

CHAPTER

7

HOUSING

Housing has been identified as an important or very important topic to be discussed within the master plan by 74% of the survey respondents in Shelburne and 65% of the respondents in Buckland. This section includes an assessment of current housing stock and identifies the types of housing and housing programs that are needed in the future.

Of the survey respondents from Shelburne, 42% live in Shelburne Falls, and 53% live in the outlying rural residential areas; 79% own their own home and 16% rent. In Buckland, 88% of the survey respondents own their home and 10% are renters. The primary housing issues identified by Shelburne respondents are compliance with the state's title 5 septic system (57%), lead paint removal in homes to meet state mandates (54%), and need for rehabilitation of low and moderate income housing (52%). In Buckland, 82% of the survey respondents think that compliance with the new Title 5 regulations is an important or very important housing issue. Lead paint removal is identified as an important or very important issue by 66% of Buckland respondents. Development of programs that support first-time homebuyers is favored by 45% of the Shelburne respondents and 67% of Buckland respondents consider it important or very important. Development of elderly housing is identified as important or very important by 70% of Buckland's respondents and is favored by 43% of the respondents from Shelburne.

Shelburne respondents are evenly divided on the issue of development of affordable housing for low and moderate income families, with 35% in favor and 41% opposed to the idea. Similar results were exhibited in the Buckland survey. Housing is considered "affordable" when households spend no more than 30% of their gross income on housing costs. The sectors of the population, which are often in greatest need of affordable housing are elders living on fixed income and young families starting out. Of the respondents, 49% feel that development of low and moderate income housing to meet State goals is important or very important, whereas 47% do not consider it important. The number of units which count towards a municipality's 10% goal established by the State for low and moderate income housing only includes units that receive subsidies from state or federal housing assistance programs and does not include other affordable housing units based on the "30% of gross income" criteria.

Of the Survey respondents, 76% found that affordable housing was an important or very important factor affecting their decision to live in Shelburne. The majority of respondents (57%), feel that the affordability of housing in Shelburne has remained constant during their stay in Shelburne. However, 26% feel that affordable housing has deteriorated since they moved to Shelburne, while only 4% feel that it has improved.

The Shelburne survey asked respondents their views on various kinds of development in town. The responses regarding additional residential development were inconclusive. Of the respondents, 35% oppose additional residential development, 26% favor it, while 28% are undecided. Nevertheless, it is clear that respondents approve of a residential and commercial

mix similar to Shelburne Falls village center, with 48% of the respondents in favor and 22% opposed.

The types of residential development that received support from Shelburne survey respondents are single family residential of 2 acre or larger lots (54%), single family residential of ½ to 1 acre lots (46%), and development of houses in clusters on a small part of the property so that the remaining land is protected as open space (53%). Conversion of single family housing to multi-family units is opposed by 48% of the respondents, while 47% of the respondents oppose single family residential development of less than ½ acre lots and multi-family residential with three or more units. We suspect that this response refers to residential development in the rural areas and not to development within the village. This is based on the fact that 70% of the respondents cited the village as one of their reasons for moving to and staying in Shelburne and house lots in the village of Shelburne Falls are typically 1/4 acre or less. The supporters and detractors of apartments such as Highland Village and condominiums such as Dragon Hill are approximately equal.

Site Plan Review addresses the layout of new development on a parcel of land including location and height of structures, parking, traffic, roadways, landscaping, lighting and types of building materials in order to arrive at the best possible design for a specific location. Site Plan Review does not prevent development. It only shapes it by creating a process for community input. Site Plan Review for multiple housing lot residential subdivision development is supported by 72% of the Buckland respondents and is favored by 67% of the Shelburne respondents, with only 14% opposed to it.

A clear consensus could not be determined from the Shelburne survey results with respect to other residential zoning approaches. Development of houses in the back of a property so that land along the roads may be protected as agricultural land, forest or open space is favored by 39% of the respondents. Buckland's zoning bylaws already contain a provision for such back lot development with open space set-aside. Overall, 65% of Buckland's respondents support development of houses in clusters on a small part of the property so that the remaining land is protected as open space. This is also favored by 36% of the Shelburne respondents.

Goals

- To provide fair, decent, safe, affordable housing for rental or purchase that meets the needs of Shelburne and Buckland residents.
- To work towards raising the affordable housing stock to 10% of all housing units.
- To provide for residential development which is consistent with the rural and historic character of the community.
- To encourage a mix of housing densities, ownership patterns, prices, and building types to serve diverse households.

- To provide financial assistance to homeowners for state mandates and encourage compliance with Board of Health Code with respect to Title 5, removal of lead paint etc.

Strategies

- Support a mix of residential and commercial development in Shelburne Falls village center similar to what currently exists.
- In the rural area, encourage homes to be clustered on a small part of the property so that the remaining land is protected as open space.
- Support state-sponsored programs that provide financial assistance for homeowners to comply with Title 5 septic system and lead paint removal mandates by the state.
- Work with the Shelburne Housing Authority, the Franklin County Housing and Redevelopment Authority, and non-profit agencies to help homeowners obtain access to financial assistance for Self-Help building funds, septic upgrades, and home improvement financing.
- Initiate pro-active housing projects to meet the low-and moderate income housing requirements of the State in order to maintain control of development scale and style compatible with community character.
- Pursue public grants and other sources of funding to enhance the financial feasibility of affordable housing development, both rental and owner occupied, for elders and young families.
- Support grants for rehabilitation of vacant or underutilized buildings for residential use.
- Preserve existing affordable housing stock rather than converting it to other uses and work with legislators to have the State expand its definition of “affordable” to meet the 10% goal.
- Ensure effective code enforcement for affordable housing.
- Support the Shelburne Housing Authority in efforts to encourage major employers to implement programs which contribute towards meeting their employees’ affordable housing needs, such as mortgage assistance plans, mortgage guarantee programs and assistance with down payments and closing costs.

Assessment of Current Conditions

Housing in Buckland and Shelburne has traditionally consisted of compact single and two-family housing in Shelburne Falls village center and single family homes on frontage lots in the rural areas. There are few subdivisions and multi-family developments. Housing data for the two towns is provided below.

Buckland

According to the United States Census Bureau, Buckland had a total of 731 housing units in 1980. By 1990, this number had grown to 786 housing units. Of these, 42 units were vacant, creating a vacancy rate of 5.3%. The median value of owner-occupied housing units had increased from \$33,300 in 1980 to \$108,000 in 1990. Value is the Census respondent's estimate of how much the property, including the lot, would sell for. Of the total housing units in Buckland, 565, or 72% were owner occupied. An additional 179, or 23% were rental units. Of the vacant units, 10 were for sale, and 1 was for rent. The remaining 31 units were vacant for other reasons.

Table 7-1: Housing Units in Buckland

	Owner Occupied	Renter Occupied	Vacant	Total
Number of Units	565	179	42	786
Vacancy Rate	1.7%	0.6%	N/A	5.3%

Median Value \$108,000

Median Contract Rent \$370

Source: U.S. Census Bureau, 1990

According to the 1990 Census data, Buckland has a healthy diversity of housing types. Over 23% of the housing stock was available for rent. In addition, over 26% of the town's housing structures were two-family housing or greater (see Table 7-2). These numbers may be too high according to the Assessor, who estimates that only 11% of Buckland's structures in 1999 were two-family housing or greater. If the sample for the Census was primarily taken in Shelburne Falls, this may account for the higher percentage of two-family or greater structures. In addition, according to building permit information compiled by the U.S. Census Bureau (see Table 7-3), only single family units were constructed between 1990 and 1994. This shows a movement away from the housing diversity exhibited in the housing stock in 1990. Even assuming the lower figure estimated by the Assessor is correct, Buckland still has a favorable mix of housing types for a small rural community.

Table 7-4 presents information on housing in Buckland considered to be affordable according to the narrow definition of the State. According to data from the Department of Housing and Community Development (DHCD), there are only six subsidized housing units that are supported by state or federal housing assistance programs. Diversity in housing types provides opportunities for the town's elderly and young families to find accommodation locally. The town should continue to encourage and support a diversity of housing options.

Table 7-2: Type of Housing Structure

	Units	%
Single Unit	576	73.3
2-4 Units	149	19.0
5 or More Units	19	2.4
Other	42	5.3

Source: US Census Bureau, 1990

Table 7-3: Residential Building Permits

	Single Family	Multi Family
1990	4	0
1991	6	0
1992	5	0
1993	7	0
1994	7	0

Source: US Census Bureau, 1994

Table 7-4: Units Receiving State or Federal Housing Assistance

Subsidized Housing Units*	% Subsidized	Public Housing Units**		Rental Assistance***	
		Conventional State	Conventional Federal	State (MRVP)	Federal (Section 8)
6	0.78	3	0	0	0

* Subsidized Housing Units: The number of housing units which count toward the municipality's 10% goal for low- and moderate-income housing. It includes both subsidized affordable units and market rate units in certain eligible subsidized developments.

** Source: DHCD 1993

*** Source: DHCD 1994

Based on data from 1990, most of Buckland's housing stock is over fifty years old. Over 58% of the town's housing units were constructed prior to 1939, as can be seen in Table 7-5. The use of lead paint was prevalent during this time, and continues to be a problem for families with small children.

Table 7-5: Age of Housing Structures

	Units	%
1989-March 1990	11	1.4
1980-1988	59	7.5
1970-1979	75	9.5
1960-1969	82	10.4
1950-1959	68	8.7
1940-1949	33	4.2
1939 or earlier	458	58.3

Source: US Census Bureau, 1990

Shelburne

According to the United States Census Bureau, Shelburne had a total of 772 housing units in 1980. By 1990, this number had grown to 855 housing units. Of these, 61 units were vacant, creating a vacancy rate of 7.1%. The median value of owner-occupied housing units had increased from \$44,095 in 1980 to \$123,100 in 1990. Of the total housing units in 1990, 488, or 57% were owner occupied. An additional 306, or 36% were rental units (see Table 7-6). The median rent was \$381. Of the 61 vacant units, 11 were for sale, and 6 were for rent. The remaining 44 units were vacant for other reasons.

Table 7-6: Housing Units in Shelburne

	Owner Occupied	Renter Occupied	Vacant	Total
Number of Units	488	306	61	855
Vacancy Rate	2.2%	1.9%	N/A	7.1%

Median Value \$123,100

Median Contract Rent \$381

Source: U.S. Census Bureau, 1990

Shelburne has a healthy diversity of housing based on 1990 Census data. Approximately 36% of the housing stock was available for rent. In addition, over 42% of the town's housing structures were two-family housing or greater (see Table 7-7). Similar to Buckland, this estimate of two-family housing or greater may be too high, although the Shelburne Assessor could not provide more recent information. If the sample for the Census was primarily taken in Shelburne Falls, this may account for the high percentage of two-family or greater structures. Even assuming that the percentage is overstated, it is clear that Shelburne has a healthy diversity of housing stock for a rural community. However, according to building permit information compiled by the U.S. Census Bureau (see Table 7-8) only single family units were constructed between 1990 and 1994. This shows a movement away from the housing diversity exhibited in the housing stock in 1990. The town should continue to encourage and support a diversity of housing options.

Table 7-9 compiles information on housing in Shelburne considered affordable according to the State's narrow definition. Most of these units are within the Highland Village elderly housing complex. According to data from DHCD, there are 46 subsidized public housing units in the town of Shelburne, and nine units that receive rental assistance under the State Housing and Rental Subsidy Program, now known as the Massachusetts Rental Voucher Program. However, it is important to note that this information considers only the units that are supported by state or federal housing assistance programs. Diversity in housing type provides opportunities for the town's elderly and young families to find accommodation locally.

Table 7-7: Type of Housing Structure

	Units	%
Single Unit	494	57.8
2-4 Units	245	28.7
5 or More Units	83	9.7
Other	33	3.9

Source: US Census Bureau, 1990

Table 7-8: Residential Building Permits

	Single Family	Multi Family
1990	4	0
1991	6	0
1992	2	0
1993	4	0
1994	5	0

Source: US Census Bureau, 1994

Table 7-9: Units Receiving State or Federal Housing Assistance

Subsidized Housing Units*	% Subsidized	Public Housing Units**		Rental Assistance***	
		State	Federal	State (MRVP****)	Federal (Section 8)
46	5.53	46	0	9	0

* Subsidized Housing Units: The number of housing units which count toward the municipality's 10% goal for low- and moderate-income housing. It includes both subsidized affordable units and market rate units in certain eligible subsidized developments.

** Source: DHCD 1993

*** Source: DHCD 1994

**** MRVP: State Housing Rental Subsidy, now known as the Massachusetts Rental Voucher Program

Based on data from 1990, most of Shelburne's housing stock is over fifty years old. Almost 62% of the town's housing units were constructed prior to 1939, as can be seen in Table 7-10. The use of lead paint was prevalent during this time, and continues to be a problem for families with small children.

Table 7-10: Age of Housing Structures

	Units	%
1989-March 1990	10	1.2
1980-1988	66	7.7
1970-1979	123	14.4
1960-1969	54	6.3
1950-1959	43	5.0
1940-1949	30	3.5
1939 or earlier	529	61.9

Source: US Census Bureau, 1990

Affordability

Housing is considered 'affordable' when households spend no more than 30% of their gross income on housing costs. Households spending more than 30% of their income on housing are considered 'cost burdened.' For renters, housing costs include rent and utilities (heat, hot water, trash disposal, and electricity). For homeowners, the housing costs include the principal, interest, property taxes, and property insurance.

According to an analysis of the 1990 Census of Population and Housing conducted by the Housing Assistance Council, Massachusetts had one of the highest percentages of cost burdened

rural residents in the country. In 1990, the state had the third highest rural median monthly rent at \$588. The rural median monthly owner cost was \$1,140, and was the fourth highest in the country. The total percentage of cost-burdened rural households in the state was 28%.

Table 7-11: Income and Housing Data

	Buckland	Shelburne
Median Household Income	\$32,663	\$27,639
95% MHI*	\$31,030	\$26,257
80% MHI**	\$26,130	\$22,111
Median House Value	\$108,000	\$123,100
Median Gross Monthly Rent***	\$370	\$381

Source: U.S. Census data 1990

* Owner occupied units occupied by households with income of no more than 95% of the Median Household Income for the town are eligible for assistance under affordable housing programs.

** Rental units occupied by households with income no greater than 80% of the Median Household Income for the town are eligible for assistance under the affordable housing programs.

*** The gross monthly rent figures for both Shelburne and Buckland seem low compared to current rents. Reviewing the advertisements for rental properties in the Greenfield Recorder in two weeks in March 1999 revealed a rent range from \$425 to \$525 for apartments in Shelburne Falls.

Based on 1990 data (see Table 7-11) the median income household in Buckland could afford a house costing \$90,000 and in Shelburne \$75,000, assuming an 8.5% fixed interest rate mortgage. These housing costs have been obtained from a worksheet used by the Franklin County Regional Housing and Redevelopment Authority. The assumptions used for this calculation are that monthly payments include principal, interest, taxes, and insurance based on a 10% down payment; a 30 year term; fire and hazard insurance equaling 5/12% of purchase price; a tax rate equaling 15 dollars per thousand of purchase price; private mortgage insurance (PMI) equaling .00031250 of a point of mortgage value; no homeowners fee; and a minimum income based on allowing 30% of gross income towards monthly cost. The 1990 average cost of a house was \$108,000 in Buckland and \$123,100 in Shelburne. This shows a gap of \$18,000 in Buckland and \$48,000 in Shelburne. While the U. S. Census has not yet updated projected increases in median household incomes, the Franklin-Hampshire Board of Realtors noted that high housing costs have corrected themselves slightly. The natural beauty and traditional community character of Buckland and Shelburne make the towns attractive to people from outside the region for vacation homes. A large gap between the affordability for local residents and the cost of housing could result in property being more susceptible to purchase for second homes and vacation homes.

For rental properties in 1990, the median income households in Buckland and Shelburne could afford to spend \$816 and \$690 for monthly rent and utilities. This compares favorably with the median gross monthly rent of \$370 (Buckland) and \$381 (Shelburne) identified by the U.S. Census. The gross monthly rent figures for both towns seem low compared to current rents. Reviewing the advertisements for rental properties in the Greenfield Recorder in two weeks in March 1999 revealed a rent range from \$425 to \$525 for apartments in Shelburne Falls.

Table 7-12: Home Sales: Buckland

Year	Number	% Change	Median Sale Price (\$)	% Change
1990	22	-56.9	91,300	+1.4
1991	24	9.1	82,000	-10.2
1992	27	20.8	86,000	+4.9
1993	26	-10.3	95,000	+10.5
1994	36	38.5	82,000	-13.7

Source: Banker and Tradesman

Note: Home Sales & Home Prices: Data for all transactions between \$25,000 and \$1,000,000. Condominium sales and prices are included.

Table 7-13: Home Sales: Shelburne

Year	Number	% Change	Median Sale Price (\$)	% Change
1990	31	-8.8	105,000	-8.7
1991	34	9.7	105,000	0.0
1992	27	-20.6	102,500	-2.4
1993	32	18.5	95,000	-7.3
1994	33	3.1	79,900	-15.9

Source: Banker and Tradesman

Note: Home Sales & Home Prices: Data for all transactions between \$25,000 and \$1,000,000. Condominium sales and prices are included.

Housing costs in both Shelburne and Buckland experienced a major increase between 1980 and 1990. The towns are well connected by Route 2 to regional employment centers such as Greenfield and Montague. This makes the towns attractive to commuters. Other factors contributing to the increase in housing prices include increasing costs of labor and building supplies. The small scale of development, costs related to building permits, and costs related to the provision of septic systems, water wells, and utilities to meet state standards also add to the cost of development. Tables 7-12 and 7-13 show information on sales of homes between 1990 and 1994. Median sale prices in Buckland fluctuated during this period but were under \$95,000. In Shelburne, median sale prices exhibited a steady decrease from \$105,000 to \$79,900. The housing market in the region has once again begun to gain momentum after the recession in the earlier part of the decade. This often results in higher sale prices of homes, as demand increases, but more recent data is not yet available.

The Massachusetts Executive Order 215 of 1982 directs that every town should offer 10% of its housing stock for low and moderate income households. The current number of affordable units in the two towns that are on record with the Department of Housing and Community Development (DHCD) are listed in Table 7-14. These numbers are small for both towns. This is because the only units considered by DHCD are the ones that receive assistance from state or federal housing assistance programs. The towns should work with the Franklin County Regional Housing and Redevelopment Authority to devise ways to have the state recognize the presence of affordable units that do not utilize assistance from state or federal programs.

Table 7-14: Affordable Housing Units

	Buckland	Shelburne
Total Housing Units	766	832
Chapter 40B Units*	6	46
Total State-Designated Affordable Units	9	46

Source: Massachusetts Department of Housing and Community Development Chapter 40B Subsidized Housing Inventory – Current through July 1, 1997

Notes:

1) Chapter 774 of the Acts of 1969 (also known as Chapter 40B of the Massachusetts General Laws or the Anti-snob Zoning Act) is a process established by the Legislature to help address the state's housing needs through locally granted permits. This law enables the local Zoning Board of Appeals to grant a single permit to an eligible developer proposing state or federally subsidized low or moderate income housing.

2) While the Chapter 40B Housing Inventory is an indication of the effort communities have made to provide affordable housing, it does not reflect the presence of tenant based subsidies or other affordable rental apartments.

Housing Issues

Removal of Lead Paint

The majority of houses in Buckland and Shelburne were constructed prior to 1939, when lead paint was widely used. Removal of this paint is often expensive and many property owners do not have adequate funding to undertake removal. Therefore, a large number of rental apartments remain untreated. Low income families with young children often experience difficulty finding an apartment without lead paint.

Title 5

Revised Title 5 rules were instituted in Spring of 1995. Approximately half the population of Buckland and Shelburne lives in Shelburne Falls and is served by the sewer system. Compliance with the Title 5 regulations is an important issue for the remaining rural households that have individual septic systems. Statewide, three-quarters of the systems reviewed by 1996 passed inspection. Figures for Buckland and Shelburne were not available. For the systems that did not pass inspection, repair costs averaged about \$6,200. The DEP's Homeowner Septic Loan Program, instituted in 1996, utilizes funds from a FHA Title I loan program and from the Open Space Bond Bill. The FHA program creates a private bank-funded capitalization of septic system loans available for all income earners. The criteria for a loan is based on the credit history of the borrower, and allows a maximum debt-to-income ratio of 45%. The advantage to the bank is that these loans will be backed by a 90% federal guarantee, and are saleable to secondary market portfolio players. State funding subsidizes the low and moderate income (LMI) homeowner interest rate from market rate to 5%.

Executive Order 215

Since 1982, the Massachusetts Executive Order 215 has directed that every town should offer 10% of its housing stock for low and moderate income households. Towns that initiate a proactive stance regarding this policy have the opportunity to develop a scale and style of construction that fits their traditional small town character.

Elders and Young Families

A diverse housing stock with a wide range of costs is a necessary component of the social and economic health of the towns. Young families and the elderly population often need assistance to continue to reside in the town they grew up in. These are often the demographic sections with lower or fixed incomes, as they make their way up in the world or wind down after a fruitful life. Affordability thus is lower for these groups. The high cost of land and development makes it difficult for the private housing market exclusively to provide an adequate number of affordable rental and home ownership opportunities. General demographic trends across the country suggest that elders, single persons and couples who are just starting out are all seeking housing with less space and fewer maintenance responsibilities than the single family home. There is a need for a wider variety of housing types beyond the traditional single family house.

Shelburne Housing Authority

The Franklin County Regional Housing and Redevelopment Authority (HRA) was created in recognition of the fact that in the absence of an agency dedicated to housing issues, Franklin County was underserved in terms of housing assistance. The HRA provides deferred payment loans to maintain quality affordable housing in the area and to stimulate the local building economy. It also supports the Self-Help building program, energy efficient improvements, Title 5 septic upgrades and trailer park resident buy-outs. New housing programs are directed at adaptive reuse of buildings, financial assistance to low and middle income households, and neighborhood redevelopment to eliminate absentee landlord problems. The Shelburne Housing Authority is the local wing of the HRA. It was instrumental in the construction of Highland Village in Shelburne.

In the past decade, federal and state support for housing programs has diminished in attempts to control budget deficits. However, the need for affordable housing remains. Buckland and Shelburne need to proactively develop more affordable housing so local residents, particularly elders and young families, can remain in the area.

Recommendations

- Buckland should consider working with the Franklin Regional Housing Authority to identify a location in the Village District for affordable elderly housing to increase the number of units meeting the requirements of Executive Order 215.
- The towns should work with local legislators and the Franklin Regional Housing Authority to have the State expand its narrow definition of “affordable” to meet the State mandated goal of 10%.

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