

HOUSING PRODUCTION PLAN 2020-2024

TOWN OF STURBRIDGE

PREPARED BY:

Sturbridge Housing Partnership

Central Massachusetts Regional Planning Commission



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EXECUTIVE SUMMARY

INTRODUCTION

Massachusetts General Law Chapter 40B requires cities and towns in the Commonwealth to work towards ensuring that a minimum of 10% of their total housing stock qualifies as affordable to households earning at or below 80% of the Area Median Income (AMI). The State encourages municipalities to prepare a Housing Production Plan (HPP) to assist in achieving the 10 percent goal as well as take a proactive step in developing affordable housing. A Housing Production Plan is a plan authorized by M.G.L. Chapter 40B and administered by the Massachusetts Department of Housing and Community Development (DHCD). The Plan is organized into three principal components:

1. Housing Needs Assessment
2. Housing Challenges
3. Housing Production Goals and Strategies

BACKGROUND AND PURPOSE

At Sturbridge Annual Town Meeting on June 3, 2019, the Town voted to appropriate \$22,500 from the Community Preservation Fund for the purpose of funding a comprehensive housing plan conducted by the Central Massachusetts Regional Planning Commission. Following the approved funding allocation, CMRPC promptly began meeting with the Sturbridge Housing Partnership and Town of Sturbridge Planning staff to kick off the year-long process. The goal in developing a Housing Production Plan (HPP) for the Town of Sturbridge is to provide the town with a strong tool for implementing alternative and affordable housing options to meet Chapter 40B regulations. This Plan represents the culmination of baseline demographic and housing research, community outreach, zoning and regulatory review, plus an implementation plan for goals and objectives.

The Sturbridge Housing Partnership is a group of volunteers committed to supporting Community Housing in Sturbridge as defined in M.G.L. Chapter 44B. Throughout the development of this HPP, CMRPC worked collaboratively with the Sturbridge Housing Partnership and the Sturbridge Planning Department to collect data, understand local housing conditions and needs, and develop strategies that will meet the needs of current and future residents. This Plan is intended to help the Town identify gaps in its housing market and serve as a guiding tool in moving forward with addressing such gaps.

SUMMARY OF HOUSING PRODUCTION GOALS

As of 2017, Sturbridge's subsidized housing inventory (SHI) consists of 209 units, or 5.6% of its total housing stock. The Massachusetts SHI is the most comprehensive listing of deed-restricted affordable housing units compiled by the Massachusetts Department of Housing and Community Development (DHCD). In order to meet the M.G.L. Chapter 40B SHI target of 10% and not be vulnerable to comprehensive permitting, the town needs to have 376 total subsidized units. If the town increases its affordable housing stock by 0.5% per year, or 19 units, it will meet the 10% threshold by 2028. At this rate, in five years the town will have a SHI of 8.4%, or 314 units, and will need 72 additional units to achieve 10% affordable housing. When the results of the 2020 Census are released these goals will change slightly.

It should be noted that the State's subsidizing agencies have entered into an Interagency Agreement that provides additional guidance to localities regarding housing opportunities for families with children and are now requiring that at least 10% of the units in affordable production developments that are funded, assisted, or approved by a State housing agency have three or more bedrooms (with some exceptions including age-restricted housing, assisted living, supportive housing for individuals, etc.).

SUMMARY OF HOUSING GOALS AND STRATEGIES

The goals and strategies outlined below were established based on prior planning efforts, regular meetings with the Sturbridge Housing Partnership and Town Planner, results of the 2019 community survey on housing needs, community input from both sessions of the public forum on February 26, 2020, and interviews with Town staff and other housing stakeholders in Sturbridge. These specific goals and strategies will help the town achieve its housing production goals while creating more diverse housing options to meet changing needs of the community.

GOAL 1: BUILD LOCAL CAPACITY AND ADVOCACY EFFORTS TO ACHIEVE HOUSING PRODUCTION GOALS

- Continue to conduct ongoing community outreach and education on housing issues and activities
- Investigate securing a dedicated Affordable Housing Coordinator
- Provide educational courses for first-time homebuyers

GOAL 2: PRESERVE AND MAINTAIN EXISTING AFFORDABLE HOUSING IN STURBRIDGE

- Develop a monitoring system to ensure that units on the Subsidized Housing Inventory do not expire
- Establish a working relationship between the Sturbridge Housing Partnership and the town's Subsidizing Agencies and Monitoring Agents
- Create a homeowner rehabilitation assistance program to provide funds to income-eligible owner-occupants to assist with the repair, rehabilitation, or reconstruction of their homes

GOAL 3: ENABLE A GREATER DIVERSITY OF HOUSING CHOICES THROUGH REGULATORY ACTION

- Amend the existing Accessory Dwelling Unit (ADU) bylaw to offer greater opportunities for development
- Explore adoption of a Workforce Housing Special Tax Assessment (WH-STTA) Area in which developers can be offered a property tax incentive to build housing affordable to middle-income residents
- Explore adoption of a Cottage Housing Bylaw
- Explore small-scale infill development options and adoption of affordable housing on noncomplying lots
- Allow assisted living facilities to be developed in additional zoning districts in town

GOAL 4: LEVERAGE RESOURCES TO ADVANCE HOUSING PRODUCTION AND PROGRAMS

- Seek out and apply for funding and technical assistance for the implementation of this Action Plan
- Establish a Municipal Affordable Housing Trust Fund with an active Board of Trustees
- Explore the creation of a buy-down program whereby the Town uses funds to buy-down market-rate homes, deed restrict them as affordable in perpetuity, and sell them to income-qualified, first-time homebuyers at below-market prices
- Create a down-payment/closing cost assistance program whereby the Town provides grants to income-eligible, first-time homebuyers
- Establish a home improvement program whereby the Town provides zero- or low-interest loans to residents, targeting income-eligible homeowners or owners of multi-family properties
- Continue to utilize Community Preservation Act funds to further affordable housing goals

GOAL 5: PROVIDE HOUSING OPPORTUNITIES AND ASSOCIATED SERVICES TO SUPPORT DIVERSE POPULATIONS

- Advocate for a higher inclusion of accessible units in proposed affordable housing developments
- Ensure new senior housing developments are located in walkable areas of town with access to transportation alternatives
- Prepare design guidelines or standards for new multi-family housing developments
- Partner with private developers to create affordable housing
- Institute a process to give projects that include affordable units a priority within the sewer allocation reserved for residential use

INTRODUCTION

COMMUNITY OVERVIEW

The Town of Sturbridge, incorporated in 1738, is governed by the open town meeting form of government and is located in Worcester County, approximately 60 miles southwest of downtown Boston. The town covers an area of approximately 39.0 square miles, of which 37.4 square miles is land and 1.5 square miles is water. The northwestern portion of the town, Fiskdale, is a census-designated place with its own post office and ZIP-code assignment. Sturbridge is bordered by the towns of Southbridge and Charlton to the east, Holland and Brimfield to the west, East Brookfield and Brookfield to the north, and Union, CT, and Woodstock, CT to the south. Located at the junction of Interstate 84, Interstate 90, and U.S. Route 20, Sturbridge is an attractive bedroom community for commuters working in Boston, Worcester, Providence, and Hartford. Also a popular destination for visitors, Sturbridge is well known as the home of Old Sturbridge Village and tourism remains a fundamental sector of the local economy.

The Town of Sturbridge completed a Master Plan in 2011, and the Master Plan Implementation Committee has been active in trying to accomplish the plan's goals. The Master Plan addressed the clear need for housing, particularly affordable housing, and established the following four (4) goals:

1. Provide high-quality affordable housing in attractive neighborhoods through development of appropriate zoning bylaws, regulations, and programs designed to encourage a variety of housing types;
2. Develop a plan designed to guide the Town toward meeting Chapter 40B goals;
3. Provide opportunities for existing low- and moderate-income Sturbridge residents to make improvements and repairs to their existing homes, while at the same time, increasing the affordable housing stock in the community;
4. Ensure that housing choices are available to meet the needs of current and future generations in Sturbridge.

This HPP meets the Town's Master Plan goal of developing a plan designed to guide the Town toward meeting Chapter 40B goals. The other three Master Plan goals were incorporated into discussions when deciding the set of HPP goals and objectives, to ensure this Plan aligns with the broader vision for Sturbridge's future.

PLAN PROCESS

The Town of Sturbridge contracted the Central Massachusetts Regional Planning Commission (CMRPC) to develop a Housing Production Plan that is consistent with the State of Massachusetts' requirements under 760 CMR 56.03(4). The Sturbridge Housing Partnership, an existing entity, advised and participated in all steps of the plan's development. This group consists of five volunteer members of the community. The Housing Partnership met regularly with CMRPC staff and the Town Planner between July 2019 and August 2020, both in-person and via remote participation using the GoToMeeting platform in accordance with open meeting law, to plan public outreach initiatives. A public forum was held on February 26, 2020 and included two sessions to accommodate varying schedules. Session I was held at the Senior Center from 1:00-3:00 p.m. and Session II was held at Town Hall from 6:30-8:30 p.m. Nearly 50 community members attended either Session I or II of the event. At each session, participants were introduced to the Housing Plan with a presentation by CMRPC, allocated time to ask questions, presented with the results from the community survey, and asked to participate in a breakout group activity on the potential design and placement of alternative housing options in town. The valuable public input gathered from the discussions and activities of this event proved helpful in understanding who needs housing and the types and locations of housing that are in demand in Sturbridge.



Breakout group mapping activity at the Public Forum, February 26, 2020

A Residential Housing Needs Community Survey was used as a tool for gathering widespread public input on affordability and availability of housing in Sturbridge. The 19-question survey was available to take online and hardcopies were available for pick-up and drop-off at the Sturbridge Senior Center, Sturbridge Town Hall, and Sturbridge Public Library. The survey was open from October 7, 2019 to November 1, 2019. In total, 278 surveys were completed by town residents, equating to approximately 4% of the population over the age of 18. 25% of those that completed the survey were under the age of 40 years, 42% of survey respondents were between the ages of 40 and 59 years, and 33% of survey respondents were over the age of 60 years. The complete survey results can be viewed in Appendix A.

A series of interviews with stakeholders was also held in order for CMRPC to gain knowledge of local housing conditions and challenges from the perspectives of those most informed about these matters. Interviews lasted approximately 30-45 minutes and were held over the phone. The interviews were held between March 18 and March 24, 2020. A visitation day was originally planned for CMRPC to travel to Sturbridge and hold the meetings in person, however the threat of COVID-19 resulted in re-scheduling these interviews to be conference calls. The following individuals were interviewed:

- Mary Berry, *Sturbridge Retirement Cooperative Manager*
- Pam Welcome, *Heritage Green Property Manager*
- Jean Bubon, *Sturbridge Town Planner*
- Kevin Filchak, *Sturbridge Economic Development and Tourism Coordinator*
- Kathleen Neal, *Finance Committee Chair*
- Becky Gendreau, *Sturbridge Conservation Agent*
- Jeff Bridges, *Sturbridge Town Administrator*
- Nelson Burlingame, *Sturbridge Building Commissioner / Zoning Official*

PLAN METHODOLOGY

Data for this report was gathered from a number of reliable and available sources, including:

- | | |
|---|---|
| • 2000 and 2010 U.S. Decennial Census | • Sturbridge Assessor's Office |
| • 2014-2018 American Community Survey | • Sturbridge Planning Department |
| • Warren Group | • Sturbridge Housing Partnership |
| • Costar | • Public input from the February 26, 2020 Community Forum |
| • ESRI Business Analyst | • Sturbridge Residential Housing Needs Community Survey |
| • Massachusetts Department of Revenue | • Stakeholder interviews |
| • Massachusetts Department of Housing and Community Development | |
| • Central Massachusetts Regional Planning Commission | |

HOUSING PRODUCTION PLANS AND M.G.L. CHAPTER 40B

M.G.L. c. 40B, §§ 20-23 – known as Chapter 40B or the Comprehensive Permit Law – is a Massachusetts state law that was enacted in 1969 to facilitate construction of low- or moderate-income housing. It establishes a consolidated local review and approval process (known as a “comprehensive permit”) that empowers the zoning board of appeals (ZBA) in each city and town to hold hearings and make binding decisions that encompass all local ordinances or bylaws and regulations. In certain circumstances, that ZBA's comprehensive permit decision may be appealed to the Massachusetts Housing Appeals Committee (HAC), which has the power to affirm, modify, or overturn local decisions. Under Law Chapter 40B, cities and towns must work to ensure that at least 10% of their total housing stock qualifies as “affordable” to households earning at or below 80% of the area median income (AMI). For communities that have not achieved the 10% affordable housing requirement, developers can override local regulations by receiving a comprehensive permit from local ZBA's if they include affordable housing in their projects.

To help meet this 10% goal and take a proactive approach toward developing affordable housing, the State encourages communities to pursue preparing a Housing Production Plan (HPP). This is a plan authorized by M.G.L. Chapter 40B and administered by the Massachusetts Department of Housing and Community Development (DHCD) that can allow some relief from 40B pressures if the plan is approved by DHCD and the town meets the required number of affordable housing units that must be created in a year. Communities that have a DHCD approved HPP and that have produced units that are “affordable” households totaling at least 0.5% of the community’s year-round housing stock will be granted a “certification of compliance with the plan” and become temporarily “appeal-proof” from Chapter 40B for 12 months following certification, or 24 months following certification if 1.0% of its year-round housing units have been produced as affordable.

SAFE HARBORS

In regards to Chapter 40B, “safe harbor” refers to conditions under which a ZBA’s decision to deny a comprehensive permit will qualify as consistent with local needs and not be overturned by the HAC, provided the conditions were met prior to the date that the comprehensive permit was filed with the ZBA. Safe harbors include:

Statutory Minima

- The number of low- or moderate-income housing units in the city or town is more than 10 percent of the total number of housing units reported in the most recent decennial census;
- Low- or moderate-income housing exists on sites comprising 1.5 percent or more of the community’s total land area zoned for residential, commercial, or industrial use;
- The comprehensive permit before the ZBA would lead to construction of low- or moderate-income housing on sites comprising more than 0.3 of 1 percent of the community’s total land area zoned for residential, commercial or industrial use, or 10 acres, whichever is larger, in one calendar year.

Additional Safe Harbors Created by Regulation

DHCD has certified that the community complies with its affordable housing production goal under its approved Housing Production Plan.

- The community has met DHCD’s “recent progress” threshold (760 CMR 56.03(1)(c) and 56.03(5)). This implies that within the past 12 months, the community has created new SHI units equal to or greater than 2 percent of the total year-round housing units reported in the most recent decennial census. The recent progress threshold can be helpful to a community that does *not* have a DHCD-approved Housing Production Plan.
- The project before the ZBA is a project that exceeds DCHD’s definition of a “large” project under 760 CMR 56.03(1)(d), where the definition of “large” project varies by the size of the municipality (see 760 CMR 56.03(6)).

DEFINING AFFORDABLE HOUSING

In the United States, housing can be considered “affordable” if the household pays no more than 30% of its annual income on housing. Households who pay more than 30% of their income towards housing are considered ‘cost-burdened’ and may have difficulties affording necessities such as food, clothing, transportation, and medical care, as well as saving for their future. This definition typically operates under the following assumptions: (1) Housing costs for renters typically include gross rent plus utilities; (2) a calculation of total housing costs for owner-occupied households include a mortgage payment – consisting of principal, interest, taxes, and insurance. Households paying between 30% and 50% of their income on housing are considered moderately cost-burdened, while households paying greater than 50% of their income are considered to be severely cost-burdened.

This definition of housing affordability is used by the United States Department of Housing and Urban Development (HUD) and the Massachusetts Department of Housing and Community Development (DHCD) to calculate Area Median Income (AMI) and promote income-restricted housing. The AMI is the median family income for the Metropolitan Statistical Area (MSA). Sturbridge belongs to the Worcester, MA-CT MSA which includes communities

in Worcester County. HUD calculates the AMI annually based on the U.S. Census Bureau's American Community Survey's (ACS) estimated median family income for the MSA. In 2020, the AMI for the Worcester MSA was \$98,200.

Affordable housing in Massachusetts generally refers to housing that is reserved for households with incomes at or below 80% of the area median income. DHCD maintains a Subsidized Housing Inventory (SHI) that lists all subsidized housing developments in a community. This inventory includes units reserved for households with incomes at or below 80% of the median under long-term, legally-binding agreements and are subject to affirmative marketing requirements. In 2020, 80% of the area median income for the Worcester MSA was \$78,500 for a family of four.

Municipalities and/or developers are responsible for updating their inventory directly with DHCD. When new subsidized units are occupied or permitted within a municipality, the municipality (or the developer) must make a written request for units to be added to the municipality's inventory. This task is accomplished through the *SHI: Requesting New Units Form*, available on the Massachusetts Subsidized Housing Inventory website, which must be submitted to DHCD.

Table 1: 2020 Area Median Income Limits for the Worcester Metropolitan Statistical Area

Area Median Income	FY 20 Area Median Income Limit Category	Persons in Household				
		1	2	3	4	5
\$98,200	Low (80%) Income	\$54,950	\$62,800	\$70,650	\$78,500	\$84,800
	Very Low (50%) Income	\$34,400	\$39,300	\$44,200	\$49,100	\$53,050
	Extremely Low (30%) Income	\$20,650	\$23,600	\$26,550	\$29,450	\$31,850
<i>Source: U.S. Department of Housing and Urban Development, 2020 Area Median Income Limits for the Worcester Metropolitan Statistical Area.</i>						

FAIR HOUSING AND HOUSING DISCRIMINATION

Title VIII of the Civil Right Act of 1968, also referred to as the Fair Housing Act, was enacted with the primary purpose of prohibiting discrimination in transactions involving the rental, sale, or financing of a home based on race, color, national origin, religion, sex, familial status, and mental or physical handicap. Massachusetts law included the following protected classes: marital status, sexual orientation, age, gender identity and expression, military or veteran status, ancestry, genetic information, and receipt of public assistance or rental subsidies.

Under Federal law, state and local governments that receive federal housing funds are required not only to refrain from discriminatory practices, but they must also take initiative in promoting open and inclusive housing patterns, also known as "affirmatively furthering fair housing." As defined by HUD, this practice includes the following:

- Analyzing and eliminating discrimination in the jurisdiction;
- Promoting fair housing choice for all persons;
- Providing opportunities for inclusive patterns of housing occupancy regardless of race, color, religion, sex, familial status, disability, and national origin;
- Promoting housing that is structurally accessible to, and usable by all persons, particularly persons with disabilities;
- Fostering compliance with the nondiscrimination provision of the Fair Housing Act.

Under Federal and State law, municipalities must also ensure that municipal policies and programs do not have a disparate impact on members of a protected class. Disparate impact is a significant legal theory in which liability based upon a finding of discrimination may be incurred even when the discrimination was not purposeful or intentional. The municipality should consider if the policy or practice at hand is necessary to achieve substantial, legitimate, non-discriminatory interests and if there is a less discriminatory alternative that would meet the same interest.

HOUSING NEEDS ASSESSMENT

TOWN OF STURBRIDGE OVERVIEW

Sturbridge is a vibrant rural-suburban community in southern Worcester County, bordering Connecticut. Before being discovered by European settlers, the area that is now Sturbridge was home to the Nipmuc tribe who mined graphite to make paints. Upon discovery of this valuable resource by early settlers, the region became intermittently engaged in mining. In 1729, a petition was made to the general court to open the land for settlement and upon being granted approval the town was named in honor of early English settlers originating from the Town of Stourbridge. From the time of town's founding through the 19th century, Sturbridge was primarily an agricultural community. Soon after the Industrial Revolution began, mills and factories were constructed in the villages of Fiskdale and Westville. The center of Sturbridge has been preserved to look much as it did in the early 19th century. Old Sturbridge Village was established in 1946 and continues to be a highly popular tourist attraction and educational tool within the town.

Sturbridge's location and major routes provide convenient access to the town from all directions, which helps support the town's tourism and hospitality industry. Sturbridge's commercial and industrial areas are generally located along Routes 20 and 131, as well as the intersection of I-90 and I-84 through the central and eastern parts of town. Retail shops and professional offices make up much of this development, with the Sturbridge Business Park and Sturbridge Technology Park anchoring both ends of Route 20. Sturbridge businesses play leading roles in fiber optics, laser technology, environmental products, plastics, machining, and metal fabrication. Other businesses in town include restaurants, breweries, antiques and craft shops, bed and breakfasts, motels, and inns. The Town is currently completing an Economic Development Self-Assessment and updated its Open Space and Recreation Plan in 2018.

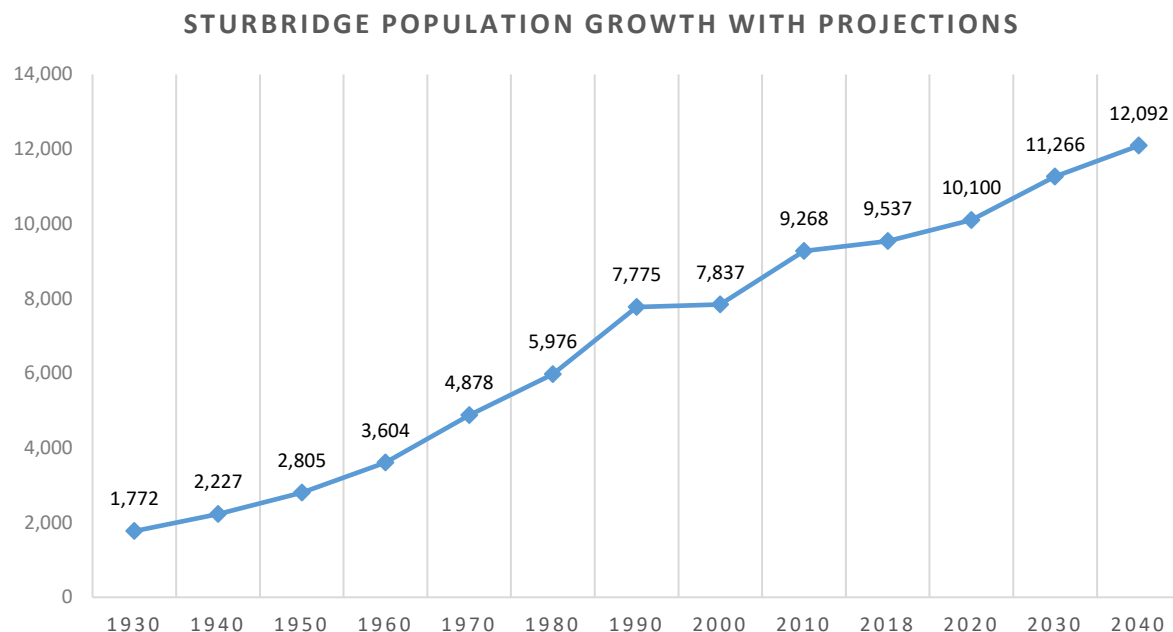
DEMOGRAPHIC CHARACTERISTICS

POPULATION AND HOUSEHOLD TRENDS

The most recent U.S. Census counts placed the population of Sturbridge at 9,268 in 2010 and the most recent American Community Survey population estimates place Sturbridge's current population at 9,537 as of 2018. In terms of population density, Sturbridge has 240 residents per square mile. The town's most substantial decade of growth occurred between 1960 and 1970, during which the population grew from 3,604 residents to 4,878 residents, or 26%. The period with the least growth was between 1990 and 2000, in which the town only increased by 62 residents, or 0.8%. Since 2000, when the town's population was at 7,837, Sturbridge has experienced a population growth of nearly 18%. Among the bordering communities, Sturbridge maintains the greatest population growth since 2000, just ahead of Charlton at 16%. The population of Worcester County grew just under 10% between 2000 and 2018.

Population predictions estimate the town will experience steady growth over the next 20 years. The population projections by CMRPC show Sturbridge with a population of 11,266 by 2030 (15% growth) and a population of 12,092 by 2040 (21% growth). This anticipated growth is higher than that of the surrounding communities which are expected to increase overall population by an average of 9% by 2040.

Figure 1: Historical Population Growth with Projections for Sturbridge



With the COVID-19 pandemic and economic shutdown leaving countless employees across the nation working remotely, it is possible that people may elect to relocate outside of employment centers such as the Boston region to attractive and more affordable suburban communities in Central Massachusetts, such as Sturbridge. As remote work grows in popularity and feasibility, resulting in workers no longer needing to make lengthy commutes every day, it is possible that Sturbridge could experience a high demand in housing in the coming years. It is challenging to anticipate how the pandemic will affect the economy and housing market, but it will undoubtedly have a profound impact.

HOUSEHOLD TYPES

In 2018, nearly four out of five households in Sturbridge were *family households*, meaning the household consists of a householder and one or more people related to the householder by birth, marriage, or adoption¹. Family households with their own children under the age of 18 make up 37% of all households in Sturbridge, which is higher than the state's rate of 26%. An estimated 18% of all households in town were single-person households, and 13% of all households were elderly single-person households, which are both rates lower than Massachusetts 2018 averages. For many communities in the region and state, the number of people living in a household has been declining as more people choose to live alone, delay having children, or have fewer or no children. For the majority of the towns surrounding Sturbridge this phenomenon has been the case since 2000, however in Sturbridge the average household size increased from 2.55 in 2000 to 2.65 in 2018. The number of households with children in Sturbridge has increased from 1,102 in 2000 to 1,327 in 2018. 37% of households are family households with their own children under the age of 18, which is higher than the state at 27%. Currently, only 21% of households in Sturbridge consist of those in which members were not related to one another, while the remaining 79% are family households. Families with children are a protected class under federal law, and Massachusetts has made it unlawful to discriminate based on marital status.

¹ Same-sex couple households are included in the 'family households' category if there is at least one additional person related to the householder by birth or adoption.

Table 2: Sturbridge Households by Household Type, 2018

	Number	Percent of All Households
Total Households	3,595	100%
Family Households	2,826	79%
Family Households with own children under 18 years	1,327	37%
Non-family Households	769	21%
Householder living alone	641	18%
Elderly single-person households	463	13%
<i>Source: U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimates</i>		

GROUP QUARTERS

People not living in a family or non-family household are classified by the U.S. Census Bureau as living in *group quarters*. Group quarters include facilities such as correctional facilities, nursing homes, and hospitals as well as college dormitories, military barracks, group homes, missions, and shelters. According to the U.S. Census Bureau 2010 Decennial Census, 12 Sturbridge residents lived in group quarters. All of these residents resided in non-institutional group quarters (college dormitories, military barracks, group homes, missions, and shelters).

AGE

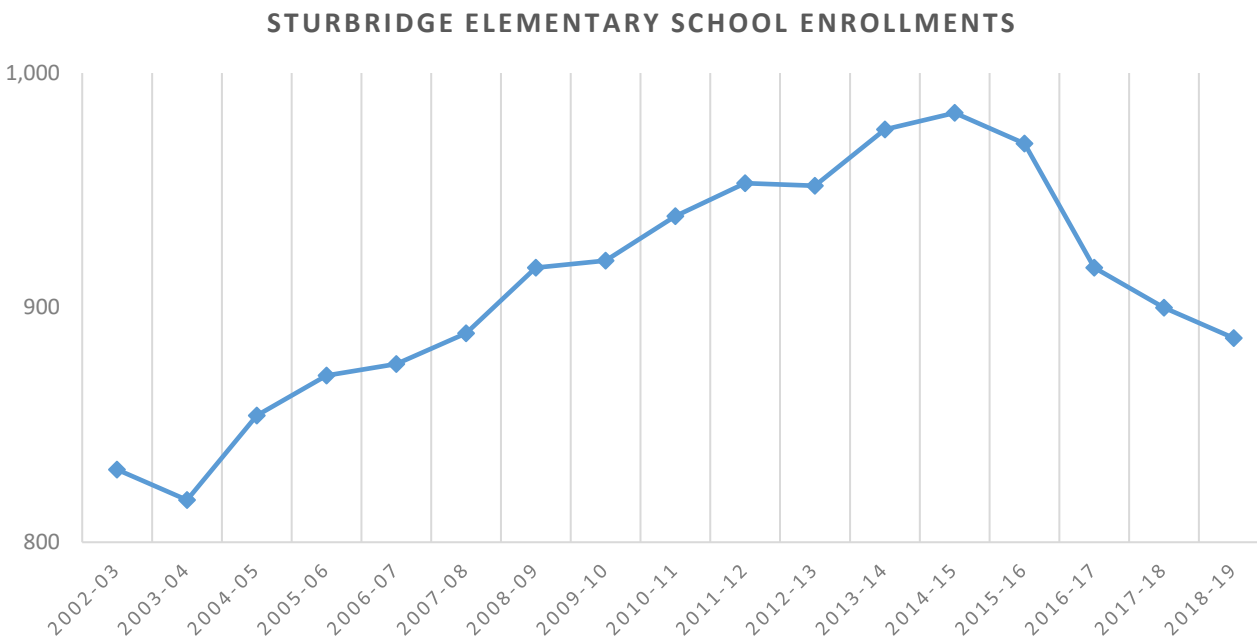
Age is a protected class under State Law. The age distribution of a community's population has significant implications for planning and the formation of public policies related to housing and community development, seeing as different age brackets have alternative needs and preferences. It is anticipated that the changing age composition of Sturbridge will result in a greater demand for housing better suited for aging households as well as households with fewer members. The steadily increasing median age and proportion of aged 65+ population in Sturbridge is reflective of national trends, as the Baby Boomer generation approaches and surpasses retirement age.

Table 3: Sturbridge Population by Age including Projections, 2000 - 2040

	2000		2010		2018		2030 (Projection)		2040 (Projection)	
	Total	Percent	Total	Percent	Total	Percent	Total	Percent	Total	Percent
Total population	7,837	100%	9,268	100%	9,537	100%	11,266	100%	12,091	100%
Under 5 years	468	6.0%	616	6.6%	575	6.0%	460	4%	469	4%
5 to 19 years	1,677	21.4%	1,849	19.9%	2,005	21.0%	1,886	17%	2,087	11%
20 to 34 years	1,217	15.6%	1,265	13.6%	1,382	14.5%	1,516	13%	1,592	13%
35 to 44 years	1,355	17.3%	1,428	15.4%	1,392	14.6%	1,538	14%	1,483	12%
45 to 64 years	2,068	26.4%	2,770	29.8%	2,361	24.8%	3,238	29%	3,528	29%
65 to 84 years	949	12.1%	1,175	12.8%	1,617	17.5%	2,326	21%	2,498	21%
85 years and over	103	1.3%	165	1.8%	151	1.6%	302	3%	434	4%
Median age	39.3	--	41.6	--	42.0	--	--	--	--	--
<i>Source: U.S. Census Bureau 2000, 2010; American Community Survey 5-Year Estimates 2014-2018</i>										

Table 3 shows how the population has aged over the last two decades and how it is projected to age. From 2018 to 2040, the town's population under the age of 19 is projected to remain relatively stable. Although on the rise for a number of years, Sturbridge elementary school enrollments have declined since the 2014-2015 school year, falling below 900 students in 2018-2019 for the first time in over a decade (Figure 2). The largest projected increases in age brackets are the 85 years and over, which is anticipated to see a 65% increase by 2040 and the 65 to 84 age bracket which is projected to increase 35% by 2040.

Figure 2: Sturbridge Elementary School Enrollments 2002-2019²



Communities such as Sturbridge are now faced with the duty to provide adequate and affordable senior housing for their aging populations. Additionally, housing for seniors should ideally be located in walkable areas or be near alternative modes of transportation, as to not isolate senior residents and ensure they have access to a range of services such as health clinics or grocery stores. The Town has an active Council on Aging that provides locals with a wealth of resources, services, education, and activities at the Senior Center. In addition to the need for senior housing, housing that is desired by younger generations may also be currently at insufficient levels. These housing options can include rental units, starter homes, condominiums, apartments, or accessory dwelling units.

MEDIAN AGE GROWTH AT THE LOCAL, STATE AND REGIONAL LEVELS

The median age in Sturbridge has been growing rapidly, according to ACS estimates. In 2000, the median age in Massachusetts was 36.5 years compared to 39.3 years in Sturbridge. Figure 3 shows the change in median age over time for Massachusetts, Worcester County, Sturbridge and the surrounding communities, all of which have increased. As in other sections of this report, for comparison purposes, the project team looked at the Massachusetts communities which share geographical boundaries with Sturbridge.

² Source: Massachusetts Department of Elementary and Secondary Education

Figure 4 below shows how the age 55+ population has grown since 2000 in Sturbridge and the surrounding communities. The retirement age cohort has increased in population by 34% in Sturbridge since 2000. On average, the town's surrounding neighbors have seen an increase in this same age cohort by 41%. This trend of an aging population is not unique to Sturbridge, as it is happening in rural and suburban towns across Massachusetts.

Figure 3: Median Age, 2000-2018

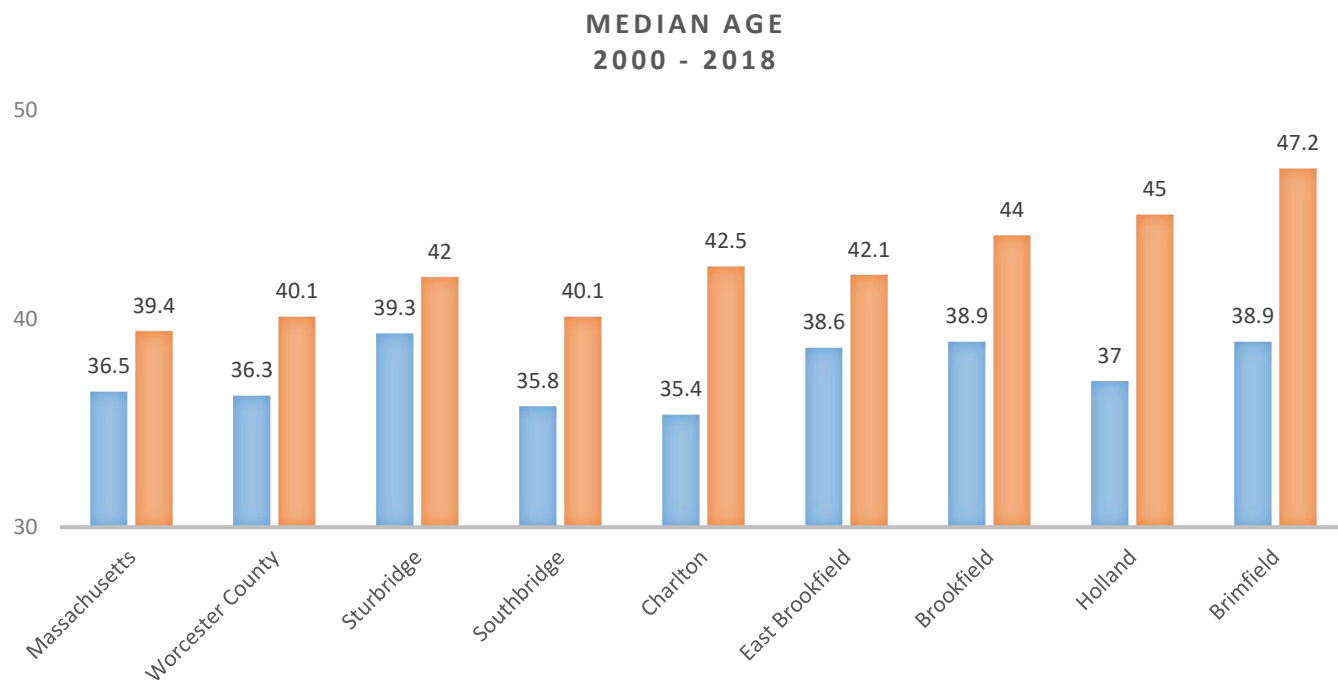
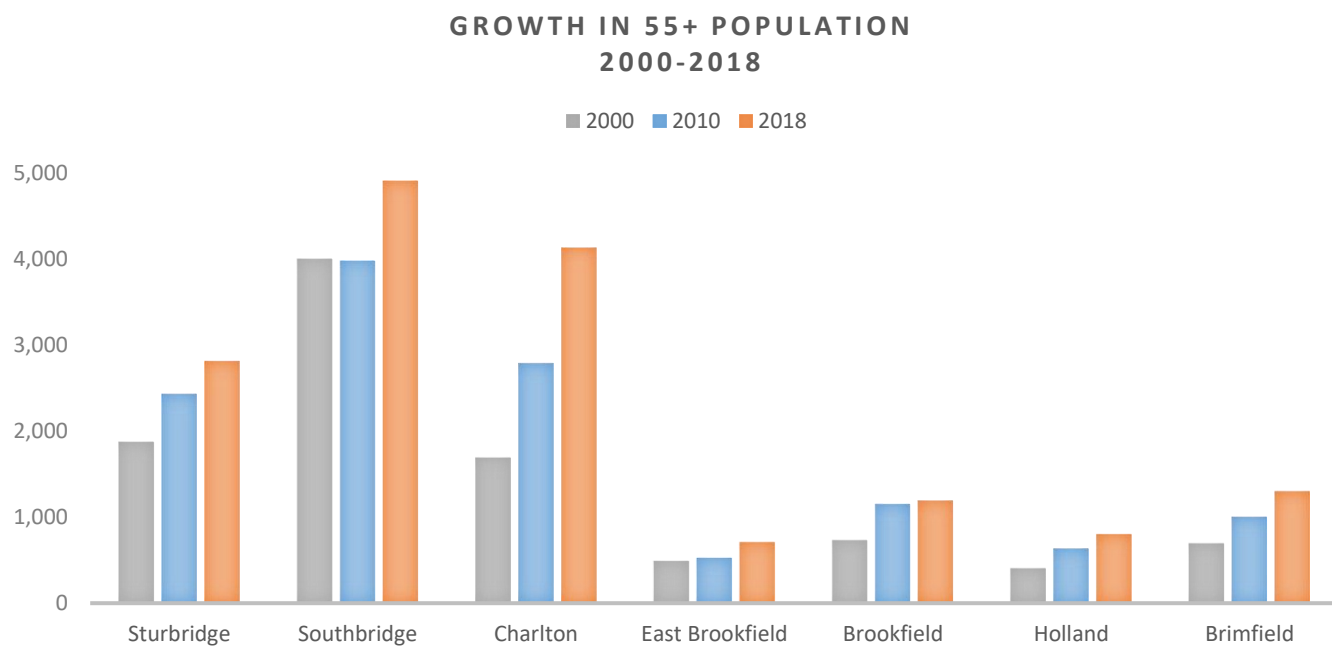


Figure 4: Growth in Age 55+ Population since 2000, Sturbridge and Surrounding Communities



RACE AND ETHNICITY

The population of Sturbridge is primarily White, at approximately 94% of the town's total population, according to the most recent ACS estimates. Since 2000, nearly all racial groups have increased in population, with the exception of American Indian and Alaska Native alone residents, which have decreased from 0.3% to 0.0%, and Native Hawaiian and Other Pacific Islander residents, which have decreased from 0.1% to 0.0% of the population. The major ancestries of Sturbridge residents include Irish, French, Italian, English, German, Scottish, Polish, French Canadian, and Swedish. Additionally, an estimated 2% of the population over the age of 5 speaks a language other than English. In comparison, 20% of Worcester County's population speaks a language other than English at home³.

Table 4: Sturbridge Population by Race/Ethnicity, 2000-2018

	2000		2010		2018	
	Number	Percent	Number	Percent	Number	Percent
Total Population	7,837	100%	9,268	100%	9,537	100%
White alone	7,613	97.1%	8,816	95.1%	9,000	94.4%
Black or African-American alone	28	0.4%	56	0.6%	53	0.6%
American Indian and Alaska Native alone	21	0.3%	25	0.3%	0	0.0%
Asian alone	89	1.1%	184	2.0%	286	3.0%
Native Hawaiian and Other Pacific Islander	7	0.1%	0	0.0%	0	0.0%
Some other race alone	24	0.3%	70	0.8%	106	1.1%
Two or more races	55	0.7%	117	1.3%	92	1.0%
Hispanic or Latino (of any race)	102	1.3%	231	2.5%	299	3.1%
<i>Source: U.S. Decennial Census 2000, 2010; 2014-2018 American Community Survey 5-Year Estimates</i>						

DISABILITY

Disability is a protected class under Federal Law. A disability is defined by the U.S. Census Bureau as a long-lasting physical, mental, or emotional condition. This condition can make it difficult for a person to do activities such as walking, climbing stairs, dressing, bathing, learning, or remembering. This condition can also impede a person from being able to go outside the home alone or to work at a job or business. Many residents with one or more disabilities face housing challenges due to a lack of housing that is affordable and physically accessible.

An estimated 11% of Sturbridge's population (574 residents) ages 18 to 64, also known as "working-age residents," reported having one or more disability. An estimated 29% (523 people) of residents ages 65 and over in town reported having one or more disability. Ambulatory difficulties are currently the most common disability faced by the elderly population in Sturbridge, followed by difficulties associated with independent living. With projections of an increasing elderly population in Sturbridge, the demand for affordable and barrier-free/accessible housing may be on the rise. The range of disabilities present in the town's population requires different types of accessible housing to serve the needs of persons with disabilities. Some communities in Massachusetts have put more effort and resources into integrating accessible housing and housing with supportive services into planning for market-rate and affordable housing development.

³ American Community Survey 5-Year Estimates, 2014-2018

Table 5: Population by Estimated Disability Status, 2018

	Sturbridge		Worcester County		Massachusetts	
	Estimate	Percent with a Disability	Estimate	Percent with a Disability	Estimate	Percent with a Disability
Total civilian non-institutionalized population	9,537	--	810,208	--	6,756,015	--
<i>With a disability</i>	1,134	11.9%	97,081	12.0%	785,431	11.6%
Population 18 to 64 years	5,243	--	516,462	--	4,337,574	--
<i>With a disability</i>	574	10.9%	51,030	9.9%	389,382	9.0%
With a hearing difficulty	23	0.4%	9,016	1.7%	69,901	1.6%
With a vision difficulty	33	0.6%	7,645	1.5%	63,200	1.5%
With a cognitive difficulty	182	3.5%	26,273	5.1%	190,959	4.4%
With an ambulatory difficulty	354	6.8%	20,725	4.0%	165,625	3.8%
With a self-care difficulty	62	1.2%	8,563	1.7%	67,024	1.5%
With an independent living difficulty	137	2.6%	20,556	4.0%	143,773	3.3%
Population 65 years and over	1,822	--	117,666	--	1,041,621	--
<i>With a disability</i>	523	28.7%	37,989	32.3%	335,501	32.2%
With a hearing difficulty	209	11.5%	16,448	14.0%	143,702	13.8%
With a vision difficulty	51	2.7%	6,368	5.4%	56,353	5.4%
With a cognitive difficulty	186	10.2%	9,920	8.4%	82,382	7.9%
With an ambulatory difficulty	371	20.4%	23,444	19.9%	204,118	19.6%
With a self-care difficulty	87	4.8%	9,642	8.2%	80,036	7.7%
With an independent living difficulty	276	15.1%	15,979	13.6%	142,512	13.7%

Source: 2014-2018 American Community Survey 5-Year Estimates

POPULATIONS WITH SPECIAL NEEDS

Populations with special needs are considered to be residents who require specialized housing and/or support services. Included in this category, in no particular order, are:

- People with physical disabilities
- Elderly and frail elderly
- Veterans
- Survivors of domestic violence
- Youth aging out of foster care and at-risk youth
- People with psychiatric and cognitive disabilities
- People with substance abuse issues
- Ex-offenders
- People living with HIV or AIDS
- People who are homeless

The needs of these sub-populations may overlap in many cases, as well as the institutions that serve them. Special needs populations are more likely than the general population to encounter difficulties securing and retaining adequate and affordable housing, due to lower incomes and other obstacles, and often require enhanced support services. While members of these populations often move through temporary housing placements, they often seek permanent and stable housing options. Unfortunately, due to the small size of Sturbridge, municipal level data is not available on these specialized populations.

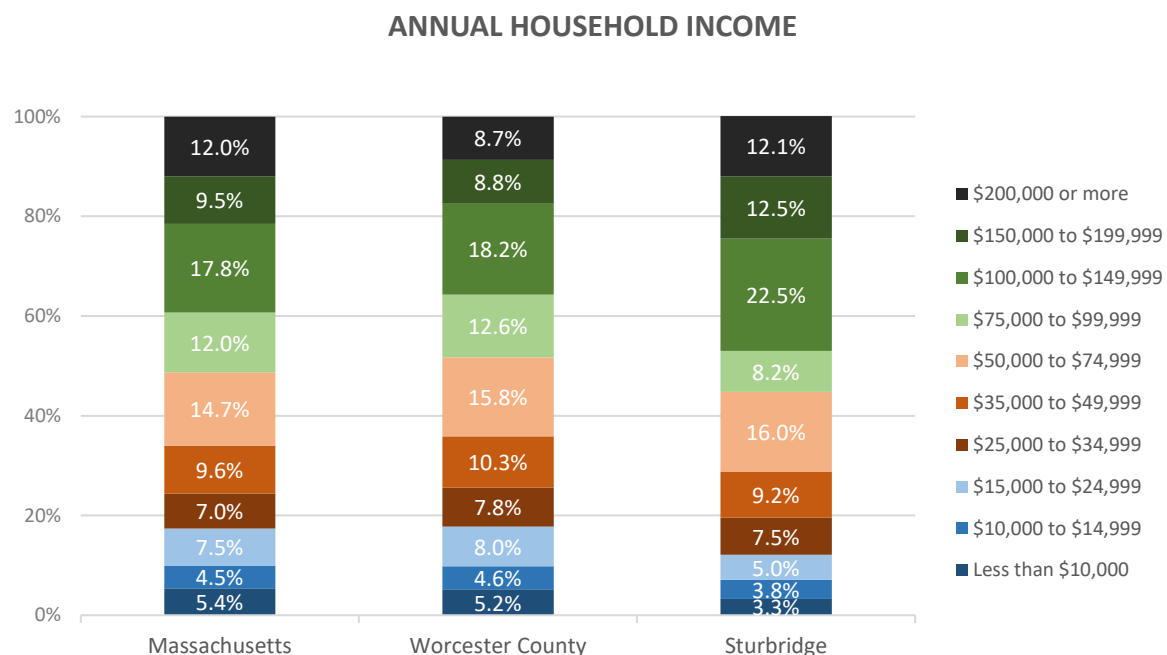
There are numerous organizations that provide support services and group homes in the Sturbridge area. There are likely individuals with developmental disabilities who live independently in town with support from the Department of Developmental Services (DDS).

INCOME

Income of individuals and households is directly related to the amount of money that households are able to allocate for housing. Housing that is affordable for lower-income households is significant for creating household stability and economic self-sufficiency. In order to build and retain a strong and talented workforce to improve the region and state's economic competitiveness, housing that is affordable to working class and middle class households needs to be readily available.

Household and family income in Sturbridge has experienced slight fluctuations in the past decade, with 2018 showing the lowest median family income in recent years. Since 2010, median household income has ranged from \$71,600 to \$91,440, while median family income has ranged from \$95,000 to \$104,671. In comparison, both Worcester County and the state of Massachusetts experienced increases in median household income and median family income between 2010 and 2018. Sturbridge's median household income of \$91,440 and median family income of \$104,671, based on 2018 ACS estimates, were higher than those of both Worcester County and the state in this same time frame.

Figure 5: Household Income by Level of Income, 2018⁴



⁴ Source: 2014-2018 American Community Survey 5-Year Estimates

Table 6: Median Household and Family Income, 2018

	Median Household Income	Median Family Income
Sturbridge	\$91,440	\$104,671
Worcester County	\$71,895	\$93,012
Massachusetts	\$77,378	\$98,625
<i>Source: 2014-2018 American Community Survey 5-Year Estimates</i>		

Sturbridge's median household and family incomes showcase the town as a middle-to-upper class community in Massachusetts. However, there is still a portion of the community living with limited financial flexibility. As of 2018, 6% of all people in Sturbridge had been living below the poverty line in the past 12 months, including 7% of children under the age of 18. 9% of residents over the age of 65 were living below the poverty level in this same time according to ACS estimates. There are 198 families in Sturbridge that utilize the town's food pantry. While the poverty rate of all people is lower in Sturbridge than in the state (10%) or the county (10%), these are populations that cannot be ignored when planning for housing.

It is likely that the economic shutdown due to COVID-19 will have devastating effects on many Sturbridge families, as unemployment rates have been at an all-time high and many jobs and businesses will never recover. The Town should anticipate an increase in poverty rates and prepare accordingly. The availability of affordable housing in Sturbridge is ever more important.

EMPLOYMENT AND EDUCATION

EDUCATION

Educational attainment, employment, and household wealth are all interrelated, seeing as in the present-day economy it is highly difficult to find employment without the minimum of a high school diploma or equivalent, and in many industries it is required to have the minimum of a bachelor's degree. The 2014-2018 ACS estimated that 47% of Sturbridge residents over the age of 25 have at least a bachelor's degree. The educational attainment rate for the population with a bachelor's degree or higher in Sturbridge is slightly higher than the Worcester County rate of 36% and the state rate of 43%. With 96% of Sturbridge residents having achieved a high school diploma, the town has a well-educated population.

Table 7: Labor Force and Education Levels

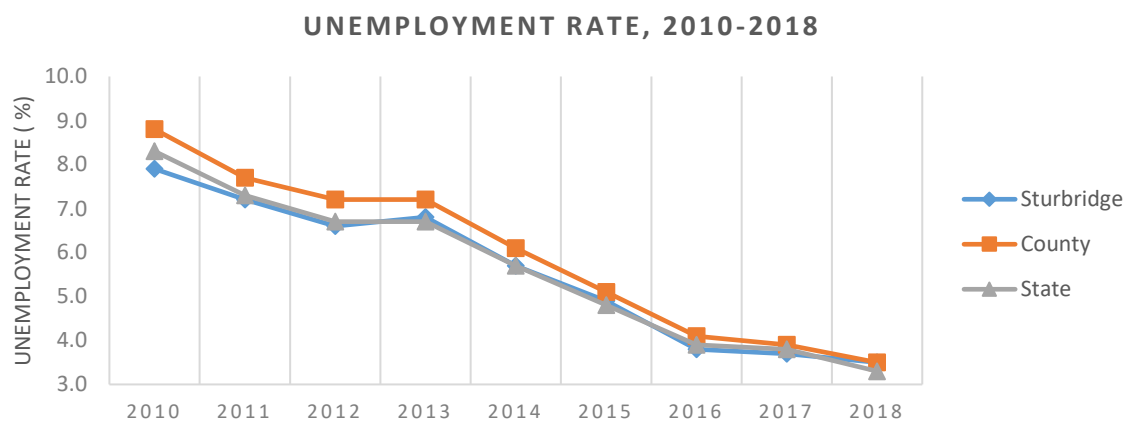
	Population 16 and Over		Educational Attainment				
	Total	In Labor Force	Population 25 Years and Over	Less than High School	High School Graduate or Higher	Some College	Bachelor's Degree or Higher
Massachusetts	5,619,991	67.2%	4,748,795	9.6%	90.4%	15.6%	42.9%
Worcester County	667,774	66.4%	564,408	9.6%	90.4%	17.3%	35.9%
Sturbridge	7,402	65.3%	6,554	3.8%	96.2%	17.0%	46.5%

Source: 2014-2018 American Community Survey 5-Year Estimates

UNEMPLOYMENT

In 2018, 65.3% of Sturbridge's population over the age of 16 participated in the labor force, which is slightly below the state and county rates (Table 7). The unemployment rate in June 2019 was at a low of 3.1% or 165 unemployed residents. As previously described, the economic shutdown due to COVID-19 resulted in a national surge of unemployment as businesses were forced to shut their doors to prevent the spread of the virus. In June 2020, the town had an unemployment rate of 15.4%, with nearly 800 residents out of the workforce (*Massachusetts Labor Market Information*). The prior high of unemployment in Sturbridge was 7.9% in 2010, following the Recession. Since then, the labor force had been expanding and unemployment rates were consistently falling. While some communities in Massachusetts have seen up to a quarter of their residents out of the workforce in recent months, it is likely that many Sturbridge residents are employed in sectors of the economy which were more easily able to adapt to remote work. An estimated 11% of residents were already working from home prior to the pandemic.

Figure 6: Unemployment Rates, 2010-2018



INDUSTRIES

Approximately 26% (1,362 residents) of employed Sturbridge residents are in the fields of educational services, health care, and social services, an increase from 21% in 2000. The industries that have experienced the biggest losses of employment from 2000 to 2018 are Transportation, warehousing, and utilities (-110%); Agriculture, forestry, fishing and hunting, and mining (-100%); Other services, except public administration (-62%); Arts, entertainment, and recreation, and accommodation and food services (-35%); Manufacturing (-33%); Construction (-23%); and Information (-20%). The industries that have experienced growth since 2000 include Professional, scientific, and management, and administrative and waste management services (57%); Public administration (41%); Educational services, health care, and social assistance (37%); Wholesale trade (4%); and Finance, insurance, real estate, and rental and leasing (3%).

Table 8: Sturbridge Business Establishments by Industry Class, 2000 - 2018

	2000		2010		2018		Change 2000-2018	
	Total	Percent	Total	Percent	Total	Percent	Total	Percent
Civilian employed population 16 years and over	4,213	--	4,704	--	4,734	--	521	11%
Agriculture, forestry, fishing and hunting, and mining	45	1%	15	0%	0	0%	-45	-100%
Construction	226	5%	276	6%	184	3%	-42	-23%
Manufacturing	686	16%	566	12%	515	14%	-171	-33%
Wholesale trade	191	5%	158	3%	198	5%	7	4%
Retail trade	514	12%	426	9%	463	12%	-51	-11%
Transportation and warehousing, and utilities	166	4%	191	4%	79	3%	-87	-110%
Information	112	3%	24	1%	93	3%	-19	-20%
Finance and insurance, and real estate and rental and leasing	331	8%	552	12%	340	7%	9	3%
Professional, scientific, and management, and administrative and waste management services	388	9%	397	8%	901	16%	513	57%
Educational services, and health care and social assistance	862	21%	1,523	32%	1,362	26%	500	37%
Arts, entertainment, and recreation, and accommodation and food services	417	10%	310	7%	310	6%	-107	-35%
Other services, except public administration	165	4%	135	3%	102	2%	-63	-62%
Public administration	110	3%	131	3%	187	3%	77	41%
Source: 2014-2018 American Community Survey 5-Year Estimates								

COMMUTING CHARACTERISTICS

According to the 2018 estimates, about 44% of Sturbridge households have less than a 30 minute travel time to work. This is lower than the estimated travel times for Worcester County (57%) and Massachusetts (54%), meaning people who live in Sturbridge are traveling further distances for employment. About 13% of Sturbridge residents have a commute of over an hour, which is the same for the county and state, both of which are slightly below 13% for commutes of over an hour. As Interstates 90 and 84 run through the town, Sturbridge is an ideally situated bedroom community for workers traveling to Springfield, Worcester, Boston, Providence, or Hartford for employment.

The main form of transportation to work for residents is by car, truck, or van (88%) while a significant percentage of employees work from home (11%). Telecommuting has become a popular option for workers in rural and suburban areas who want to avoid traffic and long commutes, opting to work remotely for a majority of the time. Other factors contributing to this phenomenon are the rising costs of housing in cities and job centers, rising costs of child care, rising costs of public transportation, increased highway traffic and length of commutes, as well as the changing nature of work in the United States. It is anticipated that remote work will become a more popular option in the coming years.

Table 9: Transportation to Work, 2018

	Sturbridge	Worcester County	Massachusetts
Workers 16 years and over	4,756	405,532	3,500,223
Means of Transportation to Work			
Car, truck, or van	88%	89%	78%
Drove alone	80%	81%	70%
Carpooled	8%	8%	8%
Public Transportation (excluding taxicab)	1%	2%	10%
Walked	1%	3%	5%
Bicycle	0%	0%	1%
Taxicab, motorcycle, or other means	1%	2%	1%
Worked at home	11%	5%	5%
Place of Work			
Worked in state of residence	94%	96%	96%
Worked in county of residence	74%	72%	65%
Worked outside county of residence	20%	25%	31%
Worked outside state of residence	6%	4%	4%
Source: 2014-2018 American Community Survey Estimates			

HOUSING SUPPLY CHARACTERISTICS

HOUSING OCCUPANCY

The 2018 American Community Survey estimated that there were 3,855 total housing units in Sturbridge. The number of housing units in town has increased by 520 units, or a rate of almost 13%, since 2000. This is a slightly higher rate of growth than Worcester County, which increased its total housing units by just over 11% from 2000 to 2018. Massachusetts total housing units grew by 10% percent during this same time period. Occupancy of housing units increased from 90% occupied in 2000 to 93% occupied in 2018. Approximately 78% of Sturbridge's housing units were owner-occupied in 2000, while 81% of total housing units were owner-occupied in 2018. The number of renter-occupied units in Sturbridge decreased by 3% from 2000 to 2018 and the rental vacancy rate went from 5.8% to 0.0% during this time period. Overall, Sturbridge has a much higher rate of owner-occupancy than both the county and the state, however it has a lower rate than its surrounding communities, other than Charlton which is also at 81%.

Table 10: Housing Occupancy Status, 2000-2018

	2000						2018					
	Sturbridge		Worcester County		Massachusetts		Sturbridge		Worcester County		Massachusetts	
	#	%	#	%	#	%	#	%	#	%	#	%
Total occupied housing units	3,066	100%	283,927	100%	2,443,580	100%	3,595	100%	307,294	100%	2,601,914	100%
Owner-occupied	2,380	77.6%	182,104	64.1%	1,508,052	61.7%	2,905	80.8%	199,681	65.0%	1,621,053	62.3%
Renter-occupied	686	22.4%	101,823	35.9%	935,528	38.3%	690	19.2%	107,613	35.0%	980,861	37.7%
Average household size of owner-occupied unit	2.71	--	2.76	--	2.72	--	2.71	--	2.76	--	2.69	--
Average household size of renter-occupied unit	1.99	--	2.19	--	2.17	--	2.21	--	2.26	--	2.26	--

Source: U.S. Census Bureau 2000; American Community Survey 5-Year Estimates 2014-2018

Vacancy status is used as a basic indicator of the strength or weakness of a housing market and its stability. It shows demand for housing, identifies housing turnover, and suggests the quality of housing for certain areas. There are five reasons a house can be classified as vacant by the United States Census Bureau, including: the house is (1) for seasonal, recreational, or occasional use; (2) for rent; (3) for sale; (4) rented or sold, but not occupied; or (5) all other vacant units. Rental vacancy rates have steadily been declining across the U.S., in both urban, suburban, and rural areas. In Sturbridge, vacant housing units decreased from 378 units to 260 units between 2010 and 2018. Both the homeowner vacancy rate and the rental vacancy rate were most recently estimated to be at 0.0%. Vacancy on some level is necessary for a healthy market and economy. A vacancy rate this low generally results in rising costs of housing. This presents a challenge when trying to establish greater affordability in the town, however increased production of rental units and multi-family units can help offset the impacts of these low vacancy rates.

Figure 7: Units Occupied by Tenure, Sturbridge and Select Neighbors, 2018

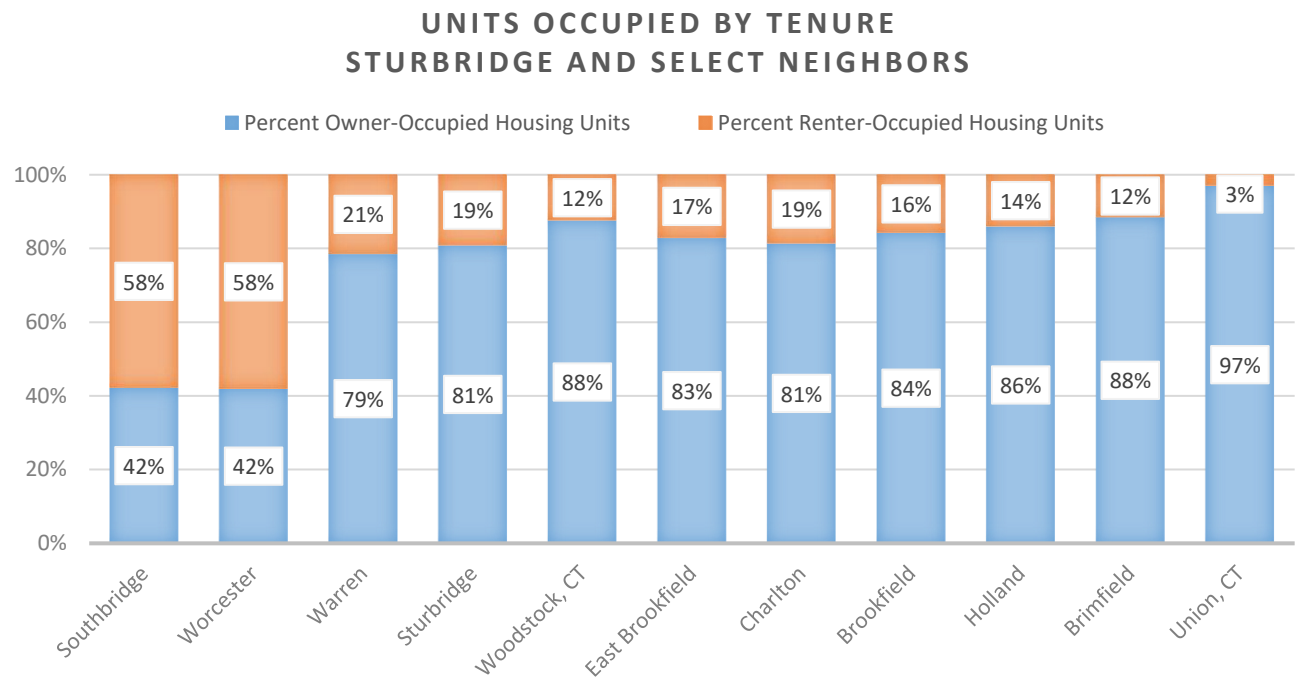


Table 11: Sturbridge Vacancy Rates, 2010-2018

	2010	2018
Total housing units	3,989	3,855
Occupied housing units	3,611	3,595
Vacant housing units	378	260
For rent	41	0
Rented, not occupied	3	0
For sale only	49	0
Sold, not occupied	10	96
For seasonal, recreational, or occasional use	230	75
Other vacant	45	89
Homeowner vacancy rate	1.6%	0.0%
Rental vacancy rate	5.8%	0.0%
Source: U.S. Census Bureau 2010; American Community Survey Estimates 2014-2018		

HOUSING BY TENURE

With an estimated owner-occupancy rate of 81% and renter occupancy rate of 19% according to the 2018 estimates, Sturbridge has a similar proportion of owner-occupied and renter-occupied homes to its surrounding communities, although it has one of the lowest owner-occupancy rates among its neighbors (Figure 7). The 2014-2018 ACS estimated that 85% of all owner-occupied homes in Sturbridge consisted of detached single-family homes. Typically, if a community has more than 70% owner-occupied homes it is indicative of a need for more rental opportunities, particularly for populations such as young professionals and families, veterans, seniors, or recent divorcees. Sturbridge's decreasing availability of rental opportunities and 0% vacancy rate is a reason to encourage seeking options for building a housing stock with more variety.

Massachusetts has fallen behind other states in housing production rates while prices for homes have increased at the fastest rate in the nation. Figure 8 below shows that annual production rates of multi-family and single-family housing in Massachusetts have significantly decreased since a peak in the 1970's. In order to boost the state's housing stock to support the growing economy and provide more diverse housing options, the Baker-Polito administration introduced the [Housing Choice Initiative](#) in 2017. This program provides incentives, rewards, technical assistance, and targeted legislative reform to encourage and empower Massachusetts municipalities to plan and build the necessary diverse housing stock. Municipalities must meet specific criteria to apply for Housing Choice Designation, which rewards communities that are producing new housing and have adopted best practices to promote sustainable housing development. The Town of Sturbridge may want to consider pursuing Housing Choice Designation in the future if their housing production rates increase in the coming years.

Figure 8: Annual Housing Production in Massachusetts

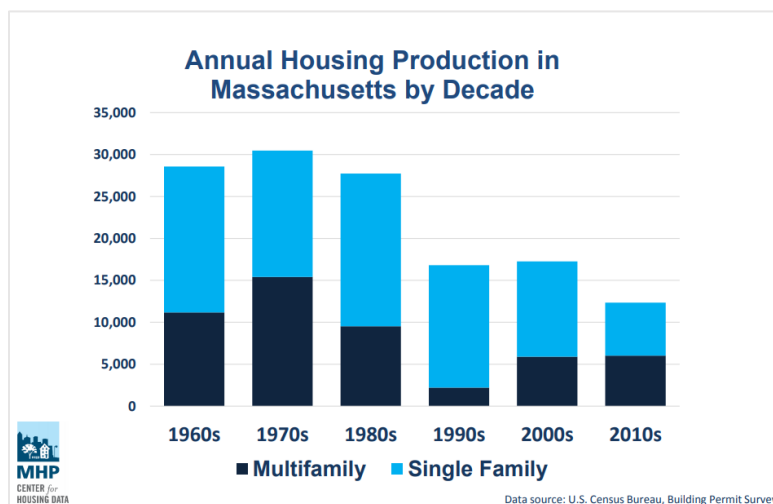


Table 12 suggests that the large majority of owner-occupied housing units in Sturbridge are either single-family detached homes (74%) or single-family attached homes (5%). Renter-occupied housing units in Sturbridge are primarily 10 or more units (47%), followed by single-family detached homes (29%), 2 units (11%), 3 or 4 units (8%), and single-family attached homes (5%).

In general, the majority of single-family homes in Sturbridge are occupied by their owner and the majority of total owner-occupied units are single-family detached homes. Additionally, the majority of housing units in structures with 2 or more units are renter-occupied. 16% of renter-occupied units are within structures of 2-4 units. 47% of renter-occupied housing units are within structures of 10 or more units. 5% of owner-occupied homes and 1% of renter-occupied homes are mobile units. While there is greater diversity in terms of types of units available to rent, purchasing a home in Sturbridge generally implies a single-family detached house or a mobile home.

HOUSING BY STRUCTURAL TYPE

The ACS estimates that 74% of homes in Sturbridge are single-family detached homes, which far exceeds the percentages than that of Worcester County and the State, both of which remain under 60% (Table 12). Sturbridge has a far lower rate of housing units in structures with greater than two units than Worcester County or Massachusetts. These are building types usually found in denser, more urbanized areas. **It is important to note that the American Community Survey Estimates are useful to compare Sturbridge to other communities and regions, however as estimates, the numbers may over report or under report the types of residential uses in town.** The Sturbridge Assessor's Office has local data that can provide a more accurate description of the types of uses in town, however it is not used to track tenure so the ACS is used to estimate the number of rental units by structural type.

Figure 9: Sturbridge Housing Units by Structural Type, 2018

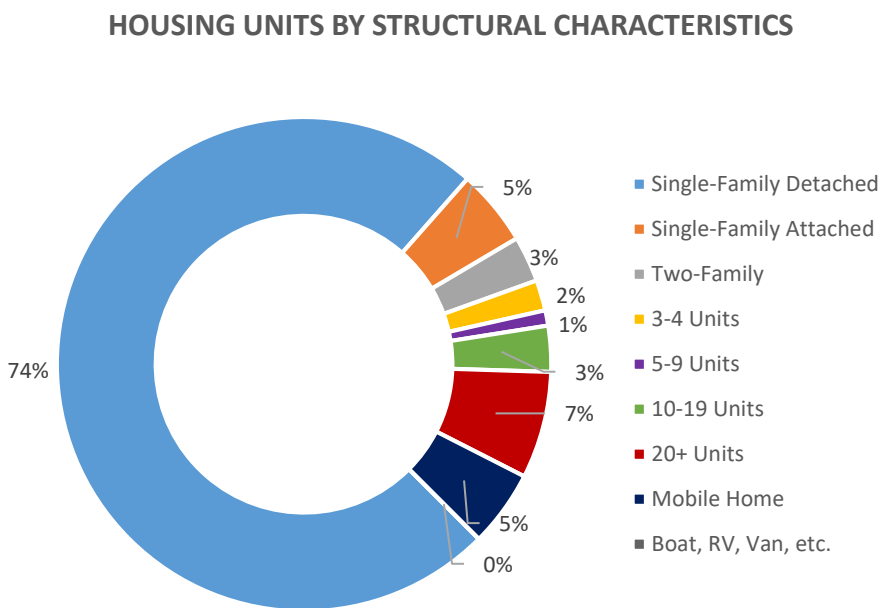


Table 12: Housing Units by Structural Type

Structural Type	Sturbridge		Worcester County		Massachusetts	
	Estimate	Percent	Estimate	Percent	Estimate	Percent
Total Housing Units	3,855	100%	333,830	100%	2,882,739	100%
1-unit, detached	2,844	73.8%	188,375	56.4%	1,501,300	52.1%
1-unit, attached	191	5.0%	20,187	6.0%	154,000	5.4%
2 units	114	3.0%	27,466	8.2%	287,360	10.0%
3 or 4 units	67	1.7%	39,178	11.7%	308,728	10.7%
5 to 9 units	22	0.6%	18,503	5.5%	167,997	5.8%
10 to 19 units	131	3.4%	12,698	3.8%	124,484	4.3%
20 or more units	275	7.1%	24,613	7.4%	313,788	10.9%
Mobile home	211	5.5%	2,747	0.8%	23,508	0.8%
Boat, RV, van, etc.	0	0.0%	63	0.0%	919	0.0%

Source: American Community Survey 5-Year Estimates 2014-2018

STURBRIDGE HOUSING UNITS BY NUMBER OF BEDROOMS

Analyzing the town's housing stock by number of bedrooms is useful in determining if there are housing deficiencies such as availability of one to two bedroom homes for smaller households or three bedroom units for larger families. According to Table 13, the town could use more rental housing with 1 bedroom and 4 or more bedrooms. The town is also lacking in housing for owner occupancy with 1 bedroom, which often comes in the form of condominiums and apartments for sale. By the most recent ACS estimates, there are essentially zero housing options, both for renting and owning, that have no bedroom, such as studio apartments. These are often the cheapest options for individuals living alone. Overall, the majority of housing options have between 2 and 3 bedrooms. It is important for communities to offer a variety of bedroom options within their housing stock in order to accommodate individuals and families of all sizes and budgets.

Table 13: Sturbridge Number of Bedrooms, 2018

	Owner-occupied	Renter-occupied
Total housing units	2,905	690
No bedroom	0.0%	0.0%
1 bedroom	2.4%	20.9%
2 or 3 bedrooms	68.3%	60.1%
4 or more bedrooms	29.3%	19.0%

Source: American Community Survey 5-Year Estimates 2014-2018

AGE OF HOUSING

Sturbridge has a comparatively older housing stock compared to its neighbors. Sturbridge has a lower percentage of housing that was built after 1960 versus the average of the comparison group. Only 10% of the town's housing stock was built after 2000. Tables 14 below shows these trends. As the home of Old Sturbridge Village and the Publick House, the town places much significance on historic preservation and strives to maintain its cultural identity as a historic New England community. Additionally, surrounding towns such as Charlton which have historically been agricultural communities have experienced more housing development in recent decades.

Table 14: Age of Home as a Percentage of Total Housing Stock, Sturbridge and Surrounding Communities

Age of Home as Percentage of Total Housing Stock							
Year House Built	Sturbridge	Southbridge	Charlton	East Brookfield	Brookfield	Holland	Brimfield
2014 or later	1.0%	0.1%	0.7%	0.4%	0.0%	2.7%	0.5%
2010 to 2013	1.6%	0.0%	0.9%	2.5%	0.5%	0.6%	2.7%
2000 to 2009	7.1%	3.9%	16.0%	12.6%	11.6%	9.5%	17.7%
1990 to 1999	7.7%	2.8%	16.4%	8.2%	6.7%	8.5%	12.2%
1980 to 1989	10.8%	11.8%	25.0%	9.8%	21.0%	16.6%	15.0%
1970 to 1979	11.6%	11.4%	17.9%	7.3%	19.9%	8.7%	13.0%
1960 to 1969	10.3%	9.1%	6.7%	8.2%	5.0%	19.5%	8.0%
1950 to 1959	11.2%	11.8%	5.3%	10.9%	5.3%	22.2%	8.0%
1940 to 1949	5.6%	7.8%	2.8%	5.2%	2.1%	6.3%	6.3%
1939 or earlier	33.1%	41.4%	8.2%	34.8%	27.8%	5.5%	16.7%

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates 2014-2018

SENIOR HOUSING

Seniors are a growing part of the Sturbridge population and housing should reflect their needs. Most seniors require smaller, affordable, and accessible housing, of which the town is severely lacking. There are very limited senior housing options in town, making it a challenge for those who have established roots here to remain in the community. Elderly residents require a range of options for levels of care, as some can age in place while others are more dependent and need assistance with daily tasks. The Sturbridge Council on Aging is a strong asset to the senior community, as they offer many resources, activities, and amenities to assist with the aging process. The Town is encouraged to take further actions to invest in ways to provide more suitable housing options for senior residents.

INCOME RESTRICTED HOUSING (SUBSIDIZED HOUSING)

There are currently over 200 units in Sturbridge that are restricted for occupancy by lower-income households. Two types of income restricted housing exist: public and private. Public income restricted housing is managed by a local housing authority which is established by state law to provide affordable housing for households earning less than 80% of the Area Median Income (AMI). Private income restricted housing is owned and operated by both for-profit and non-profit owners who receive subsidies in exchange for renting to low- and moderate-income individuals and families.

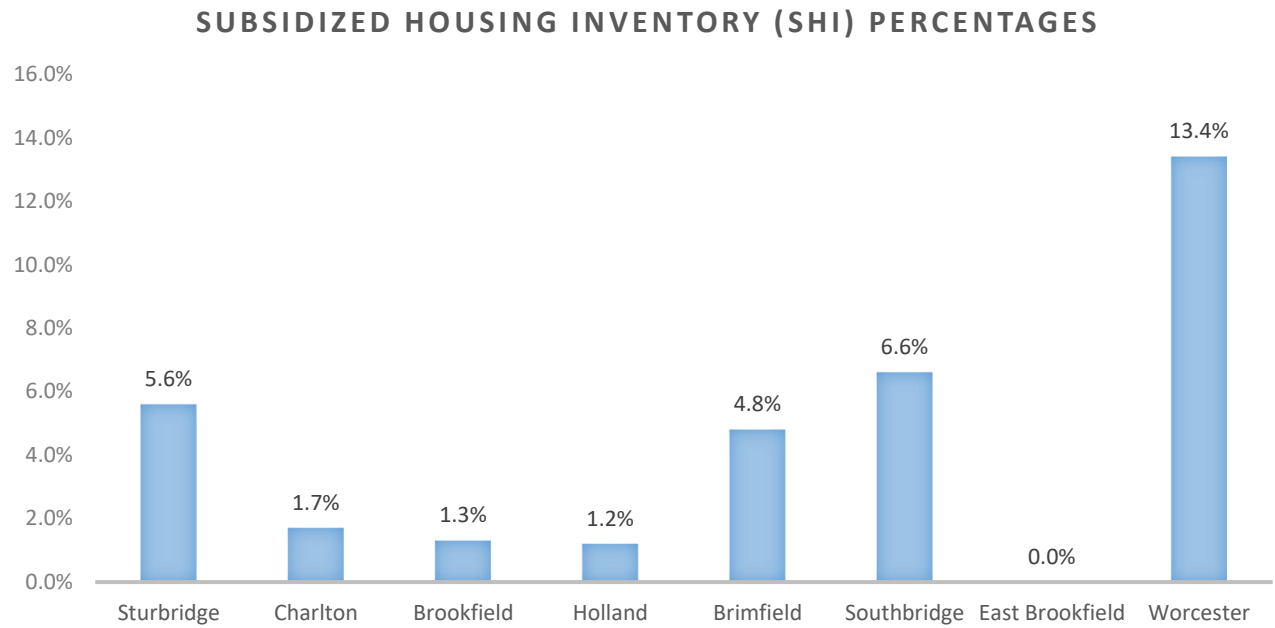
Table 15: Income Restricted Housing Units in Sturbridge, 2020

Name	Address	Type	SHI Units	Affordability Expires	Subsidizing Agency
Heritage Green	40/100 Heritage Green Dr.	Rental	130	2071	MassHousing
Autumn Ridge	452 Main St.	Rental	30	2024	DHCD
Crescent Gate	450 Main St.	Ownership	18	Perpetuity	MassHousing
Snell St. Apartments	11 Snell St.	Rental	4	2096	EOHHS
Westwood Drive/Cedar Street	9 Westwood Dr./136 Cedar St.	Unknown	4	2100	EOHHS
DDS Group Homes	Confidential	Rental	23	n/a	DDS
Total Sturbridge SHI Units					209
Census 2010 Year-Round Housing Units					3,759
Percent Subsidized					5.6%

Source: DHCD 2018

Sturbridge exceeds some of its neighboring communities in terms of providing affordable housing, however it still falls below the mandated 10%. Figure 10 shows where Sturbridge and its surrounding communities currently stand in terms of their Subsidized Housing Inventories. Communities that do not meet the goal of 10% affordable housing risk the vulnerability of developers being granted comprehensive permits if they include at least 25% (or 20% in some cases) affordable units in their proposed developments. In order to mitigate this risk, towns falling under the 10% requirement must increase their housing stock by at least 0.5% each year and have an approved Housing Production Plan, showing that the community is making strides to address its housing needs.

Figure 10: Chapter 40B Subsidized Housing Inventory (SHI) as of September 14, 2017



HOUSING MARKET

SINGLE-FAMILY HOME MARKET

Sturbridge has a robust housing market where single family homes are in high demand and they command high prices. From 2006 to 2018, the median price for a single-family homes in Sturbridge was an average of 35% higher than the surrounding communities. As Table 16 and Figure 11 demonstrate, consistently values have been significantly higher in Sturbridge than in neighboring communities.

Table 16: Median Single Family Home Value for Sturbridge and Surrounding Communities

Median Single-Family Home Value by Year						
Year	Sturbridge	Brookfield	East Brookfield	Charlton	Southbridge	Spencer
2006	\$314,950	\$198,500	\$210,000	\$312,450	\$216,500	\$245,500
2007	\$305,000	\$258,500	\$229,900	\$304,000	\$212,450	\$226,000
2008	\$287,500	\$215,000	\$182,000	\$255,000	\$170,000	\$207,000
2009	\$242,500	\$182,000	\$169,000	\$236,489	\$155,000	\$190,750
2010	\$264,000	\$193,500	\$227,000	\$242,500	\$150,000	\$175,000
2011	\$225,000	\$205,000	\$133,250	\$235,500	\$125,000	\$149,000
2012	\$240,000	\$172,500	\$169,422	\$220,000	\$137,500	\$177,500
2013	\$257,000	\$207,500	\$168,950	\$251,000	\$155,500	\$179,950
2014	\$280,000	\$230,200	\$193,000	\$271,000	\$160,000	\$197,000
2015	\$265,000	\$204,950	\$199,000	\$293,500	\$159,950	\$210,750
2016	\$262,500	\$212,000	\$182,450	\$278,450	\$175,000	\$217,000
2017	\$281,000	\$210,000	\$225,000	\$293,000	\$194,000	\$239,000
2018	\$320,000	\$226,900	\$227,450	\$284,900	\$199,000	\$225,000

Source: The Warren Group, 2006-2018

Figure 11: Sturbridge Single-Family Homes Price Index

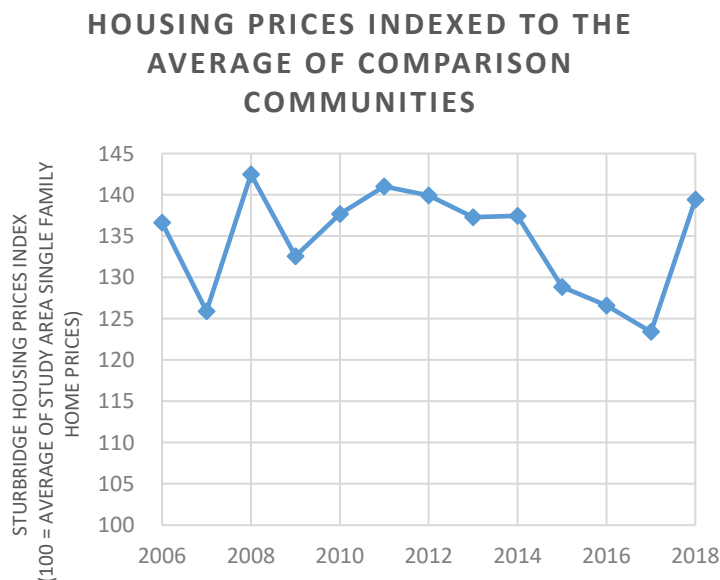
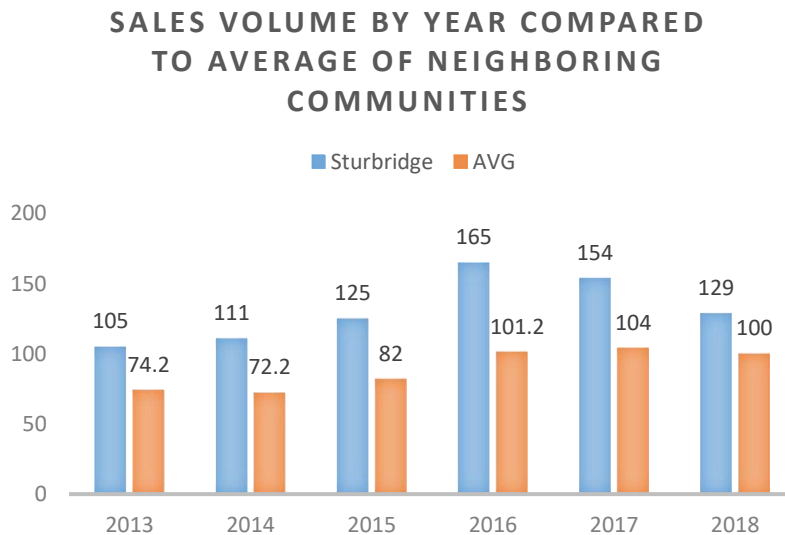


Figure 11 (left) shows how the median price of single-family homes in Sturbridge performed over time in comparison to neighboring towns. The values represent the average of the price performance in Sturbridge compared to each community in Table 16 over time. A value above 100 means the median price was higher than in the study area while a value below 100 indicates the price was lower. As stated above, on average, the median price of a single-family home in Sturbridge outperformed the study area group by approximately 35%.

SALES VOLUME

Figure 12: Sales Volume by Year, Sturbridge vs. Neighboring Communities



Sales volume is another key demand indicator. This metric indicates the number of successfully completed transactions, again in the single-family home market. Figure 12 compares annual sales volume in Sturbridge over the past five years against the average sales volume in neighboring communities over the same period. As the data shows, the volume of sales in Sturbridge has consistently outperformed neighboring communities, sometimes by dramatic margins.

DEVELOPMENT AND BUILDING ACTIVITY

Like other commodities, the value of a home is greatly influenced by supply and demand. While there are many factors in play in determining home value, high demand intersecting with constrained supply will inevitably result in higher prices. Table 17 shows the number of building permits for new housing units issued annually between 2006 and 2019. The table shows that, from a peak of over 100 units in 2006, housing production in Sturbridge has slowed to approximately a dozen or so new units per year. This low rate of production is likely a major contributing factor to the price inflation observed in Sturbridge.

Table 17: Sturbridge Housing Unit Building Permits by Year

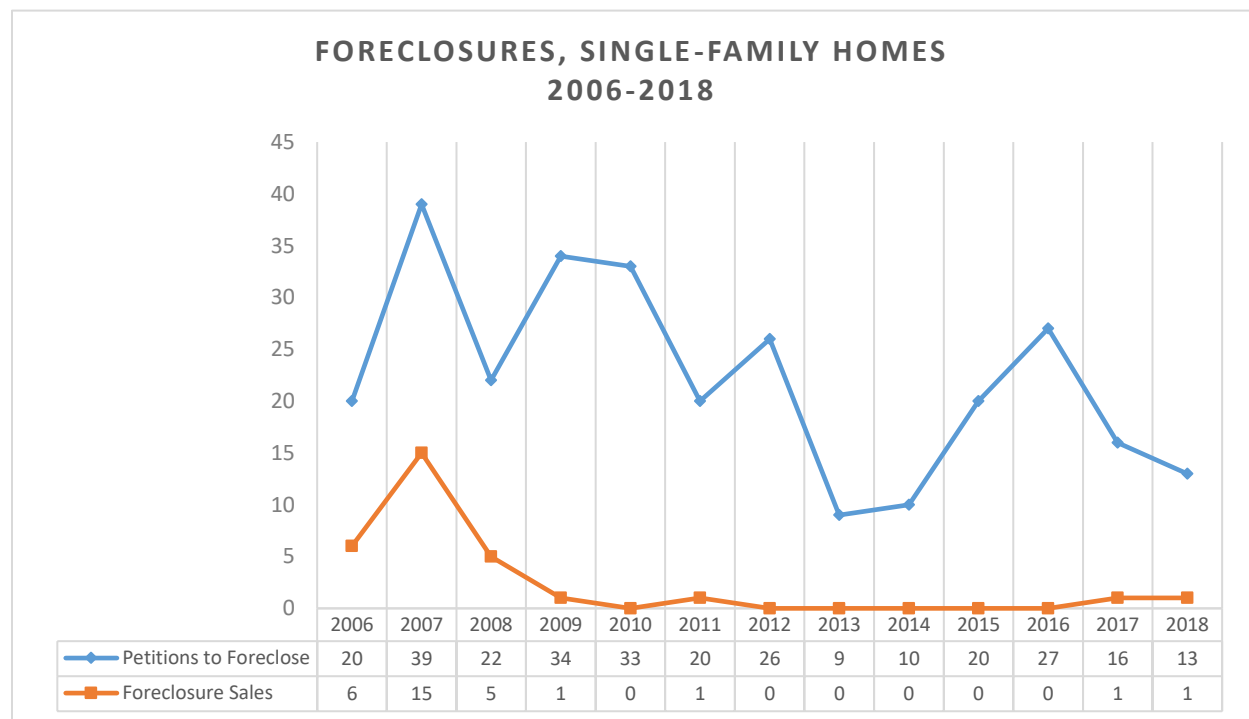
Year	Total Building Permits	Single-Family Structures	Multi-Family Structures
2006	111	52	59
2007	26	26	0
2008	10	10	0
2009	20	20	0
2010	18	18	0
2011	9	9	0
2012	14	14	0
2013	21	21	0
2014	6	6	0
2015	12	12	0
2016	12	12	0
2017	17	17	0
2018	12	12	0
2019	13	13	0

Source: Department of Housing and Urban Development SOCDs Building Permits Database, 2019

FORECLOSURE

The rate of foreclosure in Sturbridge has been low since a brief peak during the 2007 Housing Crisis. Foreclosures are a useful indicator of the health of a housing market. Unusual spikes in foreclosure rates can indicate instability in the market. Figure 13 shows both petitions to foreclose and foreclosure sales. Petitions to foreclose indicate foreclosure action has been initiated by the mortgage holder. Such action does not necessarily lead to a resident losing their home, however. Rather, it suggests some hardship or instability that affected the homeowners' ability to keep up their payments. The number of foreclosure sales tells us the volume of mortgages that have completed the foreclosure process and the mortgage holder is attempting to recoup their losses. Comparing these two numbers gives a sense of how much instability there is in the Sturbridge market. As the figure below shows, with the exception of a brief spike in 2007, few if any of the foreclosure petitions made it to the sale stage, indicating that homeowners in most cases were able to come to some sort of arrangement. This indicates a comparatively healthy base of homeowners in Sturbridge.

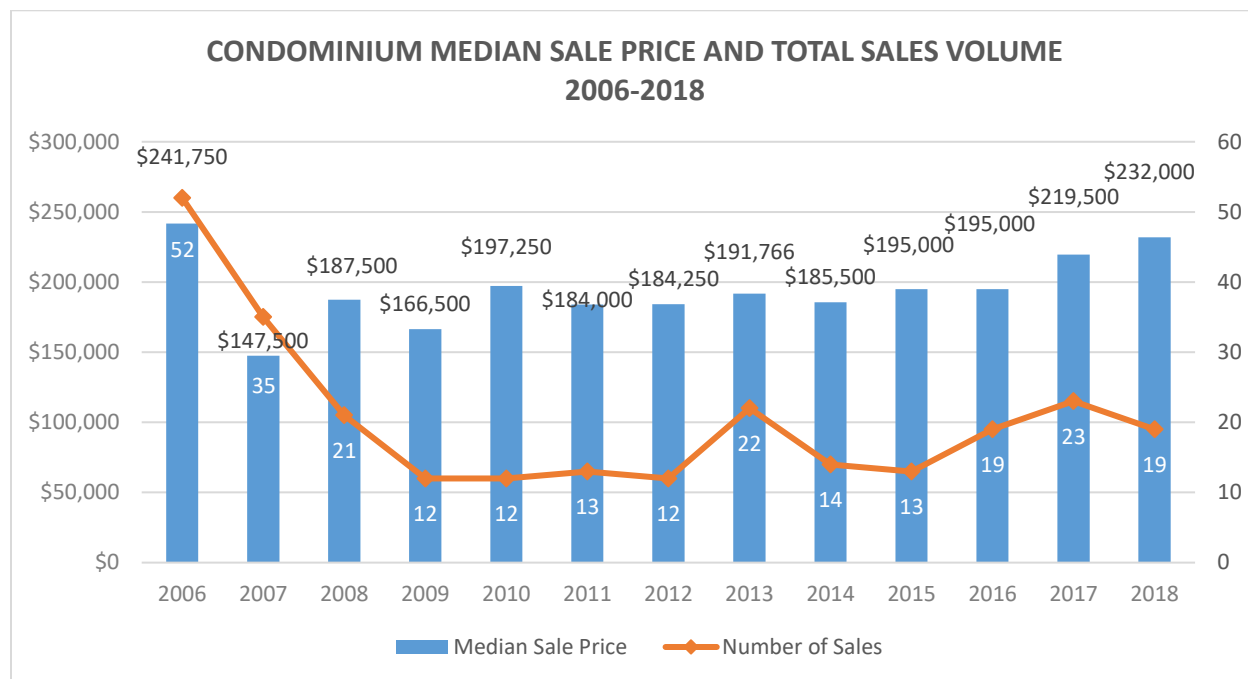
Figure 13: Sturbridge Single-Family Home Foreclosures, 2006-2018



CONDOMINIUM MARKET

Condominium sales in Sturbridge additionally showed signs of robust market activity during the 2006 to 2018 period. Condominiums are often regarded as a type of middle ground between apartments and single-family home ownership, and can help indicate demand from households in transition. A transitional household in this context is a household that is moving between rental housing and single-family housing. This could be exemplified by a young family purchasing a starter home or a senior long-time resident seeking to downsize, for example. A high level of activity in the condominium market suggests that Sturbridge is attracting demand from a wider range of households than just traditional single-family households. Figure 14 shows that both the volume of transactions in condominiums and the median price they command has been rising through the study period. Price inflation among condominium units has accelerated over time to the point where the median price of a condominium is close to that of a single-family home. This indicates very strong demand compared to unit supply.

Figure 14: Sturbridge Condominium Median Sale Price and Total Sales Volume, 2006-2018



RENTAL MARKET

As of 2018, Sturbridge has an estimated 690 units of occupied rental housing, or around 19% of the total occupied housing stock. The 2014-2018 American Community Survey estimated the median gross rent for Sturbridge at \$1,178, which is higher than its neighboring communities and the county, but slightly lower than the state. Local data on asking rents was collected from Zillow, Trulia, and Craigslist throughout 2019 and 2020 to understand current market rental rates. Apartment listings were primarily two bedrooms, which ranged from \$1,100 to 2,000 per month. Studio and single bedroom apartments ranged from \$850 to \$1,600 per month. Apartments with three bedrooms or more were not common but their listings ranged from \$1,450 to \$3,000 per month. These websites showed very few available rentals during the research period, which is indicative of the extremely low vacancy rate. Interviews with property managers of local affordable housing developments shed light on the challenge of securing an affordable apartment in Sturbridge. Waiting periods are typically one to three years for one or two bedroom apartments, and for three bedrooms it can take up to 10 years to secure a unit as there are fewer of these. Accessible units are also in demand.

MULTI-FAMILY DEMAND ANALYSIS

Demand for multi-family units in Sturbridge continues to be strong. Costar, an investment real-estate service, has listings for 471 total units of multi-family housing stock in Sturbridge (defined by Costar as anything greater than three units) across six properties, including 115 listed units in a mobile home park. The occupancy rate for this dataset is just under 98%, or a vacancy rate of around 2%. Generally, a vacancy rate of between 4-6% in multi-family housing is considered to be “healthy” in that there are enough units to support demand, accounting for tenant turnover. Vacancy rates below 4-6% indicate there are not enough units to support demand for housing. Costar forecast estimates do not expect the vacancy rate to break 3% over the next five years.

Market Rent per Unit is currently estimated to be 13% above the ten-year average, though this has decreased by 4% from last quarter. While forecasts expect a further drop in value from current rates, this is expected to be short-lived and Costar analysts predict prices will recover and continue to rise by the first quarter of 2022. However, this is heavily dependent on a general economic recovery by the end of Q2 2021.

IMPACT OF COVID-19 ON THE HOUSING MARKET

The crisis created by the COVID-19 pandemic is having profound impacts on communities throughout the Commonwealth, the full extent of which have yet to be revealed. However, there are already early indications of how the crisis will affect the housing market. The termination of federal financial assistance is expected to disproportionately affect renters, especially low-income households. The U.S. Department of Labor found that households earning an income of less than \$40,000 per year were more likely to suffer economic damage from the pandemic than other households. In Sturbridge, such households make up as much as 45% of renters⁵. While the state has extended the moratorium on evictions to the end of the year, there is little known about how much in arrears low-income households have become. It may take many months or possibly even years to sort out the accumulating debt some households will face when the moratorium is lifted.

At the same time, demand for housing in lower density communities where social distancing is easier is expected to rise. Work from home options will make suburban and village units more attractive to professional households. This is likely to further bolster demand and keep price inflation stable in the long run absent creation of new units. Because of this confluence of factors, it is likely that renting households with incomes of less than \$40,000 will be especially vulnerable to eviction and homelessness. Towns across the Commonwealth will need to provide more relief, including creating additional subsidized housing units, to help support these vulnerable households.

COST BURDENS BY TENURE, INCOME, AND TYPE OF HOUSEHOLD

A cost-burdened household is one in which the residents pay more than 30% of their income for housing and housing-related costs. HUD's data on cost-burdened households is divided into three categories: 1.) Non-cost-burdened are households paying less than 30% of their income; 2.) Cost-burdened are households paying between 30% and 50% of their income; and 3.) Severely cost-burdened are households paying more than 50% of income on housing costs.

Despite the high level of affluence among residents in Sturbridge, there remains a proportion of households estimated by HUD to be cost-burdened in 2017, the most recent year data was available. An estimated 17% of owners and 11% of renters fell into the cost-burdened category. During the same period, around 10% of owners and 5% of renters were consider severely cost-burdened. Table 18 (below) summarizes this data.

Table 18: Housing Cost Burden Overview

	Owner	Renter	Total
Cost Burden <=30%	72%	85%	75%
Cost Burden >30% to <=50%	17%	11%	16%
Cost Burden >50%	10%	5%	9%
Cost Burden not available	1%	0%	<1%
<i>Source: HUD, 2013-2017 American Community Survey</i>			

⁵ Renters with household incomes less than \$50,000 made up 44.7% of all renting households in Sturbridge in 2018. American Community Survey, 5-year Estimates, Table S2503

Insert Zoning Map and Sewer map

HOUSING CHALLENGES

The Town of Sturbridge has a commitment to encouraging sustainable growth and development, which includes the production and preservation of affordable housing. The Town recognizes the importance of balancing such growth with the preservation of natural resources, economic health, and quality of life. The following constraints present ongoing challenges that the Town faces when attempting to create adequate housing choices for its current and future residents.

REGULATORY CONSTRAINTS

Zoning authority in Massachusetts is devolved to local governments by M.G.L. Chapter 40A. Sturbridge is divided into nine different Zoning districts, including two residential districts, and three overlay districts. Both the Planning Board and Zoning Board of Appeals (ZBA) act as the special permit granting authority (SPGA) for different types of uses, however in most cases the ZBA acts as the SPGA. The ZBA also holds the power to grant variances. Table 19 describes the existing base zones and overlay districts along with their abbreviations as used in the zoning code.

Table 19: Sturbridge Zoning Districts

Full Name	Short
Rural Residential	RR
Suburban Residential	SR
Commercial	C
Commercial II	C2
General Industrial	GI
Industrial Park	IP
Commercial/Tourist	CT
Historic Commercial	HC
Special Use	SU
Village Gateway District	VGD
Wireless Communication Overlay	WC
Medical Marijuana Overlay	MMOD

Regulatory constraints are zoning bylaws, policies, and regulations which may be impeding the development of affordable housing. Regulations and ordinances set by local and state authorities in Massachusetts are often exclusionary and are designed to favor single-family homes. The various regulatory constraints to Sturbridge's affordable housing market are described in this section.

MULTI-FAMILY DWELLINGS

Allowing for the easy development of multi-family dwellings somewhere in town is considered a key strategy for increasing affordable housing options. While multi-family dwellings are allowed in Sturbridge, they are only allowed under specific somewhat restrictive conditions. Sturbridge's zoning defines multi-family dwellings as a building containing three (3) or more dwelling units, including units that are located over one another. Sturbridge allows multi-family units by special permit only in the RR, SR, C, C2, and SU districts, however the development cannot exceed four (4) dwelling units. Multi-family dwellings are not allowed by right in any district, nor are they allowed by special permit in any other base zone.

The dimensional regulations for multi-family units are fairly restrictive and are a major road block for more compact development. Developments of multi-family dwellings require a minimum lot size of 20,000 ft² per dwelling unit, as well as a minimum per-unit land set-aside of 1.5 off-street parking spaces. Additionally, zoning requires developers to conduct an environmental suitability study. Each of these provisions increases the complexity and adds substantially to the overall cost of multi-family developments.

ZONING PROVISIONS THAT ADDRESS AFFORDABLE HOUSING AND SMART GROWTH

Sturbridge's Zoning Bylaws include a number of provisions that promote some affordable housing, smart growth development, and overall greater diversity of housing choices.

ACCESSORY DWELLING UNITS (ADU)

This bylaw allows for the creation of accessory dwelling units (ADU), sometimes referred to as an in-law apartment, to be built, under specific conditions in existing residential districts. Currently, these units are allowed through a Special Permit of the Zoning Board of Appeals based on certain requirements. The purpose of this bylaw is to increase housing options for residents and their families without dramatically altering existing neighborhoods. ADU's refer to a separate housekeeping unit, complete with its own sleeping, cooking and sanitary facilities, that is contained within the structure of a single-family dwelling or attached accessory structure as specified in this section, but functions as a separate unit. Only one accessory apartment is allowed per lot and it cannot be greater than 600 square feet or twenty (20) percent of the total square footage of the existing home, whichever is less.

OPEN SPACE RESIDENTIAL DEVELOPMENT (OSRD)

The OSRD bylaw allows for more clustered development on smaller lots than would otherwise be permissible, provided the developer set aside at least 50% of the development as meaningful open space in perpetuity. It is permitted within the RR, SR, and SU Zoning Districts. The bylaw promotes smart growth principles and provides a good alternative to traditional subdivisions that promote sprawl. Single-family detached dwellings are permitted as of right. Special Permit uses include single-family attached dwellings, two-family dwellings, multi-family dwellings, accessory dwelling units, and bonus dwelling units. Density bonuses may be provided for additional open space preservation beyond the required 50%; recreation facilities; agricultural soil or active farmland preservation; historic preservation; alternative energy; or a permanent affordable housing development.

VILLAGE GATEWAY DISTRICT

The establishment of this district was intended to guide development, redevelopment, and changes in land use to provide a "Gateway" to Sturbridge. The use of land and buildings in this district should promote the establishment of development nodes, discourage strip development, as well as promote community character and high-quality architecture. This bylaw encourages redevelopment and infill in developed areas while promoting the creation of more walkable areas and less traffic congestion. While this district is intended for small to mid-sized businesses, residential units located above non-residential space are permitted. Unlike most other districts, this district allows for mixed-use commercial and residential development and promotes housing within walkable areas of town.

COMMERCIAL/TOURIST DISTRICT

According to the Town's Zoning Bylaws, the Commercial/Tourist District is intended to be an attractive neighborhood and commercial center that is pedestrian-friendly, caters to residents and tourists alike, and provides a variety of shopping opportunities, restaurants and inns, as well as establishments offering family entertainment during the day and night. This district allows for mixed use commercial/residential, including housing units within commercial buildings and artist studio live/work spaces.

COMMUNITY INFRASTRUCTURE

WATER AND SEWER

The availability of municipal water and wastewater treatment systems are significant indicators of where housing with any amount of density can be developed. Sturbridge currently has limited water and sewer infrastructure. Serviced areas are primarily located along the major routes and the denser areas of the town. Expansion of services is a costly process. Proposed housing development projects have failed in recent years due to the high costs of tying into public sewer systems. Priority should be given to maximizing the development potential of the areas already serviced, as well as any projects that include on-site affordable housing. Available land for development is on the outskirts of the town, however there are currently no connections to public water and sewer in these areas, making residential development with any amount of density an extreme challenge.

HIGHWAYS AND TRANSIT

Sturbridge is positioned at the junction of two major Interstate highways, I-84 and I-90, giving it excellent access to urban areas but also bringing high volumes of vehicle traffic. The town is also serviced by US-20, Route 131, and Route 49. The majority of the town's roadway system falls under the jurisdiction of the Town of Sturbridge, however Route 20, a major gateway, falls under the control of the Massachusetts Department of Transportation (MassDOT). These major highways and routes come at the expense of roadways that are safe for pedestrians, bicyclists, and other modes of transit. Balancing the facilitation of traffic flow with the need for roadways that are more walkable and bikeable is a major goal for the town. Extremely limited public transportation options also add to the heavy traffic flow and reliance on cars. Establishing areas of town with housing that is situated within safe walking or cycling distance to services and amenities is important when considering residents living without a car. Neighborhoods that are walkable and combine a mix of housing and businesses have been shown to raise property values and boost economic development in towns much like Sturbridge.

ENVIRONMENTAL CONSTRAINTS

Some of the environmental issues that are of particular concern and/or a constraint to further development include:

- The Division of Wildlife and Fisheries has certified 55 vernal pools in Sturbridge and local conservationists believe there may be as many as 193 sites scattered across town that are considered "potential" vernal pools. Vernal pools are unique wildlife habitats that provide breeding grounds for amphibians and invertebrate species.
- The prevalence of hills and steep slopes make many vacant parcels difficult and costly to develop. Developing these areas also present a number of health, safety, and environmental challenges such as increased erosion, landslides, and sedimentation. Septic systems on steep slopes are highly unreliable due to the slope and shallow soils.
- The town is rich in water resources, therefore a great deal of land lies within floodplains. Larger water bodies in town such as Quinebaug River, Big Alum Pond, Long Pond, and Cedar Pond and their surrounding areas are at risk of flooding as they lie within the 100- and 500-year floodplains. Major flooding on the Quinebaug River occurs in the spring and can be the result of spring rains combined with snowmelt.
- Sturbridge has a wealth of wetlands, which include marshes, rivers lakes, ponds, wet meadows, bogs, and swamps. Wetlands are critical environmental areas as they maintain and purify the water supply, mitigate issues with stormwater runoff and flooding, offer recreational opportunities, and provide unique habitats for wildlife.
- Residential development is one of the primary threats to forests and woodlands. Forest fragmentation results in smaller, scattered tracts of forest land which can be detrimental to plant and animal species that rely on forest-interior habitats. Genetic diversity is also lost when species populations become isolated. Suburban areas that are subdivided into single-owner tracts are a primary cause of forest fragmentation.

- Sturbridge contains 3 brownfield listings, totaling 120 acres⁶, which include 51 Holland Road, 660 Main Street, and 71 Mashapaug Road. While 660 Main Street is a thriving Business Park and 71 Mashapaug Road is a pre-existing non-conforming junkyard that is unlikely to be developed into residences under its current zoning, 51 Holland Road has potential for development and would need some remediation depending on the amount of excavation required. Additionally, with major interstate highways running through the town, problems associated with chemical spills are an imminent threat to the environment.
- Sturbridge serves as a habitat to a number of rare, threatened, or endangered species. The most recently spotted plants in this category include Bristly Buttercup, American Bittersweet, Appalachian Bristle-fern, Saltpond Grass, Dwarf Bulrush, Climbing Fumitory, and Purple Clematis. Animal and insect species that were most recently spotted in town include Bridle Shiner, Marbled Salamander, Wood Turtle, Spine Crowned Clubtail, Umber Shadowdragon, and Orange Shallow Moth.
- Stormwater runoff can pose environmental concerns. Water from roads that gets channeled into the Town's surface water is an issue that is of great concern. Areas that rely on septic systems are particularly prone to groundwater contamination.

The Town of Sturbridge is greatly invested in preserving its previous natural resources and has taken steps to mitigate such threats. In regards to flooding, the U.S. Army Corps of Engineers flood control system protects areas of the town from severe flooding associated with the Quinebaug River. Dams exist at the east and west ends of Sturbridge along the river. The Town has a Floodplain Overlay District which forbids the construction of new structures within the floodplain. Wetlands are protected under the Massachusetts Wetlands Protection Act (MGL c. 131 § 40). The Town has adopted a local wetlands bylaw that is more stringent than state law. Enacted in 2002, it serves to not only protect wetlands and natural resources but also provide erosion and sedimentation control and protect water quality, rare species habitat, recreational values, and agriculture and aquatic activities. The Conservation Commission is charged with its administration. The Bylaw requires a 25-foot no disturbance zone around wetlands and streams, and a 50-foot no permanent structure zone. Additional buffers are required for significantly sloping land in close proximity to wetlands.

The local Stormwater Bylaw was updated to require the use of Low Impact Development (LID) techniques. An educational program hosted by the Town of Sturbridge, CMRPC, and Old Sturbridge Village was held in 2016 to educate the public about LID and stormwater issues. The Open Space and Residential Development (OSRD) Bylaw helps minimize residential sprawl while protecting natural resources and allowing greater flexibility with regard to lot sizes and setbacks. It has been updated to remove minimum parcel size that would be eligible and to allow a variety of housing types. This Housing Production Plan includes strategies for better promoting redevelopment, infill development, accessory dwelling units, balancing development and natural resource preservation, and housing preservation in order to limit disruption to the surrounding environment.

COMMUNITY PERCEPTIONS

The proposition of new development in small towns such as Sturbridge often raises apprehensions by residents. Concerns about the impact that new units will have on local services, capacity of schools, property values, quality of life, and more are common, and impressions of what “affordable housing” looks like often hold negative connotations. Misunderstandings about affordable housing and the people living in these units result in their stigmatization, and development proposals are consistently faced with local opposition. Citing the desire to keep neighborhoods from changing drastically, “Not in My Backyard” (NIMBY) residents that adamantly resist plans for a development can block affordable housing units from being created.

Utilizing this Plan, it is important to continue community outreach and education about the importance of affordable housing in the community. Informing local leaders and residents on these issues will help dispel negative stereotypes and garner political support. Providing up to date, accurate information on this topic will be a key strategy to gathering support. Community concerns should be addressed with sensitivity.

⁶ <https://www.mass.gov/service-details/find-brownfields-sites>

HOUSING PRODUCTION GOALS

Upon approval of this Housing Production Plan, it will be in effect for five (5) years, from 2020 to 2024. The production goals outlined below are derived from market gaps and Town needs based on input from Town leaders and residents. Table 20 is a schedule that clearly defines the goals for housing production in Sturbridge for the next five years.

Table 20: Five Year Housing Production Schedule for Sturbridge

Year	Annual Additional Units - 0.5%	Total Affordable Units	Total Housing Units	Percent Affordable	Gap (# Units needed to achieve 10%)
Current (2010 Census):		209	3,759	5.6%	167
2020	19	238	3,778	6.3%	148
2021	19	257	3,797	6.8%	129
2022	19	276	3,816	7.3%	110
2023	19	295	3,835	7.8%	91
2024	19	314	3,854	8.4%	72

**This schedule will need to be revised when the 2020 U.S. Decennial Census data is released.*

Using the current DHCD baseline of 3,759 year-round housing units (based on data from the 2010 U.S. Decennial Census), Sturbridge currently has 209 units on the Subsidized Housing Inventory (SHI) and needs 167 more units of affordable housing to achieve 10% on the SHI. It can be challenging for a town such as Sturbridge to add this many units in a short amount of time, therefore having a certified HPP and consistently producing affordable units gives the municipality the power to deny Comprehensive Permits, even if the town remains under 10%. Reaching the annual numeric goals of 0.5% or 1.0% will allow the HPP to be certified by DHCD for one year (0.5%) or two years (1.0%). In order to produce 0.5% of its total units annually as SHI units, Sturbridge will need to produce 19 SHI-eligible housing units each year. Table 20 shows the progress that the town would make if 19 eligible units were added each year to the SHI. In five years, the town would reach 8.4% and would meet the 10% threshold by 2028.

When the results of the 2020 Census are released, the DHCD baseline will be updated and the percent of affordable housing will change along with the number of units needed to achieve the 10% threshold. Data provided by HUD shows the town added approximately 134 new housing units between 2010 and 2019, a rate of about 15 per year. This leaves the Town with an estimated 3,893 total housing units in 2019. Assuming the Town continues to grow at a rate of 15 units per year, the baseline could increase to 3,908 housing units by the end of 2020.

HOUSING PRODUCTION TARGET

Based on this information, Sturbridge will commit to adding between 19 and 38 new housing units per year over the next five years. Under the minimum progress threshold to maintain a certified HPP, the town will have achieved 8.4% SHI rate and reduced the gap from 167 units to 72 units by 2024.

HOUSING STRATEGIES

Based on local needs, existing resources, various constraints, and input from a variety of sources, the following strategies have been developed for the Town of Sturbridge. The following strategies have been organized according to those that help build local capacity, modify zoning and policy, and create development opportunities to produce affordable housing. The implementation plan outlines the housing goals of the town, associated strategies, and assigns a timeline and responsible parties for each strategy.

It should be noted that a major goal of this Housing Production Plan is not only to achieve the state's 10% affordability threshold under Chapter 40B, but also to serve the wide range of local housing needs. Thus, there are instances where recommended strategies will not necessarily result in the inclusion of units in the Subsidized Housing Inventory, however the initiatives will help diversify the town's housing stock.

CAPACITY BUILDING STRATEGIES

1. CONTINUE TO CONDUCT ONGOING COMMUNITY OUTREACH AND EDUCATION ON HOUSING ISSUES AND ACTIVITIES

Sturbridge staff, boards, and committees should build off of the momentum of this Plan, continuing work to educate the public about the need and benefits of affordable housing and keeping residents informed of new housing initiatives. One of the greatest obstacles to creating affordable housing is gathering community support. Most of the housing strategies in this HPP rely on local approval, including Town Meeting, hence community support is essential to pass new initiatives. Currently, a two-thirds majority vote is required to pass any housing-related changes at the local level, making support for local housing initiatives all the more crucial⁷. Community education that focuses on the significance of affordable housing and how it impacts the entire community should be pursued. Emphasizing the economic benefits of affordable housing and changing how those living in affordable units are perceived are important approaches for trying to remove barriers to creating affordable housing Sturbridge.

Outreach and education efforts can include hosting community meetings or special forums on specific housing initiatives, offering town officials the opportunity to present various proposals and solicit feedback from the public, public information on existing programs and services, enhanced use of public access television, making information on housing easily accessible to the public. Outreach efforts should also target housing developers interested in including affordable units in their developments. These efforts could include hosting roundtable discussions or meetings between developers and town officials in order to find an appropriate fit for the town's needs.

2. INVESTIGATE SECURING A DEDICATED AFFORDABLE HOUSING COORDINATOR

The Town of Sturbridge can assume a more proactive role in promoting affordable housing and effectively implementing the strategies of this HPP by enhancing its capacity to coordinate these activities. The Town Planner and Planning Assistant do not have much more capacity for taking on additional duties based on current job responsibilities. Therefore the Town should pursue hiring a part-time or full-time dedicated Affordable Housing Coordinator to tackle these initiatives. Options may include issuing a Request for Proposals for a Housing Coordinator position, hiring a part-time consultant, hiring an additional Assistant to the Town Planner, or collaborating with a nearby community to employ a shared Housing Coordinator or consultant. Many communities in Massachusetts are accessing CPA funding to support these positions, which could be a source of funding for a part-time or full-time affordable housing staff person or consultant.

⁷ Governor Baker's *Act to Promote Housing Choices* (H.4075) seeks to reduce the supermajority vote to a simple majority vote to ease the process for changing some zoning rules in municipalities across the Commonwealth.

A housing coordinator could provide a number of services to the town, depending on what the needs are, including:

- Public education
- Grant writing
- Maintaining the Subsidized Housing Inventory (SHI)
- Outreach to establish relationships with developers, lenders, funders, service providers, etc. to promote community housing efforts
- Overall coordination of the implementation of strategies outlined in this Plan and providing necessary professional support as needed

It is recommended that the Town Administrator develop a Scope of Services for a part-time housing consultant/housing coordinator and issue a Request for Proposals to solicit interest from qualifying professionals or organizations to undertake these services. Reaching out to CMRPC or neighboring communities to investigate interest in a shared housing coordinator is also suggested. An additional option is to hire a part-time staff person who has affordable housing expertise.

3. PROVIDE EDUCATIONAL COURSES FOR FIRST-TIME HOMEBUYERS

First-time homebuyer education courses are a fantastic resource to offer to local community members as they pursue a path towards homeownership. Particularly for younger generations that are getting later starts to purchasing their own homes, these courses can offer helpful advice regarding topics such as loans and mortgages, navigating the buying process, affordable homeownership opportunities, and much more. State and non-profit homeownership agencies throughout Massachusetts offer approved first-time homebuyer education course and post-purchase classes, including Massachusetts Housing Partnership, MassHousing, and Citizens' Housing and Planning Association (CHAPA).

4. SEEK OUT AND APPLY FOR FUNDING AND TECHNICAL ASSISTANCE FOR THE IMPLEMENTATION OF THIS ACTION PLAN

There are numerous avenues of funding and support that the Town can pursue to achieve its housing goals. Organizations such as Massachusetts Housing Partnership (MHP), Citizens' Housing and Planning Association (CHAPA), MassHousing, Central Massachusetts Housing Alliance (CMHA), and the Department of Housing and Community Development (DHCD) offer resources and services including, but not limited to: rental assistance, homelessness prevention, emergency shelter placement, home repair and maintenance for seniors, public education and advocacy, data and research, financing programs, homebuyer resources, trainings and events, model bylaws, funding opportunities, and much more. Planning assistance grants are made available each year through the Executive Office of Energy and Environmental Affairs (EOEEA), offering municipalities in the Commonwealth technical help to improve their land use practices. The EOEEA planning assistance grants are part of an effort to encourage municipalities to implement land use regulations that are consistent with the Baker-Polito Administration's land conservation and development objectives, which includes the provision of sufficient and diverse housing.

The District Local Technical Assistance Program (DLTA) is funded annually by the Legislature and the Governor through a state appropriation. CMRPC is one of the 13 regional planning agencies that administer the program, and Towns are encouraged to apply for technical assistance funding to complete projects related to planning for housing, growth, Community Compact Cabinet activities, or support of regional efficiency. DLTA projects run through the calendar year (January through December).

5. ESTABLISH A MUNICIPAL AFFORDABLE HOUSING TRUST FUND WITH AN ACTIVE BOARD OF TRUSTEES

The establishment of an Affordable Housing Trust fund is one opportunity for Sturbridge to have accessible funds available to respond efficiently and effectively to housing opportunities as they arise. Many state subsidy sources require local contribution by means of either local funds, municipally-owned property

donation, or private donations. Having a dedicated housing fund makes it useful for communities to be able to receive donations and avoid paying taxes.

At the Annual Town Meeting on June 3, 2019, the Town voted to accept the provisions of M.G.L. Chapter 44, Section 55C to establish a Municipal Affordable Housing Trust Fund. The purpose of this is to provide for the creation and preservation of affordable housing in town for the benefit of low- to moderate-income households, and for the funding of community housing as defined in Chapter 44B. Now that the Town has approved moving forward with the establishment of an Affordable Housing Trust Fund, the next step is to create a Board of Trustees. The Board must have a minimum of five trustees, including the community's chief executive officer. Appointments are made by the chief executive officer, and subject to confirmation by the Select Board. Terms are set at two years and often staggered. Sixteen powers are given to housing trust funds in the state statute⁸. While CPA remains the most common resource, the most active and successful housing trust funds tend to have a variety of funding sources that allow them to have a steady flow of financial resources to work with. For housing trust funds that receive CPA resources, an annual report outlining how CPA funds were allocated in the past year is required to be submitted to the local Community Preservation Committee (CPC).

6. IN COORDINATION WITH THE TOWN'S SUBSIDIZING AGENCIES AND MONITORING AGENTS, DEVELOP A MONITORING SYSTEM TO ENSURE THAT UNITS ON THE SUBSIDIZED HOUSING INVENTORY DO NOT EXPIRE

While the creation of new affordable units is a priority of the Town, an additional priority is to preserve existing affordability at housing developments such as Heritage Green and Autumn Ridge. Deliberate steps must be taken to ensure affordability at these locations is maintained for the future and the qualified units do not expire. Keeping in contact with monitoring agents and subsidizing agencies to ensure sales and resales (including foreclosures) meet 40B compliance and monitor any changes to the town's SHI is a significant task. Ensuring that annual reports are received from the monitoring agents regarding the continued affordability of all units is a proactive approach to this process.

7. COORDINATE THE TOWN'S AFFORDABLE HOUSING EFFORTS

Sturbridge has a Housing Partnership and a Community Preservation Committee, in addition to the Town Planner, Planning Board, and Zoning Board of Appeals that have traditional roles in regards to housing development. Each body serves a specific function, however these roles should be clearly defined and understood by all involved parties. Regular discussions or joint board meetings is one approach that could establish clarity in regards to the Town's goals for affordable housing and each body's responsibilities. These meetings could additionally provide clarity to developers regarding the flow of housing information, permitting, and other elements of the development process. Improved coordination between housing related bodies will lend itself to more efficient and thorough reviews needed prior to the granting of variance, waivers, special permits, etc. and likely result in better projects.

ZONING AND POLICY STRATEGIES

1. AMEND THE EXISTING ACCESSORY DWELLING UNIT (ADU) BYLAW TO OFFER GREATER OPPORTUNITIES FOR DEVELOPMENT

The Town of Sturbridge adopted an Accessory Dwelling Unit (ADU) bylaw in spring of 2009. While the law does meet some Smart Growth principles, it has several shortcomings. First, the bylaw restricts ADU's only to units that can built "within the structure of a single-family dwelling or attached accessory structure." This eliminates the possibility of building a small cottage separate for the house, or even converting space within a detached garage, barn, or other structure. Second, the dwelling space is limited to "600 square feet or

⁸ M.G.L. Chapter 44, Section 55C: <https://malegislature.gov/Laws/GeneralLaws/PartI/TitleVII/Chapter44/Section55C>

twenty percent of the total square footage of the existing home, whichever is less.” This provision severely limits a homeowners’ options to only dwelling units occupied by one or two people at most. While this fits with the ADU’s historic association as an “in-law apartment”, housing prices and the general economy are encouraging a wider variety of housing arrangements. For example, the Pew Research Center found in 2017 that as much as 15% of Millennials (those born between 1981 and 1996) were still living with a parent or guardian even as they begin to start families⁹. Limiting ADU’s to the smaller of 600 square feet or 20% of the buildings space does not allow for the types of spaces adequate for such increasingly common arrangements. Finally, special permits granted under the existing ADU bylaw must be renewed every two years. This regulation implies the owner of a single-family home with an ADU is subject to a special permit filing fee (currently \$100 per the town schedule of fees) every other year. This is likely to discourage their creation as fewer households may be willing to incur the expense of both time and money to pursue a bi-annual renewal.

The Town should consider the following amendments to allow greater flexibility:

- Allow for detached ADU’s under certain conditions such as adequate lot size, soil and wetland suitability, etc.
- Increase the maximum ADU size to at least 750 square feet to accommodate two bedroom apartments. At a minimum, the bylaw should allow the Special Permit Granting Authority the ability to increase this maximum provided reasonable conditions can be met.
- Eliminate or increase the renewal period from the current two-year window in order to reduce the burden on homeowners.
- Reduce the parking minimums from 1.5 per unit to 1 per unit with the option to waive the provision under certain conditions. For example, an ADU that is being built for an elderly relative who no longer drives should be able to avoid this requirement without seeking a variance.

2. EXPLORE ADOPTION OF A WORKFORCE HOUSING SPECIAL TAX ASSESSMENT (WH-STA) AREA IN WHICH DEVELOPERS CAN BE OFFERED A PROPERTY TAX INCENTIVE TO BUILD HOUSING AFFORDABLE TO MIDDLE-INCOME RESIDENTS

Created by legislative action in 2016 ([M.G.L. Ch. 40, sec. 60B](#)) a Workforce Housing Special Tax Assessment (WH-STA) area is a potentially powerful tool for encouraging the development of affordable housing in a community. Similar to Tax Increment Financing (TIF) or District Improvement Financing (DIF), wherein a developer is allowed a reduction in their property taxes for a set period in exchange for adding affordable units to their development, the WH-STA allows communities to establish a district. The law gives towns a certain amount of control over placement of the district, the minimum level of affordability to qualify, along with any other tools the Town would need to negotiate with a potential developer. WH-STA can also be used in conjunction with other tools, such as affordable housing density bonuses, parking minimum reductions, or any other tool the community may see fit to implement.

In order for a town to implement a WH-STA area, they must first develop a WH-STA Plan. This plan outlines the geographic boundaries of the district and the characteristics that make it particularly suitable for affordable housing. Much like the TIF or DIF mechanism, a WH-STA needs to have a developer lined up in order to complete the plan. However, if there are no projects in suitable areas in the development pipeline, it is still recommended that the Town proceed with developing a draft plan as a first step. Such a process will allow the Town to identify potentially suitable areas, start discussions with existing property owners where appropriate and raise awareness of the development potential of certain areas of town. Once a

⁹ Pew Research Center, “Fact Tank”, “It’s becoming more common for young adults to live at home – and for longer stretches”, May 2017 <https://www.pewresearch.org/fact-tank/2017/05/05/its-becoming-more-common-for-young-adults-to-live-at-home-and-for-longer-stretches/>

developer is identified and the project area is established, the Town may then complete the plan and present it to Town Meeting for adoption.

3. EXPLORE ADOPTION OF A COTTAGE HOUSING BYLAW

A Cottage Housing Bylaw is similar to an open space bylaw in that it provides density bonuses in exchange for a common open space set-aside, but focuses on houses on smaller lots with pedestrian oriented layout. In a cottage development, housing units (typically single-family) are clustered with smaller than typical frontages along shared spaces, walk ways or other amenities. Infrastructure and parking are relegated away from lot frontages and amenities, usually towards the back of the lot.



Heritage Sands in Dennis Port, MA is an example of cottage housing

Cottage houses tend to be smaller in living area and are thus less expensive to produce. At the same time, their clustered design allows for more efficient placement of water, wastewater, utilities, and other infrastructure, further reducing development costs. The focus on shared common space allows the developer to off-set some of the loss of private space by creating shared amenities in the common area such outdoor seating and grilling areas. Similar to condominiums, buyers need to be comfortable with less private space in exchange for lower costs and a more communal atmosphere. However, as the demand analysis for condominiums in this report illustrates, demand for this development type has historically been high enough to warrant its inclusion in Town's housing mix.

4. EXPLORE SMALL-SCALE INFILL DEVELOPMENT OPTIONS AND ADOPTION OF AFFORDABLE HOUSING ON NONCOMPLYING LOTS

Many communities in America have over-built their commercial, and even residential, spaces in response to outdated regulations and/or consumer preferences. In-fill development is a strategy that allows a community to capitalize on potential non-productive space to increase housing options. An in-fill development option allows properties with excessive setbacks (typically to accommodate overly proscriptive parking or landscaping regulations) to develop the portion of their parcel closest to the roadway for narrowly defined purposes. It can increase the overall housing stock, improve the experience for pedestrians, and knit together otherwise disconnected parts of the streetscape.

5. ALLOW ASSISTED LIVING FACILITIES TO BE DEVELOPED IN ADDITIONAL ZONING DISTRICTS IN TOWN

Smart Growth best practices recommend allowing assisted housing facilities to be located in more walkable areas with easy access to social and commercial amenities. This decreases the potential for a sense of isolation, even for residents who are otherwise unable to leave the facility under their own power. As currently constituted in Sturbridge's Zoning Bylaws, senior housing, including assisted living facilities, is only allowed by special permit in the Rural and Suburban Residential Districts. The Town should consider allowing such facilities by special permit in the Commercial, Commercial Tourist, or Village Gateway districts.

6. ENSURE NEW SENIOR HOUSING DEVELOPMENTS ARE LOCATED IN WALKABLE AREAS OF TOWN WITH ACCESS TO TRANSPORTATION ALTERNATIVES

Similar to the recommendations for assisted living facilities previously described, locating senior housing in rural and suburban districts can create a sense of social isolation, especially when residents are too infirm to drive themselves. A zoning bylaw that explicitly encourages developments in commercial or village centers can extend the period of independence for older residents. At the same time, by locating senior

housing in more socially active locations, it can encourage older residents to downsize and create opportunities for new families to buy into the housing market.

Sturbridge should consider the following strategies:

- Undertake a transit and sidewalk study, identifying areas that are most suitable for senior housing development such as land clustered around existing medical, shopping, and socializing opportunities.
- Create a designated zone or overlay district in an area of town (or use District Improvement Financing (DIF) that can divert tax dollars) to encourage development of senior housing in areas that already have these kinds of amenities.

7. CONTINUE TO UTILIZE COMMUNITY PRESERVATION ACT FUNDS TO FURTHER AFFORDABLE HOUSING GOALS

The Town of Sturbridge adopted the Community Preservation Act in 2001, by act of Town Meeting. The provision even survived a revocation challenge in 2012, thus reaffirming public support for the measure. Since 2002, the Town has collected more than \$10 million in funds, which have been used to fund local projects that enhance the community. In addition to funding the creation of this comprehensive plan, housing projects utilizing CPA have included hiring an affordable housing consultant and the acquisition of land along with partial funding for the construction of two Habitat for Humanity affordable homes. There are many ways that the Town can utilize CPA funding to enhance affordable housing efforts in Sturbridge, including the following:

- Acquire land for the purpose of creating affordable housing
- Adaptive re-use of existing buildings through the conversion of nonresidential properties into affordable housing
- Purchase of existing market-rate homes and conversion to affordable homes to create permanent deed-restricted affordable rental housing
- Buy-down the cost of homes to create affordable mortgage costs for first-time homebuyers with qualifying incomes
- Support the development of affordable housing on publicly-owned land
- Support the construction of new housing on small, non-complying lots in existing neighborhoods
- Support the costs of improvements necessary to develop accessory dwelling units, with the provision that the units be permanently deed-restricted to preserve affordability
- Finance predevelopment activities (soft costs) to promote better project planning
- Provide financial support to help cover down-payment and closing costs for first-time homebuyers
- Offer direct assistance in the form of rental vouchers that subsidize the difference between market rents and what a household can afford to pay
- Fund a professional to support the implementation of local affordable housing plans

For further details, view the [Massachusetts Housing Partnership CPA Guidebook](#).

HOUSING PRODUCTION STRATEGIES

1. ADVOCATE FOR A HIGHER INCLUSION OF ACCESSIBLE UNITS IN PROPOSED AFFORDABLE HOUSING DEVELOPMENTS

Based on input from community stakeholders, it is evident that there are not adequate housing opportunities within Sturbridge that offer fully accessible units within affordable housing. It is crucial to accommodate people with disabilities and seniors who have limited mobility or special needs, particularly those that are low-income. While there may be accessible units that are market rate, oftentimes people with disabilities or those with limited mobility cannot afford to live in them. It is crucial that this population is advocated for and that there is enough availability of affordable units that are also accessible.

2. ENSURE NEW SENIOR HOUSING DEVELOPMENTS ARE LOCATED IN WALKABLE AREAS OF TOWN WITH ACCESS TO TRANSPORTATION ALTERNATIVES

The public outreach process of this Plan, particularly the mapping activity during the public forum sessions, provided an opportunity for residents to voice where they would like to see certain types of housing. Overwhelmingly, residents stated that they do not want to see senior housing developments located in isolated areas of Sturbridge, but rather they should be located in neighborhoods that are walkable and close to services and amenities. Ideally, seniors should have access to transportation alternatives such as a bus route, however Sturbridge currently has very limited options for public transportation. Close proximity to amenities such as a grocery store, pharmacy, medical facility, library, church, senior center, restaurant, entertainment, park, etc. helps enhance the quality of life for senior residents. Lack of a car or access to public transportation paired with limited mobility restricts the options that most seniors have for leaving their home, which has been shown to negatively impact the physical, emotional, and mental health of this population. Any new senior housing developments in Sturbridge should prioritize the location to ensure seniors can easily and safely access the community's services and amenities.

3. PARTNER WITH PRIVATE DEVELOPERS TO CREATE AFFORDABLE HOUSING

The Town should explore the availability of state subsidy programs such as the "Friendly 40B" process through the Local Initiative Program (LIP) as a means of creating new affordable units. Actively seeking out developers that are willing to create affordable housing, establishing a working relationship with them, and ensuring the development process is clear and fluid are significant steps. Working cohesively with private developers to facilitate the construction of affordable housing for households earning below 80% of the Area Median Income (AMI) is preferable to being subject to Comprehensive Permitting from developers who will not necessarily seek out community input. Collaborating with developers can also help the Town better understand and mitigate challenges associated with developing affordable housing. It is suggested that the Town host round-table discussions in which one or more developers are invited to talk with representatives of the Town including the Town Administrator, Town Planner, Select Board, Planning Board, Zoning Board of Appeals, Conservation Agent, Housing Partnership, and any others wishing to be involved in the process.

4. INSTITUTE A PROCESS TO GIVE PROJECTS THAT INCLUDE AFFORDABLE UNITS A PRIORITY WITHIN THE SEWER ALLOCATION RESERVED FOR RESIDENTIAL USE

Water and sewer capacity is one of the greatest challenges when planning for multi-family housing in small towns. This issue has halted the development of affordable housing in Sturbridge in the past, thus it is important to find a solution that will allow for successful planning of affordable housing. Public sewer is located primarily in the central and more densely developed sections of town, so while this would be an ideal location to tie into public sewer, it is challenging to find available land for multi-family developments. It has been suggested that a mechanism to allow affordable housing to be developed on land where there is suitable soil for onsite sewer facility would be a good alternative. When considering sewer allocation for residential use, housing projects with affordable units should be prioritized.

5. CREATE A DOWN-PAYMENT/CLOSING COST ASSISTANCE PROGRAM WHEREBY THE TOWN PROVIDES GRANTS TO INCOME-ELIGIBLE, FIRST-TIME HOMEBUYERS

A major criticism of housing in Sturbridge is that housing is too expensive to purchase and the market is not inclusive to first-time homebuyers. A down-payment/closing cost assistance program is one approach to help diversify homeownership in Sturbridge and break down barriers to purchasing a home. This program would help low- to moderate-income households become homebuyers by advancing the cash assistance needed to be able to complete the closing of the home's mortgage. It would assist eligible buyers who can afford monthly mortgage payments but do not have enough to pay the initial home purchase costs. Many communities consider programs such as this to be a "deferred payment loan" in which the loan is interest free and payment back to the Town is not required unless the property is refinanced or sold within a defined period of time (i.e. 10 years). The Town should seek out models from communities that currently operate

successful down-payment/closing cost assistance programs and create a program that fits Sturbridge's needs.

6. EXPLORE THE CREATION OF A BUY-DOWN PROGRAM WHEREBY THE TOWN USES FUNDS TO BUY-DOWN MARKET-RATE HOMES, DEED RESTRICT THEM AS AFFORDABLE IN PERPETUITY, AND SELL THEM TO INCOME-QUALIFIED, FIRST-TIME HOMEBUYERS AT BELOW-MARKET PRICES

The underlying goal of a buy-down program is to assist income qualified households in purchasing an existing home in the community. Each community's buy-down program will vary in structure. Utilizing Community Preservation Act (CPA) Funds or Affordable Housing Trust Funds, this program assists in bridging the gap between what is available in the open market and what is affordable to a low- to moderate-income household by offering grants to homebuyers to help them "buy down" or reduce the purchase price of the home. The community can set what the qualifications of the homebuyer are, such as annual household income limits or amount of assets. The community will also choose the amount of the subsidy awarded per unit. By deed restricting the homes as affordable in perpetuity, this program would help increase to town's units on the Subsidized Housing Inventory (SHI).

7. ESTABLISH A HOME IMPROVEMENT PROGRAM WHEREBY THE TOWN PROVIDES ZERO- OR LOW-INTEREST LOANS TO RESIDENTS, TARGETING INCOME-ELIGIBLE HOMEOWNERS OR OWNERS OF MULTI-FAMILY PROPERTIES

With the high costs of housing, including mortgage payments and property taxes, households often struggle to allocate additional income towards making much-needed home repairs. A local home improvement program for Sturbridge residents could help assist with these payments. This type of loan program would provide homeowners with an affordable alternative to finance necessary repairs to their homes, or to remove health and safety hazards, which in turn is an investment in the town's neighborhoods. Funding could also be provided to make a house accessible to someone with disabilities. Loans are interest-free or low-interest and cover repairs on the inside and outside of the home. The Town would establish requirements for meeting eligibility for a home improvement loan, such as household income in relation to the Area Median Income (AMI), percentage of repairs that must be used on the outside of the home, or loan amounts based on the type of house. This program can be tailored to meet Sturbridge's needs and expectations.

8. CREATE A HOMEOWNER REHABILITATION ASSISTANCE PROGRAM TO PROVIDE FUNDS TO INCOME-ELIGIBLE OWNER-OCCUPANTS TO ASSIST WITH THE REPAIR, REHABILITATION, OR RECONSTRUCTION OF THEIR HOMES

Older housing stock is often in need of repair and rehabilitation. A homeowner rehabilitation assistance program is a means of keeping seniors in their homes, ensuring safe and sanitary conditions of housing, and not placing a financial burden on low-income households. Owners could use funds to bring a property up to code, tend to electricity or plumbing issues, repair the roof and floor, or make upgrades that enhance the home's energy efficiency or accessibility.

9. IDENTIFICATION OF SPECIFIC SITES TO ENCOURAGE THE FILING OF COMPREHENSIVE PERMIT APPLICATIONS AND/OR THE DEVELOPMENT OF AFFORDABLE HOUSING UNITS.

Sturbridge has limited Districts where Chapter 40B comprehensive permits would be an appropriate vehicle for providing higher-density multifamily development; mainly due to the limits of public utilities in town. These Districts are along the Main Street corridor where public utilities exist. These options will require the Town to embrace new ideas about housing policy and most likely a commitment of Town funding.

The Commercial District runs along Main Street from just before the intersection with Route 131 to the Southbridge town line. This is an area that is served by Town water and sewer and sidewalks. Additionally, there are multiple shopping and dining locations within a short walk from most areas in the

District. The Town has recently approved a 97 unit 40B project in this District, however, the project has never been started as of this time. An impediment to this project getting started was the high cost of tying into municipal infrastructure. The Town remain committed to working with this developer on this project.

The Main Street corridor also has land that is within the Suburban Residential Zoning District that may be suitable for denser developments. These properties are also served by Town water and sewer and in most cases have access to sidewalks and are close to shops and services. Heritage Green is an older 40B project along the Main Street corridor that has been redeveloped in recent years; this is located within the Suburban Residential District as is Crescent Gate another 40B condominium project with the Suburban Residential District off of Main Street. Both of these are excellent examples of densely developed housing that has been created in these Districts.

The Town also reviews properties taken via Tax Title for potential use for affordable housing units. While many of these properties are only suitable for a single home, we do take efforts to make sure appropriate sites are developed. We recently conveyed a parcel on Cedar Street to Habitat for Humanity and we have also provided them with a grant from the Community Preservation Committee to help defray the costs of developing a home that will be available to those families that are at or below 80% of the adjusted median income. This is the second time the Town will develop a home with Habitat for Humanity. The first one constructed is located on Fairview Park Road.

The Town will continue to review town properties for potential use for affordable housing as they become available.

GOALS AND STRATEGIES		Short-Term Actions (0-12 Mo.)	Medium-Term Actions (1-5 yrs.)	Long-Term Actions (5-10 yrs.)	Ongoing Actions	Responsible Parties
Goal 1: Build local capacity and advocacy efforts to achieve housing production goals						
1.1	Continue to conduct ongoing community outreach and education on housing issues and activities				X	Housing Partnership Town Planner Affordable Housing Coordinator
1.2	Investigate securing a dedicated Affordable Housing Coordinator		X			Housing Partnership Town Planner Town Administrator
1.3	Provide educational courses for first-time homebuyers		X			Housing Partnership
Goal 2: Preserve and maintain existing affordable housing in Sturbridge						
2.1	Develop a monitoring system to ensure that units on the Subsidized Housing Inventory do not expire		X			Affordable Housing Coordinator
2.2	Establish a working relationship between the Sturbridge Housing Partnership and the town's Subsidizing Agencies and Monitoring Agents	X				Housing Partnership
2.3	Create a homeowner rehabilitation assistance program to provide funds to income-eligible owner-occupants to assist with the repair, rehabilitation, or reconstruction of their homes			X		Town Administrator Town Planner Housing Partnership
Goal 3: Enable a greater diversity of housing choices through regulatory action						
3.1	Amend the existing Accessory Dwelling Unit (ADU) bylaw to offer greater opportunities for development	X				Town Planner Planning Board
3.2	Explore adoption of a Workforce Housing Special Tax Assessment (WH-STAX) Area in which developers can be offered a property tax incentive to build housing affordable to middle-income residents		X			Town Planner Planning Board Board of Selectmen

3.3	Explore adoption of a Cottage Housing Bylaw		X			Town Planner Planning Board
3.4	Explore small-scale infill development options and adoption of affordable housing on noncomplying lots	X				Town Planner Planning Board
3.5	Allow assisted living facilities to be developed in additional zoning districts in town		X			Town Planner Planning Board
Goal 4: Leverage resources to advance housing production and programs						
4.1	Seek out and apply for funding and technical assistance for the implementation of this Action Plan				X	Town Planner Housing Partnership CMRPC
4.2	Establish a Municipal Affordable Housing Trust Fund with an active Board of Trustees	X				Board of Selectman Town Administrator Town Planner
4.3	Explore the creation of a buy-down program whereby the Town uses funds to buy-down market-rate homes, deed restrict them as affordable in perpetuity, and sell them to income-qualified, first-time homebuyers at below-market prices			X		Housing Partnership Town Planner Town Administrator Board of Selectmen
4.4	Create a down-payment/closing cost assistance program whereby the Town provides grants to income-eligible, first-time homebuyers		X			Housing Partnership Town Planner Town Administrator Board of Selectmen
4.5	Establish a home improvement program whereby the Town provides zero- or low-interest loans to residents, targeting income-eligible homeowners or owners of multi-family properties			X		Housing Partnership Town Planner Town Administrator Board of Selectmen
4.6	Continue to utilize Community Preservation Act funds to further affordable housing goals				X	Community Preservation Committee Town Administrator Town Planner Historic Commission

Goal 5: Provide housing opportunities and associated services to support diverse populations						
5.1	Advocate for a higher inclusion of accessible units in proposed affordable housing developments				X	Affordable Housing Coordinator Housing Partnership Council on Aging
5.2	Ensure new senior housing developments are located in walkable areas of town with access to transportation alternatives				X	Town Planner DPW Director Council on Aging
5.3	Prepare design guidelines or standards for new multi-family housing developments		X			Town Planner CMRPC DPW Director Historic Commission
5.4	Partner with private developers to create affordable housing				X	Town Planner Planning Board Housing Partnership Board of Selectmen Affordable Housing Coordinator
5.5	Institute a process to give projects that include affordable units a priority within the sewer allocation reserved for residential use			X		DPW Director Board of Selectmen Planning Board

LIST OF APPENDICES

APPENDIX A

- I. Sturbridge Residential Housing Needs Survey
- II. Results of the Sturbridge Residential Housing Needs Survey

APPENDIX B

- I. Summary of Sturbridge Housing Public Forum
- II. Housing Forum Activity Materials