

Falmouth Housing Trust

A 501(c)3 Nonprofit Organization

WORKING TO ADDRESS FALMOUTH'S CRITICAL HOUSING NEEDS



This newsletter comes at a time when our summer residents and visitors have left us and seasonal work has ended. It's a time when many of our year-round residents find it most difficult to stay afloat, financially.

For many, being able to afford housing is their single biggest challenge.

The lack of affordable housing is a year-round problem, however, and it affects everyone, not just those who rely on low-wage seasonal work. It impacts many moderate-income families with year-round jobs, too, and it has consequences that affect our whole community.

Unquestionably, Falmouth, like the Cape Cod region, has a severe housing crisis. Our communities are desirable locations for second homes, vacation rentals, and retirement, which drives up housing prices and reduces the availability of housing. Over the past year, the median selling price of homes has increased 8% to \$422,500. And the costs for land acquisition have gone up 30% in the last three years. The need for affordable housing is more pressing than ever before.

Unless you or someone you know has experienced the financial challenges of living and working on the Cape, or have a business that has been impacted by our dwindling workforce, it can be difficult to relate to the gravity of the situation and how it affects us all.


This issue of our newsletter is dedicated to helping us understand the complexities of — and the need for — affordable workforce housing in our community. Falmouth Housing Trust is committed to addressing this need, but we can't do it alone.

Unlike bigger cities and towns, the Town of Falmouth does not receive large sums of funding from the state and federal government to support affordable housing initiatives. We, largely, have to fund these developments ourselves. The Town of Falmouth supports affordable housing development through Community Preservation funds. However, this funding is limited and only covers a small percent of development costs.

The only way to make real progress is by augmenting these funds with philanthropic support — so we need your generous donations!

We hope you'll be moved to respond to this need and support FHT's important housing initiatives. Your donation will directly support new affordable workforce housing in Falmouth and it will help us build a more sustainable community.

Thank you,



Karen Bissonnette
Executive Director

“ If demographic and housing trends are left to evolve unchecked, Falmouth will lose ground on its ability to be a place where individuals and families across a range of economic and social strata can call home. ”

- Town of Falmouth,
Massachusetts Housing Production Plan
(October 2018)

UNDERSTANDING THE NEED FOR AFFORDABLE WORKFORCE HOUSING IN FALMOUTH

Residents Have to Spend too Much for Housing

Affordability is defined by housing costs that do not exceed **30%** of the owner or renter's annual income.



Roughly **55%** of Barnstable County's total households are housing cost burdened.⁵

(**42%** of Falmouth residents spend more than **50%** of their income on housing.²)

Area Median Income

(AMI) is determined by the U.S. Department of Housing and Urban Development (HUD). This figure is used to determine housing affordability.

Those who fall at or below **80%** of AMI are considered low-to-moderate income.

Barnstable County 2018 Area Median Income (AMI) Figures:

Household Size	80% of AMI
1 Person	\$48,300
2 Person	\$55,200
3 Person	\$62,100
4 Person	\$68,950

Barnstable County Median Income is almost **10%** lower than Massachusetts Median Income³

In Falmouth, **39%** of all households are at or below 80% Area Median Income¹

Our Vital Workforce

The low-to-moderate income population is the backbone of our workforce.

They are the people who provide essential services to our community, like first responders, school support staff, municipal employees, healthcare workers, tradesmen, waitstaff, and retail workers.

Housing Impacts of a Seasonal Population

"While our seasonal population has boosted the local economy, they have also driven up the cost of housing, creating substantial challenges for many year-round residents, local workers, and those who were raised locally but cannot afford to return to raise their own families. This creates a challenging situation for families in their attempts to obtain year-round housing. As a result, the Town's year-round housing stock has been eroding through conversions to seasonal or occasional use."²

Over the next 10 years seasonal housing units are expected to increase at more than twice the rate of year-round units.⁴



37% of our housing units on Cape Cod are for seasonal use, compared to a state average of **4%** limiting the options for year-round residents.⁵

ESPECIALLY FOR THOSE WHO ARE LOW-TO-MODERATE INCOME, THERE REMAINS A HUGE GAP BETWEEN WHAT HOUSING IS AVAILABLE AND WHAT THEY CAN AFFORD⁴

Sources

1. Housing Assistance Corporation (HAC), Cape Cod, *Housing on Cape Cod: The High Cost of Doing Nothing* (2018)
2. Town of Falmouth, *Massachusetts Housing Production Plan* (Oct. 2018)
3. U.S. Census Data, *2017 American Community Survey*
4. Town of Barnstable Production Plan (2016)
5. Cape and Islands United Way (2018)
6. Bureau of Labor Statistics/Barnstable - Annual Median Wage (bls.gov, Nov. 2018)
7. Commonwealth Corporation & New England Public Policy Center, *Labor Market Trends in the Cape & Islands* (Dec. 2012)

For more information please contact
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Excessive Housing Costs are Driving the Local Workforce Away

Annual Incomes Don't Measure Up to Housing Costs — An individual or family would need to earn close to \$85,000 a year to afford a median priced home of \$422,500 in Falmouth

Barnstable County Annual Income by Occupation⁶

Arts, Entertainment, and Media	\$51,350	Landscapers	\$37,280
Bank Tellers	\$31,340	Librarians	\$59,740
Building & Maintenance Workers	\$35,760	Maids & Housekeepers	\$30,300
Child, Family, School, Social Workers	\$50,710	Medical Secretaries	\$44,590
Childcare Workers	\$31,010	Office & Administrative Support	\$40,590
Coaches	\$38,690	Pharmacy Technicians	\$33,100
Community & Social Service	\$47,260	Police & Sheriff's Patrol officers	\$66,960
Community Health Workers	\$49,050	Preschool Teachers	\$35,120
Customer Service Reps	\$36,670	Retail Salesperson	\$30,020
EMTs & Paramedics	\$48,910	Special Education Teachers	\$49,830
Hairdressers	\$32,510	Teacher Assistants	\$36,210
Home Health Aides	\$31,270	Waiters/Waitresses	\$31,220

“ More people are recognizing that the new kindergarten teacher, their grown children, or even their elderly neighbor may not be able to afford to live or remain in the community without some help.”

“ Given the high costs of rental housing and challenge of achieving homeownership, it's no surprise that Cape Cod has trouble attracting and retaining young professionals. The result is a workforce less tied to their home community and not invested in its future.”



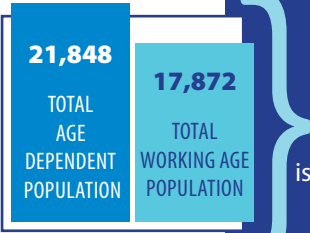
The most recent U.S. Census shows a 26% decline in Barnstable County residents age 25 and 44 — and there is no indication these numbers are improving. This demographic represents a significant portion of our working-age population.

OUTCOMES: LOSS OF OUR WORKING AGE POPULATION AFFECTS OUR COMMUNITY AND ECONOMY

As Falmouth's young workforce has decreased, our population continues to grow older. "The Cape and Islands is home to the oldest average population in the state."

In Falmouth, the number of age-dependent people (children and those 65 and older) is larger than our working population.

This is an unhealthy ratio for any community.



By losing this demographic, our community is losing the diversity, vibrancy, and contributions that this population brings, which affects our local economy and threatens our quality of life.

The Only Solution is to Build More Affordable Housing

The Town of Falmouth is currently at 6.4% of its 10% affordable housing goal. "Falmouth still has a sizable gap of 528 units in order to meet the state's 10% affordability goal and must produce at least 74 affordable units annually to meet annual production goals. It is also important to note that Falmouth's unmet housing needs are not limited to what it would take to reach this 10% level."

FALMOUTH HOUSING TRUST'S MISSION IS TO ADDRESS THIS PRESSING NEED

FHT: Working to Fill the Housing Gap

Given the substantial numbers of residents who are paying too much for housing, growing affordability gaps, the loss of our young workforce, and a shortage of more than 500 affordable housing units, increasing the inventory of affordable housing in Falmouth is the only way to address this pressing need.

Falmouth Housing Trust exists to address critical housing needs in Falmouth. Every unit of affordable housing that FHT delivers adds to the town's inventory, in perpetuity.

When towns are below their 10% affordable housing requirement, outside developers can build housing to suit their interests without regard for the needs or wishes of the community. This means that developers can design housing at-will, potentially creating housing that is ill-fitting or insensitive to the surroundings.

As a Community Development Corporation, FHT works closely with neighbors, businesses, and town agencies to create effective solutions to the local housing crisis. We work to ensure that the housing developed is appropriate and that it fits into the landscape of the community. This helps maintain the character of the town, which ultimately supports our tourism-based economy and the community at large.

Since the early 90s, FHT has developed 27 affordable homeownership and 11 affordable rental opportunities for the low-to-moderate income population in Falmouth with more development projects in process.

We are working to assist the Town of Falmouth to increase its affordable housing inventory, making more affordable housing available for our young workforce.



Building for our Community — Deer Pond Road Project

Thanks to a very generous donation of land, FHT's current affordable workforce housing project is well underway. Located on Deer Pond Road in East Falmouth, a three-bedroom, two-bathroom home will be deed restricted as affordable, in perpetuity.

— Project Budget —

<i>In-Kind Donation: Land Value</i>	\$150,000
Total Project Costs	\$323,955
Proceeds From Home Sale	-\$195,000
Total Funding Needed	\$128,955

YOUR DONATION TODAY WILL HELP US FINISH THIS PROJECT!

There are many ways to help Falmouth Housing Trust continue it's important work for the community.

We welcome and appreciate gifts of all sizes and are pleased to offer a wide variety of gift vehicles to make giving a comfortable and rewarding experience.

Did You Know You Can Make a Tax-Free Gift From Your IRA?

If you are 70 ½ or older, you can use the IRA charitable rollover to make a tax-free gift to Falmouth Housing Trust.

This tax benefit allows you to transfer up to \$100,000 per individual (or \$200,000 per couple) directly to a qualified charitable organization without paying income tax on the distribution.

You pay no income taxes on the gift. The transfer does not generate taxable income or a tax deduction, so you benefit even if you do not itemize your tax deductions.

For more information, contact
Executive Director, Karen Bissonnette
at (508)540-2370
Email: kb@falmouthhousingtrust.org

Building Dreams in Falmouth...

FHT's Annual Meeting & Reception was held on Oct. 25th at the Woods Hole Golf Club. Thanks to all who attended and for your generous support!

*Martha Asendorf, Anne Downs,
Debbie & Dan Shearer*



*Carol McInnes,
FHT Board Member
Troy Clarkson,
Donna Buckley,
Karen King-Watt*



*Sisters and
Event Committee Volunteers:
Susan Lawrence, Jamie Edwards,
and Carol Cremmen*

