

ELEMENT TWO: HOUSING

Introduction

There are many ways that communities can address the diverse housing needs of their residents. Working with regional planning agencies, such as the Pioneer Valley Planning Commission, can help towns achieve their housing goals. In addition to comprehensive planning initiatives, such as Community Development Plans, towns can also utilize zoning ordinances and subdivision regulations to encourage appropriate and responsible housing development. Towns can also focus on establishing options and strategies to support residential development that is sustainable and compatible with their visions of their futures.

Diverse, affordable housing is important for all communities. After paying housing costs, residents need an adequate amount of remaining income to pay for other basic expenditures, including food, health care, utilities, and transportation. Housing is generally considered to be affordable when households spend no more than 30 percent of their gross income on housing costs.

The Town of Holland recognizes that some residents have housing costs that are unaffordable or have other unmet housing needs. One concern, for example, is that some senior citizens want to be able to move out of their homes and remain in Holland living in more suitable housing, such as apartments or condominiums, but little such housing is currently available. The Town of Holland, through this Community Development Plan and its other planning endeavors, is proactively working to address such housing issues.

The Housing Chapter of the Community Development Plan presents an overview of housing characteristics and affordability in Holland. It discusses how well the current housing supply is meeting the housing demands in Town, evaluates housing affordability, and assesses the areas of Holland that may potentially be the most suitable for new residential development to address any present or projected housing needs.

The Housing Chapter contains the following main sections:

- ❖ Housing goals and objectives established during the planning process
- ❖ A discussion of the planning and legislative context for this housing chapter
- ❖ An inventory and assessment of Holland's current housing
- ❖ An evaluation of the Town's current and projected future housing demand, and a comparison between the housing supply and housing demand to identify potential housing shortfalls

- ❖ An assessment of housing affordability in Holland and an analysis of how well Holland’s housing supply provides adequate affordable housing choices for residents of different incomes and with different needs
- ❖ An analysis of which areas in Holland may potentially be the most suitable for housing development based on environmental constraints and other considerations decided upon during the planning process

Housing Goals and Objectives

The goals and objectives of the Housing Chapter have been established with input from the Community Development Committee members and residents of the Town.

The housing goals and objectives are as follows:

Goals

- ❖ Preserve the Town’s rural character
- ❖ Guide development so that residential development will not be out of control, which could affect the whole Town, including traffic, roads, Chapter 40B, schools, and many other aspects of the Town
- ❖ Ensure that Holland has a full range of housing opportunities that includes housing for all age groups and affordable housing opportunities for all income groups, including first time homebuyers and retired residents

Objectives

- ❖ Promote smart growth through open space communities
- ❖ Work with developers to ensure that the future housing needs of the residents of Holland are met while new housing conforms to the current character of the Town
- ❖ Continue to focus primarily on single-family housing, particularly for Chapter 40B housing units
- ❖ Implement an appropriate temporary building permit cap that will help to achieve all other goals and objectives

Planning and Legislative Context

This section provides background information and context for the Housing chapter. It presents a summary of the State’s legislation to encourage affordable housing, including Executive Order 418 and Chapter 40B. It also discusses Holland’s community housing strategy and current activities. Lastly, it provides a short overview of the Town’s zoning districts and the types of residential development the Town allows under its Zoning Bylaws.

Legislation to Promote Affordable Housing

Executive Order 418

Issued in 2000, Executive Order 418 continues the Commonwealth's commitment to encouraging the development of affordable housing. Executive Order 418 (EO418), titled "Assisting Communities in Addressing the Housing Shortage," provides new incentives and resources for communities to promote the development of affordable housing. EO418 offers municipalities funding to create Community Development Plans to help communities consider future growth and help establish options and strategies for addressing future development. Each Community Development Plan typically contains the following four elements: housing, economic development, open space and resource protection, and transportation.

As mentioned earlier, EO418 also establishes an affordable housing certification process. Municipalities must obtain housing certification to be eligible to receive funds through certain discretionary rolling grant programs, and to receive bonus rating points for other grant programs. The affected programs are administered by the Department of Housing and Community Development, the Executive Office of Environmental Affairs, the Department of Economic Development, and the Executive Office of Transportation and Construction. In fiscal year 2002 the rolling application grant programs requiring housing certification provided a total of \$70 million in funding to communities statewide, and the competitive grant programs, which gave rating bonuses for housing certification, provided \$350 million. To receive housing certification, communities must demonstrate that they are working to increase their supply of both rental and owner-occupied housing that is affordable to individuals and families across a broad range of incomes.

As mentioned previously, Holland received housing certification for fiscal years 2001, 2002, and 2003. Holland has demonstrated that it is taking steps to address the housing needs of its residents and that it is working to expand affordable housing options for individuals and families with low, middle, and moderate incomes. Under EO418, low income households are considered to be those making 50 percent or less of the area-wide median income, moderate-income households are those making up to 80 percent of the area-wide median income, and middle-income households are those making up to 150 percent of the area-wide median income. The area-wide median income is defined as the median family income in the county or metropolitan statistical area where the housing units are located.

New housing units can be either owner-occupied or rental housing to count towards housing certification. Qualifying rental units for housing certification must be affordable to families earning 100 percent of the area-wide median income, and qualifying homeownership units must be affordable to families earning 150 percent of the area-wide median income. The median income used for housing certification for towns in the Worcester primary metropolitan statistical area for fiscal year 2003 is \$58,400. Housing counts as affordable if families earning the area-wide median income spend no more than 30 percent of their incomes on housing expenditures. Based on this threshold, new homes in the Worcester primary metropolitan statistical area must cost \$285,592 or less to count as affordable for housing certification

purposes in fiscal year 2003, and new apartments must have monthly rents of no more than \$1,460.

Table H-1: Affordable Housing Rents and Purchase Prices under Executive Order 418 for the Worcester Primary Metropolitan Statistical Area, FY 2003

Area Median Family Income (Worcester primary metropolitan statistical area)	\$58,400
150% of Area Median Family Income	\$87,600
Affordable Homeowner Units Home Price Affordable for Middle-Income Households (150% of Area Median Family Income)	\$285,592
Affordable Rental Units Monthly Rents Affordable for Middle-Income Households (100% of Median Family Income)	\$1,460

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

Chapter 40B

In 1969, the Massachusetts Legislature passed the Comprehensive Permit Law (Massachusetts General Law, Chapter 40B, Sections 20-23), to promote the creation of affordable housing statewide. With Chapter 40B, the Legislature updated the development permit process for affordable housing projects, and established the goal of increasing the amount of affordable housing in each community to 10 percent of its total housing stock. Under Chapter 40B, if less than 10 percent of a community’s total housing units are affordable, they may face new housing development that overrides local zoning restrictions, such as density and setback requirements. In these communities, a developer can submit a comprehensive permit application, known as a Chapter 40B application, for an affordable housing development that does not adhere to local zoning. If the local Zoning Board of Appeals turns down the permit, the developer may be able to appeal the decision to the State Housing Appeals Committee, which can overrule the local Zoning Board of Appeals’ decision and allow the housing project to proceed.

Under Chapter 40B the definition of affordable housing is more restrictive than the general definition based on housing costs not exceeding 30 percent of household income. In determining a community’s total number of affordable housing units under Chapter 40B, the State has traditionally only included units with rents or sales prices restricted to affordable levels for at least 30 years after construction. Chapter 40B units are also required to be built with direct subsidies through State or Federal housing assistance programs. All unsubsidized units have been excluded from Chapter 40B status, even if their monthly costs are less than 30 percent of the median household income. This restriction can be a disadvantage to rural communities where subsidized housing is less likely to be developed, but where housing costs that are relative to income may be lower than in more urban areas. Under the general definition of affordability, 76 percent of Holland households have housing that is affordable. Under the Chapter 40B definition of affordable, as of April 2002, Holland has 4.33 percent affordable housing in the Town. Currently, Holyoke and Springfield are the only two communities in Hampden County that have achieved 10 percent affordable housing according to the Chapter 40B definition of affordability.

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

The State has also begun to expand Chapter 40B's definition of affordable housing to count additional units towards the 10 percent goal. Among the units that can now count as affordable are locally subsidized housing units, long-term housing for the mentally disabled, housing created through the Community Preservation Act (Massachusetts General Law Chapter 44B), and accessory apartments constructed after June 30, 2002. These types of housing all now count as affordable as long as they are serving low and moderate-income residents. It is also anticipated that there will be further reforms and revisions to Chapter 40B, and additional expansions of its definition of affordable housing over the next few years.

Regional and Town Initiatives and Policies to Create Affordable Housing

Regional Policy Plan

Pioneer Valley Planning Commission created Valley Visions, the Regional Policy Plan for the Pioneer Valley, in September of 1997. The Regional Policy Plan is the Regional Land Use Plan and is a policy document designed to help guide future growth in the Pioneer Valley. The Regional Policy Plan includes a vision statement for the valley, regional goals and objectives, regional build-out scenarios and impacts, and action strategies for the valley.

Pioneer Valley Planning Commission's vision for the Pioneer Valley in the 21st century is to encourage diverse, economically and environmentally healthy communities framed by greenbelts of open space and connected by an intermodal transportation system. Valley Visions examines goals for the Valley under this vision statement in all of the areas of this Community Development Plan, as well as others. The residential goal for the Pioneer Valley is compact residential development in pedestrian friendly neighborhoods of diverse housing types that are close in proximity to employment or community centers. The objectives for achieving this goal are to promote traditional neighborhood developments, to encourage diverse types of housing, and to create a balance between urban development with the creation of parkland and open space.

The action strategies for the Valley include promoting traditional neighborhood developments, encouraging compact, mixed-use development, increasing housing opportunities and neighborhood quality, creating incentives for open space communities and cluster developments, among other strategies not directly related to housing and residential development.

Hampden Hampshire Housing Partnership Initiatives

The Hampden Hampshire Housing Partnership (HAP) began providing housing assistance to the people of Hampden and Hampshire Counties in 1973. It was originally created to provide assistance to families seeking to rent appropriate, safe housing. HAP has come to provide a wide range of services to tenants, homebuyers, homeowners, and rental property owners.

For tenants, HAP provides Section 8 Housing Choice Voucher Program as well as other rental assistance programs, such as the Individual Self-Sufficiency Initiative. Emergency shelter and transitional assistance are also provided by HAP. The Prospect House has provided shelter to over 2,000 people from Hampden and Hampshire Counties. The Safe Step Program provides transitional housing and supportive services to victims of domestic violence. HAP also has nine units of transitional housing for pregnant and parenting teens. HAP also manages more than 230 affordable apartments in Hampden and Hampshire Counties.

HAP offers a variety of programs to assist homebuyers, homeowners, and landlords, such as first-time homebuyer education and assistance programs, lead-based paint hazard abatement, post-purchase homeownership and foreclosure prevention counseling, homeowner options for elders program, and property management training services.

In order to help address the shortage of affordable housing in this area, HAP develops new housing and renovates older housing, which helps to restore both the housing and the neighborhood in the process. HAP developments include new or rehabilitated one and two family houses for first time homebuyers.

Holland's Zoning for Residential Development

Holland has seven zoning districts: Residential (R), Agricultural-Residential (AR), Garden Apartment (GA), Business (B), Rural Business (RB), Special Conservancy (SC), and Flood Plain (FP). The following table depicts the acreage and the percent of the Town that is used by certain types of zoning.

Table H-2: Zoning for Holland, 2002

Code	Zonecode	Acres	Percent
AR	Agricultural-Residential	6,947.6	83.0%
R	Residential	61.0	0.7%
GA	Garden Apartments	28.2	0.3%
B	Business	894.1	10.7%
RB	Rural business	4.9	0.1%
SC	Special Conservancy	71.8	0.9%
W	Water	367.0	4.4%

Source: Executive Office of Environmental Affairs, 2002

In all zoning districts, the following uses are permitted by right (Holland Zoning Bylaws, Section 4.01 through Section 4.48):

- ❖ Commercial riding stables on parcels of five acres or more
- ❖ Farms or nurseries on parcels of at least five acres
- ❖ Commercial greenhouses on parcels of at least five acres
- ❖ Detached single-family dwellings
- ❖ The renting of rooms
- ❖ Family day care homes having no more than two non-resident employees
- ❖ Religious uses
- ❖ Educational uses
- ❖ Child care facilities
- ❖ Home occupations which do not employ any non-residents
- ❖ Accessory buildings
- ❖ Fences located in the front yard portion of any lot which do not exceed four feet in height
- ❖ Fences located in the side year or rear yard portion of any lot which does not exceed six feet in height
- ❖ Party line fences

In all zoning districts, the following uses are permitted by special permit (Holland Zoning Bylaws, Section 4.01 through Section 4.48):

- ❖ The raising of swine and fur bearing animals on parcels of at least five acres
- ❖ Open space communities
- ❖ Family day care homes having more than two non-resident employees
- ❖ Fences located in the front yard portion of any lot which exceed four feet in height
- ❖ Fences located in the side yard or rear yard portion of any lot which exceed six feet in height

Additional special conditions of use are specified in the Holland Zoning Bylaws.

Current Housing Stock Inventory and Assessment

This section summarizes Holland's current housing characteristics, including housing type, tenancy, and new construction trends. This section also compares the housing statistics of Holland to those of Hampden County and Massachusetts. The data presented in this section is from the U.S. Census, Town of Holland records, and the Massachusetts Division of Employment and Training.

Housing Supply

Data from the U.S. Census Bureau (*see Table H-3*) indicates that between 1990 and 2000, the number of housing units in Holland increased by 6 percent. This increase was equal to the State's growth rate and was almost twice that of the County.

Table H-3: Housing Units in Holland, 1990-2000, Comparison with the County and State

Area	Number of Housing Units		Percentage Change
	1990	2000	
Holland	1,242	1,317	6.0%
Hampden County	180,025	185,876	3.3%
Massachusetts	2,472,711	2,621,989	6.0%

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

Types of Housing

Housing in Holland primarily consists of single-family homes (*see Table H-4*). According to the U.S. Census Bureau, as of 2000, over 97 percent of Holland's housing units are single-family residences; a category that includes both detached homes and attached units such as condominiums. The remainder of the Town's housing mix is comprised of duplexes (less than 2 percent of the Town's total units), multiple-unit buildings (less than one percent), and mobile homes (less than one percent).

Table H-4: Types of Housing Structures in Holland, 2000

Structure Type	Number of Units	Percent of Total
Single Unit, Detached	1,262	95.8%
Single Unit, Attached	19	1.4%
Single Unit, Total	1,281	97.3%
Two Unit Building	22	1.7%
3-4 Unit Building	2	0.2%
5 or More Unit Building	2	0.2%
Mobile Home	10	0.8%
Total Units	1,317	100.0%

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

Holland's proportion of single-family residences is much greater than that for Hampden County and for the State as a whole. In 2000 the U.S. Census Bureau estimates that 66 percent of housing units in the nation, 56 percent of housing units in the State, and 59 percent of housing units in the County consist of single-family homes (*see appendix for more information*).

Housing Age

As can be seen in Table H-5, the majority of the owner occupied housing stock in Holland was built after 1970. Only 6 percent of the Town's owner occupied housing units were built before 1940. Since such a large percentage of Holland's housing stock is relatively new, the

Town does not face many of the problems that are typically seen with older housing stocks. Over 70 percent of the owner occupied housing stock in Hampden County and over 65 percent of the owner occupied housing in the State was built before 1970. Over the past 30 years, the Town of Holland has experienced a significantly greater rate of growth in its housing stock than the State or the County.

Table H-5: Year Structure Built for Owner Occupied Housing Units, 2000, Comparison to the County and State

Year Structure Built	Massachusetts	Percent Total	Hampden County	Percent Total	Holland	Percent Total
Total	1,508,248	100.0%	108,524	100.0%	774	100.0%
Built 1999 to March 2000	16,415	1.1%	851	0.8%	5	0.6%
Built 1995 to 1998	66,714	4.4%	3,014	2.8%	21	2.7%
Built 1990 to 1994	77,177	5.1%	4,351	4.0%	51	6.6%
Built 1980 to 1989	185,869	12.3%	10,419	9.6%	153	19.8%
Built 1970 to 1979	170,437	11.3%	12,019	11.1%	183	23.6%
Built 1960 to 1969	184,833	12.3%	14,980	13.8%	141	18.2%
Built 1950 to 1959	216,870	14.4%	23,881	22.0%	113	14.6%
Built 1940 to 1949	111,841	7.4%	10,826	9.9%	56	7.2%
Built 1939 or earlier	478,092	31.7%	28,183	25.9%	51	6.6%

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

Table H-6 shows that over 60 percent of the Town's rental housing stock was built before 1969. This could be problematic for the Town as it is common for many older housing units to have problems such as lead paint or repair issues. Almost 70 percent of the rental stock in the County and over 70 percent of the rental housing in the State was built before 1970. This table also shows that Holland has experienced more growth since 1970 than the County or the State.

Table H-6: Year Structure Built for Renter Occupied Housing Units, 2000, Comparison to the County and State

Year Structure Built	Massachusetts	Percent Total	Hampden County	Percent Total	Holland	Percent Total
Total	935,332	100.0%	66,764	100.0%	124	100.0%
Built 1999 to March 2000	3,715	0.4%	328	0.5%	2	1.6%
Built 1995 to 1998	14,889	1.6%	966	1.4%	0	0.0%
Built 1990 to 1994	22,503	2.4%	1,969	3.0%	4	3.2%
Built 1980 to 1989	85,539	9.1%	6,237	9.3%	15	12.1%
Built 1970 to 1979	143,880	15.4%	10,837	16.2%	24	19.4%
Built 1960 to 1969	108,874	11.6%	9,636	14.4%	19	15.3%
Built 1950 to 1959	99,279	10.6%	8,097	12.1%	32	25.8%
Built 1940 to 1949	88,937	9.5%	6,567	9.8%	11	8.9%
Built 1939 or earlier	367,716	39.3%	22,127	33.1%	17	13.7%

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

New Construction

Comparisons of the 1990 and 2000 Census data on housing types (*see Table H-7*) indicate that the number and percentage of single-family homes in Holland increased during this time period. The number of single units attached in Holland grew drastically from 1990 to 2000, while the number of this type of unit remained fairly constant for the Nation, the State, and the County during this time period (*see appendix for more information*). It is also interesting to note that the number of 3 or 4 unit buildings decreased in Holland during the past decade. The number of this type of unit decreased in the Nation, the State, and the County, but not as severely as in Holland.

Table H-7: Types of Housing Structures in Holland, 1990-2000

Structure Type	Number of Units		Percent Change
	1990	2000	
Single Unit, Detached	1,199	1,262	5.3%
Single Unit, Attached	6	19	216.7%
Single Unit, Total	1,205	1,281	6.3%
Two Unit Building	17	22	29.4%
3-4 Unit Building	9	2	-77.8%
5 or More Unit Building	2	2	0.0%
Mobile Home	12	10	-16.7%
Total Units	1,245	1,317	5.8%

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

Table H-8 provides a summary of new housing construction in Holland from 1996 to 2001, based on permit data. Data for prior periods were not available. During this time period, 55 building permits were issued. Of those permits, all were for new single-family homes, while no permits were issued for new multi-family housing units.

Table H-8: Construction for New Housing Units in Holland, 1996-2001

Year	Number of New Housing Units Authorized		
	New Single Family Residential Units	New Multi-Family Residential Units	Total Number of New Housing Units Authorized
2001	11	0	11
2000	9	0	9
1999	10	0	10
1998	11	0	11
1997	10	0	10
1996	4	0	4

Source: Mass Stats, Massachusetts Division of Employment and Training

Housing Tenancy

Housing tenancy refers to whether a house is occupied by a renter or homeowner. Most of Holland's housing units are owner occupied. According to the 2000 Census (*see Table H-7*),

homeowners inhabit 63 percent of all the Town’s housing units, and 65 percent of the occupied housing units. The percent of owner occupied housing units in Holland is much greater than that for the County or State (*see Table H-9*).

Table H-9: Housing Tenancy in Holland, 1990-2000

Unit Type	1990			2000			Change in Occupied Units
	Number of Units	Percent of Occupied Units	Percent of All Units	Number of Units	Percent of Occupied Units	Percent of All Units	
Owner-Occupied	705	88.9%	56.8%	774	86.2%	58.8%	9.8%
Renter-Occupied	88	11.1%	7.1%	124	13.8%	9.4%	40.9%
Total Occupied (Households)*	793	100.0%	63.8%	898	100.0%	68.2%	13.2%

**Each household occupies one housing unit. Only housing units that have year-round residents are considered occupied. The Census Bureau considers housing units that have seasonal or occasional residents to be vacant. Source: U.S. Census Bureau, Census of Population and Housing, 1990 and 2000*

According to the 2000 U.S. Census, renters reside in 34 percent of Holland’s housing units and 35 percent of the occupied units. Between 1990 and 2000 the number of renter-occupied units in Holland increased by less than 3 percent, while the number of owner-occupied units increased by 16 percent.

Table H-10: Housing Tenancy in Holland, 2000, Comparison to the Country and State

Area	Total Housing Units	Occupied Housing Units*	Percent Owner Occupied*	Percent Renter Occupied
Holland	1,317	898	87.1%	12.9%
Hampden County	185,876	175,288	61.9%	38.1%
Massachusetts	2,621,989	2,443,580	61.7%	38.3%

**Only housing units that have year-round residents are considered occupied. The Census Bureau considers housing units that have seasonal or occasional residents to be vacant. Source: U.S. Census Bureau, Census of Population & Housing, 2000.*

Holland’s level of renter occupancy of 12.9% is lower than that for Hampden County and Massachusetts overall (*see Table H-10*). Nationally, renters account for one-third of the occupied housing units and statewide, and account for 38 percent of occupied housing units statewide.

Current and Projected Housing Availability and Demand

This section analyzes Holland’s current housing demand as compared to its housing supply. It also examines population figures and projections for the Town and discusses demographic factors that could affect potential future housing needs, both for Holland’s population as a whole and for particular population segments, such as seniors. The data presented

in this section is from the U.S. Census, Town of Holland records, and the Massachusetts Institute of Social and Economic Research.

Total Population

General population figures and growth trends for Holland for the past decade are presented in Table H-11. Between 1990 and 2000, the Town’s total population grew approximately ten percent, or by 222 people (U.S. Census).

Table H-11: Population for Holland, 1990-2000, Comparison to the County and State

Area	Total Population		Percent Change
	1990	2000	
Holland	2,185	2,407	10.2%
Hampden County	456,310	456,228	0.0%
Massachusetts	6,016,425	6,349,097	5.5%

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

During the past decade there was insignificant growth in the County, while the State’s rate of growth was half that of Holland’s.

Total Households

When determining a community’s housing needs, the total number of households, as opposed to the total population, provides a more accurate assessment of housing need. A household is generally defined as a group of people living together in one housing unit. Changes in the number of households therefore reflect not only changes in population, but also societal shifts that influence average household size.

Nationally, average household size is declining. The reduction in people per household is occurring for a variety of reasons. These reasons include a decrease in the average number of children per family and an increase in the number of single-parent households. Other factors are that families today are more mobile and more spread out geographically than in the past and that more adults, including seniors, now live by themselves.

As Table H-12 indicates, according to U.S. Census data, the average household size in Holland declined by 2.9 percent between 1990 and 2000. This decline is similar to, but slightly greater than, that of the State and slightly smaller than that of the County for the same time period.

Table H-12: Average Household Size in Holland, 1990-2000, Comparison to the County and State

Area	Average Number of Persons Per Household		Percentage Change
	1990	2000	
Holland	2.76	2.68	-2.90%
Hampden County	2.6	2.52	-3.08%
Massachusetts	2.58	2.51	-2.71%

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

As household size shrinks, more housing units are needed to accommodate the same-sized population. However, a straight comparison of total housing units and households does not capture factors beyond household growth alone that can increase the demand for new housing units, or for certain kinds of units. For one, it does not differentiate between renter-occupied and owner-occupied units. In addition, it does not address the issue of how well the characteristics of the current housing, including size, cost, accessibility, and location, meet the present and future needs of community's residents.

Housing Vacancy Levels

According to U.S. Census data, Holland's vacancy rate has decreased by 12 percent from 1990 to 2000. The Census data shows that during this time period the number of occupied housing units grew by 13 percent from 791 units to 898 units. The Census defines vacant units as any residence without a full-time occupant, even though the residence may be used as a second home or a vacation home.

Table H-13: Vacancy Status for Holland, 2000

Vacancy Status	Number of Units	Percent Total
Total	419	100.0%
For rent	4	1.0%
For sale only	19	4.5%
Rented or sold, not occupied	7	1.7%
For seasonal, recreational, or occasional use	370	88.3%
For migrant workers	0	0.0%
Other vacant	19	4.5%

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

In Holland almost 90 percent of vacant housing units are vacant because they are for seasonal, recreational, or occasional use. Many people own second homes in Holland that are often used as summer or weekend homes. Holland's rate for this type of vacancy is much higher than that for the Nation, the State, and the County (*see appendix for more information*).

Population Distribution by Age Group

In planning for future residential development, it is essential to understand how the characteristics and age distribution of the population are expected to change over time. These population attributes can be utilized to identify the types of housing that will best address residents' future housing needs.

Populations with Special Housing Needs

There are several groups that may have special housing needs and could have difficulty finding suitable, affordable housing. These groups with special housing needs may include low, moderate, and middle-income households, the elderly, persons with disabilities, and first time homebuyers.

Two population groups that may have special housing needs and that may have the most difficulty finding appropriate housing are the elderly (typically defined by demographers as people aged 65 and over) and young families. One issue facing these population groups is that they often have limited or fixed incomes. For example, 7 percent of Holland's population was below the poverty level according to the 2000 U.S. Census, which would indicate that housing would not be easily affordable to this group of people. Also, the elderly, particularly the oldest elderly (defined as people aged 85 years or older), may need housing with features or modifications that increase accessibility and functionality for people with limited mobility or other disabilities.

One difficulty in determining the affordability of housing for different populations within a town is that although there may be housing within an affordable price range, this housing may not be available to those that need it as it may not be for sale or rent. Another difficulty in determining the amount of affordable housing is that in this study the 2000 U.S. Census is the main source of information on the value of homes. In the four years since the Census was conducted, the value of homes has risen significantly in Holland. Despite this flaw, the Census is still the most accurate and reliable source of information to use in this analysis.

Low Income Households

A significant portion of households in Holland are considered to be low-income households. The median area income for the Worcester primary metropolitan statistical area and for Holland is \$58,400. Low income is defined as households that earn 50 percent of the median income. Therefore, in Holland, low-income households are defined as having an annual income of \$29,200 or less. According to the 2000 U.S. Census, 23 percent of households in Holland are low income.

According to the 2000 U.S. Census, the median household income in Holland is \$52,073. This is slightly different from the median family income for the Worcester primary metropolitan statistical area, which is used for Holland by the Executive Office of Environmental Affairs (EOEA) to calculate affordability. This means that a low-income household would have an annual income of \$26,000. This is lower than the amount determined by the EOEA, although it

does not make a significant difference in the amount of affordable housing that is available in the Town.

By using the definition of low income according to the U.S. Census Bureau, affordable rent for low-income households in Holland is \$651 per month and an affordable home price would be \$98,000. At these values, 45 percent of rental units and 37 percent of homeowner units in Holland would be affordable for low-income households.

Moderate Income Households

Moderate income is defined as households that earn 80 percent of the median income. For Holland, this group is defined as having an annual income of \$46,720 or less, according to EOEА. According to the 2000 U.S. Census, 39 percent of households in Holland are moderate income or lower.

According to the U.S. Census Bureau, as of 2000, the annual income for moderate-income households is \$41,660. Although this is slightly lower than what is estimated by EOEА, it does not make a significant difference in the amount of affordable housing that is available in the Town.

By using the definition of moderate income according to the U.S. Census Bureau, affordable rent for moderate-income households in Holland is \$1,040 per month and an affordable home price would be \$150,600. At these values, 96 percent of rental units and 80 percent of homeowner units in Holland would be affordable for moderate-income households.

Middle Income Households

Middle income is defined as households that earn 150 percent of the median income. For Holland, middle-income households are defined as having an annual income of \$87,600 or less, according to EOEА. According to the 2000 U.S. Census, 76 percent of households in Holland are middle income or lower.

According to the U.S. Census Bureau, as of 2000, the annual income for middle-income households is \$78,100. Although this is lower than what is estimated by EOEА, it does not make a significant difference in the amount of affordable housing that is available in the Town.

By using the definition of middle income according to the U.S. Census Bureau, affordable rent for middle-income households in Holland is \$1,950 per month and an affordable home price would be \$293,600. At these values, all rental units and 98 percent of homeowner units in Holland would be affordable for moderate-income households.

Elderly Households

According to the Department of Housing and Urban Development, as of March 2003, there are no subsidized housing units in Holland for elderly householders. As can be seen in Table H-14, a significant portion of elderly residents in Holland have low household incomes (*see appendix for more information*). This can make housing costs very difficult for some residents and limit their housing options within the Town.

Table H-14: Percent by Age of Elderly Householders' Annual Income in Holland, 2000

Household Income	Age of Householder	
	65 to 74	75 and Over
Less than \$10,000	6.2%	26.0%
\$10,000 to \$14,999	14.8%	4.0%
\$15,000 to \$19,999	24.7%	14.0%
\$20,000 to \$24,999	11.1%	10.0%
\$25,000 to \$29,999	6.2%	6.0%
\$30,000 to \$34,999	7.4%	8.0%
\$35,000 to \$39,999	3.7%	6.0%
\$40,000 to \$44,999	0.0%	0.0%
\$45,000 to \$49,999	2.5%	0.0%
\$50,000 to \$99,999	22.1%	26.0%
\$100,000 or more	1.2%	0.0%

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

This table shows that the most common income range for people aged 65 to 74 is \$24,999 or less. This is even more true for those aged 75 or older. The 2000 Census found that the median income for householders aged 65 to 74 is \$21,250 and for householders aged 75 or older it is \$22,500. This suggests that unless people in these age groups have housing without mortgages, they would not be able to afford to live in Holland. Even households without mortgages may have a very difficult time affording to live in the Town.

Persons with Disabilities

According to the Department of Housing and Urban Development, as of March 2003, there are no subsidized housing units in Holland for people with disabilities. The 2000 Census found that there are 623 non-institutionalized people in Holland with some form of disability (*see appendix for more information*). There are 38 people aged 5 years or older with some form of disability that are below the poverty level. This suggests that there are disabled residents in Holland that may have special housing needs.

The U.S. Census Bureau has broken down the types of disabilities into the following categories: sensory disability, physical disability, mental disability, self-care disability, go-outside-home disability, and employment disability. For this analysis, it is assumed that those with mental disabilities are under the care of the State Department of Mental Health or the State Department of Mental Retardation. Those with go-outside-home disability and self-care disability are most likely to need housing assistance. Those with sensory, physical, and employment disabilities may also need some form of housing aid. It is difficult to determine exactly how many people with disabilities may need housing assistance, as there is no data on the severity of the disability. However, it is reasonable to assume that there are some residents in Holland that are disabled that could benefit from housing assistance of some form.

First Time Home Buyers

In Holland, 2 percent of householders in owner occupied housing units are aged 15 to 24 years old. Renters in this age group account for 1 percent of all householders in the Town. Householders in owner occupied housing aged 25 to 34 account for 9 percent of all householders, while approximately 3 percent of householders in rental units are in this age group.

This data suggests that residents aged 15 to 24 either cannot afford to become homeowners at that age or do not choose to be homeowners.

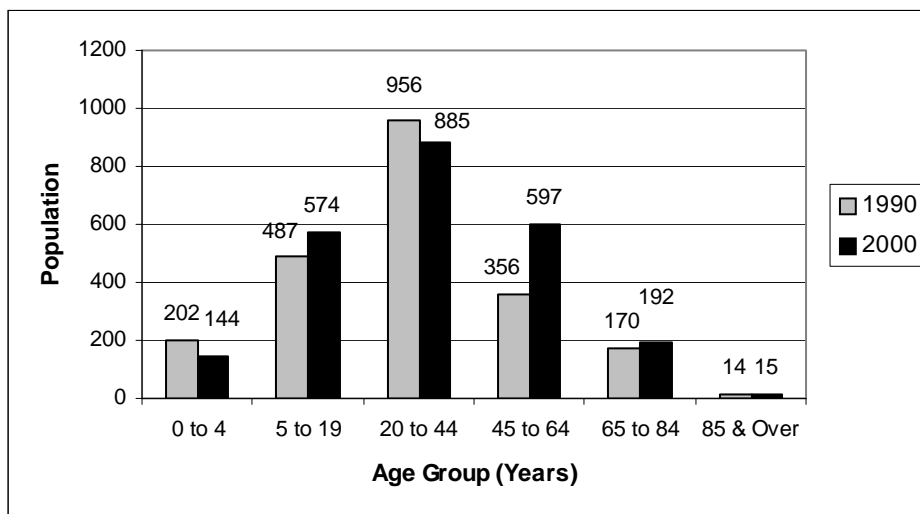
According to the 2000 U.S. Census, the median household income for householders under the age of 25 is \$47,692. Assuming a 5 percent down payment, a 7.5 percent APR mortgage for 30 years, and \$300 a month for taxes and insurance, by only spending 30 percent of the median household income, an affordable home in Holland for this age group is valued at \$179,449. Eighty-eight percent of housing in the Town is valued at \$175,000 or less (2000 U.S. Census). The median household income for householders aged 25 to 34 is \$53,958. By spending 30 percent of this income, a home valued at \$203,085 could be purchased affordably. Approximately 94 percent of the housing in town is valued at \$200,000 or less (2000 U.S. Census). This suggests that first time homebuyers or young families that make at least the median income would be able to afford a home in Holland. However, one third of the current homeowners in Holland that are aged 25 or younger are spending 30 percent or more of their income on housing costs. Of householders aged 25-34, 40 percent of householders in this group are spending 30 percent or more of their income on housing. This suggests that housing people in these age groups that already own their own homes cannot afford to do so without housing costs being burdensome.

General Age Distribution

The population distribution for Holland in 1990 and 2000 is shown in Figure H-1. Table H-15 shows the population distribution figures for Holland, the County, and the State for the same years. The information on the Town’s population by age group was obtained from the last two decennial U.S. Censuses.

According to the U.S. Census data for 1990 and 2000, the population percentages in Holland for each listed age group are somewhat similar to the population distributions for Hampden County and Massachusetts as a whole. For both 1990 and 2000, Holland had a slightly greater percentage of residents ages 5-19 than the county and state. However, Holland had a much smaller percentage of its residents aged 85 and over as compared to the county and state.

Figure H-1: Population Distribution by Age Group in Holland, 1990 and 2000



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

Table H-15: Population Distribution in Holland, 1990 and 2000, Comparison to County and State

Age Group	1990			2000		
	Massachusetts	Hampden County	Holland	Massachusetts	Hampden County	Holland
0 to 4	6.9%	7.4%	9.2%	6.3%	6.5%	6.0%
5 to 19	18.9%	20.8%	22.3%	20.1%	22.5%	23.9%
20 to 44	42.1%	38.7%	43.8%	37.7%	34.6%	36.8%
45 to 64	18.5%	18.3%	16.3%	22.4%	21.9%	24.8%
65 to 84	12.1%	13.2%	7.8%	11.7%	12.6%	7.9%
85 & Over	1.5%	1.6%	0.6%	1.8%	1.9%	0.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

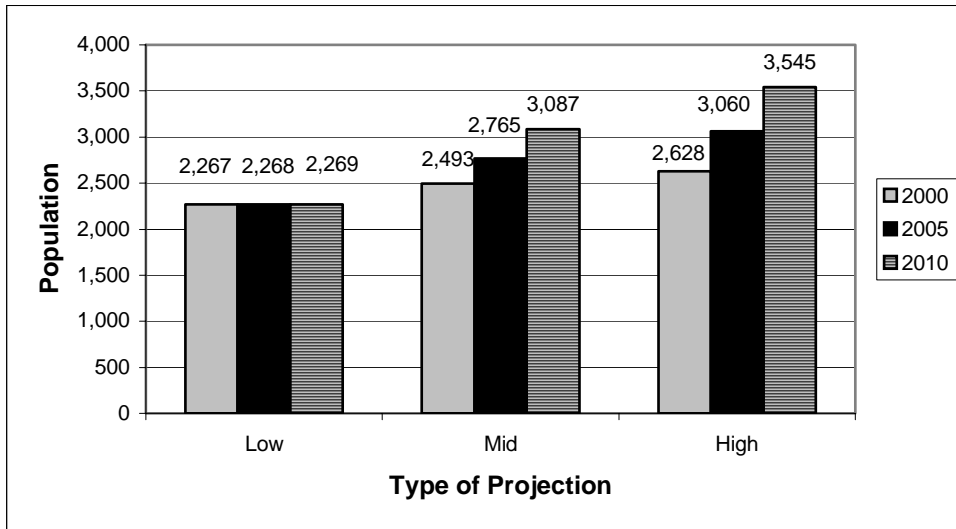
Source: U.S. Census Bureau, Census of Population and Housing, 1990 and 2000

Between 1990 and 2000 several of Holland’s age cohorts experienced little change. For example, during that decade, the 5 to 19 and 65 to 84 cohorts changed by less than 2 percent. The largest population change decreases were the 0 to 4 and 20 to 44 cohorts. The largest population increase was for the 45 to 64 age cohort.

Population Projections to 2010

Population projections for all towns in Massachusetts are developed by the Massachusetts Institute of Social and Economic Research (MISER). MISER is located at the University of Massachusetts at Amherst and serves as the U.S. Census Bureau’s main data center for the Commonwealth. MISER’s latest projections in 1999 forecast population levels to 2010. In forecasting future populations, MISER develops population projections by age and race for all towns in the State. MISER also develops high, middle, and low projections, each based on different assumptions (*see appendix for more information*). The low projection shows almost no growth and the high projection shows Holland’s population almost doubling by 2010. The middle projection forecasts Holland’s population will grow to 3,087 by 2010. The middle projections are the focus of this discussion since MISER’s base population for 2000 most closely resembles the U.S. Census’ population count for Holland in 2000.

Figure H-2: MISER Population Projections for Holland, 2000-2010



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

With MISER’s middle projection, the largest population increase is expected for the 46 to 64 age group, which is projected to expand from 539 in 2000 to 817 in 2010. The 0 to 19 is also expected to grow significantly, from 754 in 2000 to 884 in 2010 (*see appendix for more information*).

Housing Costs and Affordability

This section explores the cost of housing in Holland for renters and owners, the degree to which housing is affordable to individuals and families of different incomes, and potential affordable housing gaps. The main goal of Executive Order 418 is to encourage the creation of new affordable housing units for people with low, moderate, and middle incomes. Under EO418, low-income households are considered to be those households earning up to 50 percent of the area-wide median income, moderate-income households are those earning up to 80 percent of the area-wide median income, and middle-income households are those earning up to 150 percent of the area-wide median income. The area-wide median income is defined as the median family income in the county where the units are located. For the Worcester primary metropolitan statistical area, the median family income is currently \$58,400.

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

Data on housing costs shows that housing in Holland is affordable for most residents, but that some residents, such as those with low incomes, may be cost-burdened by their housing expenditures. The data presented in this section is from the U.S. Census, Town of Holland

records, the Warren Group, the Massachusetts Department of Housing and Community Development, and the MLS Property Information Network.

Housing Costs

This section presents information on owner and renter housing costs and costs relative to household income for Holland. The data in this section is from the 2000 U.S. Census, which estimated the monthly costs for 690 owner occupied housing units and 104 rental units.

Of the 690 owner occupied homes with calculated monthly costs, 559 have mortgages and 131 do not. The monthly costs include mortgage payments, property insurance, and property taxes. Homeowner costs can vary considerably depending on whether or not the home is mortgaged. For example, the median monthly total housing cost for homes without mortgages is \$323, and the median total cost for homes with mortgages is \$995. Similarly, 73 percent of homes without mortgages have monthly costs under \$400 compared to less than one percent of homes with mortgages. Over half (52 percent) of homeowners with mortgages have expenditures of \$1,000 or more per month.

For Holland's rental housing, the median gross rent is \$671 per month. This is based on the estimated expenditures for all specified renter occupied housing units paying cash rent. Of these 104 units, 24 percent pay less than \$500 for total monthly costs. 72 percent of renters with cash rent pay between \$500 and \$1000 for their total monthly costs. In addition to the 104 rental units with cash rent, there are 15 rental units in Holland without cash rent (*see appendix for more information*).

Housing Values

The U.S. Census Bureau gathers data on housing values by asking owners what they believe their homes, including land, to be worth in the current real estate market. According to this information the median value of owner occupied housing units decreased 2 percent between 1990 and 2000, decreasing from \$114,100 to \$111,600. As of 2000, 43 percent of the Town's owner occupied housing was valued between \$100,000 and \$150,000. 37 percent of the homes are valued under \$100,000, and 15 percent are valued between \$150,000 and \$200,000. On the high end, there are 12 homes that are valued over \$300,000, which is approximately 1.7 percent of the Town's total housing stock. The U.S. Census reports what owners believe their homes to be worth, which may or may not be an accurate reflection of what those homes would be worth in the real estate market.

Residential Sales

The Warren Group collects town level residential sales data for much of New England on a monthly and annual basis. Its data combines local Assessors' records with its own home sales records of sales over \$100. More specific data on single-family sales alone were not available. Table H-16 presents its data on Holland property transfers for each of the last twelve years.

Table H-16: Home Sales in Holland, 1990-2002

Year	Number of Sales	Median Price for All Sales
2002	129	\$108,000
2001	97	\$100,000
2000	95	\$79,000
1999	148	\$55,750
1998	83	\$80,000
1997	74	\$66,500
1996	61	\$70,000
1995	44	\$77,500
1994	56	\$80,000
1993	50	\$81,150
1992	80	\$75,750
1991	58	\$82,450
1990	65	\$95,000

Source: The Warren Group, Town Statistics, 2003.

The information in Table H-17 indicates that Holland’s housing market has fluctuated up and down during the 1990 to 2002 period, in terms of both the number of homes sold and sales prices. During the last two years, the median sales price has been higher than in the past, reaching the \$100,000 level for the first time. In 2002 the median sales price reached \$108,000. It is worth noting that some of the year-to-year variation in sales prices could be due to the types of homes being sold in an individual year, and is not necessarily reflective of an overall trend.

Table H-17: Single Family Home Sale Price Statistics, 2000-2002

	Year		
	2000	2001	2002
Number of Listings	62	57	55
Average Number of Days on Market	22	22	13
Lowest Sale Price	\$31,000	\$20,000	\$38,000
Highest Sale Price	\$346,000	\$267,000	\$318,000
Average Sale Price	\$114,619	\$118,568	\$157,522
Total Market Volume	\$6,672,208	\$6,947,743	\$8,730,200

Source: MLS Property Information Network, 2003

The majority of the statistics presented in Table H-17 have remained fairly constant over the past three years, with the exception of the number of listings per year has decreased slightly, as well as the average length of time listings are on the market. Also, the average sale price increased almost \$40,000. The lowest sale price increased from 2001 to 2002, as did the highest sale price and the average sale price. The total market volume increased by almost \$2 million from 2001 to 2002. This suggests that the housing market in Holland is growing steadily. According to the MLS Property Information Network, there was one sale of a multi-family home in 2001 for \$124,000.

Table H-18: Condominium and Cooperative Housing Sale Price Statistics, 2000-2002

	Year		
	2000	2001	2002
Number of Listings	2	2	4
Average Number of Days on Market	149	107	28
Lowest Sale Price	\$64,000	\$77,000	\$100,000
Highest Sale Price	\$70,000	\$95,000	\$120,000
Average Sale Price	\$67,000	\$86,000	\$105,000
Total Market Volume	\$134,000	\$172,000	\$420,000

Source: MLS Property Information Network, 2003

Table H-18 shows information on the sale of condominiums and cooperative housing in Holland. Although this is a small portion of the market in Holland, it is still significant. Eight condominiums or cooperative housing were sold from 2000 to 2002 with the lowest price being \$64,000 and the highest at \$120,000. The total market volume for these types of sales during this time period was \$726,000.

Housing Affordability

This section addresses Holland's housing prices and costs in terms of their affordability for the residents of the Town. Affordability is usually defined as when households spend no more than 30 percent of their income on housing costs.

The 2000 U.S. Census reports that the median household income in Holland is \$52,073. This means that households can spend \$1,302 or 30 percent of the monthly income. Assuming a household makes 100 percent of the median income, and makes a 5 percent down payment, has a 7.5 percent APR mortgage for 30 years, and spends \$300 a month for taxes and insurance, by only spending 30 percent of the median household income, an affordable home in Holland is valued at \$196,000. However, the median value for an owner-occupied housing unit in Holland is \$111,600. Homes at this value would be affordable by only spending \$741 per month.

Median Income

According to the 2000 U.S. Census, the median household income in Holland is \$52,073. At that income, households can afford to spend up to \$1,302, or 30 percent of their income, per month on their housing costs. As Table H-19 indicates, median earnings for full-time workers are lower than median household incomes, as many households have more than one worker. For example, a full-time female worker in Holland with median earnings (\$18,456) can only afford to spend up to \$461 per month on housing.

Table H-19: Income in Holland and Affordable Housing Costs, 1999

		Monthly Affordable Housing Cost (30% of Income)
Median Household Income	\$52,073	\$1,302
Median Earning for Male Full-Time Workers	\$37,037	\$926
Median Earning for Female Full-Time Workers	\$18,456	\$461

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

Median Housing Costs

Table H-20 reviews the median monthly housing costs for households in Holland, Hampden County, and Massachusetts, based on tenancy. As of 2000, the median monthly housing costs for Holland households total \$995 for homeowners with a mortgage, \$323 for homeowners without a mortgage, and \$671 for renters. On average, these housing costs represent 21 percent of gross household income for owners with a mortgage, 12 percent of household income for owners without a mortgage, and 21 percent of income for renters. These percentages are all below 30 percent, the general threshold for affordability. This indicates that the majority of Holland's households, both renters and homeowners, have housing that is affordable based on their incomes, and are not cost-burdened by their housing expenditures.

Table H-20: Median Housing Costs as a Percentage of Gross Income for Holland, 2000, Comparison to the County and State

Area	For Owners with Mortgage		For Owners without Mortgage		For Renters	
	Median Monthly Costs	Median Percent of Income Spent on Housing	Median Monthly Costs	Median Percent of Income Spent on Housing	Median Monthly Costs	Median Percent of Income Spent on Housing
Massachusetts	\$1,353	21.9%	\$406	12.4%	\$684	25.5%
Hampden County	\$1,087	21.6%	\$346	12.7%	\$535	26.3%
Holland	\$995	20.6%	\$323	11.3%	\$671	20.7%

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

A comparison of Holland's median housing costs with those for Hampden County and Massachusetts as a whole show that although the median housing costs vary among Holland, Hampden County, and the State, in general, the median percent of household income spent on housing remains fairly constant. The primary difference is for rental housing, which is relatively less expensive in Holland than the State, but higher than that for the County. As shown in Table H-22, renters in Holland on average expend 20.7 percent of their incomes on housing, compared to renters in Hampden County and the State overall, who on average spent 26.3 percent and 25.5 percent respectively.

Housing Costs Compared to Incomes

Although housing in Holland is affordable for the average resident, a significant proportion of residents in some low and moderate-income brackets are cost-burdened by their

housing costs. Table H-21 summarizes homeowners' level of spending on housing by household income, and Table H-22 summarizes the same information for renters. Both Tables are based on 2000 U.S. Census data. Overall, of the 809 households with cost data available, 163 homeowner households (20 percent) and 30 rental households (4 percent) spend 30 percent or more of their incomes on housing. Together, these households account for almost one-quarter of all households in Holland with cost data. Extrapolating this count to the whole population in Holland, it is estimated that at least 574 Holland households have burdensome housing costs¹.

Table H-21: Percentage of Income Spent on Housing Costs for Homeowners, 2000

Household Income	Spent under 20% of Income on Housing Costs	Spent 20-24% of Income on Housing Costs	Spent 25-29% of Income on Housing Costs	Spent 30-34% of Income on Housing Costs	Spent 35% or more of Income on Housing Costs
Under \$10,000	2	0	0	0	21
\$10,000 to \$19,999	13	7	6	2	39
\$20,000 to \$34,999	21	8	5	11	33
\$35,000 to \$49,999	55	9	26	24	15
\$50,000 to \$74,999	125	52	19	10	8
\$75,000 to \$99,999	69	21	0	0	0
\$100,000 or more	80	5	0	0	0
Total	365 (53%)	102 (15%)	56 (8%)	47 (7%)	116 (17%)

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

Table H-22: Percentage of Income Spent on Housing Costs for Renters, 2000

Household Income	Spent under 20% of Income on Housing Costs	Spent 20-24% of Income on Housing Costs	Spent 25-29% of Income on Housing Costs	Spent 30-34% of Income on Housing Costs	Spent 35% or more of Income on Housing Costs
Under \$10,000	0	0	0	0	4
\$10,000 to \$19,999	0	0	0	0	18
\$20,000 to \$34,999	10	5	4	3	0
\$35,000 to \$49,999	11	8	5	5	0
\$50,000 to \$74,999	19	2	0	0	0
\$75,000 to \$99,999	4	0	0	0	0
\$100,000 or more	6	0	0	0	0
Total	50 (48%)	15 (14%)	9 (9%)	8 (8%)	22 (21%)

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

Based on the 2000 Census data, low-income households have the highest rates of burdensome housing costs. Low-income households are considered to be those households that earn less than 50 percent of the area median family income, equal to \$29,200 for the Worcester primary metropolitan statistical area for the fiscal year of 2003. Of the 27 combined renter and homeowner households with incomes under \$10,000 and known housing costs, 25 of those households spend 30 percent or more of their incomes on housing. Similarly, among the 85

¹ This extrapolation was calculated by using the expression $(193 \times 2,407) / 809$

households earning between \$10,000 and \$19,000 per year, 18 renters and 41 homeowners spend 30 percent or more on their housing and are cost-burdened by their housing expenditures.

In Holland, there is a small, but significant, number of households who spend more than 50 percent of their incomes on housing. These households are considered to be severely cost-burdened by their housing expenditures. In Holland, the severely cost-burdened group consists of at least 87 households, including 17 renters with cash rents, 62 homeowners with mortgages, and 8 homeowners without mortgages. Most of the severely cost burdened households likely have fixed or limited incomes, and as a result, have experienced difficulties as housing costs have risen. For homeowners, the main changes in expenditures are probably rising property taxes as home valuations have increased. Households that are severely cost-burdened by housing expenditures may find themselves with little money left over to pay for other necessities, including food, health care, transportation, and home maintenance costs.

Affordable Housing Under Executive Order 418

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

Housing units that count as affordable housing for EO418's housing certification include both owner-occupied housing and rental housing. Qualifying rental units for housing certification must be affordable to families earning 100 percent of the median income, and qualifying homeownership units must be affordable to families earning 150 percent of the median income. The median income is defined as the median family income in the county where the units are located.

The median income used for Holland's housing certification, and for the certification of all other towns in the Worcester primary metropolitan statistical area for fiscal year 2003 is \$58,400. (For comparison, Holland's median household income reported in the 2000 U.S. Census is \$52,073, slightly lower.) Housing is considered affordable if families at the above area-wide median income levels spend no more than 30 percent of their incomes on housing expenditures.

To count towards Holland's housing certification, rental units must have rents and utilities totaling no more than \$1,460 per month, and ownership units must be valued at \$285,592 or less. Most of Holland's housing is considered affordable under these definitions. According to the 2000 U.S. Census data on housing costs, 4 percent of rental units in Holland have monthly costs of \$1,000 or more (*for more information, see the appendix*). Similarly, only 6 percent of Holland's owner-occupied homes have housing values above \$200,000.

Affordable Housing Under Chapter 40B

Chapter 40B of the Massachusetts General Laws (established in 1969) was the State's first major legislation to promote affordable housing. The legislation encourages towns to increase their amount of long-term affordable housing to 10 percent of their total housing units. The Chapter 40B definition of affordable housing is more restrictive than the general definition based on housing costs not exceeding 30 percent of household income. In determining a town's total number of affordable housing units for Chapter 40B, the State has traditionally only included units that receive direct subsidies through State or Federal housing assistance programs, and have assurances that the units will be occupied only by low and moderate income households for at least 30 years. The affordable unit counts have excluded all unsubsidized units, even if their monthly costs are less than 30 percent of the median household income. This restricted definition can be a disadvantage to rural communities where subsidized housing is less likely to be developed, but where housing costs relative to income may be lower than in more urban areas.

Using the Chapter 40B definition of affordable, the Massachusetts Department of Housing and Community Development estimates Holland has 41 units of affordable housing as of 2002. These 41 units represent 4 percent of Holland's year-round housing units.

Table H-23: Residential Units in Holland and Neighboring Towns that Count as Affordable under Chapter 40B, 2002

Town	Year-Round Housing Units	Chapter 40B Affordable Housing Units*	% Affordable Units, Using Chapter 40B Definition
Holland	947	41	4.33%
Brimfield	1287	84	6.53%
Sturbridge	3141	164	5.22%
Wales	690	57	8.26%

**Count as of April 24, 2002.*

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

Table H-23 gives the percentage of housing in each of the neighboring towns around Holland that is affordable according to Chapter 40B. Holland has the lowest percentage of affordable housing than any of its neighboring towns, with 4.33 percent. Wales has the highest rate of 8.26 percent. Part of the reason that the percentages in Table H-23 are so low is because the definition of affordable housing under Chapter 40B is limited and not because the towns lack housing that is affordable for residents. As discussed earlier, according to the 2000 U.S. Census, 76 percent of Holland households spend less than 30 percent of their incomes on housing, the general definition of affordability.

As previously mentioned, the State has recently begun to revise Chapter 40B and to expand its definition of affordable housing. Many types of housing all now count as affordable as long as they are serving low and moderate-income residents. Under Chapter 40B's expanded definition of affordable housing and with the Town's recent housing initiatives, Holland may have additional housing units that now qualify as affordable.

Potentially Suitable Locations for Future Residential Development

This section discusses the potential future housing demand and the available lands for future housing within the Town. The data in this section was obtained from the Massachusetts Executive Office of Environmental Affairs, the U.S. Census, and the Massachusetts Institute of Social and Economic Research.

Potential Future Housing Demand

The Executive Office of Environmental Affairs created Buildout Analyses for every community in the Commonwealth in 2001 to help cities and towns to understand what their current zoning and growth could mean for the community's future land use. The Buildout Analyses project what the maximum population and the number of residential units, among other things, the community could sustain under its current zoning. The Buildout should be viewed with caution because reaching a built out status for a community does not mean the end of development or growth. However, the Buildout Analyses is a useful tool for communities to understand the impacts of their current zoning.

The Buildout Analysis projects that under the current zoning, Holland would be able to sustain 10,914 additional residents for a total of 13,321 residents. It is also projected that Holland could have up to 5,270 residential units. By comparing this information to MISER's population projections, it can be concluded that Holland will not be built out for quite some time.

As was discussed earlier, the Massachusetts Institute of Social and Economic Research (MISER) estimated that Holland's population will grow by 594 people between 2000 and 2010. Assuming the average household size of 2.68 people per household from 2000, the new 594 people would occupy 222 homes. Though some of the new population could be accommodated in existing homes, for example, seasonal residences, it is still likely that most of the population growth would be accommodated with new construction.

Future Development

According to the Executive Office of Environmental Affairs, there are 5,912 developable acres of land in Holland in addition to the currently developed land. The following table shows what land is undeveloped as well as how many future housing units could be accommodated in each zoning district under the current zoning (*for more information, see the appendix*).

Table H-24: Developable Lands in Holland, 2000

Code	Zonecode	Acres in Town Zoned for District	Percent of Town Zoned for District*	Undeveloped Land in Acres	Potential Dwelling Units on Undeveloped Land
AR	Agricultural-Residential	6,947.6	83.0%	5,484.37	3,566
R	Residential	61	0.7%	319.87	218
GA	Garden Apartments	28.2	0.3%	23.46	135
B	Business	894.1	10.7%	25.18	18
RB	Rural business	4.9	0.1%	0.45	0
SC	Special Conservancy	71.8	0.9%	58.49	16

Source: Executive Office of Environmental Affairs, Developable Lands and Partial Constraints Builtout Map, 2000

**Percents do not equal 100 because the water zone was not included here*

Note: This data is from 2000 and does not reflect recent changes in land use.

Housing of some form is allowed in all zoning districts. Single-family detached units are allowed by right in all districts. Two family dwellings are allowed by right in all districts except for Agricultural-Residential and Special Conservancy where they are allowed by permit. Open space communities are allowed by special permit in every zoning district. The conversion of seasonal homes to year round use is permitted by right in all districts except for the Rural Business and Business districts. In the Garden Apartment district the only residential uses that are allowed are single-family homes and garden apartments.

As can be seen from the data in Table H-24, over 70 percent of the Town is comprised of undeveloped land. This suggests that the Town has 3,953 potential dwelling units that could be built under the current zoning.

Suitable Locations for Future Housing

After taking into account natural constraints on land such as rivers, wetlands, and areas with significant slope, the Executive Office of Environmental Affairs has determined that 3,953 housing units could be constructed in the Town. Preferably, this housing would allow for various types of homes that would be affordable for low, moderate, and middle-income residents.

Ideally, housing for low-income residents, in addition to being affordable, would be located near public transportation, would be close to centers of employment, and have useful amenities nearby such as a grocery store or pharmacy. However, these conditions do not occur in Holland. As the distance from useful and essential amenities is great a car is a necessity in this Town, which may be unaffordable for low-income residents. These factors indicate that there is no area in Holland that is more suitable than any other area for affordable housing. If low-income housing were to be built in the Town, it would be advantageous for the housing to be constructed near some amenities and also on reasonably priced land.

The current zoning for the majority of land in Holland specifies that the minimum lot size for residential uses must be three acres, except in the Garden Apartment district. This means that it could be difficult or impractical to construct housing for low, moderate, or middle-income

residents in town. Developing less expensive lots for these purposes may be the most feasible manner of creating affordable housing. The most ideal situation would be if a developer was to create housing in Holland and the Town was able to have a portion of the development devoted to affordable housing units.

The accompanying map shows potentially developable lands in Holland for future housing development. For this analysis, Holland was divided into lands that are absolutely constrained and cannot be developed, potentially constrained lands that are not ideal for development, and potentially suitable lands that could be developed.

Absolutely constrained lands are:

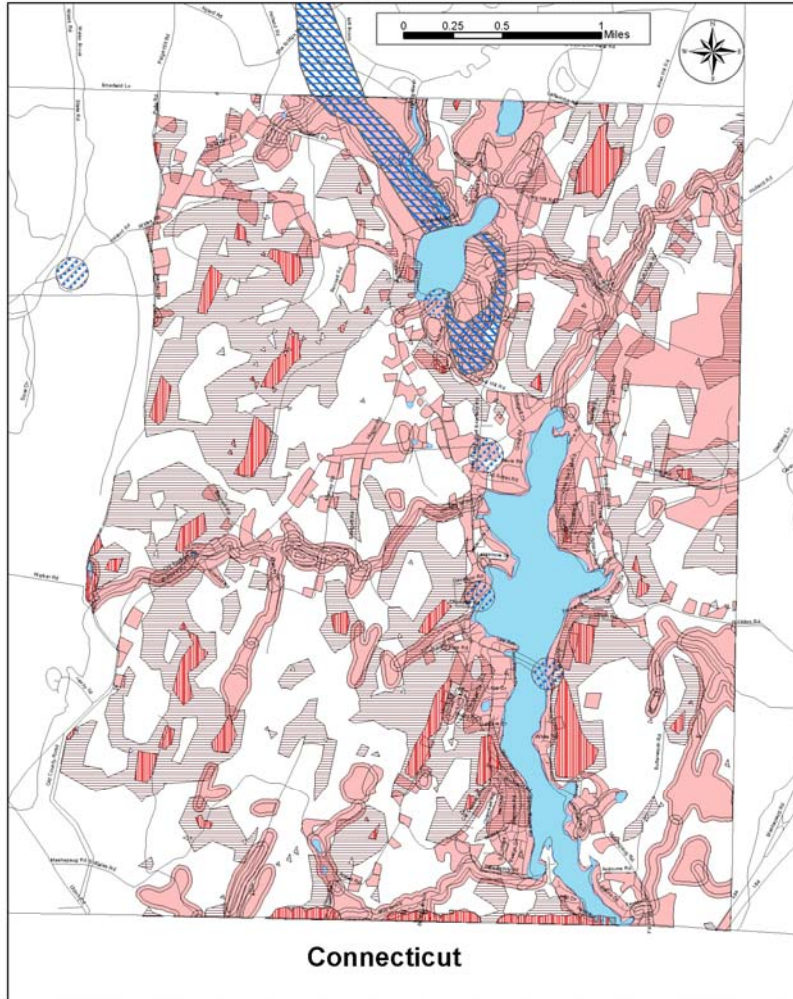
- a river, pond, or other water body;
- fall within the 200-foot buffer zone around rivers;
- a National Wetlands Inventory wetland;
- fall within the 100-foot buffer zone around wetlands;
- have slope of greater than 25 percent;
- public water supplies, including Zone I recharge areas;
- estimated habitats of rare wildlife in wetland resource areas;
- priority habitats of rare species;
- core habitats for rare species and natural communities;
- and permanently protected open space.

Potentially constrained lands are:

- prime farmland soils,
- Zone II wellhead protection areas,
- interim wellhead protection areas,
- aquifers of 100 to 300 gallons per minute,
- land that has already been developed,
- and land with slope between 15 and 24 percent

The remaining lands that are not absolutely or potentially constrained are potentially developable for housing. However, these lands will compete with other needs, such as economic development and open space protection.

Town of Holland, Massachusetts Community Development Plan Housing Suitability Map



Map Sources

Map produced by the Office of Geographic Information and Analysis,
University of Massachusetts, Amherst.

Roads, prime farmland soil, water body, aquifer, and slope data provided by MassGIS.
Zone II wellhead protection area data provided by EOEPA buildout maps and analysis.

The absolutely constrained data layer includes national wetlands inventory wetlands;
100 foot buffer area around wetlands, rivers, ponds, and other water bodies;
200 foot buffer areas around rivers, areas with slopes greater than 25 percent, and
permanently protected open space areas.

The potentially developable lands were identified by subtracting the absolutely
constrained lands from the total land area of the town.

March 22, 2004

Legend

- Roads
- Absolutely Constrained Lands
- Potentially Developable Lands
- Prime Farmland Soil
- Interm Wellhead Protection Area
- Slope 15% - 25%
- Slope > 25%
- Median Yield Aquifer (100 - 300 GPM)
- Water Body



Town of Holland
Hampden County, Massachusetts