

CHAPTER 3

HOUSING

Diverse, affordable housing is important for all communities. After paying housing costs, residents need adequate remaining income to cover other basic expenditures, including food, health care, utilities, and transportation. Housing is generally considered to be affordable when households spend no more than 30 percent of their gross income on housing costs. Fortunately, under this definition, housing is currently affordable for the majority of Shutesbury residents.

The Town of Shutesbury works in partnership with the Franklin County Housing and Redevelopment Authority and the Franklin Regional Council of Governments to support the development of affordable housing both regionally and within Shutesbury, and to implement the housing recommendations of the FRCOG's Regional Policy Plan. In addition, the town works to encourage appropriate and responsible housing development in Shutesbury through its planning initiatives, such as this chapter of the Master Plan, being developed under Executive Order 418.

Executive Order 418 also defined housing affordability based on spending no more than 30 percent of income on housing. Therefore, under the Executive Order 418 (EO418) definition, most housing in Shutesbury is affordable for residents. In addition, EO418 created a new affordable housing certification process. To obtain housing certification, communities must demonstrate that they are taking steps to increase their supply of housing that is affordable to individuals and families across a broad range of incomes. Housing certification is obtained on a year-to-year basis. Shutesbury received housing certification for Fiscal Year (FY) 2001 and FY 2002 and has received provisional certification for FY 2003.¹ To achieve certification, Shutesbury has shown that it is working to address the housing needs of its residents and to expand affordable housing options in the community. For FY 2003, new homes in Shutesbury and the other Franklin County towns must cost \$228,927 or less to count as affordable for housing certification purposes, and new apartments must have monthly rents of no more than \$1,210. According to the 2000 U.S. Census data, only a small number of homes and rental units in Shutesbury have costs above these thresholds.

Although housing in Shutesbury is presently affordable for most residents, the town recognizes that some residents have housing costs that are unaffordable or have other unmet housing needs. Currently, for example, many residents of low or moderate incomes are cost-burdened by their housing expenditures. Another concern is that some senior residents would like to be able to move out of their homes, but remain in Shutesbury living in apartments or in condos, but only a limited amount of such housing is currently available. The Town of Shutesbury, through this Master Plan and its other planning endeavors, is working to address such housing issues. The town is also focused on establishing options and strategies to encourage any residential

¹The Town's provisional housing certification for FY 2003 is contingent on Shutesbury undertaking housing planning through the EO418 Community Development Planning process. The creation of this Housing chapter will fulfill this requirement.

development that occurs to be sustainable and compatible with the town's and its residents' visions for Shutesbury's future.

The Housing chapter of the Shutesbury Master Plan presents an overview of housing availability and affordability in Shutesbury. It discusses how well the current housing supply is meeting demand, projects future demand, evaluates housing affordability, and includes strategies and recommendations for improving housing options and affordability for residents, such as seniors and low and moderate-income households, with unmet housing needs.

The Housing chapter contains the following main sections:

- Housing goals and objectives established during the creation of the Master Plan's vision statement;
- A discussion of the planning and legislative context for this housing chapter;
- An inventory and assessment of Shutesbury's current housing;
- An evaluation of the town's current and projected future housing demand, and a comparison between housing supply and housing demand to identify potential housing shortfalls;
- An assessment of housing affordability in Shutesbury and an analysis of how well Shutesbury's housing supply provides adequate affordable housing choices for low, moderate, and middle income individuals and households; and
- Recommendations and strategies for helping the town meet the housing goals and objectives presented earlier.

Housing Goals and Objectives

The following goals and objectives for housing were established during the creation of Shutesbury's vision statement early in the Master Planning process. They were developed from the findings of the 2001 Town Master Plan survey, and from input from residents and town boards and committees.

Goals

- To encourage a mix of housing densities, ownership patterns, prices, and building types to serve diverse households consistent with the rural character of the community.
- To provide fair, decent, safe, affordable elderly housing that meets the needs of Shutesbury's seniors and which also contributes to the tax base.
- To provide financial assistance to homeowners for State regulations, and encourage compliance with Board of Health Code with respect to Title 5 septic system upgrades, the removal of lead paint, etc.

Objectives

- Determine the most appropriate mix and location of development densities in town for single, two-family, and elderly housing.
- Identify zoning and subdivision measures that have succeeded in encouraging developers to choose cluster developments, which promote the retention of open space, over conventional subdivisions.
- Support State-sponsored programs that provide financial assistance for homeowners to comply with Title 5 septic system and radon regulations, and requirements to remove lead paint, asbestos, and urea-formaldehyde foam insulation (UFFI).
- Work with the Franklin County Housing and Redevelopment Authority and non-profit agencies to assist first-time homebuyers with home financing, and help homeowners obtain access to financial assistance for septic system upgrades and other home repairs and improvements.

Planning and Legislative Context

This section provides background information and context for this Housing chapter. It gives a brief summary of the State's legislation to encourage affordable housing, including EO418, Chapter 40B and the Community Preservation Act. It also discusses Shutesbury's current

community housing activities. Lastly, it provides a short overview of the town's zoning district and the types of residential development allowed in Shutesbury under its Zoning By-laws.

Legislation to Promote Affordable Housing

Executive Order 418 (EO418)

Issued in 2000, Executive Order 418 continues the Commonwealth's long commitment to encourage the creation of affordable housing. Executive Order 418, entitled, "Assisting Communities in Addressing the Housing Shortage," provides new incentives and resources for communities to promote affordable housing development. First, EO418 offers municipalities funding to create planning documents, such as this Master Plan, to help communities consider how they would like to grow in terms of potential future residential and economic development, and help them establish options and strategies for addressing future development pressures.

In addition, as mentioned earlier, EO418 created a new affordable housing certification process. Municipalities must obtain housing certification to be eligible to receive funds through certain discretionary rolling grant programs, and to receive bonus rating points for other grant programs. The affected programs are administered by the Department of Housing and Community Development (DHCD), the Executive Office of Environmental Affairs (EOEA), the Department of Economic Development (DED), and the Executive Office of Transportation and Construction (EOTC). The rolling application grant programs requiring housing certification are expected to provide a total of \$35 million in funding to communities statewide in Fiscal Year (FY) 2003 (which started July 1, 2002), and the competitive grant programs, which give a rating bonus for housing certification, should provide \$367 million. To receive housing certification, communities must demonstrate that they are working to increase their supply of both rental and owner-occupied housing that is affordable to individuals and families across a broad range of incomes.

Housing certification is obtained on an annual basis. Shutesbury received housing certification for FY 2001 and FY 2002 and provisional certification for FY 2003.² To achieve certification, Shutesbury has demonstrated that it is taking steps to address the housing needs of its residents, and that it is working to expand affordable housing options for individuals and families with low, middle, and moderate incomes. Under EO418, low-income households are considered to be those making 50 percent or less of the area-wide median income, moderate-income households are those making up to 80 percent of the area-wide median income, and middle-income households are those making up to 150 percent of the area-wide median income. The area-wide median income is defined as the median family income in the county where the housing units are located. The median family income describes the middle family income level for the county, with half of the families earning more than the median income, and half the families earning less. Because median income figures are relatively unaffected by atypical families that are very

² The Town's provisional housing certification for FY 2003 is contingent on Shutesbury undertaking housing planning through the EO418 Community Development Planning process. The creation of this Housing chapter fulfills this requirement.

wealthy or very poor, they are considered a useful way for measuring the income in a community.

To count for housing certification, new housing units can be either owner-occupied or rental housing. Qualifying rental units for housing certification must be affordable to families earning 100 percent of the area-wide median income, and qualifying homeownership units must be affordable to families earning 150 percent of the area-wide median income. The median income used for housing certification for Franklin County towns for Fiscal Year (FY) 2003 is \$48,400. Housing counts as affordable if families earning the above income levels spend no more than 30 percent of their incomes on housing expenditures. Based on the 30 percent threshold, new homes in Franklin County must cost \$228,927 or less to count as affordable for housing certification purposes in FY 2003, and new apartments must have monthly rents of no more than \$1,210. According to the 2000 U.S. Census data, only a few homes and rental units in Shutesbury have costs above these limits.

Chapter 40B

In 1969, the Massachusetts Legislature passed the Comprehensive Permit Law (M.G.L. Chapter 40B, Sections 20-23), to promote the creation of affordable housing statewide. With Chapter 40B, the Legislature streamlined the development permit process for affordable housing projects, and established the goal of increasing the amount of affordable housing in each community to 10 percent of the total housing stock. Under Chapter 40B, communities where less than 10 percent of the housing units are affordable may face new housing development that overrides local zoning restrictions, such as density and setback requirements. In these communities, a developer can submit a comprehensive permit application, known as a Chapter 40B application, for affordable housing development that overrides local zoning. This application is acted upon by the local Special Permit Granting Authority (SPGA). If the SPGA turns down the permit, the developer may be able to appeal the decision to the State Housing Appeals Committee, which can overrule the decision, and allow the housing project to proceed.

The Chapter 40B definition of “affordable housing” is more restrictive than the general definition based on housing costs not exceeding 30 percent of household income. In determining a town’s total number of affordable housing units for Chapter 40B, the State has historically only included units with rents or sales prices that are affordable, and which are only for households of low or moderate income. These restrictions must run for at least 30 years after construction. Chapter 40B units have traditionally also been required to be built with direct subsidies through State or Federal housing assistance programs. All unsubsidized units have been excluded from Chapter 40B status, even if their monthly costs are less than 30 percent of the median household income. This restriction is a disadvantage to rural communities where subsidized housing is less likely to be developed, but where housing costs relative to income may be lower than in more urban places. Under the general definition of affordability (less than 30 percent of income spent on housing), 73 percent of Shutesbury households have housing, which is affordable based on their incomes. Under the Chapter 40B definition of “affordable,” as of October 2001,

Shutesbury had no affordable housing (0.0%). As of 2001, only three communities in Franklin County had achieved 10 percent affordable housing: Greenfield, Orange, and Wendell.³

The State has recently begun to revise Chapter 40B to provide communities with more flexibility and local control in expanding their affordable housing supply. As a result of these changes, when a community has not yet reached the 10 percent affordable housing level, but has demonstrated a commitment to increasing its affordable housing supply, the local Zoning Board of Appeals has the ability to deny a Chapter 40B development permit. This commitment can be demonstrated through the creation of a local housing plan, which has been certified by DCHD and by the community increasing its number of Chapter 40B units for low and moderate-income households by at least 0.75% of the town's total units every calendar year. In addition, local SPGAs can now refuse to issue permits for large-scale housing projects that are inappropriately sized for their community.

The State has also begun to expand Chapter 40B's definition of "affordable housing" to count additional units towards the 10 percent goal. Among the units that can now count as affordable are locally subsidized housing units, long-term housing for the mentally ill or mentally retarded, housing created through the Community Preservation Act (M.G.L. Chapter 44B), and accessory apartments constructed after June 30, 2002. These types of housing all now count as affordable as long as they are serving low and moderate-income residents. Shutesbury's affordable housing percentage under Chapter 40B may increase as a result of these changes and the expanded "affordable housing" definition. It is anticipated that there will be further reforms and revisions to Chapter 40B, and additional expansions of its "affordable housing" definition over the next few years. These changes may further increase the town's percentage of affordable housing under Chapter 40B, and will provide the town with more flexibility in reaching the 10 percent affordable housing level.

Community Preservation Act

The Massachusetts Community Preservation Act (M.G.L. Chapter 44B), signed into law in 2000, is designed to help communities fund projects to address local needs related to affordable housing, historic preservation, and open space protection. Municipalities adopt the Community Preservation Act (CPA) on a local basis, through a ballot referendum. Communities that approve the CPA can impose a property tax surcharge of up to 3 percent, with possible exemptions for the first \$100,000 of residential property value, for homes owned by low-income households or seniors of moderate income, or for commercial or industrial properties. The funds collected through this surcharge are set aside in a local Community Preservation Fund. The CPA stipulates that at least 10 percent of the annual monies raised for the Community Preservation Fund must be spent, or set aside for future spending, on each of the following: open space (excluding recreational purposes), historic preservation, and community housing. Community housing is defined, as being housing that is affordable to individuals or families earning 100 percent or less of the area-wide median income.

³ The State has questions about the Chapter 40B affordable housing count for Wendell, and may be revising Wendell's Chapter 40B totals downward, which could put Wendell below the 10 percent level.

The remaining 70 percent of the CPA funds may be allocated to any one or a combination of the three main uses, including public recreational purposes, at the discretion of the town's Community Preservation Committee, and subject to the approval of Town Meeting. This gives communities the flexibility to use the money for community-designated priorities.

To encourage municipalities to adopt the CPA, Massachusetts has established the Massachusetts Community Preservation Trust Fund, which provides a match for local Community Preservation Fund monies. In fiscal year 2002, more than \$17 million in matching funds were distributed to local communities through the trust fund.

As of February 2003, 58 communities statewide have adopted the CPA. Leverett is the only one in Franklin County. In 2001, a special Shutesbury Town Meeting considered placing an article on enacting the CPA in Shutesbury on an upcoming election ballot. Town Meeting voted 60 to 14, not to do so. One of the major concerns was the costs the town would incur in administering the CPA tax surcharge.

Regional and Town Initiatives and Policies to Create Affordable Housing

As discussed in Shutesbury's previous housing certification applications (for FY 2001 and FY 2002), the town has a multi-faceted approach for community housing. First, the town has adopted the Franklin Regional Council of Government's Regional Policy Plan, a policy document to help guide future growth in Franklin County. The Regional Policy Plan contains numerous strategies for promoting appropriate development, including the creation of affordable housing, in the region. Second, like other Franklin County communities, Shutesbury works closely with the Franklin County Housing and Redevelopment Authority and its affiliated non-profit, Rural Development, Inc., to facilitate the development of affordable units in the region, including in Shutesbury. Third, the town works to support appropriate and responsible housing development through its planning initiatives and zoning regulations.

Regional Policy Plan

The Franklin Regional Council of Governments (FRCOG) established a Regional Policy Plan in 1998. The Regional Policy Plan is a policy document to help guide future growth in Franklin County. The Regional Policy Plan includes an assessment of housing affordability on a regional basis. Steps taken to implement the Policy Plan's housing-related recommendations include close coordination between communities and the regional housing authority, the Franklin County Housing and Redevelopment Authority (HRA). (*Please see Appendix D for a full list of the Regional Policy Plan's housing goals and recommendations.*) The Regional Policy Plan also addresses transportation planning and regional land use. It suggests areas that may be suitable for future housing development, and discusses transportation options for serving potential new development.

The HRA and its regional affordable housing partner, Rural Development, Inc. (RDI), have worked with Shutesbury and other communities in the region in conjunction with the Regional Policy Plan to identify sites to develop affordable single-family housing and rental housing. In 2001, one lot was identified for Shutesbury on Wendell Road, and a home for a low-income

family has now been built on that site. RDI also built at least five other housing units in Shutesbury during the late 1980s and early 1990s. The units constructed by RDI, although built with subsidies, do not count as affordable housing under Chapter 40B because they do not have deed restrictions or other restrictions to guarantee that they will be part of the long-term affordable housing stock for low and moderate income households. Under Chapter 40B, affordable housing is required to have rents or sales prices restricted to affordable levels for low and moderate income households for at least thirty years after construction.

Franklin County Housing and Redevelopment Authority and Rural Development Inc. Initiatives

Shutesbury works with the local and regional public housing authority, the Franklin Regional Housing and Redevelopment Authority (HRA), to address local housing and community development needs. The HRA was created in 1973 by the Massachusetts Legislature as the Commonwealth's first regional public housing authority. At that time, the State recognized that the twenty-six towns of the Franklin County, as small communities in the State's most rural county, did not have sufficient access to housing and community development resources, and were unlikely to develop and sustain adequate housing and community development capacity independently. The HRA was established to help address housing and development issues and to assist with housing and community development, both for the region as a whole and for local communities.

The HRA accesses numerous funding sources for housing and community projects. It works with Shutesbury and other towns regarding affordable homeownership and homeownership counseling, rental housing and tenant/landlord information and counseling, housing rehabilitation, Title 5 updates, and municipal infrastructure. The HRA also coordinates these activities with other agencies and organizations, including Rural Development, Inc (RDI), a non-profit HRA spin-off organization that builds affordable first-time homeowner single-family homes and rental housing for seniors, families, and special needs residents.

To date, the HRA has secured more than \$220 million in housing and community development resources for Franklin County towns. In addition, RDI has developed more than \$15 million in single and multi-family housing in the past ten years. Twelve homes are built each year in varying communities, and approximately sixty have been constructed in the past six years countywide. As mentioned earlier, one recent HRA housing project in Shutesbury was a new single-family home for a low-income family. The resources that HRA and RDI use for their projects come from a variety of sources, including Massachusetts Department of Community Development (DHCD) HOME funds, U.S. Department of Agriculture Rural Development funds, and Section 8 Home Ownership Program funds from the Housing Assistance Council. HRA and RDI programs help hundreds of families each year in Franklin County.

In addition to the regional housing programs and initiatives, in FY 2002, Shutesbury was awarded \$600,000 in Community Development Block Grant (CDBG) funding. More than half of these funds are being used to make the town offices more handicapped accessible. Approximately \$140,000 of the remainder will be used for housing rehabilitation and to bring homes owned by low and moderate-income households up to code. The housing rehabilitation

program, which is administered by the Franklin County Regional Housing and Redevelopment Authority (HRA), provides 0% interest loans of up to \$25,000 for repairs, lead paint abatement, Title 5 updates, and energy-efficient improvements. These loans are not required to be repaid until the rehabbed home is sold. HRA estimates that there will be sufficient funds to rehabilitate six to eight homes.

Shutesbury's Zoning for Residential Development

The entire Town of Shutesbury is designated as one zoning district, Rural Residential. Shutesbury allows single-family homes and two-family dwellings by right (Shutesbury Zoning By-laws, Section II.B.1 and II.B.2).

It also allows residents to rent rooms to lodgers, boarders, or tourists provided that no separate cooking facilities are maintained, and no more than three rooms are rented out. Such accommodations are limited to no more than six people, in addition to the resident family (Shutesbury Zoning By-laws, Section II.B.5c).

There are also a number of residential uses that are allowed by special permit. They are:

- The conversion of a single-family dwelling to a two-family dwelling (Shutesbury Zoning By-laws, Section II.C.12); and
- Back lot residential development, which allows for reduced roadway frontage in exchange for land being set aside as open space (Back Lot with Open Space Setaside Amendment to the Shutesbury Zoning By-laws).

Under its Rate of Development By-law, which was last revised at the Spring 2002 Town Meeting, Shutesbury permits the construction of up to six new dwelling units per year (Shutesbury Zoning By-laws, Section III.F). The Rate of Development By-law permits exemptions for low and moderate-income housing. Housing units constructed with a comprehensive (Chapter 40B) permit count towards the town's limit of 6 units per year. However, if a proposed comprehensive permit development contains more than 6 units that would be affordable to low and moderate-income households, the project would be exempted from the six-unit threshold, and would be allowed to be built.

All residential development in Shutesbury must adhere to the town requirements regarding lot size, setbacks, sewage disposal, and parking. Residential development allowed only by special permit must also meet additional requirements. Shutesbury's Zoning By-laws offer flexibility for future housing development, while realistically planning for future growth. They permit the construction of new-single family and two-family structures by right, and also provide a process for the other suitable types of residential development.

Current Housing Stock Inventory and Assessment

This section summarizes Shutesbury’s current housing characteristics, including housing type, housing age, tenancy, and new construction trends. The section also compares housing statistics for Shutesbury to those for Franklin County and for Massachusetts overall. The information presented in this section comes primarily from the U.S. Census (long form). Additional information includes building permit records provided by the Franklin County Cooperative Inspection Program and real estate data from the Warren Group.

Housing Supply

Shutesbury has experienced tremendous growth during the past three decades. In 1970, the town had 489 residents. By 2000, its population had grown to 1,810 (U.S. Census), an increase of 270 percent in 30 years. The main factor behind Shutesbury’s population growth has been a large in-migration of new residents seeking to experience the town’s high quality of life, including its good schools, and nearby job opportunities.

The increase in people wanting to move to Shutesbury has led to growing housing demand, which in turn has promoted the creation of new housing units. Figures from the U.S. Census Bureau indicate that during the past two decades, the number of housing units in Shutesbury increased by 51 percent, growing from 536 (1980) to 807 (2000) (*see Table 3-1*).

Table 3-1: Housing Units in Shutesbury, 1980-2000, Comparison with the County and State

Area	Number of Housing Units			Percentage Change		
	1980	1990	2000	1980-1990	1990-2000	1980-2000
Shutesbury	536	716	807	33.6%	12.7%	+50.6%
Franklin County	26,832	30,394	31,939	+13.3%	+5.1%	+19.0%
Massachusetts	2,208,146	2,472,711	2,621,989	+12.0%	+6.0%	+18.7%

Sources: U.S. Census Bureau, Census of Population & Housing, 1980, 1990, and 2000.

Table 3-1 shows that Shutesbury experienced much more housing growth than Franklin County and Massachusetts overall between 1980 and 2000. Contributing factors to this trend include the availability of land for development, Shutesbury’s relatively low property values at the time, the town’s quality schools, and close proximity to good jobs. As is shown in Appendix D, Shutesbury also had a higher rate of housing creation than any of its neighboring towns. During the twenty-year period, the number of homes in both Franklin County and in Massachusetts overall increased by 19 percent, compared to 51 percent for Shutesbury. Table 3-1 also indicates that for Shutesbury, Franklin County, and the State, more new housing construction and growth occurred during the 1980s than the 1990s.

It is expected that Shutesbury’s housing growth will slow further during this decade, in part because of the town’s Rate of Development By-law, which restricts new home construction to a maximum of six dwelling units per year. As was discussed earlier, the Rate of Development By-law allows affordable housing to be exempt from this particular by-law, though permits issued for the units none the less count towards the building cap.

Types of Housing

Housing in Shutesbury consists primarily of single-family homes (*see Table 3-2*). According to the 2000 U.S. Census, over 90 percent (93%) of Shutesbury's housing units are single-family residences; a category that includes both detached homes and attached units such as townhouses and condos. According to the U.S. Census, the rest of the town's housing mix is comprised of duplexes (4% of the town's total units), 3-4 unit buildings (2%) and mobile homes (less than 1%). Because the town does not allow 3-4 unit buildings, it is thought that the U.S. Census may be overstating the number that exist, though a few such buildings may have been built prior to the enactment of the town's Zoning By-laws in 1972. Shutesbury has no housing structures with five or more units.

Table 3-2: Types of Housing Structures in Shutesbury, 2000

Structure Type	Number of Units	Percent of all Units
Single Unit, detached	731	90.6%
Single Unit, attached	20	2.5%
Single Unit, total	751	93.1%
Two Unit Building	34	4.2%
3-4 Unit Building	18	2.2%
5 or more Unit Building	0	0.0%
Mobile Home	4	0.5%
	807	100.0%

Source: U.S. Census Bureau, Census of Population and Housing, 2000.

Shutesbury's proportion of single-family residences is greater than that for Franklin County or for the State as a whole. The Census Bureau estimates that 66 percent of housing units countywide and 56 percent of housing units statewide consist of single-family homes (2000 U.S. Census).

Housing Age

According to the 2000 U.S. Census, almost 60 percent (58%) of the homes in Shutesbury have been built since 1970, and only 15 percent of the town's homes were constructed before 1940 (*See the Housing Chapter Appendix D for more info on housing age*). Since such a large percentage of Shutesbury's housing stock is relatively recent, the town does not face many of the problems that are typically seen with older housing stocks. These problems can include lead paint. The State Department of Public Health (DPH) screens children up to age six for lead paint poisoning and Massachusetts law requires all children to be screened before they can enroll in kindergarten. The DPH's most recent statistics (FY 2001) show that no screened children in Shutesbury have elevated blood lead levels.

New Construction

Comparisons of the 1990 and 2000 U.S. Census data on housing type (*provided in Appendix D*) show that the number and percentage of single-family homes in Shutesbury increased during the 1990-2000 period. According to the Census info on housing type, ninety-eight new single-family homes were constructed during this time frame. Building permit data from the Franklin County Cooperative Inspection Program (FCCIP) shows the same trends. The FCCIP provides building inspection services and permit issuances for Shutesbury and sixteen other towns in Franklin County.

Table 3-3 provides a summary of authorized new housing construction in Shutesbury from January 1993 to December 2002, based on FCCIP's building permit data. Data for earlier periods were not readily available. Over the 1993-2002 period, the FCCIP issued 68 building permits authorizing a total of 72 units of new residential construction in Shutesbury, and building permits for reconstructing two previously existing homes in Shutesbury that had been damaged or demolished. Of the 68 permits, 62 (91%) were for new-single-family homes, and 4 (6%) were for new two-family homes. The last two permits were to convert a single-family home to a two-unit home, and to convert a shop into a single-family dwelling.

Of course, not all of the potential homes for which new construction permits are granted are actually built, but most are. For example, a review of Town Assessors' records of properties with new construction permits issued between 1998 and 2000 showed that almost all the permitted new construction was either completed or underway.

Table 3-3: Authorized Construction for New Housing Units in Shutesbury, 1993-2002

Year	Number of New Housing Units Authorized		
	New Single-Family Structures*	New 2-Unit Dwelling, or Conversion to Single-Family or 2-Unit Dwelling	Total Number of New Housing Units Authorized*
2002	5	(1) New Two-Family – adds 2 units	7
2001	6	(2) New Two-Family – adds 4 units	10
2000	5	(1) New Two-Family – adds 2 units	7
1999	3	0	3
1998	11	0	11
1997	2	(1) Conversion of a Woodshop to a Dwelling – adds 1 unit	3
1996	4	0	4
1995	7	(1) Conversion of a One-Family to a Two-Family – adds 1 unit	8
1994	13	0	13
1993	6	0	6
Total	62	10	72

*Does not include building permits to reconstruct or rebuilt previously existing homes. There were two such permits issued during the 1993-2002 period. Does also not include other building permits for renovations, unless a new housing unit is added, for example, with the conversion of a single-family home to a two-family.

Source: Franklin County Cooperative Inspection Program, data obtained January 2003.

An important characteristic of Shutesbury’s recent residential development is its location. Much of the new development is taking place outside of the historic village areas. Table 3-4 summarizes the top locations for the new residential construction permits listed in Table 3-3. The table includes all the roads in Shutesbury with three or more new housing units authorized from 1993 to 2002 (excluding reconstructed units). During this time period, the top three locations for new construction were Wendell Road with 15 authorized units, Montague Road with 8 units, and Pratt Corner Road with 6 units. Combined, the nine streets listed in Table 3-4 account for 72 percent, or 52 of the 72 new housing units that were authorized from 1993 to 2002.

Table 3-4: Primary Locations of Authorized New Residential Construction, 1993-2002

Road	Number of New Housing Units Authorized* 1993-2002	Road Length (miles)
Wendell Road	15	4.2
Montague Road	8	2.7
Pratt Corner Road	6	3.4
Pelham Hill Road	5	2.5
Locks Pond Road	4	1.9
Round Hills Road	4	0.1
West Pelham Road	4	2.8
Cooleyville Road	3	2.1
Old Orchard Road	3	0.1
Total for These 9 Roads	52	19.8

*Does not include building permits to reconstruct or rebuilt previously existing homes. There were two such permits issued during the 1993-2002 period. Does also not include other building permits for renovations, unless a new housing unit is added, for example, with the conversion of a single-family home to a two family.

Sources: Building permit data: Franklin County Cooperative Inspection Program, obtained January 2003; Road length: Massachusetts Highway Department, Road Inventory File, 2003.

As residential development in Shutesbury increases and also becomes more spread out over time, the town’s cost per household of providing services such as police and fire protection, school transportation, snow removal, and road maintenance, may grow due to the larger population density in outlying parts of town and the greater total population.

Housing Tenancy

Housing tenancy refers to whether a house is occupied by a renter or homeowner. Most of Shutesbury’s housing units are owner-occupied. As shown in Table 3-5, homeowners inhabit 68 percent of all Shutesbury’s housing units, and 83 percent of the town’s occupied housing units (2000 U.S. Census). This high level of home-ownership suggests that most people who live in, or move to, Shutesbury can afford to buy a home in the town. (Table 3-5 indicates that in 2000, only 82 percent of the town’s housing units were occupied, and 18 percent were therefore unoccupied. The Census Bureau only considers homes with year-round residents to be occupied. Homes with seasonal or occasional residents, such as the summer homes at Lake Wyola are considered unoccupied.)

Table 3-5: Housing Tenancy in Shutesbury, 1990-2000

Unit Type	1990			2000			Change in Occupied Units 1990-2000
	Number of Units	Percent of Occupied Units	Percent of All Units	Number of Units	Percent of Occupied Units	Percent of All Units	
Owner-Occupied	460	80.0%	64.2%	547	82.6%	67.8%	18.9%
Renter-Occupied	115	20.0%	16.1%	115	17.4%	14.3%	0.0%
Total Occupied (Households)*	575	100.0%	80.3%	662	100.0%	82.0%	15.1%

*Each household occupies one housing unit. Only housing units that have year-round residents are considered occupied. The Census Bureau considers housing units, which have seasonal or occasional residents (i.e. summer homes) to be unoccupied. Source: U.S. Census Bureau, Census of Population & Housing, 1990 and 2000.

Shutesbury’s level of renter-occupancy is lower than that for Franklin County and Massachusetts overall (*see Table 3-6*). Countywide, renters account for one-third (33%) of the occupied housing units, and statewide, they account for 38 percent.

Table 3-6: Housing Tenancy in Shutesbury, 2000, Comparison to the County and State

Area	Total Housing Units	Occupied Housing Units*	Percent Occupied	Of Occupied Units	
				Percent Owner Occupied	Percent Renter Occupied
Shutesbury	807	662	82.0%	82.6%	17.4%
Franklin County	31,939	29,466	92.2%	66.9%	33.1%
Massachusetts	2,621,989	2,443,580	93.2%	61.7%	38.3%

*Only housing units that have year-round residents are considered occupied. The Census Bureau considers housing units, which have only seasonal or occasional residents (i.e. summer homes) to be unoccupied. Source: U.S. Census Bureau, Census of Population & Housing, 2000.

Housing Vacancy Levels

As housing demand in Shutesbury has increased and housing has become scarcer, housing vacancy levels have decreased. The Census Bureau reports that between over the past two decades, the percentage of unoccupied units in Shutesbury dropped from 30 percent of the town’s total housing units to 18 percent. As was noted earlier, the Census Bureau considers homes with only seasonal or occasional use to be “vacant”, even though the residence may be used as a second home or vacation home. Other housing units that also considered vacant are those that are for sale or rent and not currently lived in, those that have been rented or sold but which have no residents, and those that are uninhabitable.

Shutesbury has a relatively large percentage of homes with seasonal or occasional residents; these homes represent 16 percent (131 units) of the town’s total housing stock (2000 U.S. Census). In contrast, countywide, such units only account for 3 percent of all housing. Also, in Shutesbury, homes with seasonal or occasional residents represent 90 percent of all the “vacant” housing units. These homes are not generally available for occupancy by full-time town residents. Consequently, the realistic housing vacancy rate in Shutesbury is quite low.

The calculated housing vacancy rates for Shutesbury shown in Table 3-7 below estimate the realistic vacancy rate based on homes and rental units that could be available to new residents to live in year round.⁴ According to the 2000 U.S. Census, the current homeowner vacancy rate in Shutesbury is just 1.8 percent and the rental vacancy rate is slightly lower at 1.7 percent. As shown in the table, between 1990 and 2000, the homeowner vacancy rate in Shutesbury declined by one-third (31%), while the rental vacancy rate stayed constant. Shutesbury has a relatively small number of rental units, approximately 117 units in total. As a result, a rental vacancy rate of 1.7 percent means that only 2-3 rental units are available for renting at any one time. In comparison, the homeowner vacancy rate of 1.7 percent represents approximately nine homes (*Please see Appendix D for more information on vacancies in Shutesbury*).

Table 3-7: Homeowner and Rental Vacancy Rates in Shutesbury, 1990-2000

	1990	2000
Homeowner Vacancy Rate	2.6%	1.8%
Rental Vacancy Rate	1.7%	1.7%

Source: U.S. Census Bureau, Census of Population & Housing, 1990 and 2000.

According to housing organizations such as the Franklin County Regional Housing and Redevelopment Authority, a healthy housing market is generally considered to have vacancy rates between 4 and 5 percent for rental properties, and 2 and 3 percent for owner-occupied homes. Because rural communities typically have less housing turnover than more urban places, lower vacancy rates in rural towns, such as Shutesbury, are reasonable.

Shutesbury’s low housing vacancy levels reflect that fact that Shutesbury is a desirable place to live and has a high quality of life. However, the low level of housing vacancies also suggests that that people seeking to move to Shutesbury, or to move within town, may have difficulty finding appropriate, affordable housing.

Another potential concern for Shutesbury is the growth that could occur if the town’s high housing demand leads to the conversion of seasonal homes to full-time residences. This growth, in turn, could result in higher municipal costs as the additional full-time residents seek year-round services, including educational services for their children. It is estimated that approximately half the homes at Lake Wyola are now used as year-round residences, and that more will be converted to year-round use in the coming years.

Population Characteristics that Influence Housing Demand

This section examines population characteristics that influence housing demand. These population characteristics include population size, household size and age distribution. This

⁴ These calculated housing vacancy rates exclude housing, which is considered to be vacant, but which is not available for rent or purchase. Such housing includes residences that have seasonal or occasional occupants, as well as homes that are uninhabitable, and homes that have been sold or rented, but which remain unoccupied.

section also discusses potential housing needs, both for Shutesbury’s population in general, and for particular population segments, such as seniors and the disabled.

Total Population

Shutesbury has grown tremendously in the last thirty years, especially during the 1970s and 1980s. During the 1970s, the town’s population more than doubled as Shutesbury grew from 486 residents to 1,049. Then during the 1980s, Shutesbury grew by another 512 people (49%). Overall, from 1970 to 2000, the town’s population grew by a phenomenal 270 percent (*see Table 3-8*).

As shown in Table 3-8, during the past three decades, Shutesbury’s population growth far exceeded that of Franklin County and Massachusetts overall. Between 1970 and 2000, Franklin County grew by 21 percent, and the State by 12 percent.

Table 3-8: Population for Shutesbury, 1970-2000, Comparison to the County and State

Area	Population				% Change			
	1970	1980	1990	2000	1970-1980	1980-1990	1990-2000	1970-2000
Shutesbury	489	1,049	1,561	1,810	114.5%	48.8%	16.0%	270.1%
Franklin County	59,210	64,317	70,092	71,535	8.6%	9.0%	2.1%	20.8%
Massachusetts	5,689,377	5,737,037	6,016,425	6,349,097	0.8%	4.9%	5.5%	11.6%

Source: U.S. Census Bureau, Census of Population & Housing, 1970, 1980, 1990, and 2000.

Households

The number of households is more important than total population size for determining the amount of housing needed by the community. A household is generally defined as a group of people living together in one housing unit. Changes in the number of households reflect not only changes in population, but also societal shifts that influence average household size.

Nationally, average household size is declining. The reduction in people per household is occurring for a variety of reasons. These reasons include a decrease in the average number of children per family and an increase in the number of single-parent households. Other factors are that families today are more mobile and more spread out spatially than in the past and that more adults now live by themselves. In Shutesbury, 116 adults presently reside by themselves. They represent 18 percent of the town’s adult population and 18 percent of the town’s households (2000 U.S. Census).

As Table 3-9 indicates, the average household size in Shutesbury declined 2 percent between 1980 and 2000 (2000 U.S. Census). This decline is similar to, but smaller than, the 8 percent decrease in household size seen at the County and State levels for the same period.

The figures in Table 3-9 show that Shutesbury experienced a slight increase in average household size during the 1990s, contrary to the general trend. During the same period, the average household size in Franklin County declined 4 percent, and the average household size in

the State overall fell 3 percent. One factor in Shutesbury that could have contributed to the slight increase is the growth in the number of households with children that occurred during the 1990s, due to good schools and other services and the availability of land for development. During the 1990s, the number of households in Shutesbury with children under 18 grew by 20 percent, while in Franklin County overall, the number of these households decreased by 3 percent.

Table 3-9: Average Household Size in Shutesbury, 1980-2000, Comparison to the County and State

Area	Average Number of Persons Per Household			Percentage Change		
	1980	1990	2000	1980-1990	1990-2000	1980-2000
Shutesbury	2.79	2.71	2.73	-2.9%	+0.7%	-2.2%
Franklin County	2.65	2.53	2.43	-4.5%	-4.0%	-8.3%
Massachusetts	2.82	2.68	2.60	-5.0%	-3.0%	-7.9%

Source: U.S. Census Bureau, Census of Population & Housing, 1980, 1990, and 2000.

Consistent with the factors mentioned above, such as the large population growth and the slight decrease in average household size, the number of total households in Shutesbury grew by 75 percent in the last two decades, increasing from 376 (1980) to 662 (2000).

During the past few decades, as more people have wanted to move to Shutesbury, there has been a growing demand for housing. This demand for housing, which has grown faster than the housing supply, has resulted in rising housing prices. These higher housing prices and greater housing demand, can make it difficult for people who are interested in moving to Shutesbury to find quality housing that is also affordable. Higher prices and housing demand can also make it hard for current residents to move within the town.

In addition, the straight comparison of changes in population and housing units does not capture factors beyond household growth alone that can increase the demand for new housing units, or for certain kinds of units. For one, it does not differentiate between renter-occupied and owner-occupied units. In addition, it does not address the issue of how well the characteristics of the current housing, including size, cost, accessibility, and location, meet the present and future needs of the community's residents. One issue in Shutesbury, for example, is the demand for senior housing among residents who wish to continue to live in town as they get older. It is important that such housing be made available, and that it be both affordable and accessible to those who wish to live in it. According to the 2000 U.S. Census, 28 percent of Shutesbury residents 65 and over have a disability. Any senior housing should include accommodations for this disabled population.

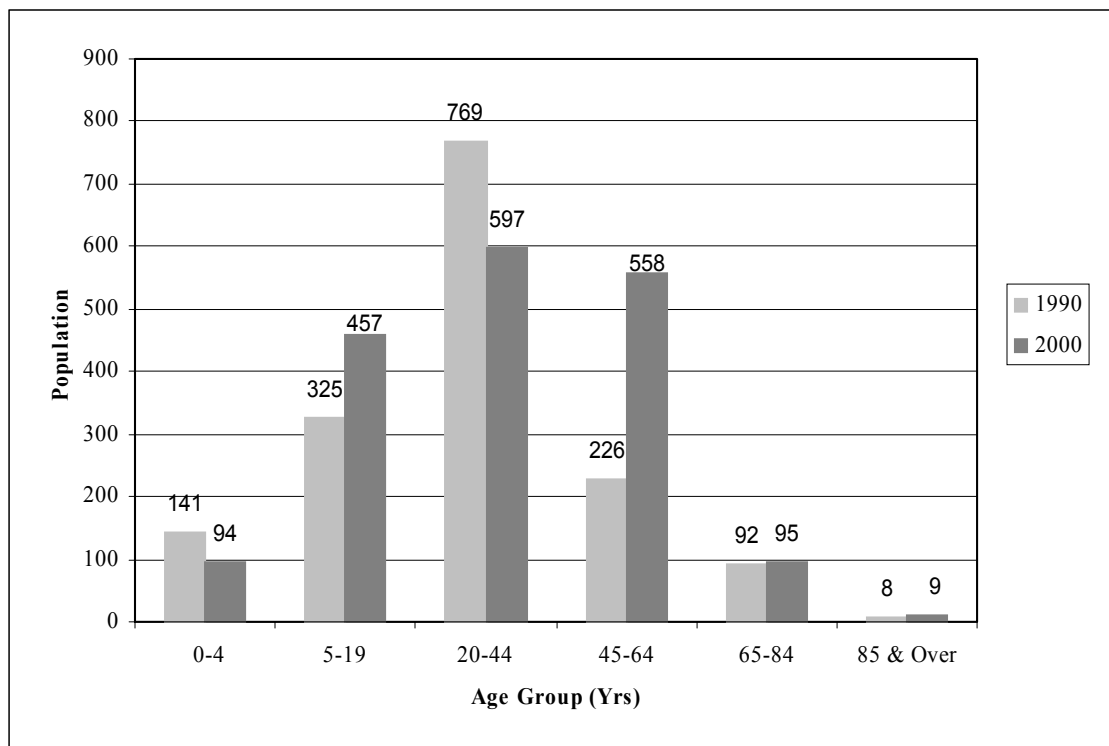
Population Distribution by Age Group

In planning for future residential development, it is essential to understand how the characteristics and age distribution of the population are expected to change over time. Knowledge of these population attributes will help identify what types of housing will best address residents' future housing needs. Two population groups that may have special housing needs and that may have the most difficulty finding suitable, affordable housing are the elderly (typically defined by demographers as those people ages 65 and over) and families with young

children. Currently, 45 percent of Shutesbury households (equal to 296 households) include children under 18 years of age (2000 U.S. Census).

The elderly and families with young children can benefit from housing with good access to services, including stores, health care, and community facilities and programs. Also, the elderly, particularly the oldest elderly (defined as people 85 years old or above), may need housing with features or modifications that increase accessibility and functionality for people with limited mobility or other disabilities. According to the 2000 U.S. Census, almost 30 percent (28.4%) of Shutesbury residents 65 and over have a disability, compared to 8 percent of the population overall. Most of the people aged 65 and over with disabilities have a disability which limits their basic physical activities, such as walking, reaching, lifting, carrying, or climbing stairs, and their ability to travel outside of their homes by themselves.

Figure 3-1: Population Distribution by Age Group in Shutesbury, 1990 and 2000



Source: U.S. Census Bureau, Census of Population and Housing, 1990 and 2000.

The population distribution for Shutesbury in 1990 and 2000 is shown in Figure 3-1. Table 3- shows the population distribution figures for Shutesbury, Franklin County, and the State for the same years. The information on the town’s population by age group comes from the last two decennial U.S. Censuses.

According to the U.S. Census data for 1990 and 2000, the population percentages in Shutesbury for many of the listed age groups (*see Table 3-10*) are close to the population distributions for Franklin County and Massachusetts as a whole. However, there are a few differences. For example, in both 1990 and 2000, Shutesbury had a lower percentage of residents ages 65 and

over, than did the County or State, and a higher level of 5-19 year olds. Also, in 2000, Shutesbury had a higher percentage of people ages 45-64 than Franklin County or Massachusetts overall. Some of Shutesbury's differences likely reflect the growing number of households with children in town, compared to the larger areas, and the number of families moving to Shutesbury. As was mentioned earlier, during the 1990s, the number of households in Shutesbury with children under 18 grew by 20 percent, while in Franklin County overall, the number of these households decreased by 3 percent.

Table 3-10: Population Distribution in Shutesbury, 1990 and 2000, Comparison to County and State

Age Group	Population Distribution (% of total population in each age group)					
	1990			2000		
	Shutesbury	Franklin County	State	Shutesbury	Franklin County	State
Under 5 Years	9.0%	7.3%	7.0%	5.2%	5.2%	6.3%
5-19 Years	20.8%	19.8%	18.9%	25.2%	20.7%	20.1%
20-44 Years	49.3%	40.9%	42.1%	33.0%	34.0%	37.7%
45-64 Years	14.5%	17.5%	18.4%	30.8%	25.9%	22.4%
65-84 Years	5.9%	12.8%	12.0%	5.2%	12.3%	11.7%
85 Years & Over	0.5%	1.6%	1.5%	0.5%	1.9%	1.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Sources: U.S. Census Bureau, Census of Population and Housing, 1990 and 2000.

Between 1990 and 2000, some of Shutesbury's age cohorts experienced little change. For example, during that decade, the 65-84 years age group and 85 years and over group changed by three people and one person respectively. For other age cohorts, the population changes were more dramatic. There was a 147 percent increase in the number of 45 to 64 year olds (+332 people). This increase is driven by the aging of the baby boomer generation (born 1946-64), which began turning 45 in 1991. The largest population decreases were in the number of 20 to 44 year olds (-22% or 172 people) and in the number of children under age 5 (-33% or 47 people).

Residents with Disabilities

Residents with Disabilities

The U.S. Census provides basic information on the prevalence of disabilities. Data on disabilities among Shutesbury residents are presented in Table 3-11. The table excludes people living in institutionalized settings, such as group homes or nursing homes (In 2000, Shutesbury had no such residents). Overall, an estimated 15 percent of Shutesbury's population age 5 and over have a disability of some type. Among the elderly population, 75 percent have a disability. The primary disabilities among Shutesbury's elderly are physical and self-care disabilities, which affect mobility. Unfortunately, the U.S. Census provides no qualitative data to determine the relative severity of these disabilities.

A total of ninety-nine cases of disabilities in Shutesbury involve physical limitations, self-care limitations, or both, indicating that roughly between thirty-three and ninety-nine individuals possess disabilities that could potentially require some form of modified or accessible housing. If it is assumed that 20 percent of this population is severely disabled, then the potential demand for accessible housing may range from seven to twenty units. It is probable that a percentage of this population already resides in housing that has been modified to accommodate their needs.

Table 3-11: Disabilities in the Non-Institutionalized Population in Shutesbury, 2000

Age Group	Total Population **	Number with Disabilities	Percent with Disabilities	Types of Disability (Number of people)*			
				Sensory Disability	Physical Disability	Mental Disability	Self-Care Disability
Age 5 to 15	355	18	5.3%	0	3	12	3
Age 16 to 64	1,257	169	13.5%	12	39	26	15
Age 65 & Over	102	76	74.5%	12	21	9	15
Total Age 5 & Over	1,714	263	15.3%	24	63	47	33

*A person can have multiple disabilities and can be counted in more than one disability category.
Sources: U.S. Census Bureau, Census of Population and Housing, 2000.

Shutesbury is working to provide accessibility for residents. The town recently completed renovations at the town Hall, which included a lift at the front entrance and an elevator in the rear entrance. In addition, the town is in the process of completing an Americans with Disabilities Act Transition Plan.

Housing Costs and Affordability

This section explores the cost of housing in Shutesbury for renters and owners, and the degree to which housing is affordable to individuals and families of different incomes. One of the main goals of EO418 is to encourage the creation of new affordable housing units for people with low, middle, and moderate incomes. Under EO418, low income households are considered to be those households earning up to 50 percent of the area-wide median income, moderate-income households are those earning up to 80 percent of the area-wide median income, and middle-income households are those earning up to 150 percent of the area-wide median income. The area-wide median income is defined as the median family income in the county where the units are located. For Franklin County, the current median family income is \$48,400.⁵

As was mentioned earlier, housing is generally defined to be “affordable” when households spend no more than 30 percent of their gross income on housing costs. For renters, housing costs include rent and utilities, such as hot water, electricity, and heat. For homeowners, housing costs include mortgage principal, mortgage interest, mortgage insurance, property taxes, and property insurance. Households that spend over 30 percent of their income on housing are considered to be “cost-burdened.”

⁵ As was described earlier, the median family income is the middle family income level for the geographic area, with half of the families earning more than the median income, and half the families earning less.

Data on housing costs shows that housing in Shutesbury is affordable for most residents, but that some residents, such as those with low incomes, may be cost-burdened by their housing expenditures.

Housing Costs

This section presents information on owner and renter housing costs, and costs relative to household income, for Shutesbury. The data discussed here are primarily from the 2000 U.S. Census. The 2000 Census estimated the monthly costs, and costs relative to income, for 438 owner-occupied homes and 95 rental housing units in Shutesbury.

Of the 438 owner-occupied homes with estimated monthly costs, 367 have mortgages and 71 do not. The monthly costs include mortgage payments (if any), property insurance, and property taxes. Homeowner costs can vary considerably depending on whether the home is mortgaged. For example, the median monthly total housing cost for homes without mortgages is \$410, and the median total cost for homes with mortgages is \$1,175, almost three times as great. Similarly, 80 percent of homes without mortgages have monthly costs under \$600, compared to less than 2 percent of mortgaged homes. Over two-thirds (70%) of homeowners with mortgages have expenditures of \$1,000 or more per month (*see Appendix D for more information on housing costs*).

For Shutesbury's rental housing, the median monthly total housing cost is \$814 per month. This is based on the estimated expenditures for 95 rental units. Estimated costs for rental housing in Shutesbury have a wide range, varying from \$150 to \$2,000. Over half (58%) of the units have monthly costs between \$500 and \$1000. Fifteen percent (14 units) have costs under \$500 per month, and 26 percent (25 units) have costs above \$1,000 per month (*see Appendix D for more information*.)

There was concern among Master Planning Committee members that the U.S. Census-reported figures for housing costs in Shutesbury were lower than the actual housing costs experienced by residents. Another concern was the U.S. Census figures do not incorporate other significant housing-related costs including utility costs for homeowners, and the transportation costs related to living in a rural community.

Housing Values

The U.S. Census Bureau gathers data on housing values by asking owners what they believe their homes, including land, to be worth in the current real-estate market. The Appendix contains data on housing values reported for the 1990 and 2000 U.S. Censuses. According to this information, the median value of owner-occupied homes in Shutesbury grew 14 percent between 1990 and 2000, increasing from \$142,300 to \$162,100. As of 2000, 62 percent of the town's owner-occupied homes are valued between \$100,000 and \$200,000. Nine percent are valued under \$100,000, and 7 percent have values of \$300,000 or more. It is worth noting that what owners believe their homes to be worth, and which is what is reported in the U.S. Census results, may or may not reflect what those homes are worth in the current real-estate market.

Residential Sales

The Warren Group collects town-level residential sales data for much of New England on a monthly and annual basis. Its data combine local Assessors' records with its own home sales records. Table 3-12 presents the Warren Group's data on single-family home sales in Shutesbury for each of the last seven years. Data for earlier periods were not readily available.

The sales information shown in Table 3-12 suggests that Shutesbury's real estate market has fluctuated up and down during the 1996-2002 period, in terms of both the number of homes sold and sales prices. For 2002, the median sales price for single-family homes is \$143,500.

Table 3-12: Single-Family Home Sales in Shutesbury, 1996-2002

Year	Single-Family Sales	
	Number Of Sales	Median Sales Price
2002 (through Nov)	20	\$143,500
2001	28	\$172,450
2000	29	\$155,000
1999	33	\$142,500
1998	37	\$130,000
1997	22	\$112,250
1996	18	\$146,500

Source: The Warren Group, Town Statistics, 2002.

It is worth noting that some of the year-to-year variation in sales prices could be related to the types of homes that are sold in an individual year, and is not necessarily reflective of an overall trend. For example, the Franklin County Cooperative Inspection Program records on building permits for Shutesbury show that in recent years, there have been a number of new construction permits granted for the building of modular single-family homes. Another factor is that more two-family homes have been constructed in recent years (*see Table 3-3*).

Housing Affordability

This section assesses Shutesbury's housing prices and costs in terms of how affordable housing is for residents, based on household income. Housing is generally defined to be "affordable" when households spend no more than 30 percent of their gross income on housing costs.

Number of Low, Moderate, and Middle-Income Households

The first step in assessing housing affordability in Shutesbury involves estimating the number of low, moderate, and middle-income households that reside in the town. Under EO418, low income households are considered to be those making 50 percent or less of the area-wide median income, moderate-income households are those making up to 80 percent of the area-wide median income, and middle-income households are those making up to 150 percent of the area-wide median income. The area-wide median income is defined as the median family income in the county where the housing units are located. For Fiscal Year (FY) 2004, the median income used for Shutesbury EO418 housing certification, and that of most other Franklin County towns, is \$48,400.⁶

With this median income level, low-income households are considered to be those households earning \$24,200 or less. Moderate-income households earn between \$24,200 and \$38,700, middle-income households earn between \$38,700 and \$72,600, and upper income households earn \$72,600 or more.

Table 3-13: Households by Income Level, by Householder Age, in Shutesbury, 1999

Income Level	Total		Age of Householder							
			Under Age 25		Age 25 to 44		Age 45 to 64		Age 65+	
	#	%	#	%	#	%	#	%	#	%
Low Income (\$24,999 or less)	87	13.2%	4	28.6%	28	10.9%	33	10.2%	22	33.8%
Moderate Income (\$25,000 to \$39,999)	97	14.7%	6	42.8%	46	17.8%	35	10.8%	10	15.4%
Middle Income (\$40,000 to \$74,999)	238	36.0%	2	14.3%	110	42.6%	116	35.8%	10	15.4%
Upper Income (\$75,000 or above)	239	36.2%	2	14.3%	74	28.7%	140	43.2%	23	35.4%
Total	661	100.0%	14	100.0%	258	100.0%	324	100.0%	65	100.0%

Sources: U.S. Census Bureau, *Census of Population and Housing, 2000*.

Table 3-13 estimates the number of Shutesbury households in each income category, based on the incomes reported in the 2000 U.S. Census. Based on the definitions above, it is estimated that 13 percent of Shutesbury households are low income, 15 percent are moderate income, and 36 percent are middle income.

Typically, low-income status is the most prevalent among young households and elderly households. Almost 34 percent of the Shutesbury households where the householder (head of household) is age 65 or older, and 29 percent of householders in the under age 25 group, have incomes under \$25,000. In the middle and elderly age groups, the majority of households are either middle or upper income. Overall, 36 percent of Shutesbury households are in the upper income bracket, and 36 percent are in middle-income bracket.

⁶The only Franklin County town with a different median income for housing certification is Sunderland. Sunderland is considered part of the Springfield metropolitan region for EO418 Housing Certification purposes. That region has a slightly higher median income (\$50,700) and therefore, slightly higher affordability thresholds for certification.

Affordability of Home Ownership for Low, Moderate, and Middle-Income Households

One important measure of housing affordability is the purchasing power for prospective first-time homebuyers, who are currently renting in the community. According to the 2000 Census approximately 84 percent of rental households in Shutesbury are of low, moderate, or middle income, and earn under \$75,000 gross income annually (\$6,250 per month).

A middle-income household earning \$60,000 per year (equivalent to \$5,000 per month), can afford up to \$1,500 per month in housing costs. With the following assumptions (see below) regarding a potential home purchase, a household with an income of \$5,000 per month could afford to buy a house valued at up to \$185,000.

Assumptions:

- The home will be bought with a 30-year mortgage at 6 percent;
- 10 percent of the purchase price will be paid as a down payment;
- Annual property taxes and property insurance costs will equal 1.65 percent of the house value (tax rate of 1.5% (\$15/\$1,000 valuation) and property insurance rate of 0.15%);
- Mortgage insurance costs will equal 0.7 percent of the borrowed principal; and
- Utilities will cost approximately \$150 per month.

According to the 2000 U.S. Census, 59.2 percent of homes in Shutesbury have values under \$175,000, and are affordable to middle-income households.

A household of moderate income earning \$30,000 annually (\$2,500 per month) can also find homes that are affordable in Shutesbury, though they are less common. A household with a \$30,000 annual income can afford to spend approximately \$750 per month on housing costs. Using the same assumptions as above, such a household could afford to buy a home valued at \$83,000 or less. According to the 2000 Census, 4 percent of homes (20 homes) in Shutesbury have values below \$80,000 and 6 percent (32) have values below \$90,000.

Median Housing Costs

Table 3-14 reviews the median monthly housing costs for households in Shutesbury, Franklin County, and Massachusetts overall, based on tenancy. The data come from 2000 U.S. Census. As of 2000, the median monthly housing costs for Shutesbury households total \$1,175 for homeowners with a mortgage, \$410 for homeowners without a mortgage, and \$814 for renters. On average, these housing costs represent 23 percent of gross household income for owners with a mortgage, 10 percent of household income for owners without a mortgage, and 28 percent of income for renters.

These percentages are all below 30 percent, the general threshold for affordability. This indicates that most Shutesbury households, both renters and homeowners, have housing that is affordable based on their incomes, and are not cost-burdened by their housing expenditures.

Table 3-14: Median Housing Costs as a Percentage of Gross Income for Shutesbury, 2000, Comparison to the County and State

Area	<u>For owners with mortgage</u>		<u>For owners without mortgage</u>		<u>For renters</u>	
	Median Monthly Costs	Median % of Income Spent on Housing	Median Monthly Costs	Median % of Income Spent on Housing	Median Monthly Costs	Median % of Income Spent on Housing
Shutesbury	\$1,175	22.7%	\$410	10.0%	\$814	27.5%
Franklin County	\$978	21.7%	\$336	12.2%	\$541	26.1%
Massachusetts	\$1,353	21.9%	\$406	12.4%	\$684	25.5%

Source: U.S. Census Bureau, Census of Population and Housing, 2000.

A comparison of Shutesbury's median housing costs with those for Franklin County and Massachusetts as a whole show that although the median housing costs vary among Shutesbury, Franklin County, and the State, in general, the median percent of household income spent on housing stays roughly constant. Shutesbury shows only minor differences from the County and State. For example, renters and homeowners with mortgages spend slightly high portions of their incomes than the average. For Shutesbury residents, and those hoping to move to Shutesbury, a larger issue than housing affordability is likely housing availability. The homeowner vacancy rate stands at 1.8 percent and the rental vacancy at 1.7 percent.

Housing Costs Compared to Incomes by Income Bracket

Although housing in Shutesbury is affordable for most residents, a percentage of residents in low and moderate-income brackets, especially homeowners, are cost-burdened by their housing costs.

Based on the 2000 U.S. Census data, low-income households have the highest rates of burdensome housing costs. Low-income households are considered to be those households, which earn less than 50 percent of the area median family income, equal to \$24,200 for Franklin County for FY 2003. Of the forty-two combined renter and homeowner households with incomes under \$20,000 and known housing costs, all spend at least 35 percent of their incomes on housing. It is believed that many of the cost-burdened low-income renter households are college students paying high rents per person.

Moderate-income households are those households that earn between 50 and 80 percent of the area-wide median family income. For FY 2003, 80 percent of the median family income is \$38,720. In Shutesbury, among households earning \$20,000 to \$34,999 per year, 63 percent of homeowners and 58 percent of renters spend 30 percent or more of their incomes on housing.

In contrast, among households earning \$50,000 or more, only 6 percent have housing costs above the 30 percent affordability threshold. All of these households owned their homes, and based on the homeowner housing cost information provided in Appendix D, probably had large mortgages.

In Shutesbury, there are a small but significant number of households who expend more than 50 percent of their incomes in housing. These households are considered to be severely cost-burdened by their housing expenditures. In Shutesbury, the severely cost-burdened group

includes at least twenty-eight homeowners with mortgages, four homeowners without mortgages, and eighteen renters. Combined, these groups account for at least fifty households, comprising 8 percent of all households in Shutesbury with cost and income data. Most of the severely cost burdened households likely have fixed or limited incomes, and as a result, have experienced difficulties as housing costs have risen. Households that are severely cost-burdened by housing expenditures may find themselves with little money left over to pay for other necessities, including food, health care, transportation, and home maintenance costs.

Housing Costs Compared to Incomes by Age Group

The 2000 U.S. Census estimated housing costs relative to income for 529 (80%) of the town's households. Of those households with cost and income data, 101 homeowner households (23%) and forty-five rental households (46%) spent 30 percent or more of their incomes on housing. Combining renters and homeowners, it is estimated that 27 percent of all Shutesbury households have burdensome housing costs.

The Census data indicate that low, moderate and middle-income households in Shutesbury have higher rates of burdensome housing costs, compared to higher income households. The Census Bureau also collects data on housing expenditures as a percentage of income, by age group. Table 3-15 summarizes this information for Shutesbury. The table shows that for owners and renters, the 35-54 age group has the greatest number of householders with burdensome housing costs (71% of owners and 54% of renters). However, the groups of householders with the highest rates of burdensome housing costs among owners are under 35 years of age and among renters, they are over 55, though this latter, renter group represents only 12 percent of the total number of cost-burdened renter households and only 4 percent of all cost-burdened households.

Table 3-15: Percentage of Income Spent on Housing Costs, by Householder Age, 1999

Tenancy and Householder Age	Households with Cost Data*	Housing Costs as a Percentage of Household Income (Number of Households)				Total Households with Unaffordable Housing (Housing Costs are 30%+ of Income)	
		Under 25%	25-29%	30-34%	35% or More	# of Households	% for Age Group*
Owners							
Under Age 35	30	15	3	2	10	12	40%
Age 35 to 54	317	208	37	18	54	72	23%
Age 55 to 64	61	42	6	3	10	13	21%
Age 65 or Over	28	20	4	0	4	4	14%
Total for Owners	436	285	50	23	78	101	23%
Renters							
Under Age 35	44	21	9	0	14	14	32%
Age 35 to 54	44	20	2	8	14	22	50%
Age 55 to 64	2	0	0	0	2	2	100%
Age 65 or Over	3	0	0	0	3	3	100%
Total for Renters	93	41	11	8	33	41	46%

Percentages are calculated based on the total number of households in each income category with cost percentage data. Source: U.S. Census Bureau, Census of Population and Housing, 2000.

Overall, the available data shows that housing in Shutesbury is affordable for most residents. At the same time, however, it is also true that a significant proportion (27%) of households have unaffordable housing costs when comparing median housing costs to gross income. Of this group, slightly more than a third are severely cost-burdened, using over half their incomes on housing. It is important that these households have sufficient options and opportunities to decrease their relative housing costs, including better employment opportunities for those people who want to work full-time, but who are presently under-employed. The Town of Shutesbury can work to assist residents who are currently cost-burdened by housing costs by creating new affordable housing options and opportunities.

One major factor contributing to burdensome housing costs for low and moderate-income households are increasing property taxes. Between 1990 and 2002, the average annual property tax for a single-family home in Shutesbury increased almost \$1,700 (113%), from \$1,494 (1990) to \$3,184 (2002). During the same time period, the median annual property tax for single-family homes statewide grew \$1,073, from \$1,504 (1990) to \$2,577 (2002). For Shutesbury residents, an average annual property tax of \$3,184 is equivalent to \$265 per month. For low-income residents in Shutesbury and elsewhere, the increasing amount of incomes spent on property taxes, along with other rising housing costs, threatens the affordability of their current housing options.

The Town of Shutesbury is committed to addressing housing needs in the community and to assisting its cost-burdened low, moderate, and middle-income residents. The Town of Shutesbury participates in regional initiatives to support affordable housing including the

housing rehabilitation program (administered by HRA) for low and moderate-income homeowners. Households in the younger age group (under 35) could benefit from more housing choices, including more rental opportunities and programs to assist first-time homebuyers as well as more affordable homeowner units.

Affordable Housing under EO418

Under Executive Order 418 (EO418) and its housing certification process, towns need to demonstrate that they are working to increase their supply of housing that is affordable to community residents and to address the community’s housing needs. Towns must obtain housing certification to be eligible to receive funds through certain discretionary rolling grant programs, and to receive bonus rating points for other grant programs. The affected programs are administered by the Department of Housing and Community Development (DHCD), the Executive Office of Environmental Affairs (EOEA), the Department of Economic Development (DED), and the Executive Office of Transportation and Construction (EOTC).

Housing units that count as “affordable housing” for EO418’s housing certification include both owner-occupied housing and rental housing. Qualifying rental units for housing certification must be affordable to families earning 100 percent of the area-wide median income, and qualifying homeownership units must be affordable to families earning 150 percent of the area-wide median income. The area-wide median income is defined as the median family income in the county where the units are located. Distinctions may be made between rural and non-rural areas for the median income calculation, though no such distinctions are made in Franklin County. The median income used for Shutesbury’s housing certification, and for the certification of all other towns in Franklin County, for Fiscal Year (FY) 2003 is \$48,400. For comparison, Shutesbury’s median household income reported in the 2000 U.S. Census is \$60,437. Housing is considered affordable if families at the above area-wide median income levels spend no more than 30 percent of their incomes on housing expenditures.

Table 3-16: Affordable Housing Rents and Purchase Prices under Executive Order 418 for Franklin County, FY 2003

Area Median Family Income (Franklin County)	\$48,400
150% of Area Median Family Income	\$72,600
Affordable Homeowner Units	
Home Price Affordable for Middle-Income Households (150% of Median Family Income)	\$228,927
Affordable Rental Units	
Monthly Rents Affordable for Middle-Income Households (100% of Median Family Income)	\$1,210

Source: Massachusetts Department of Housing and Community Development, Instructions for Completion of FY 2003 Request for Housing Certification, 2002.

Table 3-16 displays the affordable rent and home purchase prices for Franklin County according to EO418 documentation for FY 2003, which began July 1, 2002. As the table shows, to count for Shutesbury’s housing certification, rental units must have rents and utilities totaling no more

than \$1,210 per month, and ownership units must be valued at \$228,927 or less. Most of Shutesbury's housing is considered affordable under these definitions. According to the 2000 U.S. Census data on housing costs (*provided in Appendix D*), only 26 percent of rental units in Shutesbury have monthly costs of \$1,000 or more. Similarly, only 29 percent of the town's owner-occupied homes have housing values above \$200,000. In fiscal year 2003, the Town of Shutesbury added three new single-family units and two duplexes. The single-family units were valued by the Assessors to be between \$88,200 and \$170,200, and the duplexes were valued from \$229,700 to \$236,000.

Affordable Housing under Chapter 40B

Chapter 40B of the Massachusetts General Laws (established in 1969) was the State's first major legislation to promote affordable housing and encouraged towns to increase their amount of affordable housing to 10 percent of their total housing units. The Chapter 40B definition of "affordable housing" is more restrictive than the general definition based on housing costs not exceeding 30 percent of household income. In determining a town's total number of affordable housing units for Chapter 40B, the State has historically only included long-term affordable housing units that receive direct subsidies through State or Federal housing assistance programs, and excluded all unsubsidized units, even if their monthly costs are less than 30 percent of the median household income. This restriction is a disadvantage to rural communities where subsidized housing is less likely to be developed, but where housing costs relative to income may be lower than in more urban places. Using the Chapter 40B definition of "affordable," the Massachusetts Department of Housing and Community Development (DHCD) estimates Shutesbury has no units of affordable housing as of 2001.

Table 3-17 gives the percentage of housing in each of the neighboring towns around Shutesbury that is affordable according to Chapter 40B. Three of Shutesbury's neighbors, Leverett, New Salem, and Pelham, also have no affordable housing units under Chapter 40B. The two remaining towns, Amherst and Wendell, both have over 10 percent, though questions have arisen recently about Wendell's percentage of Chapter 40B housing, and the State may revise Wendell's Chapter 40B housing counts downward.

One reason that the percentages in Table 3-17 are so low for most of the towns, is because the definition of "affordable housing" under Chapter 40B has been so limited, not because the towns lack housing that is affordable for residents. As discussed earlier, according to the 2000 U.S. Census, close to three-quarters of Shutesbury households (73%) spend less than 30 percent of their incomes on housing, the general definition of affordability.

Table 3-17: Residential Units in Shutesbury and Neighboring Towns that Count as Affordable under Chapter 40B, 2001

Town	Year-Round Housing Units	Ch 40B Affordable Housing Units*	Percent of Units that are Affordable, Ch. 40B Definition
Shutesbury	680	0	0.0%
Leverett	642	0	0.0%
New Salem	399	0	0.0%
Wendell	405	77**	19.0%
Amherst	9,020	951	10.5%
Pelham	551	0	0.0%

*Count as of October 1, 2001.

**As was mentioned earlier, the State may revise its count of Chapter 40B affordable housing in Wendell, which could put Wendell below the 10 percent level.

Source: MA Department of Housing and Community Development, 2002.

As mentioned earlier, the State has recently begun to revise Chapter 40B and to expand its definition of “affordable housing.” Among the units which can now count as affordable and towards the State’s 10 percent mandate are locally subsidized housing units, long-term housing for the mentally ill or mentally retarded, housing created through the Community Preservation Act (M.G.L. Chapter 44B), and accessory apartments constructed after June 30, 2002. These types of housing all now count as affordable as long as they are serving low and moderate-income residents.

Under Chapter 40B’s expanded definition of “affordable housing” and with the town’s recent housing initiatives, it will be easier for Shutesbury to have housing units that count as long-term affordable according to Chapter 40B. Unfortunately, the recent RDI constructed home does not count as “affordable” under the Chapter 40B definition, because there is no restriction on the home to guarantee that the home will only be for low and moderate-income households for at least 30 years. If such as restriction was in place, then the unit would count towards Chapter 40B’s affordable housing totals.

Population Projections and Future Housing Demand

MISER Population Projections

Population projections for all Massachusetts towns are developed by the Massachusetts Institute of Social and Economic Research (MISER). MISER, located at the University of Massachusetts, serves as the U.S. Census Bureau’s main data center for the Commonwealth. MISER’s latest projections (1999) forecast population levels out through 2010. In forecasting future populations, MISER develops population projections by age and race for each town in the State. In its population forecasts, MISER creates low, middle, and high projections, each with slightly different assumptions.

MISER’s projections for Shutesbury for 2000 and 2010 are shown in Table 3-18. Shutesbury’s population for 2000 estimated by the U.S. Census was 1,810. None of MISER’s projections

(low, middle, or high) for 2010 seem very accurate for Shutesbury. It is most likely that Shutesbury’s population will continue to increase between now and then, but that the growth will be limited. No such scenario is suggested by MISER.

Table 3-18: MISER Population Projections for Shutesbury, 2000 & 2010

	Total Population 2000	Total Population 2010	Population Change (%) 2000-2010
Low Projection	1,729	1,489	-13.9%
Middle Projection	2,179	2,937	34.8%
High Projection	2,684	5,410	101.6%

Source: MISER, Population Projections for the Years, 2000, 2005, and 2010, released 1999.

MISER’s projections shown here relied heavily on data from the 1990 U.S. Census, and intermediary population estimates produced from 1990 to 1999 prior to the 2000 U.S. Census. MISER will be updating its projections over the next few years to reflect information gathered during the 2000 Census. The new MISER forecasts, which will likely extend out to 2025, could potentially show different trends than those suggested by the current projections (1999), and could be more useful in predicting Shutesbury’s future growth and demographic changes.

FRCOG Population Projections

The Franklin Regional Council of Governments has developed its own population projections out to 2025, as part of its 2003 Regional Transportation Plan. These population projections are based on historic trends for the 1970 to 2000 period, using U.S. Census data. For communities such as Shutesbury, which experienced tremendous growth during the 1970s and 1980s, the forecasts are based on the population changes from 1990 to 2000. The population projections estimate that by 2025, Shutesbury’s population may grow to approximately 2,600, adding approximately 800 new year-round residents over its current (2000) population of 1,810.

Future Housing Demand

Assuming an average household size of 2.5 people per household, the 800 additional people would comprise 320 households, each of which would need housing. Though some of the new population could be accommodated in existing homes, for example, converted seasonal residences, it is still likely that most of the population growth would be accommodated with new construction. As shown in Table 3-3, from 2000 to 2002, the Franklin County Cooperative Inspection Program issued building permits for twenty-four new dwelling units, leaving approximately 300 additional units needed. It is important to mention that 1) Shutesbury currently has a Rate of Development By-law, which limits residential new construction to six units per year, 2) the average annual rate of issuance for new-unit permits per year for the decade 1993-2002 is equal to seven permits, and 3) the town is considering a phased growth by-law that would seek to maintain the number of new permits issued per year to be consistent with that historical trend. Allowing for the issuance of permits for seven new dwelling units per year for the period 2007-2025 and six for the period 2002-2006 could provide up to 157 new residential units, less than the 300 housing units projected earlier. It is possible that the new construction

limit could be increased over time to accommodate growth pressures. Another possibility is that growth pressures combined with the strict new construction limit could lead to a high rate of conversion of currently seasonal residences to year-round occupancy.

In addition, by 2025, the number of elderly residents (65 years+) in Shutesbury is forecasted to stand at almost 271 a projected increase of 160 percent of the 2000 figure. Assuming that, on average, an elderly household consists of two people, the 271 elderly residents forecasted for 2025 will make up 136 households. Assuming further that one-quarter of these households may be interested in traditional senior housing, there may be a demand for up to 34 senior housing units by 2025.

Based on the information that has been gathered on Shutesbury's current housing conditions and affordability, the following primary housing assets and issues have been identified:

Assets

- High level of homeownership. Overall 83 percent of Shutesbury's occupied housing units are owner-occupied. A high level of homeownership adds to Shutesbury's sense of community and increases residents' commitment to the town and its future.
- Diversity of housing. Shutesbury's housing stock contains a range of housing types, including single-family homes, duplexes, multi-unit structures and mobile homes. There is also a mix of renter and homeowner units, with rental units accounting for 14 percent of all housing. In addition, homes around Lake Wyola offer provide housing at a greater density than is found in other areas of town.

The primary population in Shutesbury with identified housing needs includes the town's seniors who wish to continue living in Shutesbury as they get older, but who are not sure that they will be able to. In addition, householders under 35 years of age in the low to moderate-income brackets, might benefit from a decrease in housing costs or an increase in their annual incomes. Despite the fact that new homes being built in Shutesbury are "affordable," more than one fifth of all middle-aged homeowners (35-54) spend more than 30 percent of their incomes on housing.

Primary Housing Issues

The key housing issues for cost-burdened homeowners in Shutesbury are the following:

- Rising property taxes. Rising property taxes are making it difficult for seniors and other on fixed and limited incomes to continue to live in Shutesbury. Between 1990 and 2002, the average annual property taxes for a single-family home in Shutesbury increased almost \$1,700 (113%), from \$1,494 (1990) to \$3,184 (2002). An average annual property tax of \$3,184 is equivalent to \$265 per month. For Shutesbury residents with low to moderate incomes, the increasing percentage of their income spent on property taxes threatens the affordability of their housing.

This is an issue particularly for older seniors in Shutesbury. The median household income overall in Shutesbury is \$65,521. Where the head of the household is 75 years in age or older, the median household income is \$21,250. The U.S. Census estimates that there are 31 such households in Shutesbury. At that income level, a household can only afford monthly housing costs of \$531 or less.

- Need for accessibility improvements. Some seniors need home renovations to improve the accessibility and safety of their homes, so that they are able to remain in them as they age. One potential funding source for seniors is the housing rehabilitation loan program administered by the Franklin County Housing and Redevelopment Authority (HRA). In FY2002, HRA received \$140,000 to use for housing rehabilitation projects in Shutesbury. HRA estimates that these monies will provide sufficient funds to rehabilitate six to eight homes. Projects can include accessibility improvements. Low and moderate-income families, both seniors and non-seniors, are eligible to apply for this program. However, the amount of funds available may be insufficient to meet demand. Also, there are some seniors whose incomes are above the program thresholds, but who still can't afford to make home repairs and improvements.
- Need for dedicated senior housing. It is projected that Shutesbury's elderly population, aged 65 and over, will more than double between 2000 and 2025, growing from 104 (2000) to over 250 (2025). It is important to have suitable and affordable housing options, such as senior housing, for this growing population segment. There is demand among Shutesbury residents, as expressed in the earlier presented goals and objectives for "fair, decent, safe, affordable senior housing that meets the needs of Shutesbury's seniors." It may not be feasible for some residents to stay in their homes as they get older. A senior housing development would provide an affordable, accessible, lower-maintenance housing option compared to single-family homes. Senior housing could also count towards the State's 10 percent affordable housing goal under Chapter 40B if it is for low and moderate income seniors.
- Proximity to services. Shutesbury residents typically leave Shutesbury for most of their shopping and service needs, including medical services. For seniors and elderly residents, it can become more difficult to travel outside of the community, particularly if they no longer drive. As a result, some senior residents decide to leave Shutesbury as they get older. More retail and other businesses in Shutesbury could benefit residents overall, including seniors, and would also contribute to the town's tax base. Additional public transportation services would also be helpful. Both changes have support among residents, and are included in the Shutesbury's statement of Town Goals and Objectives, developed for the Master Plan.

Another key issue, which has been identified for housing in Shutesbury is the need to balance future residential development with the protection of valued, natural, scenic, and historic resources, as well as with anticipated municipal costs.

Quantifying Shutesbury's Housing Needs

Earlier in this chapter, there was an evaluation to estimate the percentage of income spent on housing costs, for different income and age groups, and to determine the number of low, moderate, and middle-income households in Shutesbury with unaffordable housing costs. Table 3-19 summarizes the findings of this analysis.

Table 3-19: Current Estimates of Low, Moderate, and Middle-Income Households with Affordability Needs, by Age and Tenure, 1999

Household Types	Low Income	Moderate Income	Middle Income	All Income Eligible Households EO418
Number of Households with Housing Cost Data				
Homeowners	36	50	180	266
Renters	29	23	26	78
Total	65	73	206	344
Elderly Households with Affordability Needs				
Homeowners	4	0	0	4
Renters	3	0	0	3
Total	7	0	0	7
Non-Elderly Households with Affordability Needs				
Homeowners	28	27	40	95
Renters	22	12	4	38
Total	50	39	44	133
Total Homeowners with Affordability Needs	32	27	40	99
Total Renters with Affordability Needs	25	12	4	41
Total Households with Affordability Needs	57	39	44	140

Estimates prepared by FRCOG. The estimates are based on data from the 2000 U.S. Census, Summary File 3.

Shutesbury has a total of 344 low, moderate, and middle-income households with housing cost data. An estimated 140 of these households have burdensome housing costs. These burdened households include fifty-seven low-income households, thirty-nine moderate-income households, and forty-four middle-income households. As the table shows, the percentage of renters and homeowners with affordability issues varies among income groups:

- Most (61%) rental households with affordability needs are low income; and,
- Two/fifths of homeowners with affordability needs are middle-income earners (\$40,000-\$74,999).

Potential Locations for Future Residential Development

The Shutesbury Master Plan identifies areas of town that are experiencing new development. The Master Plan also identifies areas that contain critical environmental and recreational resources like Outstanding Resource Waters, BioMap Core Habitats, and large blocks of

contiguous forest as well as strategies for their conservation. This section of the Housing chapter seeks to describe potential areas of town where development might be encouraged of the types described and promoted in the recommendations of this chapter. The foldout Land Use Suitability Map at the end of this section and the last element of Appendix D describe the methodology used to identify the potential developable areas in Shutesbury (*see Land Use Suitability Map*).

The Master Planning Committee in conjunction with the Shutesbury Planning Board has identified potential locations for new development in Shutesbury. The five-step method used to identify potential developable areas begins by removing from view all lands containing absolute development constraints (slope >25%, wetlands, Rivers Protection Act zones, protected open space, public water supplies, rare species habitats, etc.) and taking into consideration areas with partial constraints to development (15-25% slope, aquifers, and Interim Wellhead Protections Areas, etc.). The third step removes all lands that are already developed while the fourth step identifies those areas that are potentially developable (does not include the partial constraints). The fifth step involves an assessment of potential developable lands while taking into consideration other specific criteria as identified throughout the Master Plan.

From the potentially developable lands shown on the Land Use Suitability Map, additional criteria have been chosen to identify the areas, which the Master Planning Committee feels could potentially be most suitable for focusing future residential development. These criteria include:

- Areas not within the proposed Rural Conservation Overlay District or the proposed Water Supply Protection Overlay District (*see Land Use Suitability Map*); and
- Locations near current services and civic/public activities.

Beyond the current main development pattern of ANR lots on main roads in town, and the conversion of seasonal to year-round units at Lake Wyola, two potential areas for future residential development include a 100-acre area southwest of the Elementary School and two forty-acre areas south and northeast of the Town Hall. All three locations might be appropriate for locating a small 5-7 unit senior housing facility as well as supporting lots of ½-acre to 1 acre in size and smaller frontages.

Recommendations

These recommendations are proposed to help address Shutesbury's housing issues, especially for the identified short and long-term population Shutesbury with housing needs: seniors, especially those with limited incomes. These recommendations are also intended to help achieve the goals and objectives discussed earlier.

Short-Term Strategies

- Promote the housing rehabilitation loan program among residents, especially seniors, with low and moderate-incomes who do not have the financial resources to fund home improvements and repairs on their own, including accessibility improvements, septic system upgrades, and radon, asbestos, and UFFI mitigation. Use the housing rehabilitation loan program to help maintain and preserve Shutesbury’s current affordable housing stock.
- Pursue public grants and other funding sources to encourage the development of affordable housing for seniors, at an appropriate scale for the community. Work with HRA to access these potential funds.
- Review the town’s zoning ordinances and consider changes that could encourage more housing options for seniors, including accessory apartments and senior housing.
- Continue to investigate which parts of town may be the most suitable for new housing development, such as senior housing or affordable housing combined with cluster housing. Encourage future growth to occur in those areas. Consider dividing the town’s one zoning district into different districts, which would allow different levels of housing development and density as appropriate.
- Consider revising the town’s zoning ordinances to include overlay districts that protect sensitive environmental, scenic, and historic areas from residential development patterns that could be detrimental to these assets.

Long-Term and On-Going Strategies

- Work with legislators to encourage the State to continue revising Chapter 40B to provide additional flexibility and local control in the creation of long-term affordable housing, and to expand its definition of “affordable.”
- Develop additional ways to reduce the housing cost burdens for seniors and other residents on fixed incomes. Such strategies could include allowing residents to volunteer for the town in exchange for a partial abatement of property taxes.

Projected Impacts of These Strategies on Shutesbury’s Affordable Housing Supply

This section summarizes the projected impacts of strategies and recommendations, which have been proposed to expand Shutesbury’s affordable housing supply. Many of these strategies do not involve the construction of new housing. Rather, they look at potential options for increasing the affordability of the town’s current housing stock. These options include housing rehabilitation loans, the creation of accessory apartments in existing homes, and property tax abatements for low-income seniors who volunteer for the town.

Table 3-20: Proposed Strategies to Promote Housing Affordability for Homeowners, and their Potential Impacts over a 10-Year Period

Strategy	Impact of Strategies (number of units impacted over a 10 year period)		
	Low Income Households	Moderate Income Households	Middle Income Households
<i>Total Homeowners with Affordability Needs</i>	<i>32</i>	<i>27</i>	<i>40</i>
Housing Rehabilitation Loan Program Available to low and moderate income households	6-10	6-10	
Income from New Accessory Apartments	4-6	2-4	
Tax-Abatement Program for Low-Income Seniors who Volunteer for the Town	5-10		
New Residential Construction, assuming adoption of a phased growth by-law of approximately 7 units/yr (assumed rate of 6 owner units/year). Includes low and moderate-income affordable single-family homes built through developers such as Rural Development Inc. Estimated 20-25% of new homes for middle-income households Estimated 3-5% of new homes for moderate-income households Estimated 3-5% of new homes for low-income households			12-15 2-3
Total Projected Impact of These Strategies	17-29	10-17	12-15

The proposed strategies to promote housing affordability for homeowners are outlined in Table 3-20, and the strategies to promote affordability for renters are shown in Table 3-21. The strategies will help increase housing affordability for Shutesbury’s low, moderate, and middle-income households who currently face burdensome housing expenditures. These strategies will also help address other concerns of the community regarding recent development patterns and the need to preserve the town’s natural, open space, and historic resources. The strategies presented here focus on using the existing housing stock to the extent possible to meet housing needs, and on directing future growth to particular areas in order to help preserve the town’s rural character. These strategies are presented with the assumption that the “Townwide Rate of Development” by-law, which limits new dwelling permit issuance to no more than six per year, will remain in effect through 2006, and that the town will subsequently adopt a phased growth by-law that will maintain nearly the same level of building permit issuance to seven per year (average number of new dwelling-permits issued per year between 1993-2002).

The potential impacts of these strategies in addressing affordable housing issues are given in the tables below. The potential impacts shown are for a 10-year time period. This time horizon is used to recognize that some years may have less affordable housing creation than other years, and to give the community some flexibility in its strategies to promote housing affordability.

Table 3-21: Proposed Strategies to Promote Housing Affordability for Renters, and their Potential Impacts over a 10-Year Period

Strategy	Impact of Strategies (number of units impacted over a 10 year period)		
	Low Income Households	Moderate Income Households	Middle Income Households
Total Renters with Housing Affordability Needs	25	12	4
First-Time Homebuyer Assistance Programs to Help Rental Households Purchase Homes	2-3	2-3	
New Mixed-Income Senior and Over 50 Rental Housing Complex of 5-7 units, predominantly (75%) for low and moderate income seniors (near Lake Wyola or other location near Amherst or the Town Center)	3-4	2-3	
New Accessory Apartments For Low and Moderate Income Households continuing the building permit rate of 6-7 units/yr (with long-term affordability clauses attached to deed and assuming a rate of up to 1 unit/year)	4-6	2-4	
New Market Rate Rental Homes continuing the building permit rate of 6-7 units/yr (assumed rate of up to 0.5 rental units/ year)			4
Total Projected Impact of These Strategies	9-13	6-10	4

A number of the proposed strategies could help Shutesbury establish housing that counts as affordable under Chapter 40B. For example, accessory apartments, and affordable single-family homes are two types of housing that can count towards the Chapter 40B affordable housing count. To count as affordable housing for Chapter 40B, the units must be for low and moderate-income households and must be guaranteed affordable to these households for at least thirty years. The strategies outlined above could produce up to twenty-three housing units over the next ten years that could count as affordable under Chapter 40B, which would increase the town’s percentage rate from 0.00% to 3.3%.

These strategies outlined in the tables above are ambitious, and if implemented, they could significantly reduce the number of Shutesbury households with unaffordable housing. Most of these strategies rely on Shutesbury working with regional organizations such as the Franklin Regional Housing and Redevelopment Authority (HRA). HRA and its partner Rural Development Inc. can assist the town with housing rehabilitation and new affordable housing development, including senior housing, and can help the town fund and leverage funding for these activities.

The proposed strategies presented above are projected to create at least 16 new-owner housing units through market forces and fifteen rental units for low, moderate, and middle-income households in the next ten years. One third of the rental units (7) could be for low and moderate-income seniors; half could be accessory apartments that could potentially count towards the building cap, not require a new structure footprint, and would bring added wealth to low, moderate and middle-income residents. These strategies would still allow for twenty-eight housing units to be built for upper income households earning over \$75,000 per year.

Combined with the proposed ten-year strategies to address housing needs, the town should be able to accommodate the projected housing demand, and help address current community housing issues at the same time. Through its housing strategies and its approach to accommodating future growth, Shutesbury demonstrates its commitment to promoting housing affordability and adequate appropriate housing options for town residents.

