

HOUSING TECHNICAL REPORT/MEMO

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OVERVIEW

The Housing section of the *Five Villages: One Future* Comprehensive Plan provides an overview of existing housing conditions and issues and then looks to the future to examine the housing needs for future generations of Montague residents. This section builds on previous planning that the Town of Montague has already conducted, such as the 2015 Montague Housing Production Plan and implementation of various housing strategies, such as the creation of a Smart Growth (40R) zoning overlay district.

Before the Covid-19 pandemic, Montague's housing was generally considered affordable from a regional perspective with diverse types of housing available. However, the last several years have shown that housing conditions can change rapidly. As more people began telecommuting and looking to relocate away from cities, Montague's housing market grew increasingly tight and is no longer affordable to many current residents or families looking to move to Montague.

Through the public outreach conducted as part of this comprehensive planning process, it is clear that residents of Montague are concerned about the current affordability of their homes, as well as future affordability – particularly for seniors on fixed incomes and families with incomes below \$60,000 a year. Eighty percent of survey respondents were supportive of new housing in town that would be intentionally affordable to those in the workforce. The cost of housing also has residents concerned about being able to afford basic repairs to their homes. With this context, the following guiding principle was created to direct this plan's housing element and recommendations:

Housing Guiding Principle

Promote a variety of housing types that create and sustain affordable, stable, multi-generational and diverse neighborhoods.

INVENTORY & EXISTING CONDITIONS

Montague’s housing stock is diverse with many housing types and has more subsidized affordable housing than most other towns in Franklin County. While the town’s number of housing units has grown in the last several decades, this growth has slowed and stabilized in recent years. This section outlines the existing conditions in Montague.

Housing Stock Characteristics

As mentioned, the housing stock in Montague is diverse and much more varied than many Franklin County towns. Table 1: Types of housing Units in Montague, 2021 below shows the breakdown of housing types throughout town in 2021.¹ Just over half of housing in town is composed of single family detached homes, while another 20% are 2-unit structures. Montague has one of the highest amounts of multi-family housing in Franklin County with 23% of all units located in structures consisting of 3 or more units. The majority (77%) of the multi-family housing in Montague is located in the Villages of Turners Falls and Millers Falls.

Table 1: Types of housing Units in Montague, 2021

<i>Housing Type</i>	<i>Number of Units</i>	<i>% of Units</i>
<i>1-unit, detached</i>	2,135	52.0%
<i>1-unit, attached</i>	123	3.0%
<i>2 units</i>	830	20.2%
<i>3 or 4 units</i>	293	7.1%
<i>5 to 9 units</i>	364	8.9%
<i>10 to 19 units</i>	111	2.7%
<i>20 or more units</i>	177	4.3%
<i>Mobile home</i>	74	1.8%
<i>Boat, RV, van, etc.</i>	1	0.0%
<i>Total housing units</i>	4,108	100%

¹ Unless otherwise specified, all data is from the American Community Survey, Five Year Estimates, 2009-2021. U.S. Census Bureau.

Of the 4,108 housing units in town, approximately 37% are rental compared to the 63% of owner-occupied homes. Similar to the concentration of multi-family units in Montague, the Villages of Turners Falls and Millers Falls contain 73% of all rental units in town.

Montague has added approximately 170 housing units between 2009 and 2021, which is a 4.5% increase. Figure XX shows the relatively stable housing levels over the past decade, while the town’s population has started to increase in recent years after a period of stability/slight decline.

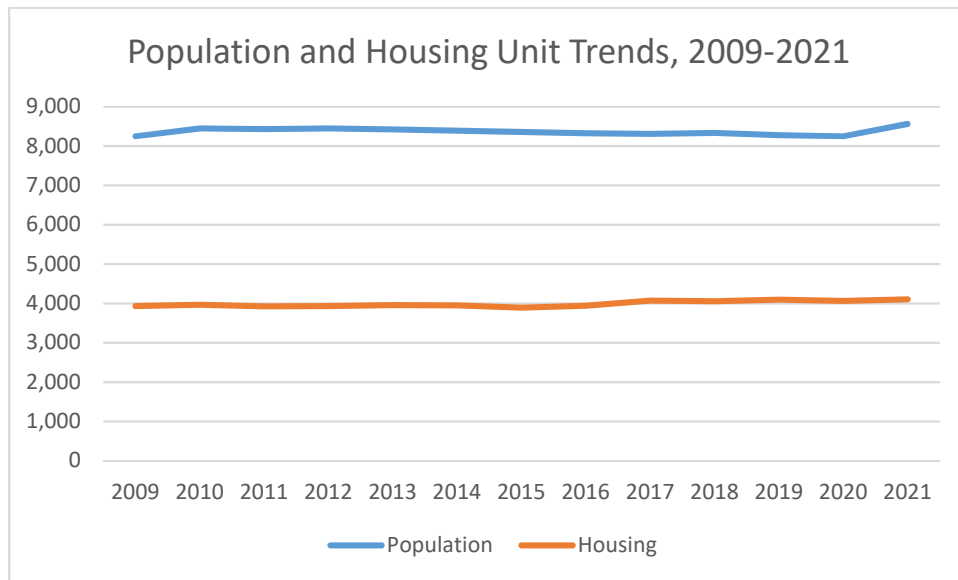


Figure XX. Change in Population and Housing Units, 2009-2021.

The general age of housing in Montague is on the older side with over 40% of existing housing built prior to 1939. This is a larger percentage than Franklin County as a whole (36%), but when looking at just Turners Falls and Millers Falls, the percentage of homes built before 1939 is much greater than even Montague as a whole. Over 43% of housing in Turners Falls and 65% in Millers Falls was built before 1939.

While older homes and their typical architecture provide a community with a distinct character and charm, they may be energy inefficient and have high repair and upkeep costs. The age of housing stock is also an indicator of increased need for maintenance and repair. Older housing is built to outdated building codes, which can present numerous problems for accessibility, energy efficiency, electric/plumbing, and the presence of lead paint or asbestos. In addition, as the town’s share of seniors continues to increase, the accessibility of these homes may become an issue for residents as they try to stay in their homes as they age.

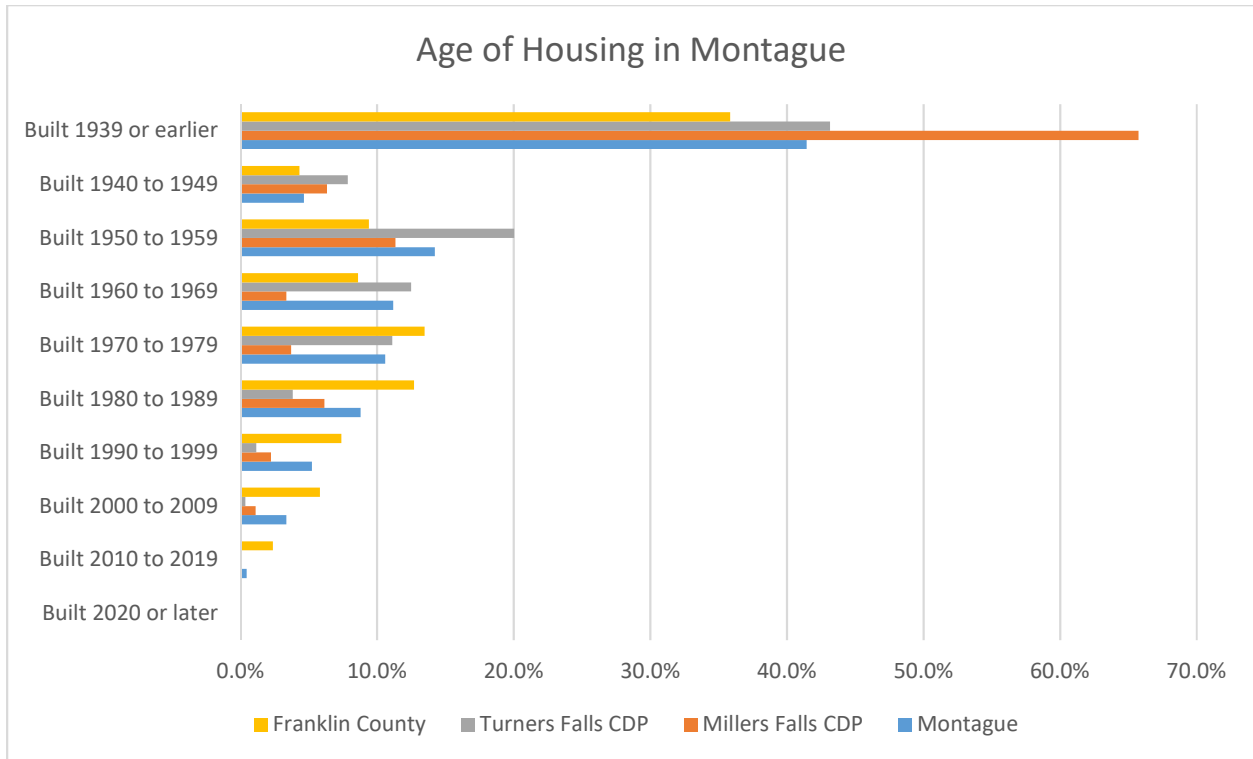
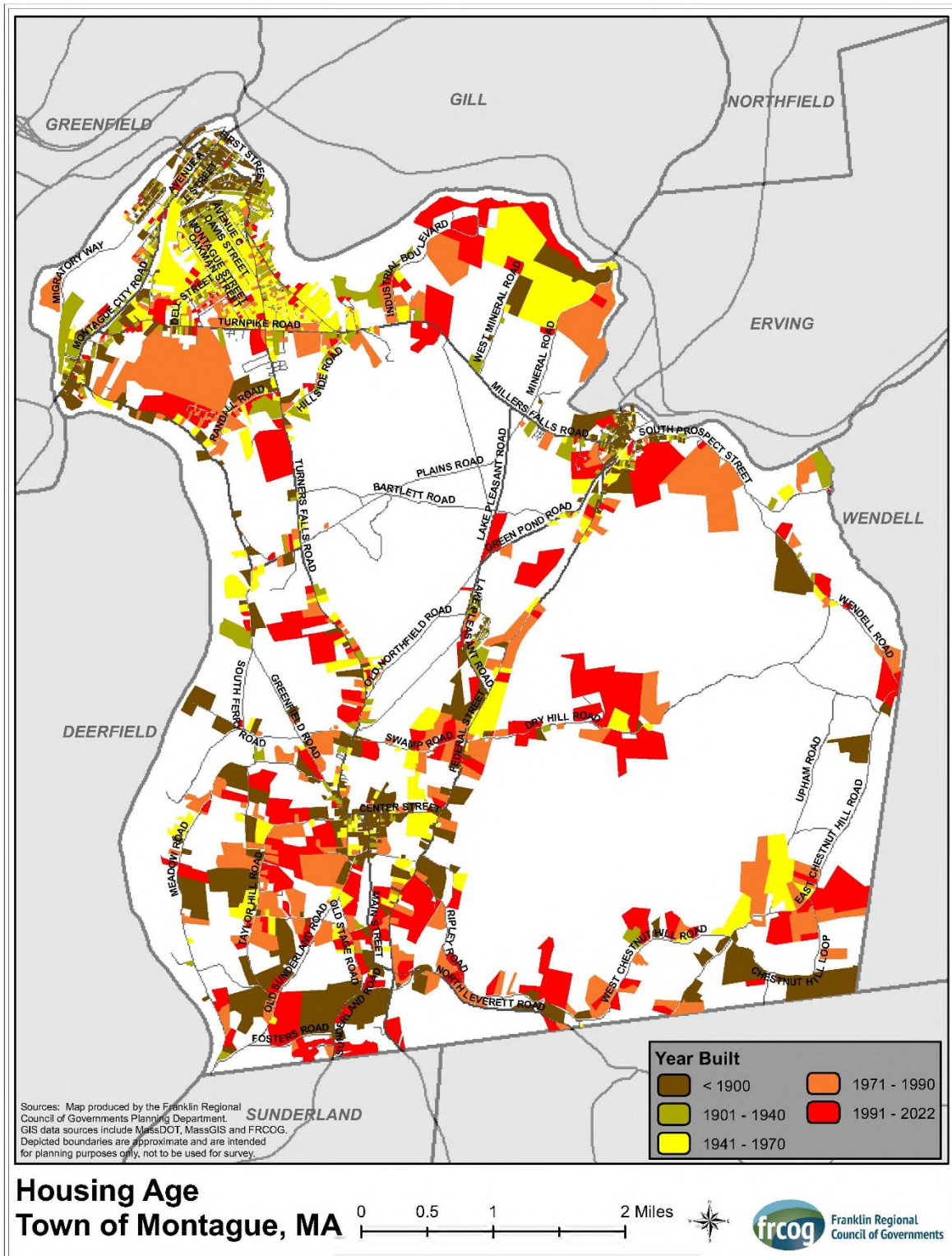


Figure XX. Age of Housing in Montague, 2021 (CDP = Census Designated Place)



Because the majority of homes in Montague are older, they also tend to rely on traditional heating fuels that use nonrenewable energy sources. In 2021, 45% of homes in town use oil or kerosene to heat their homes, while another 8% use natural gas. Another significant portion of homes rely on electricity (12%) for heat. However, the sources of the electric heat could be a mix of renewable and nonrenewable energy sources depending on whether a resident uses the utility provider’s default energy portfolio or if they have selected to obtain their electricity through more renewable sources such as solar farms.

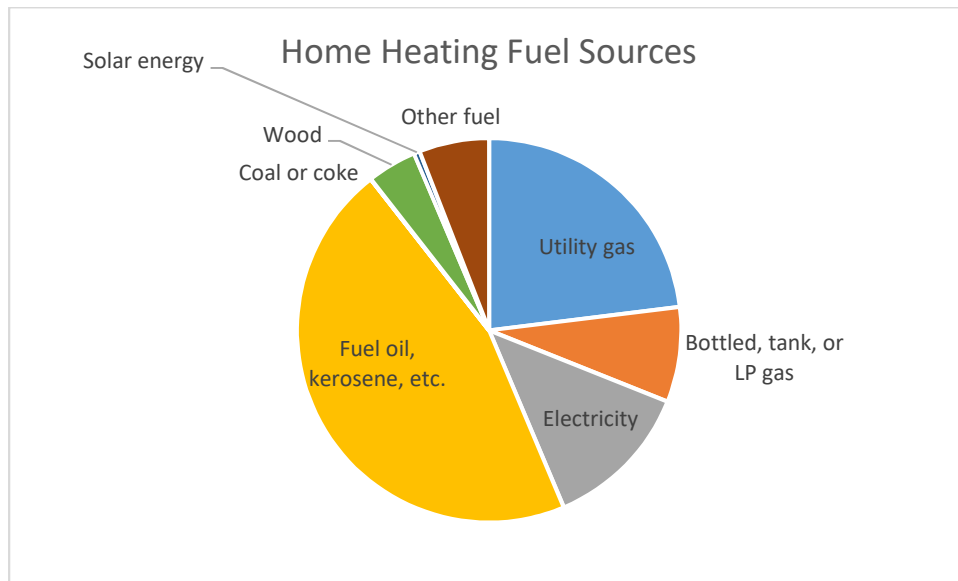


Figure XX. Home Heating Fuel Sources

Housing Development and Supply

Owners or builders file building permits when they initiate any type of major construction or demolition in Montague. Permits for activities such as new construction, renovations, and demolitions are good indicators of the housing market in Montague. While nine units were constructed in 2020 during the height of the pandemic, this was not typical for the past seven years, as the average number of units per year has been around five. A total of 35 units of housing have been constructed over the last 7 years; however this is not enough new supply to meet demand.²

² Town of Montague Building Department. The building permit data is only available since 2016 through the Town’s permitting software. Data prior to 2016 is not broken down into types of permits.

Table 2: Montague Building Permit Data 2016-2022

Year	Single Family Construction	Accessory Dwelling Unit	Apartments	Total
2022	3	1	3*	7
2021	4	1	0	5
2020	8	1	0	9
2019	3	1	0	4
2018	3	1	0	4
2017	4	0	0	4
2016	2	0	0	2

*Apartments were added to an existing mixed use building.

The current vacancy rates in Montague reflect the tight housing supply. As of 2021, the vacancy rate was 0.0% for owner-occupied units and 1.6% for rental units. A healthy housing market is generally considered to have vacancy rates of 2-3% for owner-occupied homes and 4-5% for rental properties. As Table 3 shows, Montague, Franklin County, and Massachusetts have lower vacancy rates than that in both categories and this indicates a high demand for more housing options. The vacancy rates also suggests that people seeking to move to Montague, or to relocate within the town, may have difficulty finding affordable homeownership or rental options.

Table 3: Homeowner and Rental Vacancy Rate

	Homeowner vacancy rate	Rental vacancy rate
Montague	0.0%	1.6%
Franklin County	0.5%	2.6%
Massachusetts	0.9%	3.3%
Typical Healthy Vacancy Rates	2-3%	4-5%

Current housing market conditions demonstrate that supply is indeed very limited. A search on real estate websites³ on April 17, 2023 showed that there were only three listings available for sale— a mixed use building located in downtown Turners Falls with several storefronts and three upper story residential units; a single family home; and 1-bedroom mobile home. On this same date, there were also only three units to rent, ranging from \$1,200-\$1,800 a month for 1-2 bedroom units.

³ www.Realtor.com and <https://westernmass.craigslist.org/>

Housing Affordability

Housing affordability has remained a major issue both nationally and within Massachusetts. With the tight housing market, housing in Montague has also become increasingly unaffordable. One way of looking at housing affordability is by the percentage of households that are considered cost-burdened. Cost-burdened households are defined as households who spend more than 30% of their income on housing costs. In Montague, over 50% of renters are considered cost-burdened, higher than both Franklin County and the state, and almost a quarter of home owners are cost-burdened, which is slightly under the rates for Massachusetts and Franklin County.

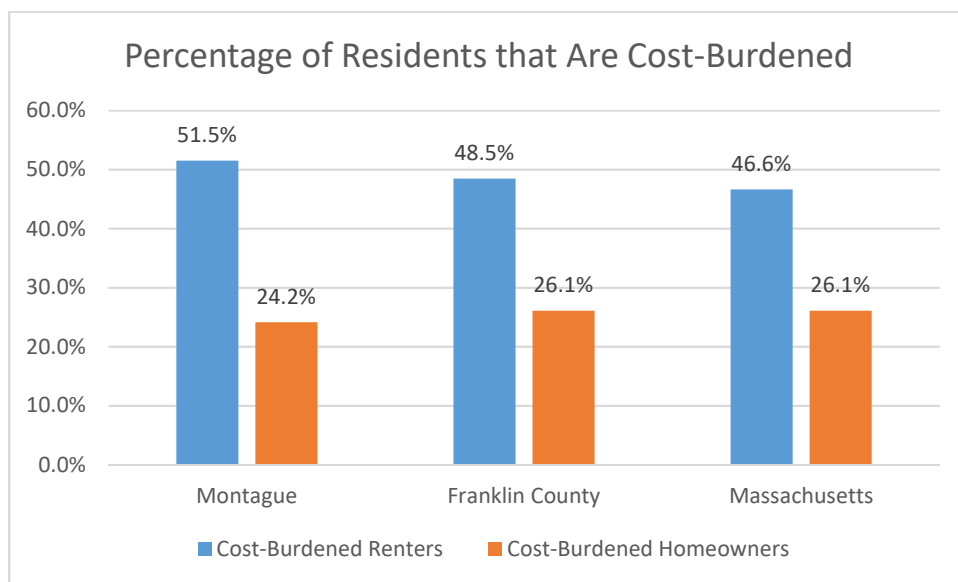


Figure XX: Cost-Burdened Montague Residents (Pay More than 30% of Household Income on Housing Costs)

Because where we live often dictates the transportation we need to use on a daily basis, transportation costs should be considered as part of a household’s living costs. When combining these costs, Montague is an unaffordable place to live due to the need to mostly commute by car. According to the Center for Neighborhood Technology’s Housing + Transportation Affordability Index, the majority of Montague residents pay 52% of their income on both housing and transportation costs.⁴ To have affordable costs, a household should not be paying more than 45% of their combined housing and transportation costs.

⁴ “Housing and Transportation Affordability Index (H+T)” Center for Neighborhood Technology. <https://htaindex.cnt.org/map/>, June 2023.

Table XX. Affordability Spectrum for 4-Person Owner Household in Franklin County by AMI, 2021

Income Category	Montague Households	
	Number	Percent
Extremely Low (below \$25,000)	700	19%
Very Low (\$25,000 - \$39,999)	535	14%
Low (\$40,000 - \$59,999)	491	13%
Moderate (\$60,000 - \$74,999)	396	11%
Middle-Upper (\$75,000 and above)	1643	44%
Total	3765	100%

Currently, 9.6% of Montague’s housing stock is subsidized and limited to low or moderate income households. However, 56% of *current* households have annual incomes that qualify as low to moderate income. The determination of which households are very low income, low income, moderate income, and middle to upper income is based upon the Area Median Income (AMI), which is defined by the U.S. Department of Housing and Urban Development (HUD), and household size.⁵ Households are considered to be extremely low income if earning less than 30% of AMI, very low income if earning less than 50% of the AMI, low income if earning between 50% and 80% of the AMI, and moderate income if earning up to 100% of the AMI. Middle to upper income households have incomes greater than 100% of the AMI. In Fiscal Year 2021, the Area Median Income for Franklin County (Montague is part of the Franklin County income limit area) is \$82,900 (Figure XX). This AMI is used for planning purposes only.

⁵ AMI is used by HUD interchangeably with Family Median Income (FMI). This plan will refer exclusively to HUD income estimates as AMI.

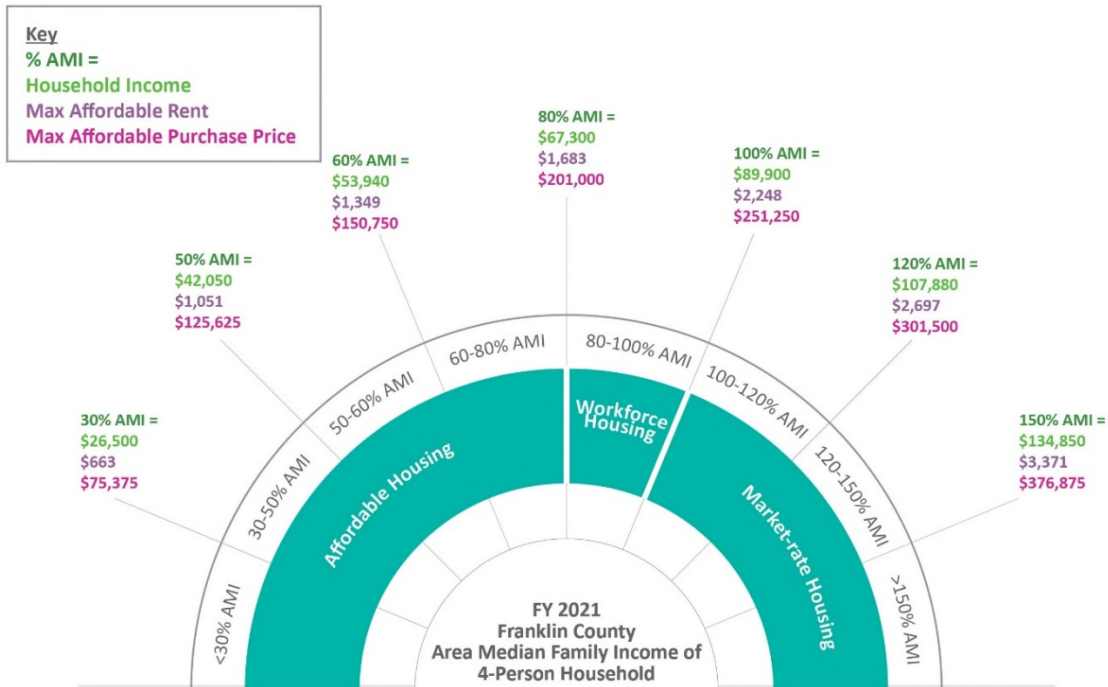


Figure XX. FY 2021 Franklin County Area Median Family Income of a 4-Person Household

Source: U.S. Department of Housing and Urban Development.

<https://www.huduser.gov/portal/datasets/il.html> and Massachusetts Department of Housing and Community Development.

The state legislation Chapter 40B authorizes a housing agency or developer to obtain a single comprehensive permit for the construction of subsidized low or moderate-income housing if less than 10% of a community’s total year-round housing is subsidized as low or moderate-income housing. A Comprehensive Permit allows a developer to override the existing zoning regulations. Because Montague is currently just below this threshold at 9.6% of its housing, it is vulnerable to a Comprehensive Permit application. The Town can work cooperatively with project partners on Comprehensive Permit applications (often referred to as “friendly 40B projects”), but a developer could propose a 40B project that the Town does not agree is a good fit for the community, and because Montague is currently below the safe harbor threshold of 10%, it is unable to deny a comprehensive permit. As a result, there is a need to increase the number of affordable housing units for greater local control over affordable housing development that meets the needs of current and future town residents.

Zoning and Building Code for Housing

Montague has been a leader in the region with a progressive Zoning Bylaw that allows for diverse housing types and encourages density in its downtowns. In 2022, the Town established a 40R Smart Growth Overlay District in several locations in downtown Turners Falls. The 40R overlay district incentivizes the creation of new housing units by permitting denser development when at least 25% of the units are affordable. Montague also supports the creation of Accessory Dwelling Units (ADUs) by allowing them within, attached, and detached to existing single family dwelling units. ADUs provide a community with moderately priced units that can be adaptable to households at a variety of stages in their life cycle. Montague's zoning also supports historical development patterns in its downtowns by allowing multifamily, mixed uses, and zero setbacks in certain areas. These regulations encourage traditional central business district development patterns that make communities walkable and support local, small businesses. At the same time, the Town's zoning is protective of water supplies and restricts development in floodplains.

The Town of Montague adopted the Commonwealth's Stretch Building Code in 2010, which has stricter energy efficiency guidelines for new construction and alterations. The latest edition of the Stretch Code increases energy efficiency requirements and requires wiring for electric vehicle charging at new residential and commercial uses.

OPPORTUNITIES & CHALLENGES

Older Housing Stock

Montague has an older housing stock, which provides the town with character and opportunities for a diverse housing stock. Developing additional housing units within existing structures can help maintain the historic character of the town while providing new housing opportunities and an additional income source for homeowners in the form of rental income. Reusing existing housing also conserves the resources that would be used to build a new house, including materials and the land.

However, there are also a number of potential issues related to older housing stock. Older homes can contain environmental hazards such as asbestos and lead-based paint, and can sometimes constitute a health hazard due to compounded years of poor maintenance with issues such as foundation and roof problems, mold, wood rot, and aging electrical wiring. Additionally, these houses may be less accessible for handicapped or elderly residents, and potentially less energy efficient and more costly to maintain. Substandard older housing may be

occupied by those residents least able to afford the regular maintenance required of an older home.

Population Change

Current population projections show that both Franklin County and the Town of Montague are expected to lose population over the next 30 years.⁶ The need for housing does not diminish with potential population loss due to smaller household sizes. In fact, while Franklin County is projected to lose one person every eight days, the number of households is increasing at a rate of one household per five days. This means that the housing supply in Montague must grow to match household demand and to reduce increasing pressure on housing affordability.

This potential population loss does not take some factors into consideration, such as climate migration, potential arrival of east-west passenger rail, or the increasing availability of broadband in the region allowing remote working. While these factors may mitigate or even reverse the projected population loss, there is still a need to prepare and encourage population growth for the health and sustainability of the town.⁷ One way to do this is to ensure that there is a sufficient supply of housing that will meet the needs of current residents, as well as new residents.

The population in Montague and Franklin County is also aging. Projections indicate that the trend of an aging population over the last two decades appears to be continuing if not accelerating over the next 10-30 years. At the same time, the projected total population of Montague is decreasing, leading to an overall greater percentage of residents over 65. By the end of the decade, almost 30% of residents are expected to be 65 or older.

⁶ UMass Donahue Institute/MA Dept. of Transportation Population Projections (2022); <https://donahue.umass.edu/business-groups/economic-public-policy-research/massachusetts-population-estimates-program/population-projections>.

⁷ Population projections are based on past trends and should be evaluated within current and anticipated future contexts.

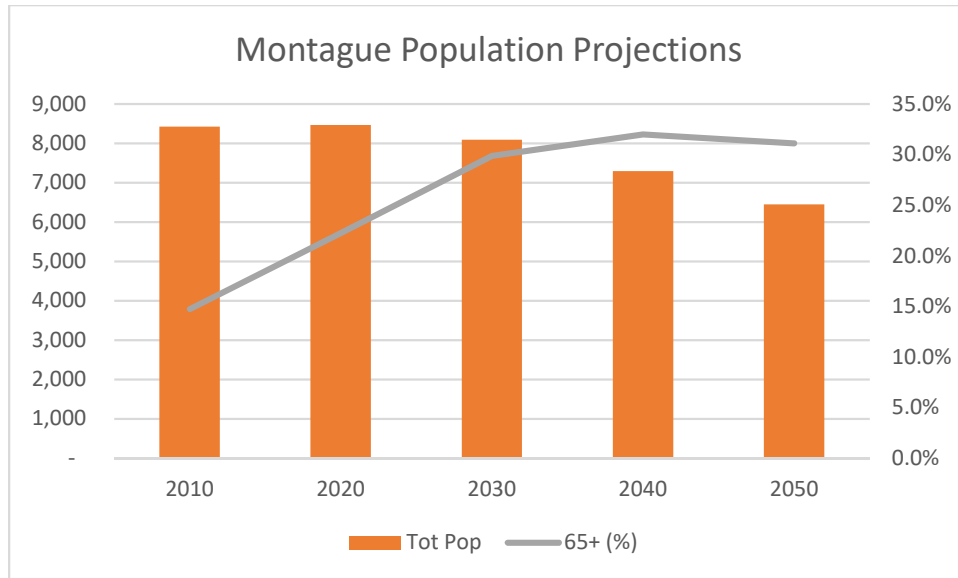


Figure XX. Population Projections for Town of Montague

Seniors have unique needs and often require increased service provisions. Transportation services, grocery delivery, and programming to maintain social interconnectedness are all important pieces in maintaining the general health and well-being of seniors. In Montague, increasing housing prices and housing-related costs can make it difficult for senior residents to remain in their homes. Due to the limited supply of housing in general, and accessible housing in particular, there are very few options for seniors to move into a different type of housing. Planning for a sustainable housing future must focus on the growing senior population while continuing to keep an eye on attracting younger residents and families. The Town needs to plan for the changing demographics and the shifts in age groups to continue to provide a high quality of life for its residents.

Remote Working

While projections, which are based on past trends, show that Montague’s population could be decreasing; this is not a foregone conclusion. In fact, there are several important external factors that could very much change this projected trend. One of those factors is the increase in remote working or telecommuting. A monthly study conducted by Stanford University on working from home shows that, nationally, 27% of paid full-time days were worked from home in early 2023.⁸ This level of remote working is a decrease from a pandemic high of 60% paid full-

⁸ Barrero, Jose Maria, Nicholas Bloom, and Steven J. Davis, 2021. “Why working from home will stick,” National Bureau of Economic Research Working Paper 28731.

time days, but has remained very stable since the Spring of 2022. The same study also reported that as of January 2023, 13% of Full-Time Employees are fully remote, with another 28% using a hybrid work arrangement. While the Montague housing market is tight and unaffordable for many current residents, it is still significantly less expensive than homes in the Boston region. With work location flexibility, it is very likely that Montague may see an influx of residents in the near future. This could exacerbate current housing affordability issues if the housing supply does not grow and continue to diversify with various housing types.

Climate Migration

Both an opportunity and a challenge for Montague's future is the impact from climate migration. As climate change-induced natural disasters occur around the country and world, people are being displaced and relocating to other communities. Between 2020 and 2021, 2.3 million Americans were displaced by 383 disasters.⁹ While Western Massachusetts is expected to certainly experience the effects of climate change, it will relatively be better off than other areas of the county. A mapping project from *ProPublica* shows that Franklin County and New England will fare far better than other regions of the United States between 2040-2060, potentially making this region a "receiver community" for climate migrants.¹⁰

Migration to New England, particularly inland New England, due to climate change has already begun. Montague has already experienced this with a recent arrival of residents from Puerto Rico after the devastating Hurricane Maria. This trend is expected to increase over the next decades. Some communities have begun to plan for this expected migration, focusing especially on housing and providing a welcoming community.¹¹ However, geography and a cooler climate will not automatically turn communities into receiver communities. Making that transformation will require communities to think about their own sustainability and capacity and prepare their existing residents for changes to come.

Passenger Rail

Another factor that could potentially change the trend of decreasing population in Montague is the presence of passenger rail. Amtrak reestablished north-south passenger rail to New York in

⁹ Global Internal Displacement Database, Internal Displacement Monitoring Centre, <https://www.internal-displacement.org/database/displacement-data>.

¹⁰ "new Climate Maps Show a Transformed United States," *ProPublica*, <https://projects.propublica.org/climate-migration/>. September 15, 2023.

¹¹ <https://www.npr.org/2021/01/22/956904171/americans-are-moving-to-escape-climate-impacts-towns-expect-more-to-come>; <https://www.wired.com/story/as-climate-fears-mount-some-are-relocating-within-the-us/>; <https://www.wbur.org/news/2023/05/22/climate-change-new-england-migration>

2014 with a stop in nearby Greenfield. The popularity of Amtrak's Vermonter service has led to the establishment of an additional service, the Valley Flyer, and there are now three round trips a day that stop in Greenfield. The state is currently conducting a feasibility study for an east-west passenger rail stop between Boston and Pittsfield. If this route were to be implemented, with either a stop in Greenfield or, potentially, in the Village of Millers Falls, it would mean that residents could travel to Boston much more easily. With the ability to have remote hybrid work schedules and easily commute to places like New York City and Boston, Montague could become a very desirable place to live for new residents.

Adaption of Homes to Climate Change

The 2022 Massachusetts Climate Change Assessment Report states that the supply of affordably priced housing could be further reduced in the future due to direct physical damage from climate impacts and potentially higher construction costs. The prospect of an increasing number of climate-related extreme weather events is a compelling need for improving the resilience of both new and existing housing through measures that strengthen their ability to withstand disasters, climate hazards, power outages, and to become sustainable for energy use and environmental protection.

Planning Resources and Public Support

Housing and, specifically affordable housing, can be controversial topics in any community. To support and advocate for housing that meets many diverse households' needs, Montague has recently established a Montague Housing Group and the Town Planner participates in the Franklin County Small Town Housing Working Group. These groups and support like this is a valuable opportunity to discuss housing needs, exchange knowledge, and advocate for housing and affordable housing in town and in the region. Continuing to capitalize on planning resources and building public support will be necessary for the Town to diversify and increase its housing options.

RECOMMENDATIONS

ENCOURAGE HOUSING DIVERSITY

- Support the following types of housing:
 - Infill development in villages
 - Accessible housing for seniors and those with disabilities
 - Farm worker housing
 - Live-work housing, either within same unit or same building
- Redevelop the following sites with a mix of housing and other uses
 - Farren Care property in Montague City
 - Railroad Salvage/Griswold Mill property in Turners Falls

REVISE ZONING TO SUPPORT HOUSING

- Allow a greater variety of housing types (townhomes, garden apartments, etc) in more zoning districts that have sewer and water infrastructure
- Create additional Inclusionary Zoning districts or expand the 40R Smart Growth overlay that requires a percentage of affordable units as part of a housing development with potential density bonuses as an incentive
- Specifically allow assisted living facilities
- Explore the concept of transfer of development rights (TDRs) to encourage housing growth

CAPACITY BUILDING

- Consider passing the Community Preservation Act (CPA) to provide funding for affordable housing support and/or subsidies
- Consider earmarking local lodging tax revenues from short-term rentals for housing-related programs (for example, housing rehabilitation grants or first-time home buyer assistance)
- Conduct public education and increase awareness of the importance of housing affordability and diversity to Montague's future

INVEST IN EXISTING HOUSING STOCK

- Continue to work with Franklin County Regional Housing Authority to use CDBG funds for housing rehabilitation and Home Modification Loans

- Continue to work with FRCOG and MA Attorney General’s Neighborhood Renewal program to identify abandoned and derelict housing and put housing on the path to receivership or new ownership and repair
- Work with landlords to bring homes up to code and increase energy efficiency
- Encourage home modification for accessibility and aging in place

INCREASE RESILIENCY

- Encourage new homes to be oriented to take advantage of roof-mounted solar panel placement, passive heating and cooling
- Encourage clean and efficient energy systems in new and existing homes

I am a family physician at Baystate Franklin Medical Center and the Associate Program Director for our new UMass Chan – Baystate Health Greenfield Family Medicine Residency Program. We are entering our 2nd year with residents and it has become clear that housing is a significant challenge throughout our communities. We will eventually be matriculating four new residents each summer and have a total of 12 trainees at a full complement between 3 classes. These residents are excited to begin their family medicine careers in Franklin County. Many of them would love to work and live in their areas they serve, but current housing shortages have forced residents—and even some attendings—outside of the Greenfield area, simply due to a dearth of housing opportunities. Studies have shown that approximately, 55% of family medical residents stay within their state or 100 miles of where they trained (about 37% stay within 25 miles) after they graduate and practice as attendings. At our new residency program, one of our primary objectives is to grow our own family doctors who will come to Franklin County for at least 3 years and then stay to live and work in for many more. In order to attract residents each year and have them establish roots, we need to help address the housing needs in this region.

— Nathan Macedo (interview with FRCOG Staff)