bedrooms, 20% 3-bedrooms

and 5% 4-bedrooms is recommended. Note, however, that it is neither expected nor recommended for any given development to build strictly according to these guidelines and it is understood that unit size will balance out over time. Additionally, as affordable homes are often not just “starter homes” but also “forever homes” the possibility of expansion and/or conversion of space into additional bedrooms should be examined for at least a portion of the 2-bedroom homes.

Housing Mix, Unit Sizes for Homeownership

	1-bedroom	2-bedroom	3-bedroom	4-bedroom
% of Mix	5%	70%	20%	5%

- **Disabilities:** Of newly constructed affordable homeownership opportunities, 5% of should be accessible/convertible to those with disabilities. An additionally 20% of newly constructed homeownership opportunities should adhere to visitability standards (one zero-step entrance, interior passage doors with 2' 8" minimum width).
- **Senior Housing:** as the homeownership stock currently on Sturbridge’s SHI is all age-restricted, for short term goals (5 year horizon), all housing production should be open to all ages.
- **Middle Income:** While not strictly a component of a Housing Production Plan and not production that would be eligible for inclusion on the SHI, middle income housing is an additional focus for Sturbridge as there is little to no housing stock available to families earning 120% or less of area median income.

Critical Next Steps

Sturbridge has taken an important first step in the area of housing by assessing needs. A review of action items offers the following steps as priority actions for the short term.

❖ **Primary Priority: Education and Outreach**

A key to gaining community acceptance and having committed citizens is to keep the community involved in the process and ensure plans reflect community values. Publicizing this needs assessment is an important first step to both helping the community understand the needs and to set the stage for action.

❖ **Primary Priority: Heritage Green**

It must be an overriding priority to preserve the existing affordability at Heritage Green. This development, a MassHousing subsidized 130 unit apartment project, has affordability due to expire in 2011. Funneling all required energy and funding into the steps necessary to ensure that this affordability is maintained will be critical. It is understood that the process of preserving these units does not “count” for production and certification under the Housing Production Plan Regulations, but these units represent over 1/3 of Sturbridge’s 10% Subsidized Housing Inventory goal, and over half of Sturbridge’s current’ affordable inventory.

❖ **Primary Priority: Lobby for Inclusion of Mobile Homes on SHI**

DHCD does not currently accept mobile homes for inclusion on the Subsidized Housing Inventory. While some mobile homes may not reach certain housing standards, it is clear that the mobile homes at the Sturbridge Retirement Cooperative are providing quality housing options at affordable rates. Recent communications with the Department of Housing and Community Development indicate the possibility that under certain circumstances, mobile homes may be counted. However, it is important to note that affordability is not the only criteria for inclusion on the Subsidized Housing Inventory (see page 18).

❖ **Primary Priority: Planning Initiatives**

Inclusionary zoning uses the zoning by-law to create requirements and/or incentives for affordable housing, such as requiring new developments over a certain size have a set aside, either in number of housing units affordable or a financial amount to fund affordable housing initiatives. Equipped with information on housing needs, Sturbridge should focus on inclusionary zoning and initiatives such as the Open Space Residential District, and ensure that these provisions include requirements that mesh with Sturbridge’s housing needs and meet the requirements for inclusion on the Subsidized Housing Inventory.

❖ **Primary Priority: Town Land Inventory**

As a first step towards understanding the assets a community has that could potentially be used to create housing, an inventory of town owned land is critical. The inventory should include all town owned land, current uses, planned use, potential uses, and any unique aspects of the land. The inventory should catalog current zoning as well as the number of dwelling units each lot could support under zoning and other infrastructure requirements.

❖ **Secondary Priority: Sewer Preference for Projects with Affordable Housing**

Having an explicit priority for scarce resources assists in planning. Affordable housing projects should not be stalled due to lack of sewer capacity and a process should be instituted to give projects with a certain amount of affordable housing a priority within the sewer allocation reserved for residential use.

❖ **Secondary Priority: Affordable Housing Development Guidelines**

Creating a set of guidelines for affordable housing development allows a community to proactively determine what is appropriate for affordable housing and what fits with the community's values. Guidelines can address issues such as design, location, appropriate density, etc. Guidelines serve as a tool for developers and can make the permitting process more fluid as developers know what a community is looking for, and serve the community by promoting housing that is consistent with local needs and values. Included in these guidelines for should be a specific subset of guidelines addressing multi-family homes.

❖ **Secondary Priority: BuyDown Program**

Use existing housing funding to start a pilot buydown program, taking advantage of the current lull in home prices to buy low-to-moderately priced Sturbridge homes, record deed restrictions, then re-sell affordably. This could be targeted to households making at or below 80% of area median income, or, if using Community Preservation Funds, could target households at 100%. Homes would be existing homes, in established neighborhoods.

Once significant strides have been made in the above priority areas it will be important to re-assess housing needs and housing actions and make sure that Sturbridge housing efforts are focused so as to best reflect community values and goals. The following pages include a chart of foreseeable action items and a description of these items. When the priority items have been addressed, this chart should be updated, editing as needed based on then current circumstances. Timelines will need to be inserted, as well as listings of appropriate entities to take the lead on the initiatives (the “driver”). A production chart should then be made, showing how each of the initiatives will produce housing and in what time frame.

Housing Production, Action Items

ACTION/STRATEGY	TIMELINE	DRIVER
	Start / Complete	Committee/Board and Individual Lead
Demonstrate Commitment		
Publicize Needs Assessment / Housing Production Concepts	10/08 - - - 11/08	Housing Partnership
Complete Town Employee Housing Questionnaire	10/08 - - - 11/08	Housing Partnership
DHCD Approval of Housing Production Plan (HPP)	2011- - -2011	Planning Board
Zoning		
Opens Space Residential District		
Inclusionary Zoning/Density Bonuses/Incentives for Community Housing		
Waiving Permit Fees		
Accessory Apartments		
Shop-Top Housing		
Local Capacity/Planning		
Education and Outreach		
Inventory Town Owned Land		
Create Housing Trust		
Affordable Housing Guidelines for Private Developers		
Guidelines for Siting Multi-Family Homes		
Sewer Priority for Affordable Housing (out of residential allocation)		
Look to Access Housing Resources (grants, sec 8, SoftSecond, etc)		
Create Employer/Housing Task Force		
Encourage Housing Non-Profits		
Regional Efforts		
Lobby CMRPC for Focus on Housing		
Housing Maintenance/Preservation/Expiring Uses		
Monitor SHI, Lobby for Inclusion of Mobile Homes		
Preserve/Upgrade Existing SHI stock		
HomeBuyer Education/Foreclosure Prevention		
Housing Rehabilitation		
Housing Programs/Production		
Gap Financing/Buy-Downs/Condo Buy-Down		
Town Owned Land/Larger Developments		
School Land/Teacher & Staff Housing		
Scattered Sites/New Construction (Habitat and other non-profits)		
Promote Friendly 40Bs		
Actions/Strategies to be Examined, but not in 5 Year Plan		
40R/40S		
Transfer of Development Rights		
Limited Use of Non-Complying Lots		
Create Housing Coordinator Position		
Community Development Corporation (CDC)		
HOME Consortium		
Property Tax Deferrals and Waivers		

Funding for the above list can come from a variety of sources: Community Preservation, Developer Fees, State/Federal Grants such as Community Development Block Grant and

HOME, and possibly a regional Community Development Corporation. The following section includes brief descriptions of these action items.

Publicize Needs Assessment/Housing Production Concepts: A key to not just gaining community acceptance, but having vested and committed citizens is to keep the community involved in the process and make sure plans reflect community values.

Complete Town Employee Housing Questionnaire: Gaining more detailed and up to date information on housing needs will help ensure that housing programs are well targeted.

DHCH Approval of Housing Production Plan (HPP): This document as it stands serves as a framework for a Housing Production Plan but does not have sufficient detail. Before submission to DHCD concrete elements must be added to the implementation strategies, including identifying zoning districts for housing, identifying specific sites (public and private) identifying characteristics of preferred development and identifying areas for regional collaboration.

Open Space Residential Design: A zoning tool used to preserve open space and at the same time promote housing by increasing density by grouping homes more tightly than may otherwise be allowed under zoning, provided that certain percentages of area remain open. There can also be requirements for affordable housing as part of a by-law.

Inclusionary Zoning/Density Bonuses/Incentives for Community Housing: These strategies use the zoning by-law to create requirements and/or incentives within zoning for community housing, such as requiring any new development over a certain size to have a set aside, either in number of housing units affordable, or a financial amount to fund affordable housing initiatives.

Waiving of Permit Fees: By waiving fees involved in affordable housing development a community can create a positive environment for developers and help keep projects financially viable.

Accessory Apartments: A zoning by-law that allows for smaller (“accessory”) apartments typically contained within a single family dwelling. DHCD has recently promulgated regulations specifically addressing accessory apartments in efforts to facilitate accessory apartments being included on the Subsidized Housing Inventory.

Shop-Top Housing: Another zoning incentive, where additional density is allowed or other requirements waived in particular circumstances so that affordable housing above retail stores is encouraged.

Education and Outreach: Allows for community understanding and helps keep citizens and stakeholders involved. Also provides channels for communication when volunteer help is needed or when affordable units come available.

Inventory Town Owned Land: As a first step towards understanding the assets a community has that could potentially be used to create housing, an inventory of town owned land is critical. The inventory should include all town owned land, current uses, planned use, potential uses, and any unique aspects of the land.

Create a Housing Trust: A Municipal Affordable Housing Trust (created by vote of Town Meeting) is a municipal entity for the creation and preservation of affordable housing for the benefit of low and moderate income households. Some of the key benefits of a Trust: Community Preservation and other funds can be appropriated to a Housing Trust Fund; and Trusts can receive, purchase and convey real property without a Town Meeting vote.

Affordable Housing Guidelines for Private, Public and Non-Profit Developers: Allows a community to pro-actively determine what is appropriate for affordable housing and what fits with the community's values. Guidelines can address issues such as design, location, appropriate density, etc. Guidelines serve as a tool for developers and can make the permitting process more fluid as developers know what a community is looking for, and serve the community by promoting housing that is consistent with local needs and values.

Guidelines for Siting Multi-Family Homes: Guidelines for multi-family homes are a specific subset of affordable housing guidelines.

Sewer Priority for Affordable Housing: Having an explicit priority for scarce resources assists in planning. Affordable housing projects should not be stalled due to lack of sewer capacity and a process should be instituted to give projects with a certain amount of affordable housing a priority within the sewer allocation reserved for residential use.

Look to Access Housing Resources (grants, Section 8, SoftSecond, etc): Many housing resources are available; to best take advantage of all resources it is helpful to understand what is available and how it may (or may not) fit with a community's needs and make-up.

Create Employer/Housing Task Force: This is an important subset of education and information, and also an action oriented group. Employers often understand the details of employee housing needs, can assist in prioritizing action items and are invested. The group can be easily mobilized when specific initiatives arise.

Encourage Housing Non-Profits: Non-profits offer unique benefits to a community, especially in terms of their ability to move quickly on housing initiatives and to build/develop housing economically.

Lobby CMRPC for Focus on Housing: The Central Massachusetts Regional Planning Commission could play a larger role in the area in terms of being a resource for housing expertise, and should be encouraged to do so. There can be efficiencies in regional planning, and regional groups may have access to funds that would not otherwise be available.

Monitor SHI: Housing with restrictions that are about to be released is termed “expiring uses”. It will be critical to make sure that housing that has been placed on the Subsidized Housing Inventory remains affordable and that expiring uses are effectively addressed.

Lobby for Inclusion of Mobile Homes on SHI: DHCD does not accept mobile homes for inclusion on the Subsidized Housing Inventory.

Preserve/Upgrade Existing SHI Stock: Older housing stock can often be in need of repair/rehabilitation. It is important that affordable housing be at all times safe and sanitary.

HomeBuyer Education/Foreclosure Prevention: Regional groups and/or non-profits often offer CHAPA (Citizen’s Housing and Planning Association) approved educational programs. If there is not a certified program nearby, a local non-profit should use CHAPA’s resources and gain certification. HomeBuyer Education is also a pre-requisite to a home-buyer obtaining the beneficial MassHousing Partnership’s SoftSecond mortgage.

Housing Rehabilitation: Programs such as the Community Development Block Grant can be used to fund housing rehabilitation programs for income qualified homeowners.

Gap Financing (including MHP’s SoftSecond) and Buy-Downs: Gap Financing is a program that gives a grant and/or loan to homebuyers to assist in purchase; buy-down is a program where an entity buys a market rate home then re-sells affordable. Buy-Down programs can either focus on single family dwellings, condominiums, or both.

Town Owned Land/Larger Developments: If, based on the town land inventory, Sturbridge highlights a tract of land appropriate for housing, Sturbridge should determine appropriate development parameters, seek a qualified developer, and make sure this project is on a fast-track.

School Land/Teacher & Staff Housing: Based on need/land availability, concept is an appropriately scaled development near/on school land, designed to serve the needs of the school employees.

Scattered Sites/New Construction: Using the non-complying lots zoning, using conventional zoning, or a 40B process, Sturbridge should make smaller lots available to non-profit developers for development of affordable housing.

Promote Friendly 40Bs: Sturbridge should seek 40B developers and encourage affordable housing on lands and areas identified in this Housing Production Plan and in the Town Owned Land Inventory.

40R/40S: The Smart Growth Zoning and Housing Production Act, more commonly referred to as Chapter 40R, encourages mixed-income housing production in smart growth locations by providing flexible funding to municipalities that establish zoning overlay districts that satisfy certain minimum thresholds pertaining to location, residential density and affordability. Chapter 40S serves to reimburse cities and towns for the additional costs of educating new school-age children in smart growth districts.

Transfer of Development Rights (TDR): TDR is a system where there is essentially an exchange of zoning privileges from one area to another. TDRs are often used to promote conservation and protection of sensitive land areas (sending district). The receiving district gets some or all of the zoning attributes of the sending district, typically involving higher density than would otherwise be permitted. TDRs can be used to promote affordable housing by including a requirement of affordability along with the increased density.

Limited Use of Non-Complying Lots: Zoning by-laws can be written that allow for non-buildable lots to be buildable, provided that health and safety codes are met and provided that there is mandated percentage of affordability (oftentimes 100%). As non-complying lots are often scattered throughout already developed residential areas, these types of zoning by-laws promote infill development and smaller, scattered affordable housing.

Create Housing Coordinator Position: Affordable housing is a detailed field. Having focused staff is critical to ensuring a town best positions itself to take advantage of opportunities, and also is critical to ensuring that housing initiatives remain a priority and keep moving forward.

Community Development Corporation (CDC): According to the Central Massachusetts Regional Planning Commission there is a newly formed Community Development Corporation serving the Sturbridge area, including Charlton, Douglas, Dudley, Oxford, Southbridge, Sturbridge and Webster. An initial Board Meeting was scheduled for September 2008. This group should be lobbied to ensure that housing is a priority

HOME Consortium: HOME is an affordable housing program administered by HUD (Housing and Urban Development). HOME provides formula grants to States and localities to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership. As a consortium (a regional group) there can be greater access to funds. Sturbridge should explore the possibility and benefits of creating a HOME consortium.

Property Tax/Deferrals and Waivers: Massachusetts General Law allows for a property tax deferral for seniors. At a local level income qualification and interest rates can be amended to best suit individual community needs. Deferring property tax can be a tool to keep homeownership affordable for those who qualify. Waivers of property tax, in exchange for affordability restrictions, can also be a useful affordable housing initiative.

Example of a Production Chart:

Housing Production, 5 Years

	2010	2011	2012	2013	2014	Total
Town Owned Property						
Town Owned to a Non Profit						
Town Owned to Habitat						
School Housing						
Private Property						
Heritage Green (expiring use, rental)						
Friendly 40B						
Programs Creating Community Hsg						
Buy-Down						
Inclusionary Zoning						
Accessory Apartments						
Totals						

Conclusion

State requirements for a Housing Production Plan include listing of strategies and actions that will enable a Town to meet its production goals. Sturbridge's production goals are currently 16 units per year. Based on current housing capacity and housing initiatives in process, Sturbridge cannot realistically present a path towards achieving this number. More groundwork must be complete. Sturbridge must be able to not only describe and analyze development constraints, but must also be able to identify concrete plans to mitigate these constraints. Sturbridge must be able to identify specific zoning districts and geographic areas where housing production will occur, must identify specific sites where private affordable housing development will occur, must identify preferred development characteristic and must identify municipally owned parcels for housing production. And production estimates must show the Town's ability to meet production goals.

However, while this plan cannot be submitted to DHCD as a Housing Production Plan it nonetheless has a critical role in that it can serve as a roadmap during the preliminary stages of housing planning and help to focus housing advocates on the work necessary to create a solid foundation for successful community affordable housing programs.