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  Lynn Kinsella, City Clerk’s Office
  Barbara Pulaski, Building Department
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    City’s Assessor’s Department
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    Consortium and Continuum of Care
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Section 1

EXECUTIVE SUMMARY
CITY OF NEWBURYPORT
HOUSING PRODUCTION PLAN

1. EXECUTIVE SUMMARY

1.1 Background and Purpose
Newburyport has embarked on a major comprehensive planning process to update its 2001 Master Plan. This Master Plan will include an important housing component that will comply with the state’s Housing Production requirements under Massachusetts General Laws Chapter 40B, 760 CMR 56.00.¹

This Housing Production Plan, through the Housing Needs Assessment, represents an opportunity for the City of Newburyport to fully examine the relationship between the specific impacts of demographic changes relative to housing and the dynamics of market conditions. Only by understanding these changes can the City determine the current and future housing needs of its citizenry. Ultimately this Housing Plan will provide guidance to the City as it renders decisions on any number of policy issues regarding housing such as where to allocate resources for the production of new affordable and workforce housing, how to revise its existing zoning code as it relates to building new housing, and how to engage housing developers and other housing service providers in partnerships that will work to fill the identified needs. This Housing Production Plan also provides graphic representations of recommended strategies to help local leaders and residents visualize the impacts and important benefits of various affordable housing opportunities.

1.2 Summary of Significant Demographic and Housing Characteristics and Trends
Table 1-1 summarizes demographic characteristics in Newburyport and compares this information to that of Essex County and the state, indicating the following notable demographic trends:

- **Newburyport’s population has grown steadily but is slowing down.** Following a drop in population between 1930 and 1940, from 15,084 to 13,916 residents, Newburyport’s population has grown steadily with a growth rate of 23.4% from 1950 to 2010, but only 1.3% between 2000 and 2010. The 2010 census indicated a total population of 17,416.

- **High population density.** Newburyport is a small and relatively dense community with a population density of 2,078 residents per square mile of land area (8.38 square miles) compared to a density of 1,484 and 835 persons per square mile for the county and state, respectively.

- **Very small but growing minority population.** Minority residents have increased from 161 residents in 1980 to 628 in 2010, but still represent only 3.6% of Newburyport’s population, which is small in comparison to 18.1% for Essex County and 19.6% statewide.

¹ The state administers the Housing Production Program that was created to give cities and towns greater local control over affordable housing development. If a municipality adopts an affordable housing plan and then actually meets unit production goals of at least .50% of its year-round housing stock in any one year, the City may be able to deny inappropriate comprehensive permit projects for at least one year and for two years if 1.0% of its year-round housing stock is produced.¹ Newburyport would have to produce at least 40 affordable units per year (80 units for a two-year period when 40B permits can be denied), a formidable challenge, and housing growth will continue to drive-up the 10% goal.
**Table 1-1**

Summary of Demographic Characteristics for Newburyport, Essex County and Massachusetts, 2010

<table>
<thead>
<tr>
<th>Demographic Characteristics</th>
<th>Newburyport</th>
<th>Essex County</th>
<th>Massachusetts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population</td>
<td>17,416</td>
<td>743,159</td>
<td>6,547,629</td>
</tr>
<tr>
<td>Population density (per square mile of land area)</td>
<td>2.078</td>
<td>1.484</td>
<td>835</td>
</tr>
<tr>
<td>% Minority residents</td>
<td>3.6%</td>
<td>18.1%</td>
<td>19.6%</td>
</tr>
<tr>
<td>% under 18 years</td>
<td>20.8%</td>
<td>23.2%</td>
<td>21.7%</td>
</tr>
<tr>
<td>% 18 to 20 years</td>
<td>2.0%</td>
<td>3.9%</td>
<td>4.6%</td>
</tr>
<tr>
<td>% 21 to 34 years</td>
<td>11.5%</td>
<td>16.1%</td>
<td>18.6%</td>
</tr>
<tr>
<td>% 35 to 44 years</td>
<td>14.1%</td>
<td>13.5%</td>
<td>13.6%</td>
</tr>
<tr>
<td>% 45 to 54 years</td>
<td>18.6%</td>
<td>16.3%</td>
<td>15.5%</td>
</tr>
<tr>
<td>% 55 to 64 years</td>
<td>16.5%</td>
<td>12.9%</td>
<td>12.3%</td>
</tr>
<tr>
<td>% 65 years or more</td>
<td>16.5%</td>
<td>14.1%</td>
<td>13.8%</td>
</tr>
<tr>
<td>Median age</td>
<td>45.9 years</td>
<td>40.4 years</td>
<td>39.1 years</td>
</tr>
<tr>
<td>% Non-family households</td>
<td>41.8%</td>
<td>34.3%</td>
<td>37.0%</td>
</tr>
<tr>
<td>% Single-person households</td>
<td>34.4%</td>
<td>28.1%</td>
<td>28.7%</td>
</tr>
<tr>
<td>Average household size</td>
<td>2.23 persons</td>
<td>2.54 persons</td>
<td>2.48 persons</td>
</tr>
<tr>
<td>Median household income*</td>
<td>$76,300</td>
<td>$63,341</td>
<td>$63,961</td>
</tr>
<tr>
<td>Individuals in poverty*</td>
<td>5.8%</td>
<td>10.4%</td>
<td>10.8%</td>
</tr>
<tr>
<td>% Earning less than $25,000/$35,000*</td>
<td>15.5%/23.0%</td>
<td>20.9%/29.4%</td>
<td>20.6%/28.5%</td>
</tr>
<tr>
<td>% Earning more than $100,000*</td>
<td>39.3%</td>
<td>30.5%</td>
<td>29.9%</td>
</tr>
</tbody>
</table>


*Growth in the number of households has been substantially higher than overall population growth.* The number of households increased by 1,765, from 5,857 in 1980 to 7,622 in 2010. This increase represents a 30.1% growth rate, higher than the 9.5% overall population growth during the same period.

*Increasing smaller, non-family households.* The average household size decreased from 2.72 to 2.23 persons between 1980 and 2010. Both the increase in households and declining household size are correlated to the growing number of smaller, non-family households, from 1,891 in 1980 to 3,185 in 2010. Non-family households comprised about 41.8% of all households in Newburyport, compared to 34.3% and 37.0% for the county and state, respectively.

*High level of persons living alone.* There are more persons living alone in Newburyport, 34.4%, compared to 28.1% for the county and 28.7% for the state. Thirty-five percent (35%) or 926 of these single-person households were 65 years of age or older.

*Newburyport’s population is on a whole older.* The median age was 45.9 years in Newburyport while considerably lower at 40.4 and 39.1 years for the county and state. The percentages of those in the younger age categories below age 35 were consistently lower than the county and state, while the reverse was the case for the older age groups. For example, those 55 years of

---

2 Includes individuals and unrelated household members.
age or older comprised one-third of Newburyport’s population but were 27% and 26% of all residents in the county and state, respectively.

**Newburyport’s median household income remains high.** The 2010 estimated median household income in Newburyport was significantly higher than that for the county and state, $76,300 versus $63,341 and $63,961, respectively. Additionally, the percentage of those earning less than $25,000 annually was lower in Newburyport based on 2010 estimates, 15.5% in comparison to 20.9% for Essex County and 20.6% for the state.

**Recent estimates suggest that poverty levels have actually increased.** The 2010 census estimates from the Census Bureau’s American Community Survey indicate that while lower than county and state levels, poverty increased in Newburyport from 5.2% in 1999 to 5.8% with an estimated 1,010 residents living below the poverty level as opposed to 877 in 1999. The number of adults 65 years of age or older living in poverty was also estimated to have increased from 6.9% to 7.7% from 1999 to 2010. Given the continued sluggishness of the economy, these poverty levels may in fact have increased even more.

Table 1-2 presents comparative data on housing characteristics that suggest the following trends:

**Housing growth has been steady but modest.** Housing growth in Newburyport was 4.4% between 2000 and 2010, somewhat lower than 6.8% for Essex County and 7.1% statewide. This growth rate was higher, however, than the 1.3% population growth during the same period. It should be noted that the teardown and replacement of the existing housing stock has been a factor in new housing growth.

**High level of owner-occupancy and declining rental stock.** In 2010, 71.5% of Newburyport’s housing stock was owner-occupied compared to 63.8% and 62.3% levels for the county and state. Newburyport actually experienced a net lost of 292 rental units over the past several decades, going from 2,464 rental units in 1980, or 38% of all occupied housing units, down to 2,172 units by 2010, representing only 28.5% of all units.

**High housing density.** Like population density, Newburyport has a much higher housing density than the county and state, at 986 units per square mile as opposed to 613 and 358 units for the county and state, respectively.

**Housing prices remain high despite a poor economic climate and declining sales.** Newburyport had substantially higher market values with the median price of a single-family home at $375,000 as of the end of 2012, versus $315,000 and $290,000 for the county and state. While prices and interest rates have been declining in recent years, making housing more affordable, the ability to secure financing remains challenging, providing a significant constraint to those entering the housing market. It should be noted that the housing market appears to be fluctuating a bit as the median single-family home price increased from $410,000 to $420,000 to $423,000 from June to July to December of 2011, and then was down to $375,000 as of the end of 2012.

In regard to the rental market, the 2010 median rent was estimated by the Census Bureau to be $1,080 while the lowest rent advertised on Craigslist in late August/early September 2011 was $850 for a 400 square foot, one-bedroom unit and approximately $1,050 for a two-bedroom
unit. Landlords also typically require first and last month’s rent up-front plus a security deposit. A strong rental housing market has pushed going rents well beyond the means of many, including most low- and moderate-income individuals and families.

Table 1-2
Summary of Housing Characteristics for Newburyport, Essex County and Massachusetts, 2010

<table>
<thead>
<tr>
<th>Housing Characteristics</th>
<th>Newburyport</th>
<th>Essex County</th>
<th>Massachusetts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total housing units</td>
<td>8,264</td>
<td>306,754</td>
<td>2,808,254</td>
</tr>
<tr>
<td>% Occupied housing units</td>
<td>92.2%</td>
<td>93.2%</td>
<td>90.7%</td>
</tr>
<tr>
<td>% Owner-occupied units</td>
<td>71.5%</td>
<td>63.8%</td>
<td>62.3%</td>
</tr>
<tr>
<td>% Renter-occupied units</td>
<td>28.5%</td>
<td>36.2%</td>
<td>37.7%</td>
</tr>
<tr>
<td>% Single-family, detached structures*</td>
<td>50.7%</td>
<td>50.0%</td>
<td>52.2%</td>
</tr>
<tr>
<td>% Units in structures of 3 or more units*</td>
<td>25.3%</td>
<td>31.6%</td>
<td>31.6%</td>
</tr>
<tr>
<td>Median single-family sales price as of end of 2010/2011/2012 (Banker &amp; Tradesman)</td>
<td>$415,250/$423,000/$375,000</td>
<td>$320,000/$311,750/$315,000</td>
<td>$295,000/$286,000/$290,000</td>
</tr>
<tr>
<td>Median monthly gross rent*</td>
<td>$1,080</td>
<td>$975</td>
<td>$1,008</td>
</tr>
<tr>
<td>Housing growth 2000 to 2010</td>
<td>4.4%</td>
<td>6.8%</td>
<td>7.1%</td>
</tr>
<tr>
<td>Housing density 2000 to 2010 (based on land area)</td>
<td>944 to 986 units per square mile</td>
<td>574 to 613 units per square mile</td>
<td>334 to 358 units per square mile</td>
</tr>
</tbody>
</table>


The convergence of these trends – increasing numbers of households, more people living alone, high housing prices, lower housing production, declining supply of rentals, difficulty in obtaining financing, large up-front cash requirements for homeownership and rentals – all point to a growing affordability gap! This gap is reinforced by 2010 estimates from the Census Bureau’s American Community Survey that counted 2,359 households or approximately 31% of all Newburyport households which were living in housing that was by common definition beyond their means and unaffordable, up from about one-quarter of all households in 2009.\(^3\)

Newburyport remains a vibrant community and continues to be a desirable place to move to, to work in and to raise our children. The City is also well ahead of most communities in the Commonwealth in regard to providing affordable housing and promoting “smart” land use patterns. However, based on the affordability gap that has been growing, largely outside of the City’s control due to demographic and economic conditions, the City cannot rest on its laurels.

\(^3\) According to HUD, if a household is spending more than 30% of its income on housing, it is living in housing that is beyond what they can afford.
This Housing Production Plan suggests ways for the City to make progress on reducing the affordability gap. Through a range of strategies including zoning changes, partnerships with developers and service providers, and subsidies, the City can continue to play a meaningful role in promoting housing options that match people to appropriately priced and sized units – producing housing that reflects local needs!

1.3 Priority Housing Needs
Based on input from a wide variety of sources, including demographic and housing characteristics and trends (Section 3.1 and 3.2), the HUD Five-Year Strategic Plan for the North Shore HOME Consortium, and prior planning efforts, the following priority housing needs have been identified:

**Rental housing for individuals**
There is a clear need for smaller rental units for those with lower-paying jobs, many in City’s service economy, who are encountering serious difficulty finding housing that they can afford in Newburyport. Some of these individuals have disabilities, others do not. Some are younger, looking for opportunities to live in Newburyport, while others are older, perhaps divorced or widowed with children who moved out on their own. Some may have even struggled with homelessness. What they all share is the need for a safe, decent and affordable place to live. Given the recent economic climate, needs are increasing while the City has been actually losing important rental units.

**Rental housing for families**
There is also a significant need to house families and growing numbers of smaller households that are increasingly including single parents with children as well as unrelated individuals.

**Preservation and improvement of the existing affordable rental stock**
The preservation of existing affordable rental units is essential to maintaining an affordable housing stock well into the future, and Newburyport has been losing rental units. This rental housing, including both units that are subsidized and in the private housing market, is more cost effective to rehabilitate and maintain than to build new. However, many low- and moderate-income homeowners lack sufficient resources to properly maintain their homes and address substandard housing conditions. Moreover, efforts are needed to maintain affordability restrictions on subsidized housing in perpetuity to the greatest extent possible, so as not to lose affordability based on expiring use restrictions.

**Affordable homeownership for families**
Market conditions have placed the purchase of homes beyond the financial means of low- and moderate-income households, and families need opportunities to “buy up” as their families grow.

**Housing for at risk and special needs populations**
Housing should continue to be developed to serve those who are at risk of homelessness and/or have special needs that require supportive services. Providing stable and affordable opportunities for those transitioning out of shelters or special programs remains a high priority in the region.
Approximately three-quarters of the City’s Subsidized Housing Inventory (SHI) units\(^4\) are rental units. Based on the specific indicators of need, detailed in Section 3.3, this Housing Needs Assessment recommends that housing production goals strive to increase Newburyport’s affordable housing stock to accommodate at least this same level of need for rental housing production. Based on annual housing production goals of 40 units per year, the following housing goals by priority need are proposed:

<table>
<thead>
<tr>
<th>Type of Units</th>
<th>Annual Goals</th>
<th>5-Year Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental housing for individuals</td>
<td>15</td>
<td>75</td>
</tr>
<tr>
<td>Rental housing for families</td>
<td>15</td>
<td>75</td>
</tr>
<tr>
<td>Affordable homeownership for families</td>
<td>10</td>
<td>50</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>200</td>
</tr>
</tbody>
</table>

| Preservation of existing rental stock/20% of rental housing for individuals or families | 6 | 30 |
| Housing for at risk and special needs populations/10% of all new units produced | 4 | 20 |

### 1.4 Summary of Housing Production Goals

The state administers the Housing Production Program that enables cities and towns to adopt an affordable housing plan that demonstrates production of .50% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory.\(^5\) Newburyport would have to produce at least 40 affordable units, a formidable challenge, and housing growth will continue to drive-up the 10% goal.

If the state certifies that the locality has complied with its annual production goals, the City may be able, through its Zoning Board of Appeals, to deny comprehensive permit applications.\(^6\) Production goals over the next five (5) years include the creation of 155 affordable units.

### 1.5 Summary of Housing Strategies

The strategies summarized in Table 1-4 are based on previous plans, reports, studies, the Housing Needs Assessment, local housing goals, and the experience of other comparable localities in the area and throughout the Commonwealth. The strategies are grouped according to the type of action proposed –

\(^4\) Subsidized Housing Inventory (SHI) units are those that the state qualifies as affordable and eligible for counting towards a community’s 10% affordability goal or annual housing production goals under Chapter 40B.

\(^5\) The state has issued changes to Chapter 40B that included modifications to the Planned Production requirements. For example, the annual production goals are instead based on one-half of one percent of total housing units and plans are now referred to as Housing Production Plans (HPP).

\(^6\) If a community has achieved certification within 15 days of the opening of the local hearing for the comprehensive permit, the ZBA shall provide written notice to the applicant, with a copy to DHCD, that it considers that a denial of the permit or the imposition of conditions or requirements would be consistent with local needs, the grounds that it believes have been met, and the factual basis for that position, including any necessary supportive documentation. If the applicant wishes to challenge the ZBA’s assertion, it must do so by providing written notice to DHCD, with a copy to the ZBA, within 15 days of its receipt of the ZBA’s notice, including any documentation to support its position. DHCD shall review the materials provided by both parties and issue a decision within 30 days of its receipt of all materials. The ZBA shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be consistent local needs, provided, however, that any failure of the DHCD to issue a timely decision shall be deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days.
Building Local Capacity, Zoning Strategies, and Housing Development – and categorized according to priority as those to be implemented within Years 1 and 2 and those within Years 3 to 5. The strategies also reflect state requirements that ask communities to address a number of major categories of strategies to the greatest extent applicable.\(^7\) Also, while a major goal of this Plan is to eventually meet the state’s 10% goal under Chapter 40B, another important goal is to serve the range of local housing needs. Consequently, there are instances where housing initiatives might be promoted to meet community needs that will not necessarily result in the inclusion of units in the Subsidized Housing Inventory.

\(\text{It is also important to note that these strategies are presented as a package for the City to consider, prioritize, and process, each through the appropriate regulatory channels. Moreover, the proposed actions present opportunities to judiciously invest limited Community Preservation funding and the Housing Trust Fund to build local capacity, modify or create new local zoning provisions, and subsidize actual unit production (predevelopment funding and/or subsidies to fill the gap between total development costs and the affordable rent or purchase prices) that leverage other necessary resources.}\)

<table>
<thead>
<tr>
<th>Strategies</th>
<th>Priority for Implementation</th>
<th>In Years 1-2</th>
<th>In Years 3-5</th>
<th># Afforda Units</th>
<th>Responsible Parties**</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>6.1 Capacity Building Strategies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Ensure sufficient professional support</td>
<td>X</td>
<td>*</td>
<td></td>
<td></td>
<td>HT/M-CPC-CC</td>
</tr>
<tr>
<td>2. Conduct ongoing community education</td>
<td>X</td>
<td>*</td>
<td></td>
<td></td>
<td>HT</td>
</tr>
<tr>
<td>3. Increase funding for the NAHT</td>
<td>X</td>
<td>*</td>
<td></td>
<td></td>
<td>HT/M-CPC-CC</td>
</tr>
<tr>
<td><strong>6.2 Zoning Strategies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Modify in-law apartment ordinance</td>
<td>X</td>
<td>*</td>
<td></td>
<td></td>
<td>PB/HT-BI</td>
</tr>
<tr>
<td>2. Pursue 40R smart growth zoning</td>
<td>X</td>
<td>*</td>
<td></td>
<td></td>
<td>PB/HT</td>
</tr>
<tr>
<td>3. Modify Section VI-C</td>
<td>X</td>
<td>*</td>
<td></td>
<td></td>
<td>PB/HT</td>
</tr>
<tr>
<td>4. Allow two-family structures in all residential zoning districts</td>
<td>X</td>
<td>*</td>
<td></td>
<td></td>
<td>PB/HT</td>
</tr>
<tr>
<td>5. Insure inclusion of affordable units in waterfront development</td>
<td>X</td>
<td>*</td>
<td></td>
<td></td>
<td>PB/HT</td>
</tr>
<tr>
<td>6. Promote mixed-use development in more locations including affordable housing</td>
<td>X</td>
<td>*</td>
<td></td>
<td></td>
<td>PB/HT</td>
</tr>
<tr>
<td>7. Adopt inclusionary zoning</td>
<td>X</td>
<td>*</td>
<td></td>
<td></td>
<td>PB/HT</td>
</tr>
<tr>
<td><strong>6.3 Housing Development Strategies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Continue to partner with private developers</td>
<td>X</td>
<td>135</td>
<td></td>
<td></td>
<td>HT/PB-ZBA</td>
</tr>
<tr>
<td>2. Continue to make suitable public land available for affordable housing</td>
<td>X</td>
<td>20</td>
<td></td>
<td></td>
<td>M-CC/HT</td>
</tr>
</tbody>
</table>

\(^7\) Massachusetts General Law Chapter 40B, 760 CMR 56.03.4.
* Indicates actions for which units are counted under other specific housing production strategies, have an indirect impact on production, do not add to the Subsidized Housing Inventory, or cannot be counted towards production goals.

**Abbreviations**
Mayor = M
Housing Trust = HT
City Council = CC
Planning Board = PB
Community Preservation Committee = CPC
Zoning Board of Appeals = ZBA
Building Inspector = BI
2. INTRODUCTION

2.1 Background and Purpose of Project
The City of Newburyport is an old city, first settled in 1635 as part of the Newbury Plantation and finally incorporated in 1764. At that point the community was the smallest town in Massachusetts, encompassing 647 acres with 2,800 residents and 357 homes. It remains among the smallest cities in the state with less than eleven (11) square miles and a population of 17,416 according to the 2010 census.

Located on the southern bank of the Merrimack River at the mouth of the Atlantic Ocean, Newburyport grew into a major fishing, shipbuilding and shipping center well through the 19th century. During the mid-20th Century, new major highways diverted economic activity away from Newburyport and brought the city into a period of relative economic decline. Protective of its historic heritage, local leaders embarked on a major redevelopment effort in the 1960’s and 1970’s to better preserve its historic neighborhoods of granite, brick and cobblestones; update its infrastructure, water and sewer renovations in particular; and boost tourism. Such revitalization efforts have continued with the development of the Industrial Park and additional waterfront improvements.

These revitalization efforts have attracted not only commercial and industrial investment, but have also brought new residents into the community, many with greater financial means than existing residents. Housing prices have risen rapidly, and while the relatively recent recession affected property values, housing costs remain very high. As a result, the creation of affordable housing has become increasingly challenging, particularly in a time of increasing needs and fewer resources.

This Housing Production Plan is part of a major effort to update the 2001 Master Plan and guide future development, focusing on affordable housing development. The Plan will provide a roadmap for policies, projects, initiatives, and regulatory changes that will help Newburyport create more affordable housing opportunities to support a diverse population and range of incomes.

2.2 What is Affordable Housing?
Federal and state programs offer a number of different definitions of affordable housing. For example, the U.S. Department of Housing and Urban Development (HUD) generally identifies units as affordable if gross rent (including costs of utilities borne by the tenant) is no more than 30% of a household’s income or if the carrying costs of purchasing a home (mortgage, homeowners association fees, property taxes and insurance) is not more than typically 30% of income. If households are paying more than these amounts, they are described as experiencing housing affordability problems; and if they are paying 50% or more for housing, they have severe housing affordability problems and heavy cost burdens.

Housing subsidy programs are typically targeted to particular income ranges depending upon programmatic goals. Extremely low-income housing is directed to households with incomes at or below 30% of area median income as defined by the U.S. Department of Housing and Urban Development ($26,450 for a family of three for the area) and very low-income is defined as households with incomes between 30% and 50% of area median income ($44,050 for a family of three). Low- and moderate-income generally refers to the range between 50% and 80% of area median income ($58,500 for a family of three at the 80% level). These income levels are summarized in Table 2-1.
Table 2-1
2012 Income Levels for Affordable Housing in the Greater Boston Area

<table>
<thead>
<tr>
<th># in Household</th>
<th>30% of Median Income</th>
<th>50% of Median Income</th>
<th>80% of Median Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$20,550</td>
<td>$34,250</td>
<td>$45,500</td>
</tr>
<tr>
<td>2</td>
<td>23,500</td>
<td>39,150</td>
<td>52,000</td>
</tr>
<tr>
<td>3</td>
<td>26,450</td>
<td>44,050</td>
<td>58,500</td>
</tr>
<tr>
<td>4</td>
<td>29,350</td>
<td>48,900</td>
<td>65,000</td>
</tr>
<tr>
<td>5</td>
<td>31,700</td>
<td>52,850</td>
<td>70,200</td>
</tr>
<tr>
<td>6</td>
<td>34,050</td>
<td>56,750</td>
<td>75,400</td>
</tr>
<tr>
<td>7</td>
<td>36,400</td>
<td>60,650</td>
<td>80,600</td>
</tr>
<tr>
<td>8+</td>
<td>38,750</td>
<td>64,550</td>
<td>85,800</td>
</tr>
</tbody>
</table>

A common definition of affordable housing relates to the Chapter 40B comprehensive permit program. The state established legislation for promoting affordable housing under the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B). This legislation allows developers to override local zoning if the project meets certain requirements, the municipality has less than 10% of its year-round housing stock defined as affordable in its Subsidized Housing Inventory (SHI), or housing production goals are not met. Specifically, all SHI units must meet the following criteria:

1. Subsidized by an eligible state or federal program.
2. Subject to a long-term deed restriction limiting occupancy to income eligible households for a specified period of time (at least 30 years or longer for newly created affordable units, and at least 15 years for rehabilitated units).
3. Subject to an Affirmative Fair Housing Marketing Plan.

Based on the Massachusetts Department of Housing and Community Development’s most recent data on Newburyport’s supply of affordable housing included in the state’s Subsidized Housing Inventory, the City had 8,015 year-round housing units, of which 629 are counted as affordable, representing 7.8% of the year-round housing stock. Planned development should push Newburyport beyond the 8% level.

Most state-supported housing assistance programs are targeted to households earning at this same level, at or below 80% of area median income, however, others, particularly rental programs, are directed to those earning at lower income thresholds. For example, the Low Income Housing Tax Credit Program subsidizes rental units targeted to households earning up to 60% of median income. First-time homebuyer programs typically apply income limits of up to 80% of area median income. It is worth noting that according to 2009 census estimates, approximately one-third of Newburyport’s households would have likely been income-eligible for affordable housing using the 80% of area median income criterion without consideration of financial assets.

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8 The U.S. Department of Housing and Urban Development (HUD) includes Newburyport as part of the Boston Metropolitan Statistical Area.
9 Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.
10 Year-round housing units are defined as the total number of housing units minus the number of seasonal or occasional units as reported through the 2010 US Census.
The Community Preservation Act (CPA) allows Community Preservation funding to be directed to those within a somewhat higher income range – 100% of area median income – now commonly referred to as “community housing”. Additionally, some housing developments incorporate several income tiers. It should be noted, however, that those units that involve occupants with incomes higher than 80% of area median income, while still serving local housing needs, will not count as part of the Subsidized Housing Inventory unless they are part of a Chapter 40B rental development where 100% of the units would qualify for inclusion in the SHI.

2.3 Housing Goals and Challenges
The City of Newburyport is looking for opportunities to address the range of community housing needs under the following housing goals, most of which were identified in its 2001 Master Plan:

- Promote an increase in the supply of affordable housing to support a diverse population and meet the range of housing needs in the community
- Strive to meet state 10% affordability goal
- Preserve the existing affordable housing stock
- Encourage the integration of smart growth principles in the development of housing
- Ensure that the design of new development and redevelopment in the City’s older neighborhoods (North End, South End, High Street) complements the historic character of the neighborhoods
- Ensure that new housing developments are designed to protect the City’s natural and cultural resources and to preserve open space corridors
- Promote a wide range of housing options (structure types, tenure types, cost levels) in order to maintain diverse neighborhoods and accommodate households with varying housing needs and family structures

These goals provide a context for the strategies that are recommended in the Housing Production Plan, addressing the diverse housing needs in the community as summarized in Section 1.3 above and detailed in Section 3.3. These strategies will provide a blueprint to help Newburyport further its progress towards meeting the state 10% affordable housing goal as well as local goals and priorities, presenting a proactive housing agenda of City-sponsored initiatives. Also, if the City meets the annual goal of producing 40 units, it will have the likely ability to deny unwanted Chapter 40B developments through state Housing Production regulations.

While there is a demonstrated commitment to producing affordable housing in Newburyport, the City also recognizes that obstacles to new development exist that will challenge new initiatives. Such challenges include the limited amount of developable property, teardown activity, condo conversions, zoning, community perceptions and available funding.

In summary, gaps remain between what many current or new residents can afford and the housing that is available. Children who grew up in the community are now facing the possibility that they may not be able to return to raise their own families locally. Long-term residents, especially the elderly, are finding themselves less able to maintain their homes and keep up with increased housing-related costs but also hard-pressed to find alternative housing that better meets their current lifestyles. Families are finding it more difficult to hold onto their homes given the faltering economy, as there have been some foreclosures. They have also been less able to “buy up,” purchasing larger homes as their families grow. City employees and
employees of the local businesses continue to be challenged in locating housing that is affordable in Newburyport. More housing options are required to meet these local needs.
Section 3

HOUSING CHARACTERISTICS AND NEEDS

3.1 Demographic Profile
3.1.1 Population Growth
3.1.2 Households
3.1.3 Race
3.1.4 Age Distribution
3.1.5 Income
3.1.6 Poverty Status
3.1.7 Employment
3.1.8 Education
3.1.9 Disability Status

3.2 Housing Profile
3.2.1 Housing Growth
3.2.2 Types of Structures and Units
3.2.3 Vacancy Rates
3.2.4 Housing Market Conditions
3.2.5 Affordability of Existing Housing
3.2.6 Subsidized Housing Inventory (SHI)

3.3 Priority Housing Needs
3. HOUSING NEEDS ASSESSMENT

This Housing Needs Assessment presents an overview of current demographic and housing characteristics and trends for the city of Newburyport, providing the context within which a responsive set of strategies can be developed to address identified housing needs and meet production goals.

3.1 Demographic Profile

It is important to closely examine social and economic characteristics, particularly past and future trends, in order to understand the composition of the population and how it relates to current and future housing needs. Key questions to be addressed in this Needs Assessment include the following:

What are the variations in household size and types of households that suggest unmet or greater housing needs?
What are the ramifications of increases and decreases of various age groups in regard to housing needs?
What changes in income levels have occurred and how does this relate to housing affordability?
What proportion of the population is disabled or has other special needs that suggest the need for supportive services or home modifications?

These and other social and economic issues are discussed in the following sections.

3.1.1 Population Growth – Slowly growing population now stabilizing

As noted in Table 3-1, Newburyport’s population was in decline after 1930 but bounced back above 1930 levels by 1970 when redevelopment efforts were underway to boost the local economy. Since then the population has increased steadily but relatively slowly, as shown in Figure 3-1, with a total growth rate of 9.5% since 1980 to a total population of 17,416 by 2010. Projections from the Massachusetts Institute for Social and Economic Research (MISER) estimate little or no growth through 2020.

Table 3-1
Population Change, 1930 to 2010

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Population</th>
<th>Change in Number</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1930</td>
<td>15,084</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>1940</td>
<td>13,916</td>
<td>-1,168</td>
<td>-7.7</td>
</tr>
<tr>
<td>1950</td>
<td>14,111</td>
<td>195</td>
<td>1.4</td>
</tr>
<tr>
<td>1960</td>
<td>14,004</td>
<td>-107</td>
<td>-0.8</td>
</tr>
<tr>
<td>1970</td>
<td>15,807</td>
<td>1,803</td>
<td>12.9</td>
</tr>
<tr>
<td>1980</td>
<td>15,900</td>
<td>93</td>
<td>0.6</td>
</tr>
<tr>
<td>1990</td>
<td>16,317</td>
<td>417</td>
<td>2.6</td>
</tr>
<tr>
<td>2000</td>
<td>17,189</td>
<td>872</td>
<td>5.3</td>
</tr>
<tr>
<td>2010</td>
<td>17,416</td>
<td>227</td>
<td>1.3</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, Census Summary File 1 and University of Massachusetts Donahue Institute State Data Center.
### 3.1.2 Households – Smaller non-family households increasing

As shown in Table 3-2, the number of households increased by 30.1% over the past several decades, from 5,857 in 1980 to 7,622 in 2010. This is substantially more than the 9.5% overall population growth rate and correlated to the increasing number of smaller, non-family households\(^\text{11}\), which grew from 1,891 in 1980 to 3,185 by 2010. In 2010, these non-family households comprised more than 40% of all households in Newburyport, up from 32.3% in 1980.

#### Table 3-2  
**Household Characteristics, 1980 to 2010**

<table>
<thead>
<tr>
<th></th>
<th>1980</th>
<th>1990</th>
<th>2000</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>#</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Households*</td>
<td>5,857</td>
<td>6,754</td>
<td>7,519</td>
<td>7,622</td>
</tr>
<tr>
<td>Family Households**</td>
<td>3,966</td>
<td>4,173</td>
<td>4,429</td>
<td>4,437</td>
</tr>
<tr>
<td>Non-family Households **</td>
<td>1,891</td>
<td>2,581</td>
<td>3,090</td>
<td>3,185</td>
</tr>
<tr>
<td>Female Headed Families with Children **</td>
<td>372</td>
<td>478</td>
<td>343</td>
<td>319</td>
</tr>
<tr>
<td><strong>Average Household Size</strong></td>
<td>2.72 persons</td>
<td>2.37 persons*</td>
<td>2.24 persons</td>
<td>2.23 persons</td>
</tr>
</tbody>
</table>

* Percent of total population ** Percent of all households

\^11 Includes individuals and unrelated household members.
The average household size decreased from 2.72 to 2.23 persons during the same time period driven by decreases in the number of children and more “traditional” families, and increases in “child-free” and “child-delayed” families, especially increases in empty nesters as well as senior and frail populations.

Table 3-3 examines the types of households by household size. Single-person households comprised a substantial portion of the population, more than one-third of all households and 80.1% of non-family households in 2000, increasing to 84.7% of all non-family households by 2010. It should also be noted that more than half of all residents over 65 (53.8%) lived alone. Moreover, almost 10% of the households with children were headed by one parent (77% of these involved single mothers) suggesting a need for affordable housing for families with only one income. Large families of five (5) or more persons represented only 5.5% of all households, down from 9% in 2000 and low in comparison to 9% for Essex County. This data further suggests a need for a greater number of smaller units to accommodate a growing population of single-person households and smaller families.

<table>
<thead>
<tr>
<th>Households by Type and Size</th>
<th>2000</th>
<th>2010 Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-family Households</td>
<td>3,090</td>
<td>3,090</td>
</tr>
<tr>
<td>1-person household</td>
<td>2,492</td>
<td>2,616</td>
</tr>
<tr>
<td>2-person household</td>
<td>539</td>
<td>436</td>
</tr>
<tr>
<td>3-person household</td>
<td>44</td>
<td>38</td>
</tr>
<tr>
<td>4-person household</td>
<td>9</td>
<td>0</td>
</tr>
<tr>
<td>5-person household</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>6-person household</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>7 or more person household</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td><strong>Family Households</strong></td>
<td><strong>4,429</strong></td>
<td><strong>4,464</strong></td>
</tr>
<tr>
<td>2-person household</td>
<td>2,045</td>
<td>2,290</td>
</tr>
<tr>
<td>3-person household</td>
<td>1,107</td>
<td>749</td>
</tr>
<tr>
<td>4-person household</td>
<td>874</td>
<td>1,008</td>
</tr>
<tr>
<td>5-person household</td>
<td>325</td>
<td>362</td>
</tr>
<tr>
<td>6-person household</td>
<td>57</td>
<td>41</td>
</tr>
<tr>
<td>7 or more person household</td>
<td>21</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,519</strong></td>
<td><strong>7,554</strong></td>
</tr>
</tbody>
</table>


### 3.1.3 Race – Small but growing minority population

Table 3-4 presents data on the racial distribution of the population in Newburyport. While the number and percentage of minority residents have increased significantly – from 161 residents in 1990, to 325 in 2000, and 628 by 2010 – minority residents still comprised only 3.6% of the population in 2010, a relatively low level in comparison to other cities in Massachusetts and in comparison to Essex County at 18.1%. About half of the minority residents in 2010 described themselves as Latino or Hispanic.
### Table 3-4
**Racial and Immigrant Information, 1990 to 2010**

<table>
<thead>
<tr>
<th></th>
<th>1990</th>
<th>2000</th>
<th></th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>Minority pop.*</td>
<td>161</td>
<td>1.0</td>
<td>325</td>
<td>1.9</td>
</tr>
<tr>
<td>Black or</td>
<td>82</td>
<td>0.5</td>
<td>73</td>
<td>0.4</td>
</tr>
<tr>
<td>African Amer.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asian</td>
<td>44</td>
<td>0.3</td>
<td>106</td>
<td>0.6</td>
</tr>
<tr>
<td>Latino **</td>
<td>91</td>
<td>0.6</td>
<td>151</td>
<td>0.9</td>
</tr>
<tr>
<td>Other</td>
<td>35</td>
<td>0.2</td>
<td>147</td>
<td>0.9</td>
</tr>
</tbody>
</table>


** Latino or Hispanic of any race. The “Other” category includes American Indian or Alaskan Natives, Native Hawaiians and other Pacific Islanders as well as those of two (2) or more races.

#### 3.1.4 Age Distribution – Decreasing younger population but growing numbers of middle-aged and older residents

Census data regarding the changes in the age distribution from 1980 to 2010 is provided in Table 3-5 and visually presented in Figure 3-2 for 1990 through 2010. In general, there were significant declines in the younger age categories and major population gains in the older ones as summarized below.

### Table 3-5
**Age Distribution, 1980 to 2010**

<table>
<thead>
<tr>
<th>Age Range</th>
<th>1980</th>
<th></th>
<th>1990</th>
<th></th>
<th>2000</th>
<th></th>
<th>2010</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>Under 5 Years</td>
<td>945</td>
<td>5.9</td>
<td>950</td>
<td>5.8</td>
<td>972</td>
<td>6.7</td>
<td>934</td>
<td>5.4</td>
</tr>
<tr>
<td>5 – 17 Years</td>
<td>3,280</td>
<td>20.6</td>
<td>2,401</td>
<td>14.7</td>
<td>2,579</td>
<td>15.0</td>
<td>2,696</td>
<td>15.5</td>
</tr>
<tr>
<td>18 – 24 Years</td>
<td>1,570</td>
<td>9.9</td>
<td>1,353</td>
<td>8.3</td>
<td>2,286</td>
<td>13.3</td>
<td>2,453</td>
<td>14.1</td>
</tr>
<tr>
<td>25 – 34 Years</td>
<td>2,951</td>
<td>18.8</td>
<td>2,853</td>
<td>17.5</td>
<td>2,286</td>
<td>13.3</td>
<td>1,516</td>
<td>8.7</td>
</tr>
<tr>
<td>35 – 44 Years</td>
<td>2,003</td>
<td>12.6</td>
<td>3,213</td>
<td>19.7</td>
<td>3,328</td>
<td>19.4</td>
<td>2,453</td>
<td>14.1</td>
</tr>
<tr>
<td>45 – 54 Years</td>
<td>1,528</td>
<td>9.6</td>
<td>1,922</td>
<td>11.8</td>
<td>3,066</td>
<td>17.8</td>
<td>3,245</td>
<td>18.6</td>
</tr>
<tr>
<td>55 – 64 Years</td>
<td>1,343</td>
<td>8.4</td>
<td>1,316</td>
<td>8.1</td>
<td>1,781</td>
<td>10.4</td>
<td>2,868</td>
<td>16.5</td>
</tr>
<tr>
<td>65 – 74 Years</td>
<td>1,173</td>
<td>7.4</td>
<td>1,164</td>
<td>7.1</td>
<td>1,194</td>
<td>6.9</td>
<td>1,488</td>
<td>8.5</td>
</tr>
<tr>
<td>75 – 84 Years</td>
<td>854</td>
<td>5.4</td>
<td>791</td>
<td>4.8</td>
<td>841</td>
<td>4.9</td>
<td>914</td>
<td>5.2</td>
</tr>
<tr>
<td>85+ Years</td>
<td>253</td>
<td>1.6</td>
<td>354</td>
<td>2.2</td>
<td>379</td>
<td>2.2</td>
<td>478</td>
<td>2.7</td>
</tr>
<tr>
<td>Total</td>
<td>15,900</td>
<td>100.0</td>
<td>16,317</td>
<td>100.0</td>
<td>17,189</td>
<td>100.0</td>
<td>17,416</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Under 18   | 4,225| 26.6 | 3,351| 20.5 | 3,551| 20.7 | 3,630| 20.8 |
Age 65+     | 2,280| 14.3 | 2,309| 14.2 | 2,414| 14.0 | 2,880| 16.5 |


**Children – declining population**

The number and proportion of children has declined markedly over the past several decades. Those school-age children under age 18 decreased by 14.1% between 1980 and 2010, from 26.6% of the population to 20.8%.
College age residents – numbers decreased by half
Young residents in the 18 to 24-age range decreased by half between 1980 and 2010, from 1,570 residents to 824. The numbers showed a modest rebound between 2000 and 2010 however, with the addition of 61 residents in this young age category.

Young adults – also demonstrated a 50% decline in population
Younger adults in the family formation stage of their lives, the 25 to 34-age range, also decreased significantly between 1980 and 2010, dropping to 8.7% of the population in 2010 from 18.8% in 1980, and from 2,951 to 1,516 residents. Clearly an increasing number of those who were raised in Newburyport are choosing to live elsewhere. The high cost of housing is likely a contributing factor. Additionally, many of the baby boom generation were included in this category in 1980, which also likely influenced the fall-off of residents in this age group in subsequent decades.

Figure 3-2
Changes in Age Distribution: 1990 to 2010

Baby boomers – substantial increases
Those in the 35 to 54-age range, the baby boomer generation, increased significantly, going from 22.2% of the population in 1980 to almost one-third by 2010. Part of the baby boom generation was also spilling into the older age categories by 2010 as those in the age-55 to 64 range increased substantially, from 10.4% in 2000 to 16.5% by 2010.

Older adults – substantial upsurge in the population 65 years or older
The number of those 65 years of age and older grew by 26.3% between 1980 and 2010, while the population as a whole increased by only 9.5%. Of particular note were the frail elderly of at least age 85 who increased by 88.9% during these decades.
Table 3-6 offers population projections by age category for 2020, prepared by the Massachusetts Institute for Social and Economic Research (MISER) of the University of Massachusetts, comparing these figures to 2010 census results. These estimates suggest almost no population growth but significant shifts in the age distribution that for the most part reflect past trends. With some exceptions, those younger age categories are expected to decrease somewhat while the older age groups are projected to demonstrate significant gains. For example, those under the age of 20 are expected to decrease from 22.3% to 18.8%, representing a loss of 15.3%, while those over 65 are estimated to increase from 16.5% to 25.4%, representing a gain of 53.8%. The population in the middle years between 35 and 54 is projected to decrease by 25.7% or by 1,465 residents. Projections also suggest a 16.3% increase in younger adults age 20 to 34, however, this is a reversal of past trends. Given the high costs of living in Newburyport, this particular estimate is questionable.

**Table 3-6**

<table>
<thead>
<tr>
<th>Age Range</th>
<th>2010 Census</th>
<th>2020 Projections</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>Under 5 Years</td>
<td>934</td>
<td>5.4</td>
</tr>
<tr>
<td>5 – 19 Years</td>
<td>2,942</td>
<td>16.9</td>
</tr>
<tr>
<td>20 – 24 Years</td>
<td>578</td>
<td>3.3</td>
</tr>
<tr>
<td>25 – 34 Years</td>
<td>1,516</td>
<td>8.7</td>
</tr>
<tr>
<td>35 – 44 Years</td>
<td>2,453</td>
<td>14.1</td>
</tr>
<tr>
<td>45 – 54 Years</td>
<td>3,245</td>
<td>18.6</td>
</tr>
<tr>
<td>55 – 64 Years</td>
<td>2,868</td>
<td>16.5</td>
</tr>
<tr>
<td>65 – 74 Years</td>
<td>1,488</td>
<td>8.5</td>
</tr>
<tr>
<td>75 – 84 Years</td>
<td>914</td>
<td>5.2</td>
</tr>
<tr>
<td>85+ Years</td>
<td>478</td>
<td>2.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>17,416</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Given the release of 2010 census data, population projections will be updated and should better reflect more recent demographic trends, which are likely to show a continued increase in older adults with corresponding reductions in younger ones. Clearly housing alternatives to accommodate this increasing population of seniors, such as more handicapped accessibility, housing with supportive services, and units without substantial maintenance demands, should be considered in housing planning efforts. Additionally, more affordable starter housing opportunities to attract young adults, including young families, should be promoted both as rentals and first-time homeownership.

### 3.1.5 Income – Relatively high income levels but growing income disparities

Table 3-7 presents income data based on the 1989 and 1999 decennial census counts as well as estimated 2010 data from the Census Bureau’s 2006-2010 American Community Survey. This information is also visually presented in Figure 3-3.
Incomes have increased substantially, with the median income level doubling during the last two decades. From 1989 to 1999, the median income increased from $38,618 to $58,557, or by roughly 50%. Median household income grew by another 30% between 1999 and 2010 to $76,300, high in comparison to the state at $63,961. However the median income of Black or African American households ($24,934) was about one-third of the City’s median, and significantly less than the $68,083 median for households of Hispanic origin.

Figure 3-3
Income Distribution 1989 to 2010

Despite this growing prosperity, those earning less than $10,000 increased from 3% of all households in 1989 to 5.4% in both 1999 and 2010. All other income ranges of less than $100,000 saw proportional decreases between 1989 and 2010, with 91% of all households earning between $10,000 and $100,000...
in 1989 compared to 55.3% by 2010. On the other hand, higher income households earning more than $100,000 increased from 384 households in 1989 to 1,722 by 1999 and then to 2,967 by 2010, a growth rate of 672%. With time it would certainly be expected that incomes would climb, but in comparison to the state, Newburyport had a higher portion of those earning more than $75,000, 50.5% as opposed to 43.1% of all households.

The City’s per capita income was $34,187 in 2000, also significantly more than the state average of $25,952. By 2010, it is estimated that the per capita income had increased to $44,877 in comparison to $33,969 for the state.

While non-family households comprised about 42% of all households in 2010, the median income of families was substantially higher, $111,836 versus $40,794, a finding highly correlated with the greater prevalence of two worker households in families. Correlated to the lower median incomes of non-families was the 2010 estimate that more than half of all non-family households were renters as opposed to 8.5% of married couples with children.

A comparison of 2010 income levels for owners and renters is provided in Table 3-8. Almost half of renters earned within $35,000 compared to only 13.1% of homeowners. On the other hand, half of the homeowners earned more than $100,000 compared to only 11.8% of the renter households.

### Table 3-8

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Homeowners</th>
<th>Renter</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>Under $10,000</td>
<td>83</td>
<td>1.5</td>
</tr>
<tr>
<td>10,000-24,999</td>
<td>346</td>
<td>6.4</td>
</tr>
<tr>
<td>25,000-34,999</td>
<td>283</td>
<td>5.2</td>
</tr>
<tr>
<td>35,000-49,999</td>
<td>405</td>
<td>7.5</td>
</tr>
<tr>
<td>50,000-74,999</td>
<td>818</td>
<td>15.1</td>
</tr>
<tr>
<td>75,000-99,999</td>
<td>760</td>
<td>14.1</td>
</tr>
<tr>
<td>100,000-149,999</td>
<td>1,205</td>
<td>22.3</td>
</tr>
<tr>
<td>150,000 +</td>
<td>1,509</td>
<td>27.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,409</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, 2006-2010 American Community Survey

*Of particular note is the growing income disparity of owners and renters as demonstrated in changes in median income level. While the median household income of homeowners increased from $72,043 in 2000 to $100,290 by 2010, the median incomes of renters is estimated to have stayed almost exactly the same, from $37,648 to $37,658. Figure 3-4 visually presents the widening income gap between owners and renters.*
It is also worth noting that while most households have become more affluent over the past several decades, there remains a very vulnerable population living in Newburyport with limited financial means. Almost 16% of all households earned less than $25,000, including more than one-third of all renters. An estimated one-third of all households and two-thirds of all renters were earning at or below $50,000, some who might qualify for housing assistance based on income alone given that this threshold is close to the 80% of area median income level.

3.1.6 Poverty Status – Recent increases in poverty
Table 3-9 confirms that poverty declined between 1979 and 2010, both in terms of the numbers of individuals and families living in poverty and in proportion to the population at large. The level of poverty was somewhat lower than that for the state as a whole, where 10.8% of all individuals were living in poverty in 2010, as opposed to 5.8% in Newburyport.12

While the overall decrease in poverty levels appears to signal that the City’s population was doing better economically, it may also be that the most vulnerable residents living in Newburyport in 1980 or 1990 were forced to leave the City in search of more affordable living conditions elsewhere. The ability to provide affordable housing options for those with very limited incomes is a continuing challenge and a pressing need.

12 The 2011 federal poverty level from the U.S. Department of Health and Human Services was $10,890 for an individual and $18,530 for a three-person household.
Table 3-9
Poverty Status, 1979 to 2010

<table>
<thead>
<tr>
<th></th>
<th>1979</th>
<th>1989</th>
<th>1999</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>Individuals Below Poverty *</td>
<td>1,474</td>
<td>9.3</td>
<td>922</td>
<td>5.7</td>
</tr>
<tr>
<td>Families **</td>
<td>288</td>
<td>7.3</td>
<td>158</td>
<td>3.9</td>
</tr>
<tr>
<td>Related Children Under 18 Years ***</td>
<td>245</td>
<td>5.8</td>
<td>249</td>
<td>7.5</td>
</tr>
<tr>
<td>Individuals 65 and Over****</td>
<td>228</td>
<td>10.0</td>
<td>242</td>
<td>12.0</td>
</tr>
</tbody>
</table>


* Percentage of total population  ** Percentage of all families
*** Percentage of all children under 18 years  **** Percentage of all individuals age 65+

More recent estimates suggest that poverty levels have actually increased somewhat since 2000. The 2010 census estimates from the Census Bureau’s American Community Survey indicate that poverty increased to 5.8% with an estimated 1,010 residents living below the poverty level as opposed to 877 and 5.2% in 1999. The number of adults 65 years of age or older living in poverty was also estimated to have increased from 6.9% to 7.7% with 76 additional seniors entering poverty. Given the continued economic crisis, these poverty levels may in fact have increased even more since 2010.

3.1.7 Employment – Fluctuating workforce with declines in unemployment

Newburyport has had a relatively strong and diverse economic base. During the 1970s, City Government led a major redevelopment effort of the historic downtown and waterfront that provided a significant boost to the city’s economy, tourism in particular. Moreover, the City supported the conversion of three dormant farms into a thriving Industrial Park, housing about 70 businesses that employ approximately 3,000 workers for a total payroll in excess of $95 million. Newburyport is also the home of Anna Jaques Hospital that serves the entire region. The City also has a wealth of cultural and natural resources that attract thousands of visitors including the Firehouse Center for the Performing and Visual Arts, the Maudslay Arts Center, and Plum Island.

Of those 14,186 Newburyport residents over the age of 16 in 2010, 9,775 or about 69% were in the labor market in 2010, as noted in Table 3-10, down from an estimated 10,289 workers or 72% of the workforce in 2010. About 40% of those employed worked in the community. It should also be noted that 76% of workers drove alone to work, another 5.3% carpooled and only 4.2% used public transportation according to the 2010 American Community Survey estimates. The average commuting time was about 30 minutes, suggesting employment opportunities were typically located outside of Newburyport.

The 2010 Census Bureau’s American Community Survey data also provided information on the concentration of Newburyport workers by industry, indicating that more than half of Newburyport’s workers were involved in management or professional occupations (53.9%) and the remainder employed in the lesser paying retail and service-oriented jobs that support the local economy including sales and office occupations (25.6%), service occupations (12.9%), production and transportation (5.0%),

---

13 Based the US Census Bureau’s 2006-2010 estimates from the American Community Survey.
and construction (2.7%). Almost three-quarters of Newburyport’s labor force involved salaried workers (74.2%), another 16.4% were government workers, and 9.4% were self-employed.

Table 3-10
Average Employment and Wages By Industry, 2010

<table>
<thead>
<tr>
<th>Industry</th>
<th># Establishments</th>
<th>Total Wages</th>
<th>Average Employment</th>
<th>Average Weekly Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>45</td>
<td>$13,929,522</td>
<td>245</td>
<td>$1,093</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>63</td>
<td>$112,612,746</td>
<td>2,155</td>
<td>$1,005</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>76</td>
<td>$50,955,634</td>
<td>624</td>
<td>$1,572</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>111</td>
<td>$20,088,953</td>
<td>1,046</td>
<td>$369</td>
</tr>
<tr>
<td>Transportation/Ware-housing</td>
<td>9</td>
<td>$3,976,757</td>
<td>82</td>
<td>$933</td>
</tr>
<tr>
<td>Information</td>
<td>22</td>
<td>$14,380,923</td>
<td>166</td>
<td>$1,666</td>
</tr>
<tr>
<td>Finance/Insurance</td>
<td>34</td>
<td>$16,354,939</td>
<td>225</td>
<td>$1,398</td>
</tr>
<tr>
<td>Real estate/rental/leasing</td>
<td>26</td>
<td>$2,868,688</td>
<td>74</td>
<td>$746</td>
</tr>
<tr>
<td>Professional/technical services</td>
<td>139</td>
<td>$52,483,954</td>
<td>692</td>
<td>$1,459</td>
</tr>
<tr>
<td>Management of companies/enterprises</td>
<td>6</td>
<td>$5,415,609</td>
<td>95</td>
<td>$1,096</td>
</tr>
<tr>
<td>Administrative and waste services</td>
<td>44</td>
<td>$15,640,619</td>
<td>366</td>
<td>$822</td>
</tr>
<tr>
<td>Health care/social assistance</td>
<td>102</td>
<td>$117,468,737</td>
<td>2,406</td>
<td>$939</td>
</tr>
<tr>
<td>Arts/entertainment/recreation</td>
<td>24</td>
<td>$2,908,086</td>
<td>148</td>
<td>$378</td>
</tr>
<tr>
<td>Accommodation/food services</td>
<td>65</td>
<td>$18,316,454</td>
<td>1,094</td>
<td>$322</td>
</tr>
<tr>
<td>Other services</td>
<td>90</td>
<td>$8,866,703</td>
<td>363</td>
<td>$470</td>
</tr>
<tr>
<td>Public Administration</td>
<td>10</td>
<td>$16,960,128</td>
<td>333</td>
<td>$979</td>
</tr>
<tr>
<td>Total – 2010</td>
<td>874</td>
<td>$494,817,284</td>
<td>10,613</td>
<td>$897</td>
</tr>
<tr>
<td>Total – 2009</td>
<td>864</td>
<td>$464,460,242</td>
<td>10,389</td>
<td>$860</td>
</tr>
</tbody>
</table>

Source: Massachusetts Executive Office of Labor and Workforce Development, 2010

Detailed labor and workforce data from the state on employment patterns in Newburyport is presented in Table 3-10. This information shows an average employment of 10,613 workers, up from 10,389 in 2009 and 9,663 in 2000, indicative of some significant job expansion. The data also confirms a mix of employment opportunities with a concentration of lower paying retail and service sector jobs that brings the average weekly wage for those working in Newburyport to a relatively low level of $897, about 60% of Boston’s average weekly wage at $1,507. As another point of comparison, the unemployment level as of February 2012 was 6.1% for Newburyport and 6.6% for Boston, down from 7.1% and 8.0% for Newburyport and Boston, respectively, as of the end of 2010.

3.1.8 Education – High and increasing educational attainment and relatively stable student enrollment

The educational attainment of Newburyport residents has improved over the last couple of decades. In 2010, 95.7% of those 25 years and older had a high school diploma or higher, and 52.4% had a Bachelor’s degree or higher (compared with 36.4% for the county and 38.5% for the state), up from the 2000 figures of 90.3% with at least a high school degree and 42.3% with a college degree or higher.

Those enrolled in school (nursery through graduate school) in 2010 totaled 3,724 residents or about one-fifth of the population, and those enrolled in kindergarten through high school totaled 2,481
students, representing about 14% of the total population. The Newburyport Public Schools reported a student enrollment of 2,334 students for the 2011-2012 school year, down only slightly from an enrollment of 2,355 in 2000-2001.

3.1.9 Disability Status – Significant special needs (Updated census figures are not available.) Of the 2000 residents between age 5 and 20, 155 or 5.2% claimed a disability. Of those age 21 to 64, 1,787 residents, or 16.4% of the persons in the age range, indicated they were disabled. About 63% of this group was employed, leaving another 37% or 659 residents unemployed, likely related to their disability. In regard to the population 65 years of age or older, 902 seniors or 42.4% of those in this age group claimed some type of disability. These levels of disability represent significant special needs within the Newburyport community and suggest that the City make a concerted effort to produce special needs housing, units that are handicapped accessible, and housing with supportive services.

<table>
<thead>
<tr>
<th>Age</th>
<th>Newburyport</th>
<th>Massachusetts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>5 to 20 years</td>
<td>155</td>
<td>5.2</td>
</tr>
<tr>
<td>21 to 64 years</td>
<td>1,787</td>
<td>16.4</td>
</tr>
<tr>
<td>65 years and over</td>
<td>903</td>
<td>42.4</td>
</tr>
<tr>
<td>Total</td>
<td>2,845</td>
<td>17.8</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, 2000 Summary File 3

The North Shore Housing Consortium’s 3-5 Year Strategic Plan (2010-2014) indicated that approximately 16% of the households in the Consortium’s communities have at least one disabled member and that these households tend to be disproportionately low-income with 72% having incomes below 80% AMI. Moreover, 70% of the disabled households also have a housing related problem such as spending too much on their housing or living in overcrowded conditions.

3.2 Housing Profile
This section of the Housing Needs Assessment summarizes housing characteristics and trends, analyzes the housing market from a number of different data sources and perspectives, compares what housing is available to what residents can afford, summarizes what units are defined as affordable by the state, and establishes the context for identifying priority housing needs.

3.2.1 Housing Growth – Slower growth and continued increase in owner-occupancy Table 3-12 indicates that about half of Newburyport’s housing stock, 51.8% or 4,164 units, predates World War II. Housing development varied considerably after that from a low of 297 units in the 1940’s to 917 units in the 1980’s. From 2000 to 2010 only another 351 units were built, representing 4.4% of the housing stock as of about March 2010. Figure 3-5 shows that both population and housing growth have increased slowly with housing growth increasing at a somewhat steeper rate during some periods of time, such as between 1970 and 1990, when population growth was relatively flat.
Figure 3-5

Population and Housing Growth

Table 3-12
Housing Units in 2010 by Year Structure Was Built

<table>
<thead>
<tr>
<th>Time Period</th>
<th>#</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/2000 to approx. 3/2010</td>
<td>351</td>
<td>4.4</td>
</tr>
<tr>
<td>1990 to 2000</td>
<td>513</td>
<td>6.4</td>
</tr>
<tr>
<td>1980 to 1989</td>
<td>917</td>
<td>11.4</td>
</tr>
<tr>
<td>1970 to 1979</td>
<td>577</td>
<td>7.2</td>
</tr>
<tr>
<td>1960 to 1969</td>
<td>766</td>
<td>9.5</td>
</tr>
<tr>
<td>1950 to 1959</td>
<td>455</td>
<td>5.7</td>
</tr>
<tr>
<td>1940 to 1949</td>
<td>297</td>
<td>3.7</td>
</tr>
<tr>
<td>1939 or earlier</td>
<td>4,164</td>
<td>51.8</td>
</tr>
<tr>
<td>Total</td>
<td>8,040</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, Census 1980, 1990, 2000 and 2010. Figures before 1980 are from the 1980 census and underestimate total housing units by 224 units as they reflect occupied units.

Table 3-13 includes a summary of housing characteristics from 1980 through 2010. Of the 8,264 total housing units in 2010, Newburyport had 8,015 year-round units\(^{14}\) of which 7,622 or 92.2% were occupied. Of the occupied units, 5,450 or 71.5% were owner-occupied and the remaining 2,172 units or 28.5% were renter-occupied. These figures represent a significantly higher level of owner-occupancy.

\(^{14}\) The year-round figure is the one used under Chapter 40B for determining the 10% affordability goal and annual housing production goals.
than that of Essex County as a whole, where 63.8% of the units were owner-occupied, and the state as well with a 62.3% owner-occupancy level.

*Overall housing growth has continued to slow down in Newburyport.* While 1,781 new housing units were created between 1980 and 2010, representing an overall growth rate of 27.5%, the rate of growth has slowed down from 14.1% between 1980 and 1990, to 6.9% from 1990 to 2000, and then down to 4.4% between 2000 and 2010.

**Table 3-13**

<table>
<thead>
<tr>
<th>Housing Characteristics, 1980 to 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>#</td>
</tr>
<tr>
<td>Total # Housing Units</td>
</tr>
<tr>
<td>Occupied Units *</td>
</tr>
<tr>
<td>Occupied Owner Units **</td>
</tr>
<tr>
<td>Occupied Rental Units **</td>
</tr>
<tr>
<td>Total Vacant Units/ Seasonal, Rec. or Occasional Use*</td>
</tr>
<tr>
<td>Average House- Hold Size/Owner Occupied Unit</td>
</tr>
<tr>
<td>Average House- Hold Size/Renter Occupied Unit</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, Census 1980, 1990, 2000 and 2010 Summary File 1  
* Percentage of all housing units ** Percentage of occupied housing units

Since 2010 and through August 2011, an additional 23 residential units received building permits. All of the 23 new units involved the building of single-family homes with the exception of one, two-family dwelling. However, nine (9) or more than one-third of these units involved the demolition of previous units for a net increase of only 12 units (one new unit involved the demolition of a three-unit structure). Consequently, the total number of units as of August 2011 was 8,276 units.

It should be noted that the housing growth of 27.5% between 1980 and 2010 was considerably higher than the overall population growth of 9.5% during that same period. This is likely due to the increasing number of smaller households that have been forming over the past couple of decades.

*Newburyport has actually seen a net loss of rental units.* After an increase of 91 rental units between 1980 and 1990, Newburyport lost 46 rental units from 1990 to 2000, and then another 337 rental units from 2000 to 2010. This loss of rental units is most likely related to limited new construction and the conversion of rentals to homeownership through condominium conversions. Since 2000, the only new rental apartments that have been built in the City have occurred with public subsidies or the in-law apartment ordinance. However, the Newburyport Affordable Housing Trust has met with a developer who will be building four (4) new rental units under Section VI-C of the Zoning Ordinance (two one-bedroom units and two two-bedroom units). While not creating affordable units, the developer will contribute funds to the Affordable Housing Trust to subsidize affordable housing activities elsewhere in the community. (See Section 4 for more information about Section VI-C.)
There have been decreases in the average number of persons per unit. Average household size continues to drop, although at a slower rate than it did between 1980 and 2000, and consequently, new housing units do not necessarily translate into substantially more people. The average number of persons per unit declined between 1980 and 2010, from 2.97 persons to 2.45 persons for owner-occupied units and from 2.14 to 1.70 persons for rental units. This decrease reflects local, regional and national trends towards smaller household sizes and relates to the change in the average household size in Newburyport from 2.72 persons in 1980 to 2.23 by 2010.

3.2.2 Types of Structures and Units – Significant but declining housing diversity

Estimates from the Census Bureau’s 2006-2010 American Community Survey indicated that there is significant diversity of housing types in Newburyport’s existing housing stock as summarized in Table 3-14 and Figure 3-6 compared to many other communities of Newburyport’s relative size and affluence. This diversity is slowly eroding however.

<table>
<thead>
<tr>
<th>Type of Structure</th>
<th>1990</th>
<th>2000</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
</tr>
<tr>
<td>1-unit detached</td>
<td>3,640</td>
<td>49.2</td>
<td>4,099</td>
</tr>
<tr>
<td>1-unit attached</td>
<td>690</td>
<td>9.3</td>
<td>772</td>
</tr>
<tr>
<td>2 units</td>
<td>1,686</td>
<td>22.8</td>
<td>718</td>
</tr>
<tr>
<td>3 to 4 units</td>
<td>842</td>
<td>10.6</td>
<td>699</td>
</tr>
<tr>
<td>5 to 9 units</td>
<td>630</td>
<td>8.5</td>
<td>678</td>
</tr>
<tr>
<td>10+ units</td>
<td>645</td>
<td>8.7</td>
<td>794</td>
</tr>
<tr>
<td>Other</td>
<td>109</td>
<td>1.5</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>7,400</td>
<td>100.0</td>
<td>7,913</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, Census 1990 and 2000 Summary File 3; 2009 data from the 2006-2010 American Community Survey

Single-family homes, detached and attached, comprised 64.5% of all units based on 2010 estimates, increasing by 971 units from 1990 to 2010 and representing virtually all of the new housing growth as the net gain of new units was only 817 units. A contributing factor is likely the conversion of smaller, multi-family properties to single-family use. In fact, the number of two to four-unit structures declined by 219 units between 1990 and 2010, going from 22.8% of all units to 17.8% despite an overall housing growth rate of about 11%.

This decline in small, multi-family homes represents the loss of a valuable segment of the city’s existing housing stock. Many of these units were probably more affordable, as private landlords, particularly owner-occupied ones, tend to value good tenants and frequently maintain rents below market to keep them. It also suggests the loss of some particularly affordable homeownership stock as well since owners with rental units benefit from rental income that helps them finance the property. Lenders typically count about 75% of the rental income towards mortgage underwriting calculations thus allowing a lower income homeowner to purchase a home. Thus, small multi-family homes have offered important starter housing in many communities, cities in particular. Strategies to replace some of this housing should be considered in future planning.
There were fluctuations in the supply of the larger housing stock of five (5) units or more with a net gain of 115 units between 1990 and 2010. There was in fact a 197-unit increase in such units between 1990 and 2000, to 1,472 units, and then a subsequent loss of 82 units to 1,390 units by 2010.

The number of units in the “other” category, which includes mobile homes, RV’s, houseboats, etc., also fluctuated somewhat, from 109 units in 1990, to as little as 10 by 2000, and then up to 59 according to 2010 estimates. In this case there was a net loss of 50 such units.

**Figure 3-6**

**Distribution of Units Per Structure, 2010**

Table 3-15 provides an estimated breakdown of the estimated 2010 distribution of units per structure according to whether the units were occupied by renters or homeowners. While more than two-thirds of owners resided in single-family detached homes, almost the same portion of renters lived in multi-family units of three (3) or more units. It is interesting to note that 19.6% of the single-family homes were renter-occupied as opposed to 14.2% statewide.

**Table 3-15**

<table>
<thead>
<tr>
<th>Type of Structure</th>
<th>Homeowner Units/Number of Residents</th>
<th>Renter Units/Number of Residents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>1- unit detached</td>
<td>3,745</td>
<td>69.2</td>
</tr>
<tr>
<td>1- unit attached</td>
<td>849</td>
<td>15.7</td>
</tr>
<tr>
<td>2 units</td>
<td>194</td>
<td>3.6</td>
</tr>
<tr>
<td>3 to 4 units</td>
<td>270</td>
<td>5.0</td>
</tr>
<tr>
<td>5 to 9 units</td>
<td>205</td>
<td>3.8</td>
</tr>
<tr>
<td>10+ units</td>
<td>130</td>
<td>2.4</td>
</tr>
<tr>
<td>Other/mobile home</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Total</td>
<td>5,409</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, 2006-2010 American Community Survey
Table 3-16 provides information on the distribution of unit sizes, more specifically the number of rooms per unit. This data indicates that the median unit was moderately sized with almost six (6) rooms, or about three (3) bedrooms, and comparable to the county median of 5.6 rooms. In addition, those units most appropriate for single persons, with three (3) rooms or less, comprised only 17.6% of the housing stock. On the other end of the spectrum, there was a substantial supply of larger homes of seven (7) or more rooms, involving 37.0% of the housing stock.

Table 3-16
Number of Rooms Per Unit, 2010

<table>
<thead>
<tr>
<th>Number of Rooms Per Unit</th>
<th>Newburyport</th>
<th>Essex County</th>
</tr>
</thead>
<tbody>
<tr>
<td>#</td>
<td>%</td>
<td>#</td>
</tr>
<tr>
<td>1 Room</td>
<td>93</td>
<td>1.1</td>
</tr>
<tr>
<td>2 Rooms</td>
<td>293</td>
<td>3.6</td>
</tr>
<tr>
<td>3 Rooms</td>
<td>1,057</td>
<td>12.9</td>
</tr>
<tr>
<td>4 Rooms</td>
<td>1,115</td>
<td>13.6</td>
</tr>
<tr>
<td>5 Rooms</td>
<td>1,154</td>
<td>14.0</td>
</tr>
<tr>
<td>6 Rooms</td>
<td>1,465</td>
<td>17.8</td>
</tr>
<tr>
<td>7 Rooms</td>
<td>1,111</td>
<td>13.5</td>
</tr>
<tr>
<td>8 Rooms</td>
<td>1,015</td>
<td>12.4</td>
</tr>
<tr>
<td>9 or More Rooms</td>
<td>914</td>
<td>11.1</td>
</tr>
<tr>
<td>Total</td>
<td>8,217</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, 2006-2010 American Community Survey

### 3.2.3 Vacancy Rates – Tight market conditions

The vacancy rate was only 1.1% for ownership and a bit higher for rentals at 6.4%. As any rate below 5% reflects extremely tight housing market conditions, this information confirms a strong market. These rates were comparable to the state’s but significantly lower than national rates as shown in Table 3-17.

Table 3-17
Vacancy Rates by Tenure, 2000 and 2010

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2010</th>
<th>MA 2010</th>
<th>Nation 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental</td>
<td>3.9%</td>
<td>6.4%</td>
<td>6.5%</td>
<td>9.2%</td>
</tr>
<tr>
<td>Homeowner</td>
<td>0.6%</td>
<td>1.1%</td>
<td>1.5%</td>
<td>2.4%</td>
</tr>
</tbody>
</table>

Source: US Census Bureau, 2000 and 2010

### 3.2.4 Housing Market Conditions – Housing costs remain high

The following analysis of the housing market looks at past, present and future values of homeownership and rental housing from a number of data sources including:

- The U.S. Census Bureau’s 2006-2010 American Community Survey
- The Warren Group’s median income statistics and sales volume by year, from 1990 through 2011
- Multiple Listing Service data
- City Assessor’s data
Craigslist (rental housing)

Homeownership

Census data also provides information on housing values for homeownership and rental units, as summarized in Table 3-18. The 2006-2010 American Community Survey estimates indicated that the 2010 median house value was $445,400, up about 76% from the median in 2000 of $253,600, and up about 161% since 1990 when the median was only $170,600.

Table 3-18
Housing Values, 1990 to 2010

<table>
<thead>
<tr>
<th>Price Range</th>
<th>1990</th>
<th>2000</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
</tr>
<tr>
<td>Less than $50,000</td>
<td>23</td>
<td>0.7</td>
<td>0</td>
</tr>
<tr>
<td>$50,000 to $99,999</td>
<td>120</td>
<td>3.6</td>
<td>72</td>
</tr>
<tr>
<td>$100,000 to $149,999</td>
<td>875</td>
<td>26.2</td>
<td>294</td>
</tr>
<tr>
<td>$150,000 to $199,999</td>
<td>1,388</td>
<td>41.6</td>
<td>761</td>
</tr>
<tr>
<td>$200,000 to $299,999</td>
<td>746</td>
<td>22.3</td>
<td>1,758</td>
</tr>
<tr>
<td>$300,000 to $499,999</td>
<td>186</td>
<td>5.6</td>
<td>996</td>
</tr>
<tr>
<td>$500,000 to $999,999</td>
<td>178</td>
<td>4.4</td>
<td>1,881</td>
</tr>
<tr>
<td>$1 million or more</td>
<td>9</td>
<td>0.2</td>
<td>212</td>
</tr>
<tr>
<td>Total</td>
<td>3,338</td>
<td>100.0</td>
<td>4,068</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, 1990 and 2000, Summary File 1 and U.S. Census Bureau, 2006-2010 American Community Survey

As Table 3-18 indicates, there were 38 units valued at less than $100,000 in 2010, comprising less than 1% of the housing stock and another 111 units, or 2.1% of the housing stock, valued between $100,000 and $200,000. This demonstrates that very little of the city’s housing units were relatively affordable. On the other end of the price range, 2,093 units, or 38.7% of the housing stock, were priced at $500,000 or more, clearly in the high-end of the market.

Table 3-19 provides Warren Group data on median sales prices and number of sales from 1990 through the end of 2012, offering a long-range perspective on sales activity. This data is tracked from Multiple Listing Service information based on actual sales. The median sales price of a single-family home as of the end of 2010 was $415,250, decreasing somewhat with the continuing economic recession to a median of $410,000 by June 2011, then bouncing up to $423,000 by the end of 2011, and back down to $375,000 by the end of 2012. The lowest point of the market occurred in 1991 when the median single-family home was priced at $140,000, down from $162,750 the year before and reflective of the economic recession in the early 1990s. After that single-family home values climbed steadily, reaching $465,000 in 2007, the height of the housing market for Newburyport and many communities in the state.

The number of single-family home sales also increased significantly from 122 and 129 in 1990 and 1991, respectively, to a high of 255 in 1998. The sales volume then fluctuated considerably after that. The volume of sales has declined in recent years to only 136 sales in 2009, 156 in 2010, and 147 in 2011, but increased somewhat to 175 in 2012.
<table>
<thead>
<tr>
<th>Year</th>
<th>Months</th>
<th>Single-family Median</th>
<th># Sales</th>
<th>Condominiums Median</th>
<th># Sales</th>
<th>All Sales Median</th>
<th># Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>Jan – Dec</td>
<td>$375,000</td>
<td>175</td>
<td>$295,000</td>
<td>134</td>
<td>$356,000</td>
<td>398</td>
</tr>
<tr>
<td>2011</td>
<td>Jan – Dec</td>
<td>423,000</td>
<td>147</td>
<td>265,950</td>
<td>102</td>
<td>$385,000</td>
<td>312</td>
</tr>
<tr>
<td>2010</td>
<td>Jan – Dec</td>
<td>415,250</td>
<td>156</td>
<td>320,000</td>
<td>125</td>
<td>375,000</td>
<td>325</td>
</tr>
<tr>
<td>2009</td>
<td>Jan – Dec</td>
<td>397,950</td>
<td>136</td>
<td>287,600</td>
<td>107</td>
<td>359,500</td>
<td>276</td>
</tr>
<tr>
<td>2008</td>
<td>Jan – Dec</td>
<td>452,000</td>
<td>156</td>
<td>310,000</td>
<td>129</td>
<td>370,000</td>
<td>327</td>
</tr>
<tr>
<td>2007</td>
<td>Jan – Dec</td>
<td>465,000</td>
<td>171</td>
<td>310,000</td>
<td>172</td>
<td>380,000</td>
<td>379</td>
</tr>
<tr>
<td>2006</td>
<td>Jan – Dec</td>
<td>447,500</td>
<td>190</td>
<td>306,250</td>
<td>206</td>
<td>393,500</td>
<td>448</td>
</tr>
<tr>
<td>2005</td>
<td>Jan – Dec</td>
<td>456,175</td>
<td>200</td>
<td>288,250</td>
<td>312</td>
<td>370,000</td>
<td>560</td>
</tr>
<tr>
<td>2004</td>
<td>Jan – Dec</td>
<td>438,500</td>
<td>170</td>
<td>325,000</td>
<td>193</td>
<td>390,290</td>
<td>402</td>
</tr>
<tr>
<td>2003</td>
<td>Jan – Dec</td>
<td>388,000</td>
<td>191</td>
<td>280,000</td>
<td>188</td>
<td>339,000</td>
<td>445</td>
</tr>
<tr>
<td>2002</td>
<td>Jan – Dec</td>
<td>368,000</td>
<td>221</td>
<td>265,000</td>
<td>208</td>
<td>330,000</td>
<td>519</td>
</tr>
<tr>
<td>2001</td>
<td>Jan – Dec</td>
<td>370,209</td>
<td>212</td>
<td>242,900</td>
<td>173</td>
<td>309,000</td>
<td>455</td>
</tr>
<tr>
<td>2000</td>
<td>Jan – Dec</td>
<td>300,000</td>
<td>200</td>
<td>212,500</td>
<td>243</td>
<td>248,000</td>
<td>514</td>
</tr>
<tr>
<td>1999</td>
<td>Jan – Dec</td>
<td>246,000</td>
<td>213</td>
<td>179,900</td>
<td>175</td>
<td>218,250</td>
<td>424</td>
</tr>
<tr>
<td>1998</td>
<td>Jan – Dec</td>
<td>215,000</td>
<td>255</td>
<td>164,000</td>
<td>197</td>
<td>192,500</td>
<td>536</td>
</tr>
<tr>
<td>1996</td>
<td>Jan – Dec</td>
<td>174,000</td>
<td>225</td>
<td>134,900</td>
<td>188</td>
<td>156,900</td>
<td>495</td>
</tr>
<tr>
<td>1995</td>
<td>Jan – Dec</td>
<td>170,000</td>
<td>199</td>
<td>130,000</td>
<td>128</td>
<td>157,000</td>
<td>380</td>
</tr>
<tr>
<td>1994</td>
<td>Jan – Dec</td>
<td>160,500</td>
<td>182</td>
<td>110,000</td>
<td>119</td>
<td>143,500</td>
<td>382</td>
</tr>
<tr>
<td>1993</td>
<td>Jan – Dec</td>
<td>150,000</td>
<td>216</td>
<td>113,250</td>
<td>82</td>
<td>144,000</td>
<td>357</td>
</tr>
<tr>
<td>1992</td>
<td>Jan – Dec</td>
<td>148,900</td>
<td>213</td>
<td>98,000</td>
<td>123</td>
<td>130,000</td>
<td>383</td>
</tr>
<tr>
<td>1991</td>
<td>Jan – Dec</td>
<td>140,000</td>
<td>129</td>
<td>105,000</td>
<td>73</td>
<td>134,500</td>
<td>231</td>
</tr>
<tr>
<td>1990</td>
<td>Jan – Dec</td>
<td>162,750</td>
<td>122</td>
<td>129,950</td>
<td>58</td>
<td>152,000</td>
<td>214</td>
</tr>
</tbody>
</table>

Source: The Warren Group/Banker & Tradesman, March 27, 2012

The condo market has experienced more volatility, both in terms of values and number of sales. Median prices dropped from 1990 to 1992, from $129,950 to $98,000. The market revived somewhat in the later 1990s, reaching a median of $212,500 by 2000 and $306,250 by 2006. The condo market passed pre-recession levels in 2010 with a median of $320,000, followed by another dip in value to $249,960 as of June 2011, up somewhat again to $265,950 by the end of 2011, and then up further to $295,000 in 2012.

The condo market has typically been very soft throughout the Commonwealth over the past several years, as financing has become more difficult to obtain and prices in some communities have fallen to all-time lows. This has not been as evident in Newburyport given the relatively high median price of $320,000 in 2010, higher than pre-recession levels. Nevertheless, some response to the financial crisis can be seen in the sales volume of condos, which has decreased significantly from the 312-unit sales volume in 2005, down to 107 and 125 for 2009 and 2010, respectively, then down further to 102 sales in 2011, and up again to 134 in 2012.

Housing prices are high in Newburyport relative to neighboring communities as well as Essex County and the state as noted in Figure 3-7. Median values for single-family homes were highest for West Newbury with a median price of $423,500 as of the end of 2011, down from $469,500 in mid-2011 and down further to $412,000 by the end of 2012. Newburyport’s median at $375,000 was much higher than the county and state at $315,000 and $290,000, respectively.
Figure 3-7 clearly demonstrates the trajectory of the housing market since 2000, with increasing home values through the height of the Newburyport’s market in 2007, and a downward trend since then due to the financial crisis. There is some evidence of a slight recovery in the single-family market with median values inching up since 2010.

Another analysis of housing market data is presented in Table 3-20, which breaks down sales data from the Multiple Listing Service as compiled by Banker & Tradesman of The Warren Group for single-family homes and condominiums.

<table>
<thead>
<tr>
<th>Price Range</th>
<th>Single-family Homes</th>
<th>Condominiums</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
</tr>
<tr>
<td>Less than 100,000</td>
<td>1</td>
<td>1.2%</td>
<td>2</td>
</tr>
<tr>
<td>$100,000-149,999</td>
<td>0</td>
<td>0.0%</td>
<td>4</td>
</tr>
<tr>
<td>$150,000-199,999</td>
<td>2</td>
<td>2.4%</td>
<td>9</td>
</tr>
<tr>
<td>$200,000-249,999</td>
<td>4</td>
<td>4.8%</td>
<td>6</td>
</tr>
<tr>
<td>$250,000-299,999</td>
<td>11</td>
<td>13.3%</td>
<td>8</td>
</tr>
<tr>
<td>$300,000-349,999</td>
<td>5</td>
<td>6.0%</td>
<td>7</td>
</tr>
<tr>
<td>$350,000-399,999</td>
<td>8</td>
<td>9.6%</td>
<td>7</td>
</tr>
<tr>
<td>$400,000-499,999</td>
<td>21</td>
<td>25.3%</td>
<td>4</td>
</tr>
<tr>
<td>$500,000-599,999</td>
<td>12</td>
<td>14.5%</td>
<td>2</td>
</tr>
<tr>
<td>$600,000-699,999</td>
<td>9</td>
<td>10.8%</td>
<td>1</td>
</tr>
<tr>
<td>$700,000-799,999</td>
<td>5</td>
<td>6.0%</td>
<td>0</td>
</tr>
<tr>
<td>$800,000-899,999</td>
<td>1</td>
<td>1.2%</td>
<td>0</td>
</tr>
<tr>
<td>$900,000-999,999</td>
<td>1</td>
<td>1.2%</td>
<td>0</td>
</tr>
<tr>
<td>Over $1 million</td>
<td>3</td>
<td>3.6%</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>83</td>
<td>100.0%</td>
<td>52</td>
</tr>
</tbody>
</table>
Table 3-20 provides a snapshot of the range of sales for the first part of 2011, through July. There were a total of 135 sales, 83 single-family homes and 52 condos. Units that sold below $200,000, and were therefore relatively affordable to those earning at or below 80% of area income, included three (3) single-family homes and 18 condominiums for a total of 21 units. There were two (2) condos at Woodman Way that sold for $67,500 and $63,500, part of an older multi-family complex. A single-family was also listed as selling for $45,965 with three (3) bedrooms, two (2) baths and approximately 1,200 square feet of living space, which is curious given such high housing values in Newburyport.

More than one-fifth of the sales fell into the $200,000 to $300,000 range, still relatively affordable, and almost half of the properties sold between $300,000 and $600,000. Another 12 or 8.9% of the sales involved high-end properties costing more than $700,000. The distribution of these sale prices suggests a fair amount of diversity of units available in the housing market, from a handful of affordable units to properties in the luxury market selling for more than $1 million.

City Assessor data on the assessed values of residential properties in Newburyport is presented in Tables 3-21 and 3-22, which provides some insights not only into the diversity of the existing housing stock but also the range of values for each dwelling type. Table 3-21 provides information on the assessed values of single-family homes and condominiums. This data shows that Newburyport had 4,231 single-family properties, and not surprisingly there were only a handful of units that were valued below $200,000, with another 344 assessed between $200,000 and $300,000, still relatively affordable. More than two-thirds of the units were assessed from $300,000 to $500,000. Assessor’s records also showed that 22.5% of the single-family dwellings were valued above $500,000, 4.5% above $700,000 in the high-end luxury market.

Table 3-21

<table>
<thead>
<tr>
<th>Assessment</th>
<th>Single-family Dwellings</th>
<th>Condominiums</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
</tr>
<tr>
<td>0-99,999</td>
<td>1</td>
<td>0.02</td>
<td>46</td>
</tr>
<tr>
<td>$100,000-199,000</td>
<td>4</td>
<td>0.1</td>
<td>404</td>
</tr>
<tr>
<td>$200,000-249,999</td>
<td>28</td>
<td>0.7</td>
<td>262</td>
</tr>
<tr>
<td>$250,000-299,999</td>
<td>316</td>
<td>7.5</td>
<td>241</td>
</tr>
<tr>
<td>$300,000-399,999</td>
<td>1,951</td>
<td>46.1</td>
<td>458</td>
</tr>
<tr>
<td>$400,000-499,999</td>
<td>981</td>
<td>23.2</td>
<td>129</td>
</tr>
<tr>
<td>$500,000-599,999</td>
<td>530</td>
<td>12.5</td>
<td>48</td>
</tr>
<tr>
<td>$600,000-699,999</td>
<td>229</td>
<td>5.4</td>
<td>10</td>
</tr>
<tr>
<td>$700,000-799,999</td>
<td>94</td>
<td>2.2</td>
<td>3</td>
</tr>
<tr>
<td>$800,000-899,999</td>
<td>40</td>
<td>0.9</td>
<td>2</td>
</tr>
<tr>
<td>$900,000-999,999</td>
<td>13</td>
<td>0.3</td>
<td>3</td>
</tr>
<tr>
<td>Over $1 million</td>
<td>44</td>
<td>1.0</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>4,231</td>
<td>100.0</td>
<td>1,609</td>
</tr>
</tbody>
</table>

Source: Newburyport Assessor, fiscal year 2011.
There were 1,609 condos, or almost one-fifth of all housing units, counted in Assessor’s records. Thus condos are a significant segment of Newburyport’s housing market. Most of the condos were assessed more affordably than single-family homes with almost 60% assessed below $300,000 and another 28.5% assessed between $300,000 and $400,000. There were few, only 12.3%, valued above this level.

As indicated in Table 3-19, condos are priced more affordably but also susceptible to wide fluctuations in the housing market. Condo markets are historically slower to appreciate and faster to decline in value, and a few years ago the value of condos rose disproportionately when the price of single-family homes reached an unprecedented high.

The conversion of rental properties to condominiums has been a concern for many interested in promoting more housing diversity and affordable housing. This has contributed to a loss of rental units in the recent past, including the loss of rental units in both the conversion of large and small multi-family properties to single-family use or condos. Much of the smaller multi-family conversions have occurred near or in the downtown area where a substantial portion of this housing stock is located. Given current market conditions, condo conversions have likely slowed down or stopped altogether. It has become, in fact, extremely challenging to secure financing for condos, as lenders are applying much more rigorous lending criteria.

Assessor’s data, as summarized in Table 3-22, indicated that there were 446 two-family homes (892 units), 78 three-families (234 units), 192 structures of four to eight units and 12 with eight units or more. There were also 27 properties that involved more than one house on the same lot, with a wide fluctuation in values. The data also showed that the majority of the two- and three-family properties were assessed between $300,000 and $500,000 with another 15% to 17% assessed from $500,000 to $600,000, respectively. More than 60% of the four (4) to eight (8) unit properties were valued between $300,000 and $500,000. There are only a dozen properties with more than eight (8) units, half assessed above $900,000.

<table>
<thead>
<tr>
<th>Assessment</th>
<th>2/3-unit properties</th>
<th>4 to 8-units/8+ unit properties</th>
<th>Multiple houses on 1 lot/mixed-use</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-$199,999</td>
<td>0/0</td>
<td>0/0</td>
<td>0/0</td>
<td>0/0</td>
</tr>
<tr>
<td>$200,000-$299,999</td>
<td>12/1</td>
<td>8.2/1.3</td>
<td>0.0/0.0</td>
<td>0.0/0.0</td>
</tr>
<tr>
<td>$300,000-$399,999</td>
<td>132/9</td>
<td>29.6/11.5</td>
<td>94/0</td>
<td>49.0/0.0</td>
</tr>
<tr>
<td>$400,000-$499,999</td>
<td>185/35</td>
<td>41.5/44.9</td>
<td>24/0</td>
<td>12.5/0.0</td>
</tr>
<tr>
<td>$500,000-$599,999</td>
<td>65/13</td>
<td>14.6/16.7</td>
<td>29/2</td>
<td>15.1/16.7</td>
</tr>
<tr>
<td>$600,000-$699,999</td>
<td>27/8</td>
<td>6.1/10.3</td>
<td>27/4</td>
<td>14.1/33.3</td>
</tr>
<tr>
<td>$700,000-$799,999</td>
<td>11/6</td>
<td>2.5/7.7</td>
<td>11/0</td>
<td>5.7/0.0</td>
</tr>
<tr>
<td>$800,000-$899,999</td>
<td>1/3</td>
<td>0.2/3.8</td>
<td>5/0</td>
<td>2.6/0.0</td>
</tr>
<tr>
<td>$900,000-$999,999</td>
<td>5/1</td>
<td>1.1/1.3</td>
<td>2/2</td>
<td>1.0/16.7</td>
</tr>
<tr>
<td>Over $1 million</td>
<td>8/2</td>
<td>1.8/2.6</td>
<td>0/4</td>
<td>0.0/33.3</td>
</tr>
<tr>
<td>Total</td>
<td>446/78</td>
<td>100/100</td>
<td>192/12</td>
<td>100/100</td>
</tr>
</tbody>
</table>

Source: Newburyport Assessor, fiscal year 2011.
Rentals
Table 3-23 presents information on rental costs from 1980 to 2010, based on the U.S. Census Bureau.

<table>
<thead>
<tr>
<th>Gross Rent</th>
<th>1980</th>
<th>1990</th>
<th>2000</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>$200 - $999</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under $200</td>
<td>482</td>
<td>19.6</td>
<td>296</td>
<td>11.6</td>
</tr>
<tr>
<td>$200 - $299</td>
<td>863</td>
<td>35.2</td>
<td>93</td>
<td>3.7</td>
</tr>
<tr>
<td>$300 - $499</td>
<td>935</td>
<td>38.1</td>
<td>361</td>
<td>14.2</td>
</tr>
<tr>
<td>$400 - $749</td>
<td>97</td>
<td>40.0</td>
<td>1,135</td>
<td>44.6</td>
</tr>
<tr>
<td>$750 - $999</td>
<td>397</td>
<td>15.6</td>
<td>854</td>
<td>34.1</td>
</tr>
<tr>
<td>$1,000 - $1,499</td>
<td>222</td>
<td>8.7</td>
<td>344</td>
<td>13.7</td>
</tr>
<tr>
<td>$1,500 +</td>
<td>67</td>
<td>2.3</td>
<td>352</td>
<td>16.4</td>
</tr>
<tr>
<td>No Cash Rent</td>
<td>78</td>
<td>3.2</td>
<td>41</td>
<td>1.6</td>
</tr>
<tr>
<td>Total*</td>
<td>2,455</td>
<td>100.0</td>
<td>2,545</td>
<td>100.0</td>
</tr>
<tr>
<td>Median Rent</td>
<td>$285</td>
<td></td>
<td>$615</td>
<td></td>
</tr>
</tbody>
</table>


The rental market has changed substantially as the median rent more than doubled between 1980 and 1990, going from $285 per month to $615. From 1990 to 2000, the median rent increased by 24% and then increased by another estimated 41% between 2000 and 2010. Based on 2010 census estimates, about three-quarters of the city’s rental units were renting for more than $750, 16.4% above $1,500. It is also important to note that the census counts include subsidized units, which represents 26.8% of all rental units in Newburyport.

Updated information from Craigslist on recent rental offerings in late August/early September 2011 for Newburyport is summarized below.

**One-bedroom Units**
- $850 for a 400-foot unit
- $850 one-bedroom or 2-room studio on the first floor of a property on Washington Street while the one-bedroom or 3-room unit on the second floor was listed for $1,100.
- $945 for a unit in a Newburyport Victorian with 850 square feet
- $950 for a unit in a Federalist property
- $985 for a unit that included heat and hot water in a downtown location
- $1,100 for a 2-level unit
- $1,000 and $1,100 listings for units in the downtown
- $1,325 for a furnished waterfront unit
- $1,350 for a “cozy cottage” on Plum Island
- $1,400 for a furnished carriage house
- $1,500 for a downtown condo with 912 square feet of living space
- $1,550 for a downtown penthouse condo on Pleasant Street
- $1,975 for a furnished waterfront unit

**Two-bedroom Units**
- $1,050 for a unit in the South End
$1,100 for a downtown location
$1,250 for a 900-foot, furnished winter rental on Plum Island
$1,300 for a 1,500 square foot unit on High Street
$1,350 for a waterfront winter rental on Plum Island
$1,500 for an 800 square foot year-round unit on Plum Island
$1,600 for an A-frame beach rental on Plum Island, only for the winter season
$1,700 for a newly-renovated duplex unit with 1,440 square feet of space in the downtown
$1,775 for a furnished condo on Plum Island

Three-bedroom Units
$850 for a house with 2½ baths
$1,500 for a winter rental on Plum Island
$1,875 to $2,000 for units within walking distance to the downtown
$1,990 for a unit in an historic 1600's Colonial
$2,000 for a unit on Allen Street in the South End
$2,500 for a 2,400 square foot newly-built townhouse in the South End
$3,250 for a South End home with River views

Four-bedroom Units
$2,000 for furnished unit available from November through April only
$2,500 home in the downtown with 2,800 square feet of living space

Very few three- and four-bedroom apartments come on the market that are suitable for larger families. Out of 74 Craigslist listings for the Newburyport area, only four (4) had more than three (3) bedrooms.

Most of the apartments require first and last month’s rent plus a security deposit equivalent to as much as a month’s rent. For a $1,200 apartment, that totals $3,600 in up-front cash, an amount that many prospective tenants just do not have. Some listings include just a half-month’s rent up-front, in addition to the first month’s rent, as a “finders fee”.

3.2.5 Affordability of Existing Housing
While it is useful to have a better understanding of past and current housing costs, it is also important to analyze the implications of these costs on affordability. Tables 3-24 and 3-25 look at affordability from two different vantage points. Table 3-24 calculates what households earning at various income levels can afford with respect to types of housing, and Table 3-25 examines some of the housing costs summarized above in Section 3.2.4, estimating what households must earn to afford these prices based on spending no more than 30% of their income on housing expenses, the commonly applied threshold of affordability.

In addition to showing how different types of housing are more or less affordable to households earning at median income and at 80% of area median income, Table 3-24 also indicates that the amount of down payment has a substantial bearing on what households can afford. Only several years ago it had been fairly easy for purchasers to limit their down payments to 5% or even less as long as they paid private mortgage insurance or qualified for a subsidized mortgage program such as the state’s Soft Second Loan Program or MassHousing mortgage programs. Given the recent financial crisis, lenders are typically applying more rigid lending criteria, including the need for down payments as high as 20% of
the purchase price. Such high cash requirements make homeownership, particularly first-time homeownership, much more challenging. As Table 3-24 demonstrates, a household earning the same level of income can acquire a much higher priced home with more cash down as they are borrowing less.

<table>
<thead>
<tr>
<th>Type of Property</th>
<th>Income Level</th>
<th>30% of Monthly Income</th>
<th>Estimated Max. Affordable Price 5% Down ***</th>
<th>Estimated Max. Affordable Price 20% Down ***</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single-family</td>
<td>Median Income = $76,148*</td>
<td>$1,903.70</td>
<td>$293,000</td>
<td>$350,000</td>
</tr>
<tr>
<td></td>
<td>80% AMI = $51,400**</td>
<td>$1,285.00</td>
<td>$205,000</td>
<td>$235,000</td>
</tr>
<tr>
<td>Condominium</td>
<td>Median Income = $76,148*</td>
<td>$1,903.70</td>
<td>$255,000</td>
<td>$290,000</td>
</tr>
<tr>
<td></td>
<td>80% AMI = $51,400**</td>
<td>$1,285.00</td>
<td>$164,000</td>
<td>$189,000</td>
</tr>
<tr>
<td>Two-family</td>
<td>Median Income = $76,148*</td>
<td>$1,903.70</td>
<td>$399,000</td>
<td>$475,000</td>
</tr>
<tr>
<td></td>
<td>80% AMI = $51,400**</td>
<td>$1,285.00</td>
<td>$315,000</td>
<td>$362,000</td>
</tr>
<tr>
<td>Rental</td>
<td>Median Income = $76,148*</td>
<td>$1,903.70</td>
<td>$135</td>
<td>$1,768.70</td>
</tr>
<tr>
<td></td>
<td>80% AMI = $51,400**</td>
<td>$1,285.00</td>
<td>$135</td>
<td>$1,150.00</td>
</tr>
<tr>
<td></td>
<td>50% AMI = $38,550**</td>
<td>$963.75</td>
<td>$135</td>
<td>$828.75</td>
</tr>
<tr>
<td></td>
<td>30% AMI = $23,150**</td>
<td>$578.75</td>
<td>$135</td>
<td>$443.75</td>
</tr>
</tbody>
</table>

Source: Calculations provided by Karen Sunnarborg.
* Based on the U.S. Census Bureau’s American Community Survey estimate for 2009.
** HUD 2011 Income Limits for the Boston area for a household of two (2), which is the average household size in Newburyport.
*** Figures based on interest rate of 5.0%, 30-year term, annual property tax rate of $12.07 per thousand, insurance costs of $1.25 per $1,000 of combined valuation of dwelling value (value x 0.5), personal property ($100,000 fixed), and personal liability ($100,000 fixed), and private mortgage insurance (PMI) estimated at 0.3125% of loan amount for 95% financing, estimated monthly condo fees of $250, and rental income of 75% of $900 or $675. Figures do not include underwriting for PMI in calculations with a 20% down payment and assume that purchasers earning at or below 80% of AMI would qualify for the Soft Second Loan Program or other subsidized mortgage program that would not require PMI.

Table 3-24 also shows that because condo fees are calculated as housing expenses in mortgage underwriting criteria, they are more expensive. Therefore, a household earning at 80% of area median income, for example, can afford a single-family home of $293,000 with a 5% down payment, but a condo for only $205,000, assuming a condo fee of $250 per month. The same household is estimated to be able to buy a two-family house for $315,000 if it can charge $900 per month in rent as this income is

15 In 2012 the median values increased somewhat (median income to $76,300 and median home prices to $423,000 and $265,950. The 80% area median income level also increased a bit to $52,000 for a household of two (2). These changes should not cause significant deviations from the results of this affordability analysis.
also considered in mortgage underwriting, usually at about 75% of the rent level or $675. A three-family house is even more affordable with two paying tenants, and it is therefore not surprising that the two-family or triple-decker has been such a success as starter housing for those looking to enter into homeownership in many of the state’s older communities when zoning allowed this type of housing.

Table 3-24 also looks at what renters can afford at three (3) different income levels. For example, a two-person household earning at 50% of area median income and earning $38,550 annually could afford an estimated monthly rental of about $828.75, assuming they are paying no more than 30% of their income on housing and pay utility bills that average $135 per month. A rental this low is increasingly difficult to find in Newburyport, where the lowest rental advertised in late August/early September 2011 in Craigslist was $850, that most likely required first and last month’s rent and a security deposit. This means that any household looking to rent in the private housing market must have a considerable amount of cash available, which has a significant impact on affordability.

Table 3-25 examines affordability from another angle, going from specific housing costs to income instead of the other way around as was the case in Table 3-24. Taking median price levels for single-family homes, condos and two-family homes, the incomes that would be required to afford these prices are calculated, also showing the differences between 95% and 80% financing. For example, using the median single-family home price as of July 2011 of $420,000, a household would have to earn approximately $107,000 if they were able to access 95% financing. If they could afford the 20% down payment, an income of about $90,500 would be required.

<table>
<thead>
<tr>
<th>Type of Property</th>
<th>Median Price*</th>
<th>Estimated Mortgage</th>
<th>Income Required **</th>
<th>20% Down</th>
<th>20% Down</th>
<th>5% Down</th>
<th>5% Down</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>5% Down</td>
<td>20% Down</td>
<td>5% Down</td>
<td>20% Down</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single-family</td>
<td>$420,000/7-2011</td>
<td>$399,000</td>
<td>$336,000</td>
<td>$107,438</td>
<td>$90,570</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Condominium</td>
<td>$272,000/7-2011</td>
<td>$258,400</td>
<td>$217,600</td>
<td>$79,815</td>
<td>$68,914</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two-family</td>
<td>$420,000/7-2011</td>
<td>$399,000</td>
<td>$336,000</td>
<td>$80,438</td>
<td>$63,570</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Estimated Market Monthly Rental</td>
<td>Estimated Monthly Utility Costs</td>
<td>Income Required</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One-bedroom</td>
<td>$850</td>
<td>$100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two-bedroom</td>
<td>$1,050</td>
<td>$135</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Three-bedroom</td>
<td>$1,500</td>
<td>$165</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Calculations provided by Karen Sunnarborg.
* From The Warren Group Town Stats data, August 26, 2011 for single-family and condos. Used the same price as the single-family for the two-family example.
** Figures based on interest of 5.0%, 30-year term, annual property tax rate of $12.07 per thousand, insurance costs of $1.25 per $1,000 of combined valuation of dwelling value (value x 0.5), personal property ($100,000 fixed), and personal liability ($100,000 fixed), and private mortgage insurance estimated at 0.3125% of loan amount, estimated monthly condo fees of $250, and rental income of 75% of $900 or $675.
*** Lowest prices seen in late August/early September 2011 listings for Newburyport in Craigslist.
The median condo price was $272,000 in July 2011, requiring an income of almost $80,000 with 5% down and $69,000 with the 20% down payment. Once again, because of the income generated in a two-family home, this type of property is significantly more affordable.

In regard to rentals, using the lowest prices advertised in late August/early September 2011 on Craigslist, a one-bedroom unit renting for $850 would require an income of $38,000, assuming $100 per month in utility bills and housing expenses of no more than 30% of the household’s income. Even so, someone earning minimum wage of $8.00 for 40 hours per week every week during the year would still only earn a gross income of only $16,640. Households with two persons earning the minimum wage would still fall short of the $38,000 income needed to afford this minimum advertised rent. While there are rents that fall below this level, particularly subsidized rents, market rents tend to be beyond the reach of these lower wage earners.

Through the combination of information in Tables 3-24 and 3-25, it is possible to compute the affordability gap, typically defined as the difference between what a median income household can afford and the median priced unit on the market. The affordability gap would then be $70,000 as of July 2011 for single-family homes, the difference between $350,000, based on what a median income household could afford (for an average household of two and 80% financing) and the median house price of $420,000. The upfront cash requirements for the down payment and closing costs in effect substantially add about another $90,000 to this affordability gap in the case of 80% financing. The gap widens to $127,000 plus some upfront cash requirements for 95% financing.

When looking at the affordability gap for those earning at 80% of area median income, the gap widens considerably to $215,000, the difference between the median priced single-family home and what a two-person household earning at this income level can afford, or $205,000, based on 95% financing.

There is currently no affordability gap for condos as a household earning at median income can afford the median priced condo. However, once again the high costs associated with obtaining mortgage financing and the up-front cash requirements involved in renting effectively widen the affordability gap for owners and renters.

Table 3-26 identifies how many single-family homes and condos exist in Newburyport that were affordable within various income categories. While there were hardly any single-family homes affordable to those earning at or below 80% of the area median income (AMI), more than one-fifth of the condos, or 348 units, were affordable. About one-third of both the single-family units and condominiums were affordable to those earning above this level, from 80% to 100% AMI. This represents some relative affordability in the housing stock based on a number of assumptions, including 80% financing. Once again, the ability to obtain financing, including issues related to credit history and cash requirements, can provide substantial barriers to accessing housing. It is also important to note that this analysis is based on assessed values of all properties in Newburyport, not what is available on the market (see Table 3-20 for market activity and prices from January through July 2011).
Table 3-26
Affordability Analysis III
Relative Affordability of Single-family and Condo Units in Newburyport, 2011

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Number</td>
<td>%</td>
</tr>
<tr>
<td>Less than $205,000/ Less than $164,000</td>
<td>Less than 80% AMI</td>
<td>5</td>
<td>0.1</td>
</tr>
<tr>
<td>$205,001-$350,000/ $164,001-$290,000</td>
<td>80% - 100%</td>
<td>1,434</td>
<td>33.9</td>
</tr>
<tr>
<td>$350,001-$427,000/ $290,001-$380,000</td>
<td>100% - 120%**</td>
<td>1,203</td>
<td>28.4</td>
</tr>
<tr>
<td>More than $427,000 more than $380,000</td>
<td>More than 120%**</td>
<td>1,589</td>
<td>37.6</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>4,231</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Newburyport Assessor’s Database for fiscal year 2011. Please note that as a standard practice, assessed value is assumed to be 93% of actual value or potential sale price. Figures based on a two-person household.
* Includes estimated condo fee of $250 per month and figures are based on 80% financing with the exception of the less than 80% AMI category where households could possibly qualify for subsidized mortgage programs where 95%/97% financing is available.
** The 120% AMI figure based on doubling the 60% AMI HUD figure of $46,260 for a household of two (2) or $92,520.

Table 3-27 demonstrates a substantial need for more affordable homeownership opportunities in Newburyport for those earning at or below 80% AMI. These calculations suggest that of the 1,167 owner households who were estimated to have earned at or below 80% AMI, there were only five (5) single-family homes and 348 condos that would have been affordable to them based on fiscal year 2011 assessed values. It should also be noted that the North Shore HOME Consortium’s Five-Year Strategic Plan includes four (4) high priority objectives, the fourth being to expand homeownership opportunities for low-income households, defined by HUD as earning at or below 80% AMI.

Table 3-27
Homeownership Need/Demand Analysis, 2009

<table>
<thead>
<tr>
<th>Income Group</th>
<th>Income Range*</th>
<th>Affordable Sales Prices Single-family/Condos**</th>
<th>#Owner Households **</th>
<th>#Existing Units Single-family/Condos</th>
<th>Deficit -/ Surplus+ Single-family/Condos</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 80% AMI</td>
<td>$51,400 and less</td>
<td>Up to $205,000/$164,000</td>
<td>1,167</td>
<td>5/348</td>
<td>-1,162/-819</td>
</tr>
<tr>
<td>80% -00% AMI</td>
<td>$51,401 to $76,148</td>
<td>$205,001-$350,000/ $164,001-$290,000</td>
<td>813</td>
<td>1,434/563</td>
<td>+621/-250</td>
</tr>
</tbody>
</table>

* For a household of two (2) as the average household size for owners was 2.45 persons per the 2010 US census based on 2011 HUD income limits for the Boston area that includes Newburyport.
** See analysis in Table 3-26.
Table 3-28 indicates that there has been a shortage of rental units for those in the very lowest income levels with a deficit of 551 units for extremely low-income households earning less than 30% of area median income and 261 units for those earning between 30% and 50% of area median income, referred to by HUD as very low-income households. Rental subsidy programs typically target these populations.

According to the North Shore HOME Consortium’s Five-Year Strategic Plan, the following three (3) objectives, all involved in creating and preserving permanent rental housing, are of the highest priority:

- Develop an adequate supply of safe, decent rental housing that is affordable and accessible to residents within a range of incomes including those with special needs
- Reduce individual and family homelessness
- Preserve, maintain and improve the existing stock of affordable housing, particularly units occupied by extremely low and very low-income households

<table>
<thead>
<tr>
<th>Income Group</th>
<th>Income Range*</th>
<th>Affordable Rent**</th>
<th># Renter Households ***</th>
<th>#Existing Units ****</th>
<th>Deficit -/ Surplus+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 30% AMI</td>
<td>$23,150 and less</td>
<td>$444 and less</td>
<td>753</td>
<td>202</td>
<td>-551</td>
</tr>
<tr>
<td>Between 30% and 50% AMI</td>
<td>$23,151 to $38,550</td>
<td>$445 to $829</td>
<td>599</td>
<td>338</td>
<td>-261</td>
</tr>
<tr>
<td>Between 50% and 80% AMI</td>
<td>$38,551 to $51,400</td>
<td>$830 to $1,150</td>
<td>269</td>
<td>574</td>
<td>+305</td>
</tr>
</tbody>
</table>

* For a household of two (2) as the average household size for renters was 1.70 persons per the 2010 US census based on 2011 HUD income limits for the Boston area that includes Newburyport.
** Includes a utility allowance of $135 per month.
*** Extrapolated income data for renters from the US Census Bureau’s American Community Survey estimates for 2009.
**** Extrapolated data on monthly rental costs from the US Census Bureau’s American Community Survey estimates for 2009. (Will update when 2010 census results are released on income.)

In addition to an analysis of affordability based on spending no more than 30% of a household’s income on housing expenses and how this relates to the existing housing stock and financing terms, it is also useful to identify numbers of residents living beyond their means based on their housing costs. The census provides data on how much households spent on housing whether for ownership or rental. Such information is helpful in assessing how many households are encountering housing affordability problems, defined as spending more than 30% of their income on housing.

Based on 2010 estimates from the Census Bureau’s American Community Survey, there were 443 households, or 8.1% of the homeowners in Newburyport, spending between 30% and 34% of their income on housing and another 881 owners, or 16.2%, spending more than 35% of their income on housing expenses. Thus about one-quarter of all owners were overspending on housing based on these estimates.
In regard to renters, 249 renters or 11.5% were spending between 30% and 34% of their income on housing and another 786 or 36.2% were allocating 35% or more of their income for housing, for a total of more than one thousand renters who were overspending or almost half of all renters. This data suggests that altogether 2,359 households or approximately 31% of all Newburyport households were living in housing that is by common definition beyond their means and unaffordable.

HUD also prepares a report that summarizes cost burdens by tenure and income level. The results, based on 2005-2009 American Community Survey data, are summarized in Table 3-29 and include:

Of the 2,455 total households earning at or below 80% of median family income (MFI), 650 were spending more than 30% of their income on housing and 905 were spending more than half of their income on housing. An additional 850 households, earning more than 80% MFI, were spending too much on their housing as well.

Of the 1,340 renter households earning at or below 80% MFI, 805 were spending too much on their housing including 495 who were spending more than half of their income on housing expenses.

Of the 1,115 owner households earning within 80% MFI, 750 were spending too much and 410 were spending more than half of their earnings on the costs of housing.

Of the 990 households earning at or below 30% MFI, 630 or almost two-thirds were spending more than half of their income on housing.

Of the 1,175 elderly households, 300 renters and 375 owners were spending too much on housing, 400 or 34% spending more than half of their income on housing.

### Table 3-29

**Cost Burdens by Tenure and Income Level, 2009**

<table>
<thead>
<tr>
<th>Type of Household</th>
<th>Households Earning &lt; 30% MFI/# with cost burdens**</th>
<th>Households Earning &gt; 30% to &lt; 50% MFI/# with cost burdens**</th>
<th>Households Earning &gt; 50% to &lt; 80% MFI/# with cost burdens**</th>
<th>Total Earning &lt; 80% MFI/# with cost burdens**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elderly Renters</td>
<td>310/35-135</td>
<td>195/55-50</td>
<td>25/25-0</td>
<td>530/115-185</td>
</tr>
<tr>
<td>Small Family Renters</td>
<td>50/0-50</td>
<td>0/0-0</td>
<td>165/80-0</td>
<td>215/80-50</td>
</tr>
<tr>
<td>Large Family Renters</td>
<td>0/0-0</td>
<td>0/0-0</td>
<td>0/0-0</td>
<td>0/0-0</td>
</tr>
<tr>
<td>Other Renters</td>
<td>345/10-235</td>
<td>85/60-25</td>
<td>165/45-0</td>
<td>595/115-260</td>
</tr>
<tr>
<td>Total Renters</td>
<td>705/45-420</td>
<td>280/115-75</td>
<td>355/150-0</td>
<td>1,340/310-495</td>
</tr>
<tr>
<td>Elderly Owners</td>
<td>190/30-130</td>
<td>275/80-60</td>
<td>180/50-25</td>
<td>645/160-215</td>
</tr>
<tr>
<td>Small Family Owners</td>
<td>80/15-65</td>
<td>110/60-40</td>
<td>80/30-0</td>
<td>270/105-105</td>
</tr>
<tr>
<td>Large Family Owners</td>
<td>0/0-0</td>
<td>0/0-0</td>
<td>10/0-10</td>
<td>10/0-10</td>
</tr>
<tr>
<td>Other Owners</td>
<td>15/0-15</td>
<td>65/0-40</td>
<td>110/75-25</td>
<td>190/75-80</td>
</tr>
<tr>
<td>Total Owners</td>
<td>285/45-210</td>
<td>450/140-140</td>
<td>380/155-60</td>
<td>1,115/340-410</td>
</tr>
<tr>
<td>Total</td>
<td>990/90-630</td>
<td>730/255-215</td>
<td>735/305-60</td>
<td>2,455/650-905</td>
</tr>
</tbody>
</table>

Source: U. S. Department of Housing and Urban Development (HUD), SOCDS CHAS Data, American Community Survey, 2009. ** First number is total number of households in each category/second is the number of households paying more than 30% of their income on housing (with cost burdens) – and third number includes those that are paying more than half of their income on housing expenses (with severe cost burdens). Small families have four (4) or fewer family members while larger families include five (5) or more members. The Other category, for both renters and owners, includes non-elderly and non-family households.
Moreover, given the recent financial crisis with accompanying problems associated with high cost mortgages from predatory lenders and unemployment, some homeowners in Newburyport have lost their homes or are confronting possible foreclosure. Recent information on the level of foreclosures indicates that from January through July 2011, there were eight (8) foreclosure petitions filed and foreclosure auctions held on another.\(^{16}\) Relative to other towns and cities in the state as of March 2010, Newburyport had more foreclosed properties than 268 towns and cities, the same amount as 14, and fewer foreclosed properties than 85 towns.\(^{17}\) At that time, 21 foreclosures had occurred between October 2009 and March 2010.

3.2.6  **Subsidized Housing Inventory (SHI)**

*Current Inventory*

The state currently lists 629 affordable housing units in Newburyport’s state-approved Subsidized Housing Inventory, representing 7.85% of the total year-round housing stock of 8,015 units. Therefore, the city has not yet passed the Chapter 40B 10% affordability threshold. This means that the City is not exempt from comprehensive permit projects that enable developers to override local zoning in exchange for meeting state guidelines in building affordable housing.\(^{18}\)

![Figure 3-8](image.png)

**SHI Units for Newburyport and Neighboring Communities**

Many communities in the state have been confronting challenges in boosting their relatively limited supply of affordable housing. The affordable housing levels for Newburyport and neighboring communities are visually presented in Figure 3-8. Affordable housing production

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\(^{16}\) The Warren Group, Banker & Tradesman, September 1, 2011.

\(^{17}\) Data available from ForeclosuresMass database.

\(^{18}\) Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.
varies substantially among these communities with none past the 10% state affordability threshold, but with Ipswich, Newburyport and Salisbury all at the 7.8% level and Amesbury not far behind at 7.0%.

Table 3-30 summarizes the units included in the Subsidized Housing Inventory (SHI), the list of affordable dwelling units that the state recognizes as eligible for counting towards Newburyport’s 10% state affordability goal or annual housing production goals. The vast majority of Newburyport’s 629 SHI units are rentals (460 units or 73%), which includes 39 special needs units in group homes. Newburyport has 31 units managed by the state’s Department of Developmental Services (DDS) and another eight (8) Department of Mental Health (DMH) units.

Expanding affordability restrictions will eliminate some units from the SHI. For example, the 124 units that were rehabilitated through the City’s Homeownership Rehab Program had short-term affordability restrictions that will be expiring, some in the very near future. Within the next five (5) years, the term of this Housing Plan, an estimated 36 of these units will be dropped from the SHI.

<table>
<thead>
<tr>
<th>Project Name</th>
<th># SHI Units</th>
<th>Project Type/Subsidizing Agency</th>
<th>Use of a Comp Permit</th>
<th>Affordability Expiration Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Horton Terrace *</td>
<td>50</td>
<td>Rental/HUD</td>
<td>No</td>
<td>Perpetuity</td>
</tr>
<tr>
<td>Sullivan Building *</td>
<td>100</td>
<td>Rental/DHCD</td>
<td>No</td>
<td>Perpetuity</td>
</tr>
<tr>
<td>Kelleher Park *</td>
<td>42</td>
<td>Rental/DHCD</td>
<td>No</td>
<td>Perpetuity</td>
</tr>
<tr>
<td>Simmons Drive</td>
<td>8</td>
<td>Rental/DHCD</td>
<td>No</td>
<td>Perpetuity</td>
</tr>
<tr>
<td>Milk Street</td>
<td>8</td>
<td>Rental/DHCD</td>
<td>No</td>
<td>Perpetuity</td>
</tr>
<tr>
<td>93 Storey Avenue</td>
<td>8</td>
<td>Rental/DHCD</td>
<td>No</td>
<td>Perpetuity</td>
</tr>
<tr>
<td>Heritage House</td>
<td>101</td>
<td>Rental/MassHousing</td>
<td>No</td>
<td>2011*</td>
</tr>
<tr>
<td>James Steam Mill</td>
<td>99</td>
<td>Rental/MassHousing</td>
<td>No</td>
<td>2013**</td>
</tr>
<tr>
<td>HOR Program</td>
<td>124</td>
<td>Ownership/Rehab/DHCD</td>
<td>No</td>
<td>2010 – 2026</td>
</tr>
<tr>
<td>1997 YWCA Family Residence</td>
<td>5</td>
<td>Rental/DHCD and FHLBB</td>
<td>No</td>
<td>2018</td>
</tr>
<tr>
<td>Maritime Landing Condos</td>
<td>29</td>
<td>Ownership/FHLBB</td>
<td>Yes</td>
<td>Perpetuity</td>
</tr>
<tr>
<td>DDS Group Homes</td>
<td>31</td>
<td>Special Needs Rental/DSS</td>
<td>No</td>
<td>NA</td>
</tr>
<tr>
<td>DMH Group Homes</td>
<td>8</td>
<td>Special Needs Rental/DMH</td>
<td>No</td>
<td>NA</td>
</tr>
<tr>
<td>Moseley Village Condos</td>
<td>1</td>
<td>Ownership/DHCD</td>
<td>No</td>
<td>2103</td>
</tr>
<tr>
<td>Ocean View Condos</td>
<td>2</td>
<td>Ownership/DHCD</td>
<td>No</td>
<td>2103</td>
</tr>
<tr>
<td>The Foundry</td>
<td>13</td>
<td>Ownership/DHCD, HUD and City</td>
<td>No</td>
<td>2058</td>
</tr>
<tr>
<td>TOTAL</td>
<td>629</td>
<td>421 rentals, 39 special needs rentals, 45 ownership, and 124 rehab</td>
<td>Only 29 40B units</td>
<td></td>
</tr>
</tbody>
</table>

Source: Massachusetts Department of Housing and Community Development, August 23, 2011
* Newburyport Housing Authority units
** Affordability restrictions will likely be extended.
There are two (2) developments, Heritage House and James Steam Mill, financed by MassHousing, where Section 8 certificates are listed as due to expire in 2011 and 2013, respectively. These two projects involve a total of 200 units, 31.8% of all current SHI units.

Heritage House is owned by Low Street LLC and managed by Winn Management Company. MassHousing provided the property with a $7.4 million loan from its Section 8 Proactive Preservation Loan Program, subordinating the existing mortgage, and enabling the developer to make necessary capital improvements. Another component of the financing was the requirement to extend the Section 8 coverage for the units when it became due in February 2011 for another 20 years, most likely already renewed, thus insuring continued affordability and inclusion in the SHI. The waitlist has 63 applicants for the one-bedroom units, 20 who are from Newburyport, and another 16 applicants for the two-bedrooms, two (2) from Newburyport. The average wait is 1½ to two (2) years. The property also has six (6) handicap accessible units with a five-year wait list including four (4) applicants, one (1) who is from Newburyport.

A large Maine-based owner of affordable housing, Charles Gendron LLC, has indicated it will purchase the James Steam Mill development. MassHousing is anticipating the submission of an application for the financing, which will most likely be similar to what was used to refinance Heritage House, also extending the Section 8 coverage that is due to expire in 2013.

The Newburyport Housing Authority (NHA) owns and manages a total of 192 units (30.5% of the SHI units) in the following developments:

**Horton Terrace**
The Horton Terrace development, located in Newburyport’s North End, was built in 1961 with 50 one-bedroom garden-style apartments, including two handicapped accessible units. Residents must be at least 62 years of age or disabled and must also have incomes within 80% of the area median, translating into $44,950 for a single individual in 2011.

**Sullivan Building**
The Marshall James E. Sullivan Building is located in downtown Newburyport with views of the Merrimack River. The development includes 100 one-bedroom units in a large eight-story building for those 60 years of age and over as well as the disabled. Residents must have incomes within 80% of the area, and pay no more than 30% of their income on rent. The building includes four (4) handicapped units.

**Kelleher Park**
NHA’s family development, Kelleher Park, consists of 24 two-bedroom units and 18 three-bedroom apartments, each with a basement (including washer and dryer hook-up) and a parking space. The development is conveniently located in close proximity to Route 95, the Atkinson Common Park, and major shopping centers. Rent is based on 27% of a qualifying resident’s adjusted income with a maximum income of 80% of the area median ($57,800 for a family of three). The Kelleher Park Learning and Enrichment

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19 Program developed as part of the state’s Chapter 40T program to preserve the affordability of expiring use properties.
Center occupies one of the three-bedroom units, and there is also an on-site playground for the children. There are no units available for the physically handicapped as there are stairs up to the apartments and the bathrooms are all located on the second floor.

Table 3-31 provides a breakdown of NHA units by the size of elderly or family housing (number of bedrooms). It also indicates the numbers of applicants on the wait list who are Newburyport residents and those who currently reside outside of Newburyport. Clearly local applicants have shorter wait times, however they still remain long, ranging up to two (2) to five (5) years.

<table>
<thead>
<tr>
<th>Program</th>
<th>Units</th>
<th>Bedrooms</th>
<th>Wait List Local/Non-local Applicants</th>
<th>Wait Times Local/Non-local Applicants*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Horton Terrace/Federal Elderly</td>
<td>50</td>
<td>50</td>
<td>16/26</td>
<td>Local wait time of 2 to 5 years</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Non-local wait time of 5 years or longer</td>
</tr>
<tr>
<td>Sullivan Building/State Elderly</td>
<td>100</td>
<td>100</td>
<td>87 total senior applicants, 13 applicants for non-elderly handicapped units</td>
<td>Senior local wait time of 6 months to 2 years</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Senior non-local wait time of 5 to 6 years</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Local non-elderly disabled wait time of 3 to 5 years</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Non-local, non-elderly wait of 8 years or more</td>
</tr>
<tr>
<td>Kelleher Park/State Family</td>
<td>42</td>
<td>102</td>
<td>18/304 for 2-bedrooms, 5/40 for 3-bedrooms</td>
<td>2 years or more/8 years or more for 2-bedrooms</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2 years or more/5 years or more for 3-bedrooms</td>
</tr>
<tr>
<td>Total</td>
<td>192</td>
<td>252</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Newburyport Housing Authority, as of September 19, 2011.
* Applicants are served by date of application; however, as allowed by both state and federal policies, local applicants go ahead of non-local applicants on the waitlist.

NHA also administers 102 Section 8 Housing Choice Vouchers of which eleven (11) are project-based and as such remain with specific units. An additional three (3) project-based vouchers were added in October 2011. Twenty-seven (57) of these vouchers are currently leased in Newburyport. As local Section 8 Housing Choice applicants may live or work in Newburyport, the vouchers are not limited to rentals in the community. Tenants with children under the age of seven (7) must find units that are lead-free, and it has been difficult for families to find such housing, particularly three-bedroom deleaded units, in Newburyport.

Three (3) additional vouchers are available from the state’s Alternative Housing Voucher Program, of which two (2) were in use in September 2011. These rental subsidies are provided to qualifying households renting units in the private housing market, filling the gap between an established market

20 Eight (8) of the 14 project-based vouchers will be used at the Newburyport Affordable Housing Corporation’s Titcomb Street (5 vouchers) and Woodland Street (3 vouchers) projects.
21 The NHA is waiting for DHCD to advise them on when the third voucher will be available for reissue.
rent – the Fair Market Rent (FMR) – and a portion of the household’s income. Preference is granted to applicants who reside or are employed in Newburyport. Applicants must also have incomes within 50% of area median income, $44,050 for a family of three (3) based on 2012 income levels. There is a considerable wait for these housing vouchers, with the MassNAHRO Centralized Wait List of 80,000 applicants from 83 participating housing authorities, including Newburyport’s.

The Newburyport Housing Authority also owns and maintains three (3) group homes for special needs populations, two (2) homes with 16 units for the developmentally disabled and another home for the mentally ill. The NHA enters into contracts with private service providers, which operate the facilities.

*Proposed Projects*

There are other projects that include affordable units that are in the conceptual or predevelopment stages or actively under development or construction. These include the following:

*Titcomb Street Project*

The Newburyport Affordable Housing Corporation (NAHC), a non-profit subsidiary of the Newburyport Housing Authority, purchased and rehabilitated a five-unit rental property on Titcomb Street. Funding to help the organization acquire the property was secured from the City’s allocation from the North Shore HOME Consortium ($143,253) as well as from the HOME Consortium’s competitive pool ($100,000). NAHC also received additional funding from the City’s Community Preservation Fund to rehabilitate the units ($336,000). The units are now occupied and attracted up to 200 applicants who live or work in Newburyport. These units were listed on the SHI in February 2012.

*Woodland Street Project*

The Newburyport Affordable Housing Corporation (NAHC) also purchased and rehabbed a two-unit rental property on Woodland Street and subsequently received a special permit from the Zoning Board of Appeals to increase the number of units to three (3). Funds to subsidize the project came from the City’s Housing Rehabilitation Program ($104,500) as well as some state funding from DHCD. The City awarded the project additional funding ($265,000) through CPA, which the NAHC could use for completing both the Woodland and Titcomb Street projects. The units are occupied and were listed on the SHI in February 2012.

*Market Street Apartments*

In 1998, the Greater Newburyport YWCA purchased and rehabilitated a property at 11 Market Street, which has four (4) studios and a three-bedroom apartment. These units are currently included in the SHI.

The YWCA has completed a redevelopment project on this property, which added five (5) units for chronically homeless individuals earning within 50% of area median income, two (2) for those with physical disabilities. Early work to support this project involved a Community Asset Mapping and Housing Needs Assessment by the Women’s Institute for Housing and Economic Development, supported by $7,323 in CPA funding. The project has also been awarded $60,000

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22 The Newburyport Housing Authority has one (1) three-bedroom unit that was allowed a rental exception to 110% of HUD’s FMR as there are few three-bedroom apartments available for families in the area and the increased rent was determined to be appropriate and reasonable.
in local HOME Program funding and an additional $120,000 from the North Shore HOME Consortium’s competitive pool. Additional funding of $78,568 was provided by the City’s Community Preservation Fund to develop plans, complete permitting, and attract additional financing.

Oleo Woods (also known as Russell Terrace)
In 2006, the City’s Planning Board approved this project that involves the construction of 25 units through the City’s Open Space Residential Development Ordinance, two (2) of which are affordable. Both affordable units should be occupied in the first quarter of 2014 and paperwork to list the units on the SHI was submitted to DHCD in December 2013.

There have also been discussions about the potential availability of several municipally owned parcels for some amount of affordable housing such as the Brown School or 115 Water Street.

3.3 Priority Housing Needs
The City needs to focus on increasing the supply of housing at a variety of levels of affordability, including both rental and homeownership options. Many of the existing affordable units are included in the Subsidized Housing Inventory, summarized in Table 3-29, or rented on the private market through rental subsidy programs that make up the difference between a fair market rent and what a low- or moderate-income household can afford. There are other existing privately-owned units that, while not subsidized, should still be preserved to the greatest extent possible as they provide some level of relative affordability and help diversify the housing stock.

The City needs to work with private sector stakeholders to devise and implement strategies that preserve and produce a broad range of affordable housing options. It should be noted that specific strategies and production goals to meet priority needs will be detailed in the strategic Housing Production Plan that will incorporate this Housing Needs Assessment.

Based on input from a wide variety of sources, including demographic and housing characteristics and trends (Section 3.1 and 3.2), the HUD Five-Year Strategic Plan for the North Shore HOME Consortium, and prior planning efforts, the following priority housing needs have been identified:

Rental housing for individuals
There is a clear need for smaller rental units for those with lower-paying jobs, many in City’s service economy, who are encountering serious difficulty finding housing that they can afford in Newburyport. Some of these individuals have disabilities, others do not. Some are younger, looking for opportunities to live in Newburyport, while others are older, perhaps divorced or widowed with children who moved out on their own. Some may have even struggled with homelessness. What they all share is the need for a safe, decent and affordable place to live.

Indicators of Need:
Single-person households comprised a substantial portion of the population, about one-third of all households and 80% of non-family households in 2000, increasing to 82% of all non-family households by 2010. On the other hand, smaller units of three (3) rooms or less comprised only 18.2% of the housing stock.
More than half of all residents over 65 (53.8%) lived alone.

Recent estimates suggest that poverty levels have actually increased somewhat since 2000. The 2010 census estimates from the Census Bureau’s American Community Survey indicate that poverty increased to 5.8% with an estimated 1,010 residents living below the poverty level as opposed to 877 and 5.2% in 1999. The number of adults 65 years of age or older living in poverty was also estimated to have increased from 6.9% to 7.7% with 76 additional seniors entering poverty. Given the continued economic crisis, these poverty levels may in fact have increased even more since 2010.

While non-family households comprised about 42% of all households in 2010 (85% of these households were individuals living alone), the median income of families was substantially higher, $111,836 versus $40,794, a finding highly correlated with the greater prevalence of two worker households in families. Correlated to the lower median incomes of non-families was the 2010 estimate that more than half of all non-family households were renters as opposed to 8.5% of married couples with children.

In regard to renters, 249 renters or 11.5% were spending between 30% and 34% of their income on housing and another 786 or 36.2% were allocating 35% or more of their income for housing for a total of more than one thousand renters who were overspending or almost half of all renters.

Almost 16% of all household earned less than $25,000, including more than one-third of all renters. An estimated one-third of all households and two-thirds of all renters were earning at or below $50,000, some who might qualify for housing assistance based on income alone given that this threshold is close to the 80% of area median income level.

Most seniors earning fixed incomes and relying substantially on Social Security find that when they lose their spouse, their income may not be sufficient to afford their current housing and other expenses.

There are at least two to five-year waits for those seniors applying to live in public housing who are from Newburyport.

Using the lowest price advertised in late August/early September 2011 on Craigslist, a one-bedroom unit renting for $850 would require an income of $38,000, assuming $100 per month in utility bills and housing expenses of no more than 30% of the household’s income, much higher than what most renters can afford. For example, someone earning the minimum wage of $8.00 for 40 hours per week and every week during the year would still only earn a gross income of $16,640.

Renting an apartment in the private housing market also requires a substantial amount of upfront cash. Most apartments require first and last month’s rent plus a security deposit. For a $1,200 apartment, that totals $3,600 in up-front cash, an amount that many prospective tenants do not have. Some listings include just a half-month’s rent up-front, in addition to the first month’s rent, as a “finders fee”.
The 2010 rental vacancy rate was 6.4%, representing relatively tight market conditions and limited turnover in the rental market.

Calculations in Section 3.2.5 indicate that there has been a shortage of rental units for those in the very lowest income levels with a deficit of 551 units for extremely low-income households earning less than 30% of area median income and 261 units for those earning between 30% and 50% of area median income, referred to by HUD as very low-income households.\(^\text{23}\)

**Rental housing for families**
There is also a significant need to house families and growing numbers of smaller households that are increasingly including single parents with children as well as unrelated individuals.

**Indicators of Need:**
The average household size decreased from 2.72 to 2.23 persons between 2000 and 2010 driven by decreases the numbers of children and more “traditional” families, and increases in “child-free” and “child-delayed” families, especially increases in empty nesters and senior and frail populations.

There are also substantial numbers of two-person households that are now estimated to comprise about 2,600 households, or more than one-third (34.9%) of all households, yet smaller housing units are in short supply.

Almost 10% of the households with children were headed by one parent (77% of these involved single mothers) suggesting a need for affordable family housing for families with only one income.

Those earning less than $10,000 increased from 3% of all households in 1989 to 5.4% in both 1999 and 2010.

More than 16% of all households earned less than $25,000, including more than one-third of all renters.

Almost half of renters earned within $35,000 compared to only 13.1% of homeowners.

The median income of Black or African American households ($24,934) was about one-third of the City’s median, and significantly less than the $68,083 median for households of Hispanic origin.

Of particular note is the growing income disparity of owners and renters as demonstrated in changes in median income level. While the median household income of homeowners increased from $72,043 in 2000 to $100,290 by 2010, the median incomes of renters is estimated to have stayed almost exactly the same, from $37,648 to $37,658.

\(^{23}\) Calculations include all renter households, both individuals and families.
The wait for a unit in Kelleher Park, Newburyport Housing Authority’s family rental development, is at least two (2) years for Newburyport residents, up to eight (8) years for non-local applicants.

There is substantial demand for NHA rental subsidies with the MassNAHRO Centralized Wait List including 80,000 applicants from 83 participating housing authorities, Newburyport’s among them.

Rental costs are high. Advertised two-bedroom apartments start at $1,050, requiring an income of about $47,400 (this is based on $135 in monthly utility costs and that housing costs are no more than 30% of the household’s income). This rent is not affordable to most lower income households.

Very few three- and four-bedroom apartments come on the market that are suitable for larger families. Out of 74 listings in Craigslist for the Newburyport area, only four (4) had more than three (3) bedrooms and they were expensive, listing from $1,800 to $3,250.

Landlords typically expect first and last month’s rent and a security deposit when the lease is signed, a sum that blocks many households from finding decent housing.

**Preservation and improvement of the existing affordable rental stock**

The preservation of existing affordable rental units, both subsidized and unsubsidized, is essential to maintaining an affordable housing stock well into the future. This rental housing is more cost effective to rehabilitate and maintain than to build new.

While the City can currently count approximately 629 units as part of its Subsidized Housing Inventory, these are only units that meet all of the rigorous standards of the state – the big “A” affordable units. Most actual affordable units – what is commonly referred to as little “a” affordable units – are unsubsidized and part of the private housing stock. In fact, private landlords are the greatest provider of affordable housing in Newburyport as many keep rents at artificially low levels to maintain good tenants. Efforts to help property owners maintain these little “a” affordable units should be a priority for the City.

Many low- and moderate-income homeowners lack sufficient resources to properly maintain their homes and address substandard housing conditions. Improvements should incorporate modifications to improve handicapped accessibility and eliminate lead-based paint and housing code violations. In some cases additional funding is required to maintain a property’s historic character as well.

**Indicators of Need:**

Newburyport has actually seen a net loss of rental units. After an increase of 91 rental units between 1980 and 1990, Newburyport lost 46 rental units from 1990 to 2000, and then another 337 rental units from 2000 to 2010.

No new unsubsidized rental housing has been built with the exception of in-law apartments.
Subsidized rental developments have been relatively small in scale and number, totaling only handful of units in a couple of developments.

A substantial portion of Newburyport’s housing stock, 51.8% or 4,164 units, predates World War II.

Following World War II, the City, particularly its older neighborhoods, experienced some disinvestment, and as a result, many properties fell into decline.

Because of the relative age of the existing housing stock and past trends towards disinvestment, it is likely that many units have deferred housing maintenance needs, including remnants of lead-based paint. It is also likely that many units would benefit from energy conservation measure.

Tenants with Section 8 Housing Choice Vouchers and also with children under the age of six (6) must find units that are lead-free, which has proven to be difficult in Newburyport.

Owners of older, existing properties tend to have lower incomes than many of the community’s relative newcomers and may need financial assistance to make necessary home repairs.

An increasingly aging population is likely to have a greater need for home modifications for the disabled.

The historic character of many housing units in Newburyport, particularly in its older historic neighborhoods, needs to be preserved but given the expense can be a challenge for existing owners to undertake without technical and financial assistance.

The City has been operating a Housing Rehabilitation Program which until only recently has been supported by the state through Community Development Block Grant (CDBG) funding. In recognition of the important need to improve the City’s existing housing stock, the City, through CPA funding, has also provided substantial support for this program. Since 1992, approximately 652 units that are occupied by low- or moderate-income households have received assistance through the program.

**Affordable homeownership for families**

Market conditions have placed the purchase of homes beyond the financial means of low- and moderate-income households, and families need opportunities to “buy up” as their families grow. Infill development, cluster development, and the redevelopment/reuse of existing properties in partnership with non-profit organizations and private builders offer the best options for increasing affordable homeownership opportunities in Newburyport.

**Indicators of Need:**

A third of all renters earn enough to perhaps qualify for first-time homebuyer opportunities.
Housing is expensive. A review of units that were sold between January and July of 2011 indicated that there were a total of 135 sales, including 83 single-family homes and 52 condos. Only three (3) single-family homes and 18 condominiums sold below $200,000, and were therefore relatively affordable to those earning at or below 80% of area income. These units were typically older and smaller with likely deferred maintenance needs.

The entry costs for homeownership force first-time homebuyers to frequently look elsewhere for housing they can afford to buy or search for very limited rental opportunities. Without a subsidized mortgage, households have to come up with a substantial amount of cash, now more typically a down payment of 20%, blocking many who seek to own a home. Credit problems also pose substantial barriers to homeownership.

While condo prices are lower, it has become very difficult to obtain financing for condominiums and monthly fees raise housing expenses, limiting the amount that can be borrowed.

The affordability gap for those earning at 80% of area median income is $215,000, the difference between the median priced single-family home and what a two-person household earning at this income level can afford, or $205,000 based on 95% financing.

Younger adults living in Newburyport and in the family formation stage of their lives, the 25 to 34-age range, decreased significantly between 1980 and 2010, dropping to 8.7% of the population in 2010 from 18.8% in 1980, and from 2,951 to 1,516 residents. The high cost of housing is likely a contributing factor.

Almost three-quarters of the City’s existing subsidized housing units are rentals.

Prior generations have had the advantage of GI loans and other favorable mortgage lending options with reasonable down payments. Also, in prior years the average home price to average income ratio was much lower than it is today, making homeownership more accessible. Given current economic conditions, the ability to obtain financing is more challenging for today’s first-time homebuyers without subsidized ownership.

The 2010 vacancy rate for homeownership units was 1.1%, reflecting extremely tight market conditions.

Calculations in Section 3.2.5 suggest that there were an estimated 1,167 owner households who earned at or below 80% AMI, but only five (5) single-family homes and 348 condos that would have been affordable to them based on fiscal year 2011 assessed values.

The North Shore HOME Consortium’s Five-Year Strategic Plan includes four (4) high priority objectives, the fourth being to expand homeownership opportunities for low-income households, defined by HUD as earning at or below 80% AMI.
Housing for at risk and special needs populations

Housing should continue to be developed to serve those who are at risk of homelessness and/or have special needs that require supportive services. Providing stable and affordable opportunities for those transitioning out of shelters or special programs remains a high priority.

Indicators of Need:

In 2000, (will update when data is available) of all residents between ages 5 and 20, 155 or 5.2% had some disability.

Of those age 21 to 64, 1,787 residents, or 16.4%, claimed a disability. About 63% of this group was employed, leaving another 37% or 659 residents unemployed, likely related to their disability.

In regard to the population 65 years of age or older, 902 seniors or 42.4% of those in this age group claimed some type of disability.

Disabled households are disproportionately low-income, with an estimated 72% of the disabled households in the region having income below 80% AMI and 70% with some housing-related problem (spending too much on housing or overcrowded) according to the HOME Consortium’s HUD Five-Year Strategic Plan.

The number of those 65 years of age and older grew by 26.3% between 1980 and 2010 while the population as a whole increased by only 9.5%. Of particular note were the frail elderly of at least age 85 who increased by 88.9% during these three decades. These growing numbers of older adults will increasingly require supportive services and more barrier-free units.

The North Shore HOME Consortium’s Five-Year Strategic Plan indicates that seniors who earn less than 80% AMI have a priority need for supportive services. The Plan recognized that while many elderly households do not require special services to live independently or in group quarters, the continuing increase in housing costs has left many older adults severely cost burdened.

There is a relative scarcity of subsidized rentals that have supportive services.

Only six (6) units in the Newburyport Housing Authority’s housing for seniors and the disabled were handicapped accessible. None of the units in Kelleher Park, the Housing Authority’s family development, were handicapped accessible.

The Housing Authority’s Sullivan Building included 13 units for those non-elderly who were disabled.

The continuing loss of affordable housing, the foreclosure crisis, in conjunction with the growth in unemployment and underemployment, have exacerbated problems for those individuals and families who are at-risk of becoming homeless.

The North Shore HOME Consortium’s Five-Year Strategic Plan further states that regional service providers report that the lowest income households, particularly those earning at or below 30%
AMI and spending too much for housing, are frequently living in overcrowded and substandard conditions that are only providing short-term housing solutions. The numbers of those in this situation, who are most at-risk of homelessness, is significant in the region and growing.

The region’s Continuum of Care, which focuses on efforts to prevent homelessness, sponsors an annual census of the homeless. It was determined in January 2010 that there were 1,195 homeless persons in the region that included those in shelters, those residing in programs that provide transitional or permanent-supported housing for the homeless, and those who were living out of doors on in a place unfit for human habitation. This total represented an increase of 211 persons from the 2009 count. Of those in the 2010 count, 362 were identified as “chronically homeless”.24 Chronically homeless individuals may also suffer from the effects of substance abuse and/or mental illness. A study by the National Coalition for the Homeless indicated that about 25% of the chronically homeless have mental health problems and 60% are drug dependent.

As Table 3-30 indicates, approximately three-quarters of the City’s SHI units involve rentals. Based on the above listed indicators of need, this Housing Needs Assessment recommends that housing production goals incorporate at least this same level of rental housing production. Based on annual housing production goals of 40 units per year, the following housing goals by priority needs are proposed:

<table>
<thead>
<tr>
<th>Type of Units</th>
<th>Annual Goals</th>
<th>5-Year Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental housing for individuals</td>
<td>15</td>
<td>75</td>
</tr>
<tr>
<td>Rental housing for families</td>
<td>15</td>
<td>75</td>
</tr>
<tr>
<td>Affordable homeownership for families</td>
<td>10</td>
<td>50</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>200</td>
</tr>
<tr>
<td>Preservation of existing rental stock/20% of rental housing for individuals or families</td>
<td>6</td>
<td>30</td>
</tr>
<tr>
<td>Housing for at risk and special needs populations/10% of all new units produced</td>
<td>4</td>
<td>20</td>
</tr>
</tbody>
</table>

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24 A chronically homeless person is defined as an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for one (1) year or more or has had at least four (4) episodes of homelessness in the past three (3) years.
Section 4

CHALLENGES TO DEVELOPMENT
4. **CHALLENGES TO DEVELOPMENT**

While Newburyport has made considerable progress with respect to creating affordable housing, there continue to be formidable challenges to developing such housing including the following:

**Limited Developable Property**
Most prime properties have been developed, and there are fewer parcels available that do not involve development restrictions or environmental issues, such as wetlands. As a result, it will become increasingly challenging to locate development opportunities for affordable housing.

The state prepared a buildout analysis for Newburyport in the summer of 2000, which estimated that 691 acres remained available for additional residential development that could accommodate an additional 2,095 residents and 866 dwelling units based on existing zoning. Given population and housing growth of 227 residents and 363 units since then, these buildout projections would involve an additional 1,868 residents and 503 units as of August 2011, for a total population of 19,284 and 8,779 housing units at buildout.

Because another 173 affordable units are needed for the City to reach the state’s 10% affordability goal under Chapter 40B, more than one-third of all new units created would have to be affordable if buildout figures were reasonable. Consequently, Newburyport will be extremely challenged to reach the 10% affordability goal.

Moreover, it will be important to guide any future development to appropriate locations, maximizing density in some areas and minimizing the effects on the natural environment and preserving open space corridors and recreational opportunities. Therefore, changes to the City’s Zoning Ordinance will be necessary which will consequently alter buildout calculations.

**Mitigation Measures:** Because of the limited amount of developable property, it is all the more important that the new units that are created help diversify the housing stock, including providing greater affordability. This Plan suggests several zoning mechanisms to mandate and incentivize affordable units (see Section 6.2) as well as strategies to promote more housing choices (see Section 6.3).

**Condo Conversions**
The conversion of rental properties to condominiums has been a concern for many interested in promoting more housing diversity and affordable housing in Newburyport. Given current market conditions, condo conversions have likely slowed down considerably or stopped altogether. It has also become extremely challenging to secure financing for condos as lenders are applying much more rigorous lending criteria. Additionally, some condo associations may be in trouble because, with the down economy, owners are failing to pay condo fees or assessments, putting entire developments in jeopardy. Once the economy picks up, however, it is probable that there will once again be renewed interest in condo conversions that erode the community’s supply of market rate affordable rentals.

**Mitigations Measures:** This Housing Plan includes strategies and production goals to increase rental housing, making up for some of the more affordable private market units that have been lost to condo conversion in the past. With use restrictions, these new rental units will have the necessary protection against condo conversion in the future.
**Teardown Activity**

The still relatively robust housing market has instigated some teardown activity in Newburyport. Since 2010 and through August 2011, an additional 23 residential units received building permits, all but one involving the building of single-family homes. However, nine (9) or more than one-third of these units involved the demolition of previous structures for a net increase of only 12 units (one new unit involved the demolition of a three-unit structure). Typically the targets of teardown activity are older and smaller homes, many likely needing improvements, which represent the most affordable units in the private housing market that are most cost-effective to convert to long-term affordability and inclusion in the SHI.

**Mitigations Measures:** Efforts to reduce this activity, including the City’s demolition delay ordinance, need to be continually promoted and enforced. Moreover, restrictions to Section VI-C, as recommended in strategy 6.2.3, should reduce the demolition of two-family structures.

**Zoning**

As is the case in most American communities, a zoning by-law or ordinance is enacted to control the use of land including the patterns of housing development. Newburyport’s land use pattern is essentially established with an urban core surrounded by older, historic neighborhoods of the South End, North End, and the ridgeline area between High and Low Streets, an industrial park between Low Street and the Newbury border, a collection of shopping areas and other retail uses along Storey Avenue near Route 95, suburban subdivisions in the West End, and the beach community on Plum Island. While this pattern is unlikely to change much, some development opportunities, while limited, remain including the redevelopment of individual properties. In regard to affordable housing, the primary opportunities for development include cluster development on still available parcels, infill development in older neighborhoods, accessory apartments, and the redevelopment or refinancing of existing properties.

In an effort to direct development to appropriate locations, the Zoning Ordinance allows various types of residential units in the following districts with the following lot size and frontage requirements:

**Table 4-1**

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Ag/C</th>
<th>R-1</th>
<th>R-2</th>
<th>R-3/B-3</th>
<th>WMD/WMU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single-family homes</td>
<td>130,000/300</td>
<td>20,000/125</td>
<td>10,000/90</td>
<td>8,000/80</td>
<td>10,000/90 in WM by SP**</td>
</tr>
<tr>
<td>Two-family homes</td>
<td>Not allowed</td>
<td>Not allowed</td>
<td>15,000/120 by SP</td>
<td>12,000/100 by SP</td>
<td>15,000/120 in WMD only by SP</td>
</tr>
<tr>
<td>Multi-family structures</td>
<td>Not allowed</td>
<td>Not allowed</td>
<td>Not allowed</td>
<td>20,000/120* by SP</td>
<td>20,000/120* by SP</td>
</tr>
</tbody>
</table>

Source: Newburyport Zoning Ordinance, Appendix A of the Code of Ordinances, Section VI-A.

* Lot area requirements are 20,000 square feet for the first four (4) units and 4,000 square feet for each additional unit. The total maximum number of units allowed per stricture is six (6).

** Allowed by special permit (SP).

*** Multi-family structures are also allowed by Special Permit in B-1, B-2 and I-2 districts.
Newburyport’s Zoning Ordinance includes 14 zoning districts, which include three (3) residential (R-1 single-family, R-2 two-family, R-3 multi-family), three (3) business (B-1, B-2 downtown business, B-3 neighborhood business), three (3) industrial (I-1, I-2 and I-3), an agricultural/conservation district (Ag/C), two (2) waterfront districts (WMD and WMU), a floodplain district, and a general acute care medical district (M). As noted in Table 4-1, only single-family units are allowed in the Ag/C and R-1 districts. The R-2 district, generally served by local streets, allows only single and two-family homes. The R-3, or multi-family district, allows multi-family units of no more than six (6) units per structure and generally exceeding densities of ten (10) dwelling units per acre in addition to single-family and two-family homes by-right.

In regard to the City’s business districts, multi-family housing, either alone or in combination with business uses, is allowed under certain conditions in the B-1 districts that are located along major streets. The B-2 district includes the downtown area where multi-use development is encouraged, including mixed residential and business uses. Single-family and two-family structures are prohibited in the downtown. The B-3 districts are business areas located in the neighborhoods and as noted in Table 4-1, allow residential uses under the special permit process. It should be noted that Section IV-D of the Zoning Ordinance states that the dimensional requirements in a mixed-use building are governed by the ground-floor use.

No residential uses are allowed in the industrial districts with the exception of multi-family housing in the I-2 district where older pockets of industrial development exist. The Zoning Ordinance acknowledges that the re-use of industries in these areas is likely to occur over time and as such non-industrial uses are allowed under special permit.

There are two (2) designated waterfront districts including the Waterfront Marine Dependent (WMD) district, meant to protect and enhance existing marine-related uses, and the Waterfront Mixed Use (WMU) district, that encourages mixed uses to promote the area as the civic and cultural center of Newburyport. Residential uses are allowed in the WMD district by special permit, but structures that are totally residential are not permitted in the WMU district.

The Zoning Ordinance also includes a Waterfront West Overlay District (WWOD) that is shown on the City’s zoning map and incorporates the provisions of the underlying WMD and WMU Districts except where a special permit is required (WWOD-SP). The WWOD was established to encourage the implementation of the recommendations of the 2001 Master Plan and 2003 Waterfront Strategic Plan that specified the inclusion of affordable housing (multi-family housing of more than 20 units and congregate elderly housing) within an overall density that is generally consistent with the downtown area. In the WWOD-SP requirements at least 10% of all proposed residential units must be affordable and eligible for counting as part of the SHI whether they be for rental or ownership.

Multi-family units of 20 units or more are allowed in R-3, B-1, B-2, B-3, WMD and WMU districts by special permit. As is the case with the multi-family structures listed in Table 4-1, lot area requirements are 20,000 square feet for the first four (4) units and 4,000 square feet for each additional unit. The total maximum number of units allowed per structure is six (6).

The Zoning Ordinance also includes specific provisions to promote smart growth development and affordable housing, directing future development to appropriate locations, particularly
denser development, and offering incentives for the inclusion of affordable housing. These provisions include:

Bonus Provisions for Multi-family Developments
Section XVI of the Zoning Ordinance permits increases in the allowable density of multi-family development that provide affordable homeownership housing and/or market rate rental apartments. In the case of for sale housing, if the development proposes that 25% of the units will be affordable (eligible for inclusion in the SHI and count toward annual housing production goals), the number of allowable units and the number of units per structure may increase by 50%. Also, if a multi-family development includes at least 25% of the units as market rate rentals, the number of allowable units and the number of units per structure may also be increased by 50%. In the case of multi-family rental developments, deed restrictions will be required to prohibit the conversion of the units to for sale housing for a period of 40 years.

One Residential Structure Per Lot
Section VI.C. of the Zoning Ordinance specifies that not more than one (1) residential building can be built on a single lot without a special permit of the Planning Board unless the following five (5) criteria are satisfied:

1. The application must include a conceptual by-right development plan to demonstrate that more than one residential structure per lot is a reasonable alternative to other allowed developments on the parcel.
2. A clear public benefit must be derived from the development, including but not limited to a long-term restriction on the property for the creation of affordable housing, the preservation of historic structures, and/or the conservation of significant natural resources.
3. Unless the structures are located side-by-side and share the same front yard setback, then one (1) residential structure should be subordinate to the other by either covering at least 10% less building footprint and built no higher than the existing dwelling or located entirely within the envelope of an existing accessory building as of the effective date of the ordinance (December 13, 2004).
4. There is adequate access for the building, in the same manner as otherwise would be required for lots within a subdivision.
5. The proposed residential structure complies with all other applicable zoning regulations.

No affordable housing units have been approved through this ordinance to date, however, the Affordable Housing Trust has negotiated a cash contribution from a developer creating four (4) rental units through it.

In-Law Apartments
The Zoning Ordinance allows in-law apartments by special permit “to allow parents and their children to live together where the need and desire exist so long as the proposed living arrangement is not outweighed by an adverse impact upon the community, particularly the proliferation of unlawful rental units. Accordingly, a separate dwelling

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25 Newburyport Zoning Ordinance, Appendix A of the Code of Ordinances, Section XII-A.
unit within or attached to another dwelling (existing or to be built), not otherwise allowable under this zoning ordinance, is allowable by special permit in all zoning districts where residential use is provided. 26 The ordinance includes a number of conditions that must be met for the apartment to secure approval including:

The apartment must be occupied by parents, grandparents, children or grandchildren, by blood or by marriage. In the 11th and 23rd months following approval of the special permit, the owner must certify that this situation still exists, however this provision has not been enforced. Gross floor area cannot exceed 900 square feet, however units that involve new construction cannot exceed 700 square feet. There must be one (1) additional parking space for the apartment.

The permit expires after three (3) years of approval unless the Zoning Board of Appeals renews it upon the owner submitting an application for renewal. Where new kitchen and appliances have been added, they must be removed within six (6) months following the expiration of the special permit. To date, 45 such units have been approved.

Open Space Residential Development (OSRD) 27 This ordinance promotes flexible development where residential units are clustered on a portion of the site, preserving open space and protecting local resources. The ordinance also promotes affordable housing through an incentive-based density bonus. Approval is provided by a special permit of the Planning Board under the following conditions:

The parcel has at least three (3) contiguous acres.
Parcels must be located in AC, R-1, R-2, R-3 or the IB-residential overlay district. 28
The application must include a conventional subdivision yield plan to determine the basic number of lots/dwelling units.
Minimum lot size of 10,000 square feet is required unless the Planning Board determines that a waiver is warranted.
Lots having reduced area or frontage must not have frontage on a street other than one created by the OSRD unless the Planning Board determines that a waiver is warranted.
At least 50% of the required setback for the zoning district must be maintained unless the Planning Board determines that a waiver is warranted.
A combination of single-family, two-family and multi-family structures is allowed, but the multi-family building cannot contain more than four (4)

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26 Newburyport Zoning Ordinance, Appendix A of the Code of Ordinances, Section XII-A.
27 Newburyport Zoning Ordinance, Appendix A to the Code of Ordinances, Section X-14.
28 The IB-ROD zoning district is defined as all property located in the I-B zoning district that is more than 1,000 feet north of the Crow Lane right-of-way. Developments must use the dimensional requirements of the R-2 district and must also include at least 80% open space and at least 10% affordable housing. Also, all projects in the IB-ROD that provide at least 85% open space can be permitted an increase in density of 25% beyond the basic maximum number to a maximum number of 25 units excluding affordable housing units.

Newburyport Housing Production Plan
dwelling units. In the AC district the multi-family units cannot contain more than two (2) units.

In the R-1 and R-2 districts at least 60% of the tract must be preserved in perpetuity as open space, 50% in the R-3 district, 75% in the AC district, and 80% in the IB-ROD district. The minimum open space requirements can be reduced to 50% in the R-1 and R-2 districts if the Planning Board determines that significant public benefits have been provided including a recorded preservation restriction on an historic structure or deed restriction for affordable housing as well as public access to the waterfront or other determined public benefits. At least 50% of the total uplands must be included in the open space calculations.

The open space must be contiguous and be, to the greatest extent possible, accessible to the general public unless the open space is being used for agricultural purposes.

Subsurface wastewater and stormwater management systems may be included in the open space at the discretion of the Planning Board.

The open space must be subject to a recorded conservation restriction that is enforceable by the City in perpetuity.

The open space must be conveyed to the City or its Conservation Commission, a non-profit organization dedicated to preserving open space, or a corporation or trust owned jointly by the owners of the lots in the OSRD.

The landscape and design of the development are subject to specific design standards.

Density bonuses are allowed if the Planning Board determines that significant public benefits have been provided including a recorded preservation restriction on an historic structure or deed restriction for affordable housing as well as public access to the waterfront or other determined public benefits. These increases in density include one (1) unit if 85% of the parcel is open space in the AC district, an additional unit if 70% of the parcel is open space in the R-1 and R-2 districts, and an additional unit if 60% is open space in the R-3 district. Also, all projects in the IB-ROD that provide at least 85% open space can be permitted an increase in density of 25% beyond the basic maximum number to a maximum number of 25 units excluding affordable housing units.

In the AC, R-1, R-2, R-3 and IB-ROD districts, for every one (1) affordable dwelling unit, the Planning Board may award a density bonus of two (2) market units provided, however, that this density bonus, in aggregate with other density bonuses, does not exceed 25% of the basic maximum number.

Demolition Delay Ordinance

This Ordinance was adopted to preserve and protect significant buildings or structures in Newburyport, described as a principle building or structure which is 75 years or older, an accessory structure 100 years of age or older, a property listed on the National Register of Historic Places, or other building or structure that has been determined to be significant by the Newburyport Historical Commission. Those who are interested in tearing down part or all of such a structure must submit an application to the Historical Commission.

\[29\] Article 1 under General City Ordinance for Historical Commission.
Commission through the Office of Planning and Development. If the property is
determined to be historically significant and should be preserved, the Commission will
notify the Building Commissioner that a Demolition Plan Review must be made prior to
issuing a demolition permit. After a full review and public hearing, if the Historical
Commission determines that the building should be Preferably Preserved, the Building
Commissioner may not issue a demolition permit for a full year from the date the full
report is filed with the Building Commissioner.

**Mitigation Measures:** This Housing Production Plan includes a number of strategies that
are directed to reforming local zoning regulations and making them “friendlier” to the
production of affordable housing and smart growth development. These strategies
include modifying in-law apartment provisions, pursuing 40R smart growth zoning,
modifying Section VI-C, allowing two-family structures in all residential districts, insuring
the inclusion of affordable housing in waterfront development, and promoting
affordable housing in mixed-use development in more locations (see Section 6.2).

**School Enrollments**
Total student enrollments for the Newburyport Public Schools has been relatively stable over
the past decade. There were 2,267 students enrolled in the District in the 2010-2011 school
year, up by only 16 students from the previous year, and down by only 115 students from the
2006-2007 year or by 88 students since 2000-2001 year. It is therefore unlikely that school
enrollments should increase much in the next few years. In fact, state buildout projections from
2000, estimate that Newburyport will gain only 309 additional school-age children at buildout.

**Mitigations Measures:** The City is planning to make major investments in its schools including a
$15 million renovation of the Nock Middle School and a $30 million project to build a new
Bresnahaman Elementary School that should more than rectify any capacity issues in these
facilities.

**Transportation**
Newburyport is located at the intersection of three major transportation corridors including I-
495, I-95, and U.S. Route 1. The Massachusetts Bay Transit Authority (MBTA) also provides
commuter rail service with frequent service to and from Boston, operating a bus loop through
the city as well. Nevertheless, 2009 census estimates from the American Community Survey
suggest that 78% of workers drove alone to work, another 5% carpooled and only 4% used
public transportation. The average commuting time was about 30 minutes, suggesting
employment opportunities were typically located outside of Newburyport.

Owning and maintaining a car is beyond the means of many low- and moderate-income
households. Continued efforts to direct housing in areas that are closer to public transportation
and expand transportation to support growth areas will be a required component of a
coordinated service delivery system.

**Mitigation Measures:** One of the strategies included in this Housing Plan is to explore mixed-use
development in more locations that has the potential for reducing at least some reliance on the
automobile (see strategy 6.2.6). Opportunities to direct development to areas that are most
conducive to higher densities, in that they are closer to commercial areas including the
waterfront (see strategy 6.2.5), may serve to reduce transportation problems somewhat.
Funding Availability
While the City has more housing resources available than it has had in the past to promote affordable housing, including Community Preservation funding through the passage of CPA in 2002 as well as the Affordable Housing Trust Fund, subsidy funds still remain in short supply and are highly competitive. Unlike most cities, Newburyport does not receive an annual allocation of federal CDBG or HOME Program funding that have provided substantial housing support for a wide range of housing activities in other cities. McKinney-Vento funding to address homelessness has not helped finance a development in Newburyport to date, although local residents benefit from regional programming.

In regard to state funds, several sponsors of developments in Newburyport (i.e., The Foundry, Market Street Apartments, small condo projects, Heritage House, James Steam Mill) have received financing from a number of state programs for new affordable housing development. These awards have been essential to insuring the financial feasibility of the new units, but these funds are extremely competitive. Moreover, while in short supply, rental subsidies, including project-based, are critical to the ability of local development projects to serve extremely low-income households. It is also likely that state and federal subsidy funds will decrease somewhat in the near future, which will further challenge the City’s ability to meet local needs and production goals.

Mitigations Measures: This Housing Plan provides guidance on the use of Community Preservation Funds and Newburyport’s Affordable Housing Trust Fund for affordable housing initiatives that will enable the City to support the production of new affordable units and leverage other public and private funding sources.

Community Perceptions
In most communities, residents are concerned about the impacts that new development has on local services and the quality of life. They may also have negative impressions of affordable housing and question whether there is a real need for such development. Therefore, local opposition to new affordable units is more the norm than the exception. On the other hand, given still high real estate prices, more people are recognizing that the new kindergarten teacher, their grown children, or the elderly neighbor may not be able to afford to live or remain in the community. This Housing Plan documents a range of pressing housing needs. Ongoing community outreach and education will be necessary to better acquaint the community with housing needs and garner local support and ultimately approvals for new housing initiatives.

Mitigations Measures: Newburyport proposes launching an ongoing educational campaign to better inform local leaders and residents on the issue of affordable housing, to help dispel negative stereotypes, provide up-to-date information on new opportunities and to garner political support (see details on this strategy in Section 6.1.2). This Housing Production Plan also offers an excellent opportunity to showcase the issue of affordable housing, providing information to the community on local needs and proactive measures to meet these needs.

It will be important to continue to be sensitive to community concerns and provide opportunities for residents to not only obtain accurate information on housing issues, whether they relate to zoning or new development, but have genuine opportunities for input. Moreover, this Plan proposes that the City hold at least annual housing summits.
to provide forums for local leaders to share information about the status of affordable housing initiatives to better promote municipal communication and cooperation in the implementation of various strategies as well as for local leaders to obtain ongoing training related to affordable housing. Better communication through an enhanced City website and cable access programming are also proposed.
Section 5

HOUSING PRODUCTION GOALS
5. **AFFORDABLE HOUSING PRODUCTION GOALS**

The Massachusetts Department of Housing and Community Development (DHCD) introduced the Planned Production Program in December 2002, in accordance with regulations that were meant to provide municipalities with greater local control over housing development. Under the Program, cities and towns were required to prepare and adopt a Housing Plan that demonstrated the production of an increase of .75% over one year or 1.5% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory. If DHCD certified that the locality had complied with its annual goals or that it had met two-year goals, the City could, through its Zoning Board of Appeals, potentially deny what it considered inappropriate comprehensive permit applications for one or two-years, respectively.

Changes to Chapter 40B established some new rules. For example, Planned Production Plans are now referred to as Housing Production Plans. Moreover, annual goals changed from 0.75% of the community’s year-round housing stock to 0.50%, meaning that Newburyport will have to now produce at least 40 affordable units annually to meet annual production goals, still a formidable challenge. If the City produces 80 affordable units in any calendar year, it will have a two-year period during which it will be able deny inappropriate 40B applications that do not meet local needs, without the developer’s ability to appeal the decision.

Using the priority needs established in Section 3.3 and the strategies summarized under Section 6, the City of Newburyport has developed a Housing Production Program to chart affordable housing activity over the next five (5) years. The projected goals are best guesses at this time, and there is likely to be a great deal of fluidity in these estimates from year to year. The goals are based largely on the following criteria:

At a minimum, at least fifty percent (50%) of the units that are developed on publicly-owned parcels should be affordable to households earning at or below 80% of area median income. The rental projects will also target some households earning at or below 60% of area median income and lower depending upon subsidy program requirements. It should also be noted that the City can provide CPA assistance to subsidize units for those earning between 80% and 100% of area median income, sometimes referred to as “community housing” units, however these units cannot count as part of the Subsidized Housing Inventory.

Projections are based on no fewer than four (4) units per acre, averaging about eight (8) total bedrooms. However, given specific site conditions and financial feasibility it may be appropriate

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30 Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).
31 If a community has achieved certification within 15 days of the opening of the local hearing for the comprehensive permit, the ZBA shall provide written notice to the applicant, with a copy to DHCD, that it considers that a denial of the permit or the imposition of conditions or requirements would be consistent with local needs, the grounds that it believes have been met, and the factual basis for that position, including any necessary supportive documentation. If the applicant wishes to challenge the ZBA’s assertion, it must do so by providing written notice to DHCD, with a copy to the ZBA, within 15 days of its receipt of the ZBA’s notice, including any documentation to support its position. DHCD shall review the materials provided by both parties and issue a decision within 30 days of its receipt of all materials. The ZBA shall have the burden of proving satisfaction of the grounds for asserting that a denial or approval with conditions would be consistent local needs, provided, however, that any failure of the DHCD to issue a timely decision shall be deemed a determination in favor of the municipality. This procedure shall toll the requirement to terminate the hearing within 180 days.
32 Massachusetts General Law Chapter 40B, 760 CMR 56.00.
to decrease or increase density as long as projects are in compliance with state Title V and wetlands regulations.

Because housing strategies include development on privately owned parcels, production will involve projects sponsored by private developers through the standard regulatory process or the “friendly” comprehensive permit process. The City will continue to work with these private developers to fine-tune proposals to maximize their responsiveness to community interests and to increase affordability to the greatest extent feasible, potentially infusing funding from the Affordable Housing Trust Fund or CPA where appropriate.

The projections involve a mix of rental and ownership opportunities that reflect the priority housing needs in the Housing Needs Assessment (see Section 3.3) with about three-quarters of the units directed to rentals. The City will work with developers to promote a diversity of housing types targeted to different populations with housing needs including families, older adults and other individuals with special needs to offer a wider range of housing options for residents.
### Table 5-1
**Newburyport Housing Production Program**

<table>
<thead>
<tr>
<th>Strategies by Year Name/Housing Type</th>
<th>Affordable Units &lt; 80% AMI</th>
<th>Workforce Units 80%-120% AMI or ineligible for SHI</th>
<th>Total # units*</th>
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</thead>
<tbody>
<tr>
<td><strong>Year 1 – 2013</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market Street/Rental</td>
<td>5</td>
<td>0</td>
<td>5</td>
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<tr>
<td>Oleo Woods/Ownership/OSRD Ordinance</td>
<td>2</td>
<td>0</td>
<td>25</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td>7</td>
<td>0</td>
<td>30</td>
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<td><strong>Year 2 – 2014</strong></td>
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<td></td>
</tr>
<tr>
<td>Route 1 Triangle/Rental/&quot;Friendly&quot; 40B</td>
<td>50</td>
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<td>50</td>
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<tr>
<td>Accessory apartments</td>
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<td>2</td>
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<td><strong>Subtotal</strong></td>
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<td>52</td>
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<td><strong>Year 3 – 2015</strong></td>
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<td>MBTA Site/Mix of rental and ownership/40R</td>
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<tr>
<td>Accessory apartments</td>
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<td>2</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
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<td>222</td>
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<td><strong>Year 4 – 2016</strong></td>
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<td>Covered under Year 3</td>
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<tr>
<td>Accessory apartments</td>
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<td>2</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
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<td>2</td>
<td>2</td>
</tr>
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<td><strong>Year 5 – 2017</strong></td>
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<td>Development of public property/rental &quot;Friendly&quot; 40B</td>
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<td>20</td>
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<tr>
<td>Cottage Court/Co-Housing Rental /&quot;Friendly&quot; 40B</td>
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<td>30</td>
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<tr>
<td>Group home/special needs housing</td>
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<td>4</td>
</tr>
<tr>
<td>Accessory apartments</td>
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<td>2</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
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<td>2</td>
<td>56</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>155</td>
<td>8</td>
<td>360</td>
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</tbody>
</table>

* The totals include market rate units in addition to the affordable and workforce units.
Section 6

HOUSING STRATEGIES

6.1 Capacity Building Strategies
6.2 Zoning Strategies
6.3 Housing Development Strategies
The strategies outlined below are derived primarily from the 2001 Master Plan, Housing Needs Assessment, local housing goals and the experience of other comparable localities in the area and throughout the Commonwealth. The strategies are grouped according to the type of action proposed – Building Local Capacity, Zoning Reforms, and Housing Development – and prioritized as to those to be implemented within Years 1 and 2, where some immediate action is required, and those within Years 3 to 5. A summary of these actions is included in Table 1-4.

The strategies also reflect state requirements that ask communities to address all of the following major categories of strategies to the greatest extent applicable:

**Identification of zoning districts or geographic areas in which the municipality proposes to modify current regulations for the purposes of creating affordable housing developments to meet its housing production goal;**
- Allow two-family structures in all residential districts (strategy 6.2.4)
- Insure inclusion of affordable units in waterfront development (strategy 6.2.5)
- Extend mixed-use development to additional areas including affordable housing (strategy 6.2.6)

**Identification of specific sites for which the municipality will encourage the filing of comprehensive permit projects;**
- Continue to partner with private developers on privately owned sites (strategy 6.3.1)
- Continue to make suitable public land available for affordable housing (strategy 6.3.2)

**Characteristics of proposed residential or mixed-use developments that would be preferred by the municipality;**
- Continue to partner with private developers on privately owned sites (strategy 6.3.1)
- Modify in-law apartment ordinance (strategy 6.2.1)
- As indicated in strategy 6.3.1, the City should continue to acquire property and work with developers to create affordable housing in line with smart growth principles including:
  - The redevelopment of existing structures,
  - Infill site development,
  - Development of housing in underutilized locations with some existing or planned infrastructure,
  - Parcels large enough to accommodate clustered housing,
  - Mixed-use properties in the downtown, village areas or along commercial corridors (especially village areas in the South End);
  - Buffer between adjacent properties, and
  - Located along a major road.

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33 Massachusetts General Law Chapter 40B, 760 CMR 56.03.4.
Municipally owned parcels for which the municipality commits to issue requests for proposals to develop affordable housing.
  - Continue to make suitable public land available for affordable housing (strategy 6.3.2)

Participation in regional collaborations addressing housing development
  - Promote existing regional housing programs and services directed to assisting residents (strategy 6.1.2)
  - Participation in the North Shore HOME Consortium and Gloucester/Haverhill/Salem/Essex County Continuum of Care

It should be noted however, that a major goal of this Plan is not only to strive to meet the state’s 10% goal under Chapter 40B, but to also to serve the range of local needs. Consequently, there are instances where housing initiatives might be promoted to meet these needs that will not necessarily result in the inclusion of units in the Subsidized Housing Inventory (examples potentially include the promotion of accessory apartments, mixed-income housing that includes “community housing” or “workforce housing” units, or the Housing Rehabilitation Program)34.

Within the context of these compliance issues, local needs, existing resources, affordability requirements and housing goals, the following housing strategies are proposed. It is important to note that these strategies are presented as a package for the City to prioritize and process, each through the appropriate regulatory channels. Moreover, these actions present opportunities to judiciously invest funding from the Newburyport Affordable Housing Trust Fund or CPA to subsidize actual unit production (predevelopment funding and/or subsidies to fill the gap between total development costs and the affordable rent or purchase prices) and leverage additional resources, modify or create new local zoning provisions and development policies, help preserve the existing affordable housing stock, and build local capacity.

It should be further noted that Section 7 of this Housing Plan incorporates visual representations of specific housing strategies, providing conceptual demonstrations of the physical impacts of proposed actions.

6.1 Capacity Building Strategies
Newburyport is a small city and, unlike many other cities, does not have substantial state or federal funding to support local housing initiatives on an ongoing basis. Nevertheless, Newburyport has made progress in building a local structure to better coordinate housing activities.

For example, the City approved the establishment of the Newburyport Affordable Housing Trust, the mission of which is the creation and preservation of affordable housing in Newburyport for the benefit of low and moderate-income households. The Newburyport Affordable Housing Trust is the sponsor of this Housing Production Plan and administers several City programs including the Down Payment Assistance Program and Affordable Homeownership Resale Opportunities initiative. The Housing Trust is charged with the management of the Newburyport Affordable Housing Trust Fund that is dedicated to funding programs and special projects in support of affordable housing.

34 Community housing generally refers to units directed to those earning between 80% and 100% AMI, whereas workforce housing refers to units directed to those earning between 80% and 120% AMI, but still priced out of the private housing market.
The Newburyport Affordable Housing Trust is staffed by the Newburyport Office of Planning and Development, the City’s chief planning and development agency, which is charged with enhancing Newburyport’s physical environment to improve the quality of life for those who live, work and visit Newburyport. The Office staff develops plans, policies, programs and projects related to the City’s physical development, economic development, affordable housing, historic preservation and environmental conservation. In addition to staffing the Housing Trust’s Down Payment Assistance Program and Affordable Housing Resale Opportunities, it manages the City’s Housing Rehabilitation Program.

The City of Newburyport also approved the Community Preservation Act, which provides important local funding for affordable housing.\textsuperscript{[35]} In November 2002, Newburyport residents adopted the Community Preservation Act with a surcharge of 2%, exempting the first $100,000 of a property’s value as well as the participation of low-income property owners. In 2003, the City Council adopted a City Ordinance to establish a Community Preservation Committee (CPC) with nine (9) members representing various City agencies, including the Newburyport Housing Authority, and charged with making recommendations to City Council on the expenditure of CPA funding to meet local needs. In 2010, $596,765.60 was raised from the City’s surcharge with the state’s share of $202,956 for a total of $799,721.60 available.

Other local and regional entities also bolster the City’s housing efforts, working in partnership with the City and its Housing Trust. These entities include the Newburyport Housing Authority, Merrimack Valley Habitat for Humanity, the North Shore HOME Consortium, Greater Newburyport YWCA, Newburyport Affordable Housing Corporation, the ROOF Overhead Collaborative, among others. These organizations are described in Appendix 1.

This Housing Production Plan will also boost the City’s capacity to promote affordable housing as it provides the necessary blueprint for prioritizing and implementing affordable housing initiatives based on documented local needs, community input and existing resources. The Plan will also provide important guidance on how to invest funding from the Housing Trust Fund and also provide the City with a comprehensive resource on housing issues in Newburyport that can be readily updated as necessary.

To further build local capacity to meet local housing needs and production goals, the City will explore the following activities. While such actions do not directly produce affordable units, they help build important local support for new affordable housing initiatives.

\textsuperscript{[35]} In September of 2000, the Community Preservation Act (CPA) was enacted to provide Massachusetts cities and towns with another tool to conserve open space, preserve historic properties and provide affordable housing. This enabling statute established the authority for municipalities in the Commonwealth to create a Community Preservation Fund derived from a surcharge of up to 3% of the property tax with a corresponding state match of up to 100% funded through new fees at the Registry of Deeds and Land Court. Once adopted the Act requires at least 10% of the monies raised to be distributed to each of the three categories (open space, historic preservation and affordable housing), allowing flexibility in distributing the majority of the money to any of the three uses as determined by the community. The Act further requires that a Community Preservation Committee of five to nine members be established, representing various boards or committees in the community, to recommend to the legislative body, in this case the City Council, how to spend the Community Preservation Fund.

Newburyport Housing Production Plan
6.1.1 Ensure Sufficient Professional Support

**Timeframe:** Years 1-2

**Responsible Parties:** Housing Trust with support from the Mayor, Community Preservation Committee and City Council

**Current Status:** The City’s Office of Planning and Development has been responsible for providing staff support for the Newburyport Affordable Housing Trust and such continued support will be pivotal to enabling the Housing Trust to fulfill its mission. In addition to the involvement of the Planning Director, two (2) specific staff persons have divided most of these responsibilities, the Planner and the Administrative Assistant. To date, the Administrative Assistant has handled most of the administrative tasks while the Planner has assumed responsibility for tasks involving program coordination and communication.

The Office of Planning and Development and the Housing Trust have prepared a preliminary scope of work that lists the tasks that the Office completes on behalf of the Housing Trust, which includes the following major categories of activities:

- General Administration (posting of meetings, agendas, correspondence, financial records, program records of applicants, annual reports, communication with other boards and committees)
- Monitoring (oversight of SHI and Ready Buyer List, marketing, putting eligible buyers in contact with sellers, determining eligibility)
- Program Administration (Down Payment Assistance Program, MLS Input-Only Listing Services)

It is particularly important to note that many of the tasks included in the scope of work involve a considerable amount of time and coordination. For example, the oversight of the Subsidized Housing Inventory (SHI) is an important and time-consuming job function but essential for insuring that all new affordable units get included on the SHI and current SHI units remain eligible to the greatest extent possible. This work involves substantial communication and coordination with the state’s Local Initiative Program (LIP) administered by the Department of Housing and Community Development (DHCD). In addition to being used for “friendly” 40B projects, LIP is used for counting those affordable units as part of a City’s Subsidized Housing Inventory that are being developed through some local action, referred to as Local Action Units, including:

- Zoning-based approvals and special permits for affordable housing;
- Substantial financial assistance from funds raised, appropriated or administered by the City;
- and/or
- Provision of land or buildings that are owned or acquired by the City and conveyed at a substantial discount from their fair market value.

In order to be counted as part of the Subsidized Housing Inventory the units must meet the following criteria, all of which need to be monitored by the Housing Trust/Office of Planning and Development:

- A result of municipal action or approval;
- Sold or rented based on procedures articulated in an affirmative fair marketing and lottery plan approved by DHCD;
Sales prices and rents must be affordable to households earning at or below 80% of area median income; and
Long-term affordability is enforced through affordability restrictions, approved by DHCD.

Some of the important tasks for insuring that the affordable as Local Action Units (LAU’s) meet the requirements of Chapter 40B/LIP, as monitored by the Housing Trust/Office of Planning and Development, include:

Meet with the developer to discuss requirements for insuring that the unit(s) can be included in the Subsidized Housing Inventory through the state’s Local Initiatives Program (LIP).
Contact DHCD to discuss the project and determine the purchase price/rents based on LIP Guidelines.
Prepare a LIP Local Action Units application submitted by the municipality (chief elected official), working with the developer, including an Affirmative Fair Housing Marketing Plan.
Execute a regulatory agreement to further insure long-term affordability between the developer, municipality and DHCD.
Implement the Marketing Plan.
Hold at least one information session about the lottery.
Approve applicants for eligibility in the lottery.
Prepare a letter to those eligible for inclusion in the lottery and another to those who do not qualify.
Conduct the lottery.
Work with winning applicants and lenders to secure mortgage commitments for ownership projects.
Obtain the deed rider and resale price certificate from DHCD that requires the loan commitment letters, purchase and sale agreements, disclosure statement and contact info for the closing attorneys for ownership projects.
Work with lenders and the developer to close on the units for ownership projects.
Submit necessary documentation to DHCD to have the unit counted as part of the Subsidized Housing Inventory.
Annually recertify the continued eligibility of affordable units.

Also, while the affordability restrictions for all units produced through the Local Initiative Program are monitored by DHCD, it is the premise of LIP that the municipality and DHCD work together to fulfill the obligations of the affordability restrictions, another significant job responsibility. Towards this end, the Housing Trust, staffed by the Office of Planning and Development, helps find eligible purchasers of affordable, deed-restricted units as they come on the market for resale. It will be important for the City to step-up its efforts to find eligible buyers for these resale units, potentially including another affirmative marketing campaign to establish a Ready Buyers List.

Next Steps: The Housing Trust will need to revise the scope of work, which covers activities in support of the Trust’s operations, to make it less redundant, to include additional elements in this Housing Plan, and to clarify which positions are responsible for each of the tasks.

Required Resources: Donated time of members of the Housing Trust as well as increased staff time from the Office of Planning and Development. CPA and Affordable Housing Trust Funds are appropriate sources to supplement staff costs where necessary.

Newburyport Housing Production Plan
6.1.2 Conduct Ongoing Community Education

**Timeframe:** Years 1-2

**Responsible Parties:** Newburyport Affordable Housing Trust and other sponsors of affordable housing-related initiatives such as the Planning Board

**Current Status:** Because most of the housing strategies in this Housing Plan rely on local approvals, including those of City Council, community support for new initiatives has and will continue to be essential. Strategic efforts to better inform residents and local leaders on the issue of affordable housing and specific new initiatives can build local support by generating a greater understanding of the benefits of affordable housing, reducing misinformation, and dispelling negative stereotypes. These outreach efforts are mutually beneficial as they provide useful information to community residents and important feedback to local leaders on concerns and suggestions.

The Affordable Housing Trust has held several meetings to insure substantial civic engagement of local leaders and community residents in regard to this Housing Plan. Meetings to present the Housing Needs Assessment and obtain input on how best the City should move forward in regard to promoting affordable housing were held on January 25th and February 8, 2012, first to local leaders and then to the public in general. Additional meetings to present the draft Housing Plan to local leaders and the community were held on January 24th and February 12th of 2013.

**Next Steps:** The City of Newburyport has sponsored opportunities for such input in the past, but will boost community education efforts. The presentation of this Housing Production Plan offers an opportunity to bring attention to the issue of affordable housing, providing information on housing needs and proposed strategies that can help attract community support for affordable housing initiatives. Other education opportunities include:

*Forums on specific new initiatives*
As the City develops new housing initiatives, the sponsoring entity will hold community meetings to insure a broad and transparent presentation of these efforts to other local leaders and residents, providing important information on what is being proposed and opportunities for feedback before local approvals are requested.

*Annual housing summits*
Most communities lack an effective mechanism for promoting regular communication among relevant City boards and committees on issues related to affordable housing. Having a forum to share information on current housing issues will help foster greater collaboration among these entities. Additionally, inviting residents can help build community interest, improve communication and garner support. Many communities are sponsoring such events on an annual basis.

*Public information on existing programs and services*
Despite a sluggish housing market, high housing costs are still creating problems for lower income residents. For example, renters continue to confront difficulties finding safe and decent rental units and some are at risk of homelessness. Owners, including older residents living on fixed incomes, are finding it increasingly difficult to afford the costs associated with rising taxes, energy costs, insurance and home improvements, and some are faced with foreclosure.
Additionally, some older adults and those with special needs require handicapped adaptations, home repairs and special services to help them remain in their homes.

The City will get the word out about programs and services that help existing renters and support current or prospective homeowners, including referrals to technical and financial assistance related to making needed property improvements, reducing the risk of foreclosure, accessing first-time homebuyer information, etc. from important local and regional agencies and organizations. This can be accomplished by enhancing the City’s website, but also through a brochure that can be widely distributed throughout the community, made available in several languages. Information on these programs and services is included Appendix 3.

**Coordinated Outreach with Other Organizations**
The Housing Trust can also dovetail its outreach with other organizations to promote affordable housing. For example, the YWCA has sponsored forums and special events (Fair Housing workshop for realtors, homeownership workshop, etc.) to showcase the issue of affordable housing in the community and has access to numerous volunteers.

**Enhanced Use of Public Access Television**
The City has used the local public access television, Cable Channels 9 and 10, to provide coverage of local events and key City meetings. The Housing Trust has in fact used such media coverage for its public meetings. Some communities are moving beyond this occasional coverage and using the local cable channels to showcase the issue of affordable housing on a more regular basis. For example, the Town of Harwich, through its Affordable Housing Partnership, has sponsored monthly programs that highlight affordable housing, not only focusing on local initiatives but also providing information on a wide range of housing policy issues. Given such a high level of local expertise in the area of affordable housing, it is likely that a similar effort could become successful in Newburyport.

**Educational opportunities for board and committee members**
Local boards such as the Housing Trust, Community Preservation Committee, Zoning Board of Appeals, Planning Board and other interested local leaders will be encouraged to receive ongoing training on affordable housing issues. Well advised and prepared board and committee members are likely to conduct City business in a more effective and efficient manner. New members without significant housing experience would benefit substantially from some training and orientation. Moreover, requirements keep changing and local leaders must remain up-to-date. Funding for the development of staff will also help keep key professionals informed on important new developments, best practices and regulations.

The University of Massachusetts Extension’s Citizen Planner Training Collaborative (CPTC) offers classes periodically throughout the year and will even provide customized training sessions to individual communities. The Massachusetts Housing Partnership conducts its Massachusetts Housing Institute at least annually, which is “an educational program to support municipalities and local participants to better understand the affordable housing development process and have an effective role in initiating and implementing local solutions to increasing housing choices”. Other organizations and agencies, such as DHCD, MHP, CHAPA, and the Community Preservation Coalition, also provide conferences and training sessions on a wide variety of housing issues that would be useful for local officials and staff persons to attend. In addition, there are numerous written resources for localities. For example, DHCD has prepared a
procedural “how to” booklet for local communities on the development process, MHP has many technical guides for localities, and CHAPA has a wide variety of reports on many issues related to affordable housing as well.

**Required Resources:** Donated time from members of the Housing Trust as well as staff time from the Office of Planning and Development to oversee important community education and outreach activities. Some additional funding would be necessary for the proposed brochure. The Housing Trust will coordinate public meetings on zoning-related efforts that involve affordable housing in concert with the Planning Board.

### 6.1.3 Increase Funding for the Newburyport Affordable Housing Trust Fund

**Timeframe:** Years 1-2  
**Responsible Parties:** Housing Trust with support from the Mayor, Community Preservation Committee and City Council

**Current Status:** The Newburyport Affordable Housing Trust was established in 2009 and has subsequently received a portion\(^36\) of the City’s annual Community Preservation funding, directly deposited into its Affordable Housing Trust Fund following City Council approval. Additionally, the Housing Trust has raised some limited private funding as well through contributions from developers who were pursuing Section VI-C or other zoning approvals. Despite these important contributions, the Housing Trust is exploring strategies to further capitalize the Housing Trust Fund to maintain and expand necessary local programs. For example, the City’s recent applications for continued state CDBG funding to support its Housing Rehabilitation Program were not approved, and the Office of Planning and Development has had to rely on CPA funding and program income\(^37\) to maintain this important program.

**Next Steps:** It will be important to explore a wide range of possible fundraising options to further capitalize the Housing Trust Fund. It should be noted that some communities have decided to commit more than 10% of the annual CPA funding to their Housing Trust Funds without targeting the funding to any one specific initiative. For example, Scituate’s Town Meeting funded its Housing Trust with $700,000 of Community Preservation funding from its community housing reserves. The Town of Harwich agreed to deposit the sale proceeds of a Town-owned property into their Housing Trust Fund (this property sold for more than $1 million) as well as annual lease payments for its cell tower. The Newburyport Affordable Housing Trust will discuss an increase in the annual CPA funding allocation with the Community Preservation Committee.

Some communities are also reaching out to residents for private donations of land to promote housing affordability. Such contributions and the “bargain sale” of real estate could become a part of the Newburyport land ethic, but donations need to be promoted, nurtured, and facilitated. Habitat for Humanity has typically relied on private donations – property, funds, goods and services – for most of the homes they have built. Faith-based affordable housing initiatives are also widely viewed as effective. Moreover, a couple of homeowners have approached the Housing Trust about having the Trust potentially purchase their properties at reduced prices, and the Trust might consider how such purchases could lend themselves to

\(^{36}\) Council made the following transfers to the Housing Trust: $100,000 (2010), $70,000 (2011), and $50,000 (2012).  
\(^{37}\) Program income involves money returned to the Housing Rehabilitation Program if a participant sells or refines before the term of the lien expires.
preserving existing relatively affordable market units, converting them to long-term affordability as part of the SHI.

*Required Resources:* An annual increase in CPA funding to support affordable housing initiatives. Other resources include the donated time of Housing Trust members to coordinate fundraising activities with some staff support.

### 6.2 Zoning Strategies

Housing production is contingent not only on actual development projects but on the planning and regulatory tools that guide local development. To most effectively and efficiently execute the strategies included in this Plan and meet production goals, greater flexibility will be needed in the City’s Zoning Ordinance and new tools will be required to capture more affordable units and better guide new development to specific “smarter” locations. The City has established an Ad Hoc Committee on Zoning to review the existing ordinance and discuss changes. This Housing Production Plan offers important input for consideration by this Committee. It should be noted that because Newburyport does not have substantial amounts of subsidy funds available for affordable housing, zoning becomes a powerful tool for “incentivizing” affordable unit production.

The City of Newburyport will consider the following zoning-related strategies to promote the creation of additional affordable units and to better direct new development. Units created through the use of these ordinances are counted as part of the housing development strategies included in Section 6.3.

#### 6.2.1 Modify In Law Apartment Ordinance

**Timeframe:** Years 1-2

**Responsible Party:** Planning Board in coordination with the Housing Trust and with input from the Building Inspector

**Current Status:** In-Law Apartments are allowed by special permit “to allow parents and their children to live together where the need and desire exist so long as the proposed living arrangement is not outweighed by an adverse impact upon the community, particularly the proliferation of unlawful rental units. Accordingly, a separate dwelling unit within or attached to another dwelling (existing or to be built), not otherwise allowable under this zoning ordinance, is allowable by special permit in all zoning districts where residential use is provided.” The ordinance includes a number of conditions that must be met for the apartment to secure approval including:

- The apartment must be occupied by parents, grandparents, children or grandchildren, by blood or by marriage. In the 11th and 23rd months following approval of the special permit, the owner must certify that this situation still exists, however this provision has not been enforced.
- Gross floor area cannot exceed 900 square feet, however units that involve new construction cannot exceed 700 square feet.
- There must be one (1) additional parking space for the apartment.

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38 Including the Mayor, Chairs of the Planning Board and Zoning Board of Appeals, a member of City Council and the Director of the Office of Planning and Development.
39 Newburyport Zoning Ordinance, Appendix A of the Code of Ordinances, Section XII-A.
40 Newburyport Zoning Ordinance, Appendix A of the Code of Ordinances, Section XII-A.
The permit expires after three (3) years of approval unless the Zoning Board of Appeals renews it upon the owner submitting an application for renewal. Where new kitchen and appliances have been added, they must be removed within six (6) months following the expiration of the special permit.

Accessory units, which are secondary to the principal dwelling and are sometimes referred to as “in-law” apartments, are helpful in meeting a number of public policy objectives as they:

- Enable homeowners to capture additional income, which is particularly important for elderly homeowners or single parents where such income may be critical to remaining in their homes. Also, some young families or moderate-income households might be able to afford homeownership if they could count on income from an accessory apartment.
- Provide appropriately sized units for growing numbers of smaller households.
- Offer inexpensive ways of increasing the rental housing stock at lower cost than new construction and without loss of open space, without significant impact on the surrounding neighborhood, and without additional City services such as streets or utilities.
- Provide companionship, security and services for the homeowner, from shoveling the sidewalk for an elderly owner to babysitting for a single parent.
- Offer good opportunities for keeping extended families in closer contact.
- Generate tax revenue in a locality because accessory units add value to existing homes.

To date, 45 such units have been approved, but it is likely that many more have been created but are not permitted and therefore illegal.

**Next Steps:** Because accessory apartments provide small rental units that diversify the housing stock within the confines of existing dwellings or lots, the City should amend the ordinance to better promote such units even if they are not eligible for inclusion in the Subsidized Housing Inventory.\(^{41}\) For example, the Planning Board, with support from the Housing Trust, will consider possible provisions for allowing the following:

- Occupancy of the units by non-family members,
- Development in detached structures,
- Inclusion in commercial structures,
- Inclusion in investor-owned properties,
- Possible by-right provisions,
- Insurance of enforcement provisions,
- Design guidelines to insure that structures still look like single-family homes; and
- Possible granting of approvals for existing accessory apartments that do not have the necessary permits after appropriate inspections.

Moreover, the ordinance might promote housing affordability based on Wellfleet’s Program. This Program does not require deed restrictions nor does it include mandates for tenants to be selected from a pre-qualified Ready Renters List, and consequently the units, although affordable based on specified

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\(^{41}\) State Local Initiative Program (LIP) regulations stipulate that owners of all “affordable” accessory apartments select tenants from a lottery-ranked list of interested and eligible tenants, following an affirmative marketing process, and that the owners also accept deed riders to insure the long-term affordability of the accessory units.
income and rent limits, would be ineligible for inclusion in the Subsidized Housing Inventory. Wellfleet has established the following process for approving Affordable Accessory Dwelling Units:

Property owner applies for a special permit. Building Inspector and Board of Health visit and inspect the unit to determine if there are any health and safety violations that must be corrected prior to the owner obtaining the special permit. Those whose incomes are below 100% of area median are eligible for participation in Wellfleet’s Affordable Accessory Dwelling Unit Loan Program that provides no interest loans to support necessary improvements. The ZBA reviews the application and the reports submitted by the Building Inspector and Board of Health, holds a public hearing, and grants the special permit. The Building Inspector issues a Certificate of Occupancy prior to the unit being occupied. Prospective tenants must submit income information to the Assistant Town Administrator that documents that they qualify for the units. Once qualified, property owners will be officially notified of the monthly rent they are able to charge based on HUD Fair Market Rents. A list of qualified tenants is available to property owners, or owners may be able to select their own. The Town Assessor issues a tax abatement to the property owner based on a specified formula, without the need for the owner to submit to a separate application process (this requires state legislative approval). The property owner annually submits forms that document the continued eligibility of the tenant and use of HUD Fair Market Rents.

If a property owner decides at some point to opt out of the special permit, they must inform the Building Inspector and remove the kitchen in the accessory unit. They are allowed to convert the space to other uses such as a “private guest house” or office.

Required Resources: The donated time of members of the Housing Trust and Planning Board to revise the Zoning Ordinance, with staff support from the Office of Planning and Development. Ongoing staff time from the Building Department for application, inspection and enforcement activities.

6.2.2 Pursue 40R Smart Growth Zoning

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Current Status: The MBTA released an Invitation to Bid on May 23, 2012 for the development of its property next to the commuter rail station at 1, 4, 6, and 8 Boston Way. The site represents an excellent opportunity to pursue Transit Oriented Development (TOD) that involves mixed residential and commercial uses, including affordable units, through a 40R Smart Growth Overlay District.

In 2004, the State Legislature approved this new zoning tool for communities in recognition that escalating housing prices, beyond the reach of increasing numbers of state residents, were causing graduates from area institutions of higher learning to relocate to other areas of the country in search of greater affordability. The statute defines 40R as “a principle of land development that emphasizes mixing land uses, increases the availability of affordable housing by creating a range of housing opportunities in neighborhoods, takes advantage of compact design, fosters distinctive and attractive communities, preserves open space, farmland, natural beauty and critical environmental areas,
strengthens existing communities, provides a variety of transportation choices, makes development decisions predictable, fair and cost effective and encourages community and stakeholder collaboration in development decisions. The key components of 40R include:

- Allows local option to adopt Overlay Districts near transit, areas of concentrated development, commercial districts, rural village districts, and other suitable locations;
- Allows “as-of-right” residential development of minimum allowable densities;
- Provides that 20% of the units be affordable;
- Promotes mixed-use and infill development;
- Provides two types of payments to municipalities (one based on the number of projected housing units and another for each unit that receives a building permit); and
- Encourages open space and protects historic districts.

The state also enacted Chapter 40S under the Massachusetts General Law that provides additional benefits through insurance to municipalities that build affordable housing under 40R that they would not be saddled with the extra school costs caused by school-aged children who might move into this new housing. In effect, 40S is a complimentary insurance plan for communities concerned about the impacts of a possible net increase in school costs due to new housing development.

More detailed information on 40R is included in Attachment 3.

Next Steps: The City of Newburyport, through its Mayor’s Office and Office of Planning and Development, will continue to communicate with the MBTA on the timetable for selecting a developer as well specific requirements. The City will also identify developers who are interested in responding to the Invitation to Bid (ITB) and will pursue 40R zoning for the site with the selected developer.

The formal steps involved in creating the 40R Overlay District are as follows:

- The City holds a public hearing as to whether to adopt an Overlay District per the requirements of 40R;
- The City applies to DHCD prior to adopting the new zoning;
- DHCD reviews the application and issues a Letter of Eligibility if the new zoning satisfies the requirements of 40R;
- The City adopts the new zoning through a two-thirds vote of City Council subject to any modifications required by DHCD;
- The City submits evidence of approval to DHCD upon the adoption of the new zoning; and DHCD issues a letter of approval, which indicates the number of projected units on which its subsidy is based and the amount of payment.

The City will continue to work cooperatively with the selected developer to insure that development proceeds as expeditiously as possible, including advocacy for the project in securing necessary state and federal financing and obtaining important neighborhood input.

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42 Massachusetts General Law, Chapter 40R, Section 11.
Required Resources: Donated time of members of the Planning Board to prepare the necessary zoning with staff time from the Office of Planning and Development and input/advocacy from the Housing Trust.

6.2.3 Modify Section VI-C

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<th>Timeframe:</th>
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Current Status: Section VI.C of the Newburyport Zoning Ordinance specifies that not more than one (1) residential building can be built on a single lot without a special permit of the Planning Board unless five (5) criteria are satisfied (see Section 4 for details). One criterion is that a clear public benefit must be derived from the development, including but not limited to a long-term restriction on the property for the creation of affordable housing, the preservation of historic structures, and/or the conservation of significant natural resources. While a number of Section VI.C applications have been processed, none have resulted in affordable units to date although there have been some donations to the Affordable Housing Trust Fund.

The Housing Needs Assessment documents that there has been a decline in small, multi-family homes, representing the loss of a valuable segment of the city’s existing housing stock. In fact, the number of two to four-unit structures declined by 219 units between 1990 and 2010, going from 22.8% of all units to 17.8% despite an overall housing growth rate of about 11%. Many of these units were among the most affordable in the city as private landlords, particularly owner-occupied ones, tend to value good tenants and frequently maintain below market rents to keep them.

This decline in small multi-family structures also suggests the loss of some particularly affordable homeownership stock since owners with rental units benefit from rental income that helps them finance the property. Lenders typically count about 75% of the rental income towards mortgage underwriting calculations thus allowing a lower income homeowner to purchase a home. Small multi-family homes have in fact offered important starter housing in many communities. Consequently, when developers propose the use of Section VI-C to demolish existing two-family homes and replace them with two separate single-family structures, priced in the high end of the market, the community loses a valuable housing resource.

Next Steps: Language should be added to Section VI-C that would either 1) prohibit the replacement of a two-family structure with market rate single-family units unless one of the single-family units is affordable and made eligible for inclusion in the SHI or 2) the developer provides cash in-lieu of the affordable unit for deposit in the Housing Trust Fund to subsidize an affordable unit elsewhere. The formula for calculating the cash in-lieu provision shall be devised by the Affordable Housing Trust, based on the cost of buying or renting a unit affordable to a household earning less than 80% of the area median income. Any amendment would also require approval of two-thirds of the members of City Council.

Required Resources: Donated time of members of the Housing Trust and Planning Board to prepare the zoning amendment with staff time from the Office of Planning and Development.
6.2.4 Allow Two-Family Structures in All Residential Zoning Districts

**Timeframe:** Years 3-5  
**Responsible Parties:** Planning Board in coordination with the Housing Trust

**Current Status:** Two-family homes are allowed by special permit in the R-2, R-3, B-3 and Waterfront Districts but not in the R-1 District. Based on the benefits of two-family dwellings in providing typically more affordable rental and ownership opportunities (in owner-occupied two-family dwellings with a rental unit) and the decline of such units in Newburyport over the past several decades (see information in strategy 6.2.3 above), it is important to promote this housing type. Two-family homes can also be designed to look like single-family structures and thus can fit into any residential neighborhood. While it is unlikely that these units will be eligible for inclusion in the SHI, the addition of such units will meet pressing local needs for both little “a” affordable rental and ownership units.

**Next Steps:** Amend the Zoning Ordinance to prevent the further decline of this housing type and to promote their development by extending their creation in the R-1 District under the same requirements of the R-2 District and allowing them by-right in the R-3 and B-3 Districts. The Housing Trust should work closely with the Planning Board to prepare the necessary zoning amendment with support from the Office of Planning and Development. As with all zoning changes, the amendment will require approval from two-thirds of the members of City Council.

**Required Resources:** Donated time of members of the Housing Trust and Planning Board to prepare the zoning amendment with staff time from the Office of Planning and Development.

6.2.5 Insure Inclusion of Affordable Units in Waterfront Development

**Timeframe:** Years 3-5  
**Responsible Parties:** Planning Board in coordination with the Housing Trust

**Current Status:** There are two (2) designated waterfront districts including the Waterfront Marine Dependent (WMD) District, meant to protect and enhance existing marine-related uses, and the Waterfront Mixed Use (WMU) District, that encourages mixed uses to promote the area as the civic and cultural center of Newburyport. Residential uses are allowed in the WMD district by special permit, but structures that are totally residential are not permitted in the WMU district.

The Zoning Ordinance also includes a Waterfront West Overlay District (WWOD) that is shown on the City's zoning map and incorporates the provisions of the underlying WMD and WMU Districts except where a special permit is required (WWOD-SP). The WWOD was established to encourage the implementation of the recommendations of the 2001 Master Plan and 2003 Waterfront Strategic Plan that specified the inclusion of affordable housing (multi-family housing of more than 20 units and congregate elderly housing) within an overall density that is generally consistent with the downtown area. In the WWOD-SP requirements at least 10% of all proposed residential units must be affordable and eligible for counting as part of the SHI whether they be for rental or ownership.

**Next Steps:** The development of the waterfront presents important opportunities and challenges for the City, and it will be essential that all new development is well designed and includes important public benefits. City leaders will need to be vigilant about enforcing the intent and provisions of the WWOD-SP, including the provision of affordable housing that meets all state requirements. Further, there may
be opportunities to increase the level of affordable housing to more than 10% (potentially to at least 20%) with additional state or federal subsidy funds and/or to include another income tier beyond market and affordable units for those who earn more than 80% AMI but are still priced out of the private housing market, sometimes referred to as community housing or workforce units (80% to 120% AMI). It is also worth noting that 70% of all affordable units produced might be reserved for those who live and work in Newburyport based on state Local Initiative Program (LIP) guidelines.

Waterfront development is also likely to be conducive to artist live/work space, with gallery space on the first floor and studio/living space in the floors above. Also, given the close proximity to goods and services, housing for seniors would also be very suitable. The Housing Trust should review all development proposals for the waterfront and work with the Planning Board to promote mixed-income housing, including affordable and community/workforce units, to the greatest extent feasible.

**Required Resources:** Donated time of members of the Planning Board and Housing Trust as well as staff time from the Office of Planning and Development.

### 6.2.6 Promote Mixed-Use Development in More Locations, Including Affordable Housing

**Timeframe:** Years 3-5  
**Responsible Parties:** Planning Board with support from the Housing Trust

**Current Status:** The Zoning Ordinance encourages mixed-use development in particular areas of the city under Special Permit. For example, multi-family housing, either alone or in combination with business uses, is allowed under certain conditions in the B-1 districts that are located along major streets and is encouraged in the B-2 district that includes the downtown. Single-family and two-family structures are prohibited in the downtown. The B-3 districts, which are located in the neighborhoods, allow housing with half-acre minimum lot sizes.

There are particular areas of the city that hold the promise of benefiting from mixed-use development but are not appropriately zoned to permit such uses. For example, the CVS site on Pond Street has the potential for being redeveloped into a small mixed-use village cluster, but current zoning would need minor modifications to make “above the shop” development possible.

**Next Steps:** The Planning Board, with support from the Affordable Housing Trust, should explore other zoning bylaws/ordinances for promoting mixed-use development in appropriate areas that incorporates some housing affordability and prepare a zoning amendment that best meets local needs, which would be submitted to City Council for approval. Housing affordability should be required and design guidelines met in return for allowing the density that will make high quality development economically feasible.

There are zoning provisions that have been adopted in other communities that offer models on how to integrate housing, including affordable housing, in village centers and other commercial areas. The Town of Yarmouth passed a Village Center Bylaw that would be worth reviewing, and the Metropolitan Area Planning Council (MAPC) has prepared a report entitled, “Mixed Use Zoning: A Planner’s Guide” that can be referenced. Additionally, the Citizen Planner Training Collaborative offers several models including one adopted by the Town of Dennis. The establishment of Smart Growth Zoning Overlay Districts under the state’s 40R and 40S provisions may also be helpful in promoting the feasibility of mixed-use development (40R/40S are described in Appendix 3), as suggested in strategy 6.2.2.
Another option would be to develop policy and design guidelines on mixed-use development and process acceptable mixed-use development projects through the “friendly” 40B process as established under the state’s Local Initiative Program (LIP).

Some communities have even decided to provide financial incentives to promote “above the shop” types of development that also incorporate some amount of affordable housing. For example, the Town of Harwich is providing CPA funding as an incentive for business owners in Harwich Port to create second story apartments above their businesses. The Second Story Program is directed to the Harwich Port Business District where under current zoning business owners who have second floor expansion capacity can add housing that includes an affordable rental unit above their business. The Program provides funds for feasibility studies. If it turns out that a unit cannot be produced, the funding becomes a grant, however, if the owner can and is willing to pursue the creation of at least one affordable unit, the funding becomes a loan.

**Required Resources:** This strategy will require volunteer time from the Planning Board and Housing Trust as well as staff time from the Office of Planning and Development.

### 6.2.7 Adopt Inclusionary Zoning

**Timeframe:** Years 3-5  
**Responsible Parties:** Planning Board with support from the Housing Trust

**Current Status:** Inclusionary zoning is not currently included in Newburyport’s Zoning Ordinance, but has been adopted by more than one-third of the communities in the state to insure that any new development over a certain number of units includes a set-aside of affordable units or funding to support the creation of affordable housing elsewhere. Most of the inclusionary zoning bylaws or ordinances include mandated percentages of units that must be affordable, typically 10% to 15%. Many also provide developers with the option of providing cash in lieu of actual units and some also allow development of affordable units off-site.

**Next Steps:** The Planning Board, with support from the Affordable Housing Trust and Office of Planning and Development, should review a variety of inclusionary zoning provisions that have been adopted in localities throughout the state and prepare a zoning amendment that is best suited to Newburyport. Also, the state’s Executive Office of Environment and Energy’s Smart Growth Toolkit includes a model inclusionary zoning bylaw that highlights key local decisions and makes some commentary for consideration throughout ([www.mass.gov/envir/smart_growth_toolkit/pages/SG-bylaws.html](http://www.mass.gov/envir/smart_growth_toolkit/pages/SG-bylaws.html)). The Citizen Planner Training Collaborative’s website also has a model bylaw with commentary ([www.umass.edu/masscptc/examplebylaws.html](http://www.umass.edu/masscptc/examplebylaws.html)).

From lessons learned in other communities with inclusionary zoning provisions, the following recommendations are offered:

- Adopt a strong cash-out fee that is based on a sound formula that supports actual affordable unit development
- Establish a clear and consistent structure and process for directing inclusionary funds to the Affordable Housing Trust
Make sure that incentives are sufficient to make development feasible
Clarify rules to ensure predictability for developers and compliance with state requirements

This amendment should be presented at a series of public meetings and then to City Council for adoption.

All affordable units added through this zoning would need to be registered with the state to be included as part of the City’s Subsidized Housing Inventory, applied through the Local Initiative Program (LIP) administered by DHCD (see Appendix 3 for details on the Local Initiative Program, Local Action Units in particular).

Required Resources: Time of the Planning Board and Affordable Housing Trust to prepare the zoning amendment and coordinate the necessary approvals with staff support from the Office of Planning and Development.

6.3 Housing Development Strategies

To accomplish the actions included in this Housing Plan and meet production goals, it will be essential for the City of Newburyport to continue to reach out to the development community and sources of public and private financing to secure the necessary technical and financial resources. While some of the units produced may rely on the participation of existing property owners, most of the production will continue to rely on joint ventures with developers – for profit and non-profit – to create affordable units, which the City has been actively pursuing over the past few years. Because government subsidies for affordable housing continue to be extremely limited and competitive, it will be essential for the City to strongly advocate for important development opportunities and to look to other tools, such as the “friendly” 40B process and 40R, that rely on internal subsidies to boost housing production.

The following strategies provide the basic components for the City to meet its housing production goals:

6.3.1 Continue to Partner with Private Developers on Privately Owned Sites

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Current Status: Continuing to work cooperatively with private developers, non-profit and for profit, is the primary focus of this Housing Production Plan. The City already has a solid track record partnering with developers on affordable housing development including Trinity Financial on The Foundry project, Newburyport Affordable Housing Corporation on the Woodland and Titcomb Street projects, and the YWCA on Market Street. With new incentives created in the Zoning Ordinance to promote affordable housing (see Section 6.2), the availability of the “friendly” 40B option, and small by-right development projects, the City is in a good position to continue this cooperation with developers, guiding new development that incorporates affordable units. Moreover, when the City obtains certification under Housing Production guidelines by meeting its annual production goal, it will be in an even better position to negotiate with private developers on project terms and conditions since it will be able to deny what it considers inappropriate projects.

Next Steps: The City will focus on the following approaches to creating new affordable units on privately-owned parcels in line with “smart growth” principles:
Zoning Changes: The zoning strategies included in Section 6.2 should provide the necessary framework and incentives to attract new development that will include affordable housing. A particular opportunity is the development of 40R Smart Growth zoning for the MBTA site next to the commuter rail station. The City intends to work closely with the selected developer to create a development plan that includes mixed uses and mixed-income housing. In addition to extending mixed-use development to other areas of the community, these zoning changes suggest greater zoning incentives for the inclusion of affordable or workforce housing in other new development, including small year-round rentals through accessory apartments or two-family homes.

Chapter 40B: Comprehensive permits, particularly the “friendly” 40B process through the state’s Local Initiative Program (LIP), have proven to be a useful tool in many communities for projects that require significant waivers of local zoning but meet local needs and priorities. Newburyport used the comprehensive permit process for the Maritime Landing development. Because subsidy funds for affordable housing are so limited, development options that take advantage of market units to cross subsidize affordable ones are pragmatic approaches to financing housing in the short-term, particularly in Newburyport where market prices still tend to be quite high.

Locations where the “friendly” 40B process make the most sense include areas along Newburyport’s commercial corridors that are closest to transportation and services, possible nonresidential properties that might be converted to residential use, and cluster developments. Potential development opportunities include the following projects:

- **Route 1 Triangle:** The developer of the Maritime Landing project, which was developed through the comprehensive permit process, is acquiring another property that fronts onto Route 1 and backs onto Parker Street and the Clipper City Rail Trail. Initial plans include developing 50 rental units, also through 40B or potentially 40R.

- **Cottage Court:** A major property owner is purchasing a 30-acre parcel at Cottage Court and Hillside Avenue. This property is close to the MBTA lot and there may be opportunities to incorporate the project into the proposed 40R District or to develop it through the Chapter 40B process. There have been some early discussions about possibly developing approximately 30 units based on the co-housing model.43

Infill Development: The City will continue to work with developers to identify opportunities for affordable housing development in the downtown and existing neighborhoods, many of which could likely be developed by-right. For example, the City is working with the YWCA in redeveloping a property on Market Street for chronically homeless individuals earning within 50% of area median income, some with physical disabilities. The City awarded the project $60,000 in local HOME Program funding and an additional $120,000 was made available from the North Shore HOME Consortium’s competitive pool. Additional funding of $78,568 was provided by the City’s Community Preservation Fund to develop plans, complete permitting, and

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43 Co-housing developments are cooperative neighborhoods that typically include homes clustered around a common house with facilities that are shared by all residents (dining room, kitchen, play rooms, library) and where parking is in lots as opposed to separate driveways. The co-housing concept originated in Denmark with a focus on knowing one’s neighbors and providing a safe and nurturing environment for children.
attract additional financing. Moreover, the City has 39 units of special needs housing in group homes that can be developed by-right in existing neighborhoods.

The Housing Trust will continue to reach out to local developers who have been active in producing affordable housing in Newburyport and the North Shore to discuss the City’s interest in promoting these types of development, possible areas and opportunities for new development, and local guidelines and priorities. This outreach was incorporated into the planning process for this Housing Plan, as developers were invited and encouraged to attend special meetings to learn about the draft Plan and to provide input. Additional meetings or workshops with developers and rental property owners should be pursued over the next few years.

CPA funding and Housing Trust Funds to support preliminary feasibility analyses, some acquisition costs, and gap fillers are good investments towards meeting production goals and local needs. To effectively guide development, the Housing Trust will meet with developers of proposed projects that involve affordable housing from their early conceptual stages, providing important feedback to developers on preliminary plans. The Housing Trust might also advocate for expedited permitting and more flexible parking requirements for units with affordable housing.

Required Resources: The Housing Trust will take the lead in reaching out to affordable housing developers and in overseeing the initial local proposal review process, and working with developers on the “friendly” 40B process or under existing zoning where appropriate. The Housing Trust will also provide Housing Trust funding and/or advocate for additional funding where feasible. Staff time from the Office of Planning and Development will also be required to meet with developers and provide guidance on project planning and permitting.

Projected # Affordable Units Produced: 135 units

6.3.2 Make Suitable Public Property Available for Affordable Housing

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Current Status: As mentioned in Section 4, major obstacles to developing affordable housing in Newburyport include the limited availability of developable property, publicly-owned property in particular. While the major thrust of many communities’ proactive housing agendas has been the development of publicly-owned properties that are suitable for some amount of affordable housing, this is more difficult to do in Newburyport as there are fewer options available. Nevertheless, as noted in the Housing Needs Assessment, there has been some discussion about the potential availability of several municipally owned parcels for affordable housing.

The City of Newburyport may decide to acquire privately owned sites at some time in the future for the purposes of protecting open space, providing for particular municipal uses, and developing some amount of housing, including affordable housing, through cluster development on a portion of the sites. Additional smaller sites may become available as well to build affordable new starter homes, housing for empty nesters, special needs units, or housing for the formerly homeless (such as the Market Street model) on in infill basis. Some limited opportunities may also be available through the taking of tax-foreclosed properties for affordable housing.
As the City becomes alert to opportunities for acquiring property that would be suitable for some amount of affordable housing, such properties would ideally meet a number of “smart growth” principals such as:

- The redevelopment of existing structures,
- Infill site development,
- Development of housing in underutilized locations with some existing or planned infrastructure,
- Parcels large enough to accommodate clustered housing,
- Mixed-use properties in the downtown, village areas or along commercial corridors;
- Buffer between adjacent properties, and
- Located along a major road.

**Next Steps:** The Housing Trust will continue to work with other City boards and committees to identify and pursue surplus municipal property or acquire private property for the development of affordable housing. For example, the towns of Carlisle and Falmouth acquired land for affordable housing development including open space preservation and other public benefits. Like these communities, Newburyport could choose to bond CPA funds to cover site acquisition costs. There are currently two or three municipal properties that may be appropriate for redevelopment into affordable housing: the Brown School in the South End, the Kelley School on High Street and 115 Water Street, next to the recently-completed water treatment plant. The timeline regarding their redevelopment is not yet determined; the City hopes to move forward in the coming year first with an RFI followed with an RFP.

For such publicly-owned properties, when identified, the City could provide the following types of assistance including:

**Predevelopment Costs:** Where appropriate, the City will support the costs of preliminary feasibility analyses of existing City-owned properties or on sites identified on the open market, through negotiations with interested sellers for reduced prices or through tax foreclosures that might potentially include some amount of affordable housing. Such analyses could be funded through Community Preservation funds or the Housing Trust Fund.

**Preparation of the RFP:** Following the necessary approvals for the conveyance of City-owned properties, the Office of Planning and Development in concert with the City’s Chief Procurement Officer and potentially a housing consultant will prepare a Request for Proposals (RFP) to solicit interest from developers based on the City’s specific project requirements. They will then select a developer based also on identified criteria included in the RFP. Projects may require densities or other regulatory relief beyond what is allowed under existing zoning, and this might be obtained through normal regulatory channels or the “friendly” comprehensive permit process through DHCD’s Local Initiative Program (LIP).

**Conveyance of Property:** The City will convey the property to the selected developer at a discounted price, representing another subsidy that will help make the project financially feasible.

**Project Financing:** Additionally, the City will need to be involved in attracting the necessary financial and technical support. The City appreciates that evidence of municipal support is often critical when seeking financial or technical assistance from regional, state or federal agencies. CPA funding or Housing Trust Funds are very helpful in leveraging very limited and competitive resources.
state and federal funding.
Required Resources: Resources will be required to help subsidize the development. Comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units in fact subsidize the affordable ones. Many communities have used the “friendly” comprehensive permit process to take advantage of these internal subsidies, to create the necessary densities to make development feasible, and to make it easier to navigate the existing regulatory system. Given relatively high market prices and extremely limited public financing for affordable housing, the “friendly” 40B process is an important strategy for producing affordable housing in Newburyport.

Other developments require public subsidies to cover the costs of affordable or mixed-income residential development and need to access public subsidies through the state and federal government and other financial institutions to accomplish these objectives. Because the costs of development are typically significantly higher than the rents or purchase prices that low- and moderate-income households can afford, multiple layers of subsidies are often needed to fill the gaps. Even some Chapter 40B developments are finding it useful to apply for external subsidies to increase the numbers of affordable units, to target units to lower income or special needs populations, or to fill gaps that market rates cannot fully cover. A mix of financial and technical resources will be required to continue to produce affordable units in Newburyport. Appendix 3 includes summaries of most of these housing assistance programs.

Other resources include the donated time of members of the Housing Trust and other City boards and committees (such as Assessing, ZBA, the Planning Board, and Community Preservation Committee), including coordination from the Office of Planning and Development.

Projected # Affordable Units Produced: 20 units
Section 7

DEVELOPMENT OPPORTUNITIES

7.1 Context for Affordable Housing Development
7.2 Affordable Housing Development Opportunities
7.3 Waterfront Development
7.4 Transit Oriented Development
7.5 Infill Development

Meeting Newburyport’s need for affordable housing will require new goals and policies – and new construction too. It is important that it fit into the fabric of the community, reinforce the character of the neighborhood, support local business, and define open space - contributing to a broad range of civic goals. Since most housing is built by developers the City should be proactive - defining what kind of development it wants, and where. This will help insure that these goals are met.

The following pages lay out factors that should be taken into account in formulating planning goals, note sites where development should be considered, and suggest design prototypes for three typical sites. All are privately owned. These hypothetical planning studies illustrate general approaches to design that could take place on a variety of sites, showing how affordable and mixed income housing can meet both private and public needs.
CONTEXT FOR AFFORDABLE HOUSING DEVELOPMENT

The development of new housing in Newburyport takes place within the context of the city’s streets, waterfront, business districts, residential neighborhoods and open spaces. These urban features contribute to Newburyport’s distinctive character. The city’s zoning bylaws, regulatory requirements, and strong citizen concern about planning and design issues make it critically important that new housing is designed to be appropriate for this context. Formulating proposals for affordable housing must begin with an understanding of what defines Newburyport’s historic neighborhoods and how new housing can reinforce their character and improve the quality of life for everyone.

Other areas of the city – commercial strips along parts of Storey Avenue and Newburyport Turnpike and the industrial zone along Low St. lack the distinctive character of High St. or Merrimack St. They could benefit from housing or mixed use development that ties these areas to the traditional neighborhoods nearby.

There are a number of characteristics that define a neighborhood’s character. In residential areas density is critical - 8 units per acre feels very different than 2 units per acre. The former is typical of neighborhoods near the central business district where houses are close together and would be characterized as “urban”. The latter would generally be called “suburban” with houses surrounded by expansive lawns. Higher density housing can fit into lower density neighborhoods if properly designed, but there are generally limits to how much deviation is considered appropriate.
Proximity to the street is also important. On Harris Street the primarily old houses are set back only a few feet from the sidewalk and each other; on the other side of I-93 houses built after WWII are often set back 30 feet or more from the street and even farther from each other. Zoning requirements for lot area per dwelling unit and setbacks are meant to insure that the density of new development and its proximity to the street keeps it in character with what is around it.

Zoning doesn’t insure that designs are sensitively executed, or that dense but appropriate development won’t get rejected when it could have a positive influence, but is the primary mechanism the City uses to control what gets built and prevent inappropriate construction. 40B allows developers to override local zoning under certain conditions, making it important that Newburyport define its development goals. This will allow the city to actively negotiate with development partners on the design of “friendly 40Bs” that can benefit public and private interests.
Use also defines the character of neighborhoods, and zoning defines what uses are allowed in different areas. Many neighborhoods are all residential, but many of the most attractive neighborhoods in Newburyport are mixed use – with housing or offices above stores. Zoning requirements for use are meant to discourage constructing building types that conflict with existing neighborhoods, but may prevent the kind of mixed use development that reduces automobile use, promotes walk-able communities, and supports sustainable “smart growth” standards.

Significant amounts of land in Newburyport are wetlands, parks or protected open spaces, suggesting that developable land be planned for the highest and best use.
Stylistic features – the shapes of windows, the pitches of roofs, the materials that are used and the way they are detailed – also determine character. But historic features can be used inappropriately, and modern materials and details can be used sensitively, suggesting that the incorporation of particular stylistic features should not necessarily be a requirement for new development. Providing a pedestrian oriented site layout, a scale and massing that creates an animated streetscape, and welcoming entries that tie buildings to the public realm may make more effective connections to Newburyport traditions than traditional stylistic features used out of context.

Some of the typical Newburyport districts and their defining features include:

**Central Business District** – The center of Newburyport is primarily mixed use - retail below and residential or office above. Buildings are set close to or right on the sidewalk, and may form a continuous frontage along the street. Not everyone wants to live in a mixed use neighborhood, but apartments above shops create a sense of vitality and are often appropriate for younger workers or the retired who need affordable housing.

Significant parts of the central business district – especially along the waterfront – remain undeveloped or underutilized as parking or for industrial uses, and can be developed with a similar density and relationship to the street. Including affordable housing will insure that Newburyport’s diversity will be protected.
CONTEXT FOR AFFORDABLE HOUSING DEVELOPMENT

Recent Mid Block Infill off of Federal Street

High Street Single/Multi Family

Historic Residential Areas – Relatively dense residential neighborhoods surround the multi-use central business district. The density gives the neighborhoods character, reduces the need for cars, and supports local businesses in the area. New development has picked up on historic land use patterns in these neighborhoods, although the realities of modern life, like off-street parking, have been accommodated.

Many big old houses accommodate more than one family, with entries in front, on the side, and in the rear. New development has picked up on these patterns, with buildings built behind those on the street. This allows new residents into the neighborhood without tearing down existing buildings.

In some cases, building more residences on a small piece of property has allowed some of them to be affordable. Newburyport should actively advocate for the inclusion of affordable units in new developments.
Peripheral Residential Areas – Further out from the central business district residential development has tended to be less dense and is primarily for single families. There are fewer homes per acre and more dependence on cars. The recent tendency, at least until the recession, has been for larger houses and lots.

Multi-family residential development has continued to be built in certain areas removed from the central business district. Some are near the I-93 highway or off the Storey Ave. strip retail areas and away from single family neighborhoods. In other places it has been clustered in existing neighborhoods.

Industrial and Strip Retail Areas – Newburyport’s industrial zone and strip retail areas are important to the city, providing goods and services residents need, jobs, and significant tax revenues that keep residential tax rates low. They tend to be surrounded by parking and add little to, or detract from, the city’s unique character and sense of place.

Creative thinking about these zones could allow for the development of affordable housing while reducing the conflict between these uses and adjacent neighborhoods.

Open Spaces – Newburyport is filled with a variety of opens spaces: parks, cemeteries, farms, wetlands and conservation areas. Open space contributes to the quality of life in the city, offering a contrast to denser urban development and a connection to nature and the agrarian past. Many are protected from development because of the important social or environmental role they play. Carefully designed development can define some open spaces, contributing to their character and accessibility. The protection of open spaces and the promotion of other worthwhile uses – like affordable housing - need to be carefully balanced.
Although Newburyport has not reached the 10% affordable housing goal, affordable housing is distributed throughout the city. The Newburyport Housing Authority owns and manages a development on High Street. The Sullivan Building on Temple Street provides much needed affordable housing — although it is probably not a good model for what would be built today. Maritime Landing is a pretty big building — but it is on the edge of a commercial area where the density can be accommodated.

Foundry Square is fit pretty carefully into its neighborhood. It is dense, but nicely scaled. On Titcomb St. an old house was renovated for affordable housing, and the YMCA has re-developed a historic home on Market Street with affordable apartments. The old James Steam Mill on Charles Street is now affordable elderly housing.

These developments, large and small, new construction and rehabs, show a variety of ways to make affordable housing available in a variety of different neighborhoods.
Creative thinking about how land is utilized suggests that there are lots of opportunities – like the space tucked behind the shopping centers on Storey Ave., on the edge of the industrial district, or along the Newburyport Turnpike near the commuter rail line - where affordable housing can be built. The City can enact measures that allow it to control where it is built, and how it is designed, to make sure it makes the city better for everyone.

It is important that housing be located in appropriate areas, be designed to reinforce town character, and contribute to other civic goals: downtown revitalization; the development of walkable communities; open space access; and the preservation of local businesses.
AFFORDABLE HOUSING DEVELOPMENT OPPORTUNITIES

Waterfront Mixed Use

Liberty Street Infill
Newburyport Housing Production Plan

7.2

Turnpike Transit Oriented Development

Storey Avenue Mixed Use

Crow Street Greenfield Cluster Development

High Street Infill
AFFORDABLE HOUSING DEVELOPMENT OPPORTUNITIES

Waterfront Development

Transit Oriented Development
CONCEPTUAL DEVELOPMENT SCENARIOS

The following pages illustrate the kind of development that could provide affordable housing, along with market rate housing and commercial development as appropriate. By defining pedestrian oriented streets, providing access to green space and the waterfront, and reinforcing public transportation nodes and existing commercial development, these proposals reinforce the character of Newburyport while creating much-needed housing.
WATERFRONT DEVELOPMENT

Proposed Site Plan

HOUSING  64,000 SF - 54 UNITS
FAR = 0.34
PARKING  71 SPACES
The sculpted volumes of the buildings provide a backdrop for the riverfront walkway and animate the public spaces that surround them.

Buildings surround a central green that connects Water Street to the river. Each residence has views of the water or back to historic Newburyport.

Private terraces provide an important waterfront amenity to residents and connect them to the public green, the river and city beyond.

Newburyport’s waterfront is underutilized; much of it is occupied by parking and low intensity industrial and commercial uses that separate rather than connect people to the scenic Merrimack River. Appropriately designed, affordable and mixed income housing can provide access to this priceless public amenity.

The site currently occupied and soon to be vacated by the National Grid substation is close to downtown and provides an example of the kind of development that could take place elsewhere along the river bank. Sites closer to downtown could include retail and commercial uses as well. The inclusion of open space recognizes the importance of reconnecting the city to the water while allowing mixed income construction. Artists’ live-work lofts, family housing, and senior housing could all be included.
TRANSIT ORIENTED DEVELOPMENT

Proposed Site Plan

HOUSING 126,000 SF - 105 UNITS
RETAIL 2,000 SF
FAR= 0.7
PARKING 145
Retail faces those heading in to the train station from Route 1 and adjacent streets. The stepped forms of the residential buildings help define the scale of a neighborhood.

Green spaces interspersed with buildings provide recreational areas while allowing a relatively high density of transit oriented development.

A landscaped parking area buffers the development from the train tracks while the building facades and green spaces line the street.

Development near the MBTA station would reduce the need for cars for commuting and support local businesses in the area. New commercial uses would provide amenities for residents and commuters. Nearby properties now accommodate mostly automobile-oriented commercial uses, so residential development could rebuild this area as a walkable neighborhood with more of a downtown character. The city could allow relatively high density construction with the expectation of a significant number of affordable units.

A new community near the MBTA station could be relatively dense since it doesn’t have an existing residential neighborhood to define an appropriate character. Parking in back along the train tracks, buildings lining the street-front, and open space providing buffers between buildings would define the kind of community that is appropriate for Newburyport in this area.
Multi-family housing can be designed to fit into existing neighborhoods - increasing density to provide affordable housing without standing out from what is all around it.

Garages can be located in back so that porches and bays in the front connect residents to the street. Stepping the volumes back can reduce the apparent size of buildings. Informal compositions with space between buildings can lessen the impact of multi-family buildings and pick up patterns seen elsewhere in Newburyport.

Small parcels of land can accommodate new affordable and mixed income housing if it is designed to recognize surrounding patterns of construction. Informal massing that breaks buildings down into smaller scale elements can allow development that fits into a neighborhood with a density that makes affordable units economically feasible. Pitched roofs, bays and porches create a pedestrian-scale neighborhood environment - especially if parking is placed in back to minimize garage doors and curb cuts.

Sites that can accommodate this kind of planning and design are scattered throughout Newburyport. The City should work to insure that development includes affordable units while improving the community character for everyone.
Section 8

Appendix 1: Local and Regional Organizations/Resources
Appendix 2: Glossary of Housing Terms
Appendix 3: Summary of Housing Regulations and Resources
APPENDIX 1
Local and Regional Organizations/Resources

Newburyport is fortunate to have a number of important resources including City government, local non-profit organizations and regional entities that have made substantial contributions to the promotion of affordable housing in Newburyport or have the resources to contribute in the future. These resources, including their contact information, are briefly summarized below.

City Government
Office of Planning and Development
The Office of Planning and Development is the City’s chief planning and development agency, charged with enhancing Newburyport’s physical environment to improve the quality of life for those who live, work and visit Newburyport. The Office staff develops plans, policies, programs and projects related to the City’s physical development, economic development, affordable housing, historic preservation and environmental conservation.

In regard to affordable housing, the Office oversees several special programs and projects including:

- **Housing Rehabilitation Program**
  Through Community Development Block Grant (CDBG) funding from the state and the City’s Community Preservation Fund, the City has been administering a Housing Rehabilitation Program to qualifying property owners who need financing and technical assistance to make necessary home improvements (e.g., roof replacement, insulation, new heating, plumbing and electrical systems, window and door replacement, asbestos and lead paint removal, painting). The property must be located in Newburyport, have outstanding code violations, and be occupied by those earning at or below 80% of area median income. Financial assistance is provided by a zero interest loan.

- **Down Payment Assistance Program**
  Staffed by the Office of Planning and Development and sponsored by the Newburyport Affordable Housing Trust, the Down Payment Assistance Program offers up to $15,000 to cover down payments and closing costs for eligible purchasers of deed-restricted affordable units. Purchasers must be able to provide a down payment of at least 3% of the purchase price and obtain mortgage financing. The subsidy is in the form of a deferred loan in that it does not have to be repaid unless the purchaser refinances or sells the units within ten (10) years. If the property is sold within five (5) years of purchase, the full amount of the loan must be repaid. If the property is sold between the fifth and tenth year of ownership, the loan is forgiven in an amount equal to 20% of the assistance provided for each of the years remaining.

- **Affordable Housing Resale Opportunities**
  The Newburyport Affordable Housing Trust, staffed by the Office of Planning and Development, helps find eligible purchasers of affordable, deed-restricted units as they come on the market for resale.

Contact Info: City Hall, 60 Pleasant Street, 978-465-4400; [www.cityofnewburyport.com/Planning](http://www.cityofnewburyport.com/Planning)
Newburyport Affordable Housing Trust
The Newburyport Affordable Housing Trust was established to create and preserve affordable housing in Newburyport for the benefit of low- and moderate-income households. This Housing Trust was established with state legislation, called the Municipal Affordable Housing Trust Fund Act, which simplified the process of establishing such funds. More than 50 communities have adopted these funds to date and more have plans to do so.

The law provides guidelines on what trusts can do and allows communities to collect funds for housing, segregate them out of the general budget into an affordable housing trust fund, and use these funds without going back to City Council or Town Meeting for approval. It also enables trusts to own and manage real estate, not just receive and disburse funds. The law further requires that local housing trusts be governed by at least a five-member board of trustees, appointed and confirmed by City Council in the case of cities. While the new trusts must be in compliance with Chapter 30B, the law which governs public procurement as well as public bidding and construction laws, most trusts opt to dispose of property through a sale or long-term lease to a developer so as to clearly differentiate any affordable housing development project from a public construction project.

The Newburyport Affordable Housing Trust is the sponsor of this Housing Needs Assessment/Housing Production Plan and administers several City programs, staffed by the City’s Office of Planning and Development, including the Down Payment Assistance Program and Affordable Homeownership Resale Opportunities initiative.
Contact Info: C/O Office of Planning and Development, City Hall, 60 Pleasant Street, 978-465-4400; www.cityofnewburyport.com/Planning

Newburyport Community Preservation Committee
In September of 2000, the Community Preservation Act (CPA) was enacted to provide Massachusetts cities and towns with another tool to conserve open space, preserve historic properties and provide affordable housing. This enabling statute established the authority for municipalities in the Commonwealth to create a Community Preservation Fund derived from a surcharge of up to 3% of the property tax with a corresponding state match of up to 100% funded through new fees at the Registry of Deeds and Land Court. Once adopted the Act requires at least 10% of the monies raised to be distributed to each of the categories (open space/recreation, historic preservation and affordable housing), allowing flexibility in distributing the majority of the money to any of the uses as determined by the community. The Act further requires that a Community Preservation Committee of five to nine members be established, representing various boards or committees in the community, to recommend to the legislative body, in this case City Council, how to spend the Community Preservation Fund.

In November 2002, Newburyport residents adopted the Community Preservation Act with a surcharge of 2%, exempting the first $100,000 of a property’s value as well as the participation of low-income property owners. In 2003, the City Council adopted a City Ordinance to establish a Community Preservation Committee (CPC) with nine (9) members representing various City agencies, including the Newburyport Housing Authority, and charged with making recommendations to City Council on the expenditure of CPA funding to meet local needs. In 2010, $596,765.60 was raised from the City’s surcharge with the state’s share of $202,956 for a total of $799,721.60 available. The state’s share has decreased over the last several years, largely the result of the depressed housing market as the fees from the Registry of Deeds are the main source of the state’s match.
The City has appropriated almost $5,900,000 in CPA funding for more than 60 projects, including funding of approximately $1 million for the following housing-related projects:

- $336,000 for the Newburyport Affordable Housing Corporation’s (NAHC) Titcomb Street project
- $265,000 for NAHC’s Titcomb and Woodland Street projects
- $250,000 in reserve funds for future community housing purposes, anticipating that a portion of these dedicated funds will go to support the Newburyport Affordable Housing Trust although this has not yet occurred
- $7,232 and $78,568 for the YWCA of Greater Newburyport’s Market Street project
- $264,500 to supplement state funding for the City’s existing Housing Rehabilitation Program through three (3) separate appropriations from 2007 to 2009

In 2011, the CPC recommended the funding of additional housing-related projects be funded through its Community Preservation Fund including:

- $50,000 in further support for the YWCA of Greater Newburyport’s Market Street project
- $75,000 in additional funding for the City’s Housing Rehabilitation Program
- $11,000 towards the Milk Street Affordable Housing Restoration project
- $50,000 to the Affordable Housing Trust’s Down Payment Assistance and MLS Input-Only Listing Services
- $20,000 more in the Housing Reserve Fund

Contact Info: C/O Office of Planning and Development, City Hall, 60 Pleasant Street, 978-465-4400; www.cityofnewburyport.com/Planning/CPCPage

**Newburyport Council on Aging**

The Newburyport Council on Aging is a City department that supports the quality of life of Newburyport elders through a wide variety of services including the operation of a Senior Center that offers social and educational programs for seniors (monthly book group, special day trips, financial planning seminars, health insurance counseling, exercise to music, knitting group, legal assistance, lunch program, assistance with tax forms), health checks (blood pressure checks, foot care, hearing checks, support programs for those with low vision), a newsletter, an information and referral service on a wide range of issues, and community-based services to promote independent living (telephone reassurance). The Council relies heavily on local volunteers to support its services.

The Council on Aging manages a program that abates taxes for low and moderate-income seniors in exchange for minor services to the City, for example, volunteering at a school or library. The Council also operates a van service to those who need transportation, including those requiring wheelchair access. Such services are becoming increasingly important as the city’s population ages.

The Council on Aging receives many inquiries regarding housing options, particularly from the adult children of seniors. In response they have prepared a brochure that summarizes housing assistance including Housing Authority developments (Sullivan Building and Horton Terrace), privately sponsored housing for seniors (Heritage House and James Steam Mill), assisted living options (Atria Merrimack Place and the more affordable Assisted Living Center in Salisbury). Also, as seniors have not had an increase in Social Security benefits in years, the COA is finding that more are having difficulties paying increasing property taxes, food costs, and energy bills and are consequently seeking financial assistance. Contact Info: 40 Water Street; 978-462-8650; www.cityofnewburyport.com/CouncilonAging

Newburyport Housing Production Plan
Local Agencies and Organizations

Newburyport Housing Authority (NHA)
The Newburyport Housing Authority (NHA) is a quasi-public agency that was established in 1948 by the state and City of Newburyport to produce housing that is affordable to low- and moderate-income residents. The NHA manages 192 units in three (3) separate developments, including units for seniors, families, and those with special needs. The Housing Authority also manages approximately 105 rental subsidies/vouchers that enable those who are priced out of the housing market to rent housing in privately owned units, paying only a specified portion of their income on housing costs.

NHA’s mission statement dictates that it be dedicated to the provision of safe, decent and sanitary affordable housing options for low and moderate-income individuals and families in the City of Newburyport through the administration of appropriate local, state and federal housing programs. NHA staff is further dedicated to responding to resident needs and maintaining a productive, supportive and professional workplace to do so. In its efforts to promote affordable housing, the NHA focuses on the following important activities:

Make every attempt to preserve current tenants’ housing in order to prevent homelessness. With the assistance of the Tenant Preservation Officer provided by the North East Housing Court in Lawrence, NHA makes a concerted effort to work with its tenants regarding eviction issues to preserve the housing of the community’s most vulnerable residents and to prevent them from becoming homeless.

Maintain its property to ensure that it is providing safe, decent and sanitary housing. HUD has long provided Capital Funds to maintain its federal development (Horton Terrace). Massachusetts has provided sporadic Capital funding, but is initiating a Capital Improvement Program to provide a yearly allocation of funds for the maintenance of state assisted public housing, similar to HUD’s program. With deferred maintenance in state sponsored public housing developments across the Commonwealth, it will take years to catch-up with all of the necessary repairs.

Seek funding for projects from other Capital resources such as HOME funds, Community Preservation Act (CPA) funds, and even Community Development Block Grant (CDBG) funds in conjunction with the community’s application for funding to preserve, maintain, and protect state sponsored public housing.

For more information on NHA, see Section 3.2.6.
Contact Info: 25 Temple Street; 978-465-7216; www.nahousing.com

Newburyport Affordable Housing Corporation
The Newburyport Affordable Housing Corporation was established as a non-profit subsidiary of the Newburyport Housing Authority. NAHC has sponsored two rental developments, Titcomb Street with five (5) units and Woodland Street with three (3) units, in an effort to preserve the City’s existing rental housing stock and to insure that units that are preserved remain affordable.
Regional Agencies and Organizations

North Shore HOME Consortium
Newburyport is a member of the North Shore HOME Consortium, which is staffed by Newburyport’s Office of Community and Economic Development. The Consortium administers federal HOME Program funding to support a wide range of housing activities with 30 participating communities that are geographically spread throughout the North Shore and Merrimack Valley, including Newburyport.

The Consortium has approximately $2.2 million available per year and divides its annual allocation on a formula basis among the participating communities. It also manages a competitive pool of approximately $700,000 annually to be available to those localities that have encumbered all of their funding or for special initiatives. This competitive pool is available not only to participating municipalities but to nonprofit organizations and private developers as well. Just recently, Newburyport’s Market Street Apartments project, sponsored by the YWCA, received $120,000 from this special pool. The Consortium allocates approximately $63,000 annually to the City of Newburyport, which has been used for a number of initiatives.

Contact Info: 24 Lowell Street in Peabody; 978-532-3000; www.peabody-ma.gov/home_consortium

Gloucester/Haverhill/Salem/Essex County Continuum of Care (CoC)
The Continuum of Care is designated as the regional entity to provide a continuum of support from emergency shelters to transitional housing and ultimately to permanent housing serving those exiting homelessness. The Continuum of Care, like the HOME Consortium, is staffed by Peabody’s Office of Community and Economic Development and includes representatives from the major housing service providers in the area. A major component of the CoC’s work is the preparation and submission of an application to HUD for McKinney-Vento Homeless Assistance funding. The planning process associated with this application takes place throughout the year, including an annual “point in time” census count of the homeless (both sheltered and unsheltered individuals and families).

Contact Info: 24 Lowell Street in Peabody; 978-532-3000; www.peabody-ma.gov

Community Action, Inc.
Community Action, Inc. is the area’s community action agency that was established to serve a wide range of education, housing, health and service needs of low-income and disadvantaged area residents. The organization, based in Haverhill, has expanded during the past three decades to include a number of cities and towns on the North Shore, including Newburyport. Programs include fuel assistance, Head Start, WIC, education and training, and other services directed to area families. Housing-related services include counseling and down payment and closing cost assistance for first time homebuyers as well as the administration of lotteries and development of small affordable housing projects.

Contact Info: 145 Essex Street in Haverhill; 978-373-1971; www.communityactioninc.org

Community Teamwork, Inc.
Community Teamwork, Inc. serves as the regional housing agency for northern Middlesex County and Essex County among other functions. As the regional housing agency it provides housing and community services to low and moderate-income individuals and families including rental assistance programs, elderly housing services, first-time homebuyer programs to support closing and down payment costs, housing advocacy, and support for the homeless. It also has created subsidiary organizations such as Common Ground Development Corporation and Community Housing, Inc. that develop affordable housing and can own and manage already developed properties, respectively. Their Home for Good Program also provides affordable housing marketing and lottery services for affordable housing development and serves as a monitoring agent to enforce affordable use restrictions.
Contact Info: 167 Dutton Street in Lowell; 978-459-0551; www.comteam.org

Greater Newburyport YWCA
The Greater Newburyport YWCA is part of an international women’s movement “dedicated to eliminating racism, empowering women and promoting peace, justice, freedom and dignity for all”. The organization provides support for survivors of rape or domestic violence, job training and career counseling, childcare, health and fitness programs, and housing. In regard to housing, the YWCA has operated a Women’s Residence at 13 Market Street since 1890, offering 11 affordable rooms that rent between $90 and $110 per week. The YWCA has also developed five (5) affordable rental units at 11 Market Street, which it continues to own and manage. It is in the process of expanding the number of units to ten (10), creating five (5) additional affordable rental units for the chronically homeless, two (2) for the physically disabled.
Contact Info: 13 Market Street; 978-465-9922; www.ywcanewburyport.org

Turning Point, Inc.
Turning Point, Inc. is a non-profit organization that is based in Newburyport and develops human service programs to promote the independence and self-sufficiency of disabled individuals.
Contact Info: 5 Perry Way; 978-462-8251; www.turningpointinc.org

North Shore Community Development Coalition (NSCDC)
The North Shore CDC, which evolved from the former Salem CDC, is committed to building and preserving affordable housing in North Shore communities. This organization has completed 287 units to date, primarily in Salem, Beverly and Ipswich, but has the interest and capacity to serve other North Shore communities as well, including Newburyport.
Contact Info: 102 Lafayette Street in Salem; 978-825-4009; www.northshorecdc.org

Harborlight Community Partners
Harborlight was established as a non-profit organization to provide service-enriched, affordable housing to communities in Essex County. Founded by the First Baptist Church in Beverly, the organization initially focused on the development of senior housing. It has grown considerably over the past few years, taking over several other housing-related organizations including the North Shore Housing Trust¹ and We Care About Homes.² The organization also provides property management and housing marketing/compliance services to non-profit organizations.
Contact Info: 978-922-1305; www.harborlightcp.org

Essex County Community Foundation (ECCF)
The Essex County Community Foundation (ECCF) provides funding support to non-profit organizations serving the needs of residents in Essex County. The organization raises this funding from individuals and families who are searching for ways to donate to their communities, but until the Foundation was formed, had no means of doing so without establishing their own private foundation or moving their funds outside of the county. The Foundation works closely with donors to serve their charitable

¹ The North Shore Housing Trust (NSHT) was an outgrowth of the North Shore Affordable Housing Task Force that was formed by Wellspring House of Gloucester in 1998 to begin to address the issue of affordable housing on a regional basis. NSHT’s goal was to become a regional force to develop affordable housing in areas of the North Shore where local affordable housing development capacity was lacking.
² We Care About Homes, a non-profit organization that acquired properties and rented units to very low-income families. Based in Beverly, the organization rents 20 units at seven (7) scattered-site properties.
interests and manage funds that benefit specified organizations, defined purposes and provide scholarships.

ECCF supports many organizations and programs, and in relation to development has created the Essex County Forum (previously called the Environmental Stewardship Initiative) to build connections among area organizations and individuals for promoting long-term sustainable growth in Essex County and averting the negative impact of unplanned growth. The Essex County Forum offers educational and informational events and other outreach on smart growth issues.

Contact Info: 175 Andover Street in Danvers; 978-777-8876; www.eccf.org

**Merrimack Valley Habitat for Humanity**

Habitat for Humanity is an ecumenical, non-profit Christian ministry dedicated to building simple, decent homes in partnership with families in need that has grown over the past several decades into one of the largest private homebuilders in the world. The organization has almost 1,600 U.S. affiliates and over 2,100 affiliates worldwide.

The Merrimack Valley Habitat for Humanity serves 22 communities, including Newburyport, and has built 64 homes and rehabilitated another seven (7) since 1985. Another 14 homes are currently planned or under construction. Homeowners typically earn between $21,000 and $42,000 and provide at least 500 hours of “sweat equity” to build their own homes and other families’ homes. The organization provides these families with a 20, 25 or 30-year, no interest mortgage.

Contact Info: 60 Island Street in Lawrence; 978-681-8858; www.merrimackvalleyhabitat.org

**Merrimack Valley Planning Commission (MVPC)**

The Merrimack Valley Planning Commission (MVPC) is the regional planning agency for a significant portion of the North Shore, based in Haverhill. The agency provides professional planning services to 15 communities, including Newburyport, each community selecting a representative to serve on the Commission. Services are wide ranging related to transportation, the environment, economic development and Geographic Information Services (GIS).

Contact Info: 160 Main Street in Haverhill; 978-374-0519; www.mvpc.org

**Merrimack Valley Housing Partnership (MVHP)**

The Merrimack Valley Housing Partnership (MVHP), based in Lowell, is a private, non-profit organization that promotes homeownership opportunities for low- and moderate-income earners. Services include down payment and closing cost assistance as well as first-time homebuyer training programs.

Contact Info: 978-459-8490; www.mvhp.org

**Coastal Homebuyer Education, Inc.**

Coastal Homebuyer Education, Inc. helps prospective homebuyers in eastern Massachusetts make homeownership a reality. Certified by CHAPA and MassHousing, the organization provides homebuyer counseling, which is often a prerequisite for many financing programs. Seminars are held over four (4) evening meetings or two (2) Saturdays throughout the year for a fee of $60 per household. The organization recently added post purchase classes as well.

Contact Info: www.coastalhbedu.org

**Roof Over Head Collaborative (ROOF)**

The Roof Over Head Collaborative is a non-profit organization dedicated to preventing homelessness for those living in Newburyport, Amesbury or Salisbury. The organization began a
capital campaign in 2010 to raise money for the purchase and lease of properties in the Greater Newburyport area. Qualified families who are at risk of homelessness agree to pay a portion of the rent while receiving important services for education, job training and other support that will help stabilize their lives and move them out of crisis into independence.

Contact Info: www.roofoverhead.org
APPENDIX 2
Glossary of Housing Terms

40R/40S
State legislation that provides cash incentives to municipalities that adopt smart growth overlay districts that also increase housing production, including affordable housing (see Appendix 4 for details).

Affordable Housing
A subjective term, but as used in this Plan, refers to housing available to a household earning no more than 80% of area median income at a cost that is no more than 30% of total household income.

Area Median Income (AMI)
The estimated median income, adjusted for family size, by metropolitan area (or county in nonmetropolitan areas) that is adjusted by HUD annually and used as the basis of eligibility for most housing assistance programs. Sometimes referred to as “MFI” or median family income.

Chapter 40B
The state’s comprehensive permit law, enacted in 1969, established an affordable housing goal of 10% for every community. In communities below the 10% goal, developers of low- and moderate-income housing can seek an expedited local review under the comprehensive permit process and can request a limited waiver of local zoning and other restrictions, which hamper construction of affordable housing. Developers can appeal to the state if their application is denied or approved with conditions that render it uneconomic, and the state can overturn the local decision if it finds it unreasonable in light of the need for affordable housing.

Chapter 44B
The Community Preservation Act Enabling Legislation that allows communities, at local option, to establish a Community Preservation Fund to preserve open space, historic resources and community housing, by imposing a surcharge of up to 3% on local property taxes. The state provides matching funds from its own Community Preservation Trust Fund, generated from an increase in certain Registry of Deeds’ fees.

Cluster Development
A site planning technique that concentrates buildings in specific areas on the site to allow the remaining land to be used for other uses, most typically open space preservation. Some provisions allow density bonuses for certain conditions of development, including affordable housing.

Comprehensive Permit
Expeditied permitting process for developers building affordable housing under Chapter 40B “anti-snob zoning” law. A comprehensive permit, rather than multiple individual permits from various local boards, is issued by the local zoning boards of appeals to qualifying developers (see Appendix 4 for details).

Conservation Development
A project that conserves open space, protects site features and provides flexibility in the siting of structures, services and infrastructure.
**Department of Housing and Community Development (DHCD)**

DHCD is the state’s lead agency for housing and community development programs and policy. It oversees state-funded public housing, administers rental assistance programs, provides funds for municipal assistance, and funds a variety of programs to stimulate the development of affordable housing.

**Design Guidelines**

A set of discretionary standards, including design and performance criteria, developed as a public policy to guide the planning and land development.

**Easements**

The right to use property for specific purposes or to gain access to another property.

**Energy Star**

A voluntary labeling program of the US Environmental Protection Agency (EPA) and the US Department of Energy that identifies energy efficient products.

**Enhanced Single Room Occupancy (ESRO)**

A single person room with a private bath and/or kitchen rather than shared facilities.

**Expedited Permitting**

The state’s Chapter 43D Program allows a community to gain state incentives for projects meeting certain criteria and permitted within a 180-day regulatory process.

**Fair Housing Act**

Federal legislation, first enacted in 1968, that provides the Secretary of HUD with investigation and enforcement responsibilities for fair housing practices. It prohibits discrimination in housing and lending based on race, color, religion, sex, national origin, handicap, or familial status. There is also a Massachusetts Fair Housing Act, which extends the prohibition against discrimination to sexual orientation, marital status, ancestry, veteran status, children, and age. The state law also prohibits discrimination against families receiving public assistance or rental subsidies, or because of any requirement of these programs.

**Form-based Zoning**

Zoning regulations that define desired building and site characteristics but do not strictly regulate the uses.

**Green Building**

A term used to describe buildings that have been designed or retrofitted to reduce energy consumption.

**Inclusionary Zoning**

Inclusionary zoning is a zoning ordinance or bylaw that requires a developer to include affordable housing as part of a development or contribute to a fund for such housing.

**Infill Development**

Infill development is the practice of building on vacant or undeveloped parcels in dense areas, especially urban and inner suburban neighborhoods. Such development promotes compact development, which in turn allows undeveloped land to remain open and green.
Jobs/Housing Balance
A measure of the harmony between available jobs and housing in a specific area.

LEED
Leadership in Energy and Environmental Design (LEED) is a voluntary standard for developing high performance, sustainable buildings that significantly reduce energy consumption. There are various standards, including silver, gold and platinum, which are awarded to particular properties through a certification process.

Local Initiative Program (LIP)
LIP is a state program under which communities may use local resources and DHCD technical assistance to develop affordable housing that is eligible for inclusion on the state Subsidized Housing Inventory (SHI). LIP is not a financing program, but the DHCD technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. At least 25% of the units must be set-aside as affordable to households earning less than 80% of area median income (see Appendix 4 for more details).

MassHousing (formerly the Massachusetts Housing Finance Agency, MHFA)
MassHousing is a quasi-public agency created in 1966 to help finance affordable housing programs. MassHousing sells both tax-exempt and taxable bonds to finance its many single-family and multi-family programs.

Metropolitan Statistical Area (MSA)
The term, MSA, is also used for CMSAs (consolidated metropolitan statistical areas) and PMSAs (primary metropolitan statistical areas) that are geographic units used for defining urban areas that are based largely on commuting patterns. The federal Office of Management and Budget defines these areas for statistical purposes only, but many federal agencies use them for programmatic purposes, including allocating federal funds and determining program eligibility. HUD uses MSAs as its basis for setting income guidelines and fair market rents.

Mixed-Income Housing Development
Mixed-income development includes housing for various income levels.

Mixed-Use Development
Mixed-use projects combine different types of development such as residential, commercial, office, industrial and institutional into one project.

Overlay Zoning
A zoning district, applied over one or more other districts that contains additional provisions for special features or conditions, such as historic buildings, affordable housing, or wetlands.

Planned Development
A district or project designed to provide an alternative to the conventional suburban development standards that promote a number of important public policy benefits, often including a variety of housing, including affordable housing, and creative site design alternatives.
Public Housing Agency (PHA)
A public entity that operates housing programs: includes state housing agencies (including DHCD), housing finance agencies and local housing authorities. This is a HUD definition that is used to describe the entities that are permitted to receive funds or administer a wide range of HUD programs including public housing and Section 8 rental assistance.

Regional Non-profit Housing Organizations
Regional non-profit housing organizations include nine private, non-profit housing agencies, which administer the Section 8 Program on a statewide basis, under contract with DHCD. Each agency serves a wide geographic region. Collectively, they cover the entire state and administer over 15,000 Section 8 vouchers. In addition to administering Section 8 subsidies, they administer state-funded rental assistance (MRVP) in communities without participating local housing authorities. They also develop affordable housing and run housing rehabilitation and weatherization programs, operate homeless shelters, run homeless prevention and first-time homebuyer programs, and offer technical assistance and training programs for communities. Community Teamwork, Inc., based in Lowell, serves as Newburyport’s regional non-profit housing organization.

Regional Planning Agencies (RPAs)
These are public agencies that coordinate planning in each of thirteen regions of the state. They are empowered to undertake studies of resources, problems, and needs of their districts. They provide professional expertise to communities in areas such as master planning, affordable housing and open space planning, and traffic impact studies. With the exception of the Cape Cod and Nantucket Commissions, however, which are land use regulatory agencies as well as planning agencies, the RPAs serve in an advisory capacity only. The Merrimack Valley Planning Commission serves as Newburyport’s Regional Planning Agency.

Request for Proposals (RFP)
A process for soliciting applications for funding when funds are awarded competitively or soliciting proposals from developers as an alternative to lowest-bidder competitive bidding.

Section 8
Refers to the major federal (HUD) program – actually a collection of programs – providing rental assistance to low-income households to help them pay for housing. Participating tenants pay 30% of their income (some pay more) for housing (rent and basic utilities) and the federal subsidy pays the balance of the rent. The Program is now officially called the Housing Choice Voucher Program.

Single Room Occupancy (SRO)
A single room occupancy (more commonly SRO, sometimes called single resident occupancy) is a multiple tenant building that houses one or two people in individual rooms (sometimes two rooms, or two rooms with a bathroom or half bathroom), or to the single room dwelling itself. SRO tenants typically share bathrooms and/or kitchens, while some SRO rooms may include kitchenettes, bathrooms, or half-baths. Although many are former hotels, SROs are primarily rented as permanent residences.

Smart Growth
The term used to refer to a rapidly growing and widespread movement that calls for a more coordinated, environmentally sensitive approach to planning and development. A response to the problems associated with unplanned, unlimited suburban development – or sprawl – smart growth

Newburyport Housing Production Plan
principles call for more efficient land use, compact development patterns, less dependence on the automobile, a range of housing opportunities and choices, and improved jobs/housing balance.

**Subsidy**
Typically refers to financial assistance that fills the gap between the costs of any affordable housing development and what the occupants can afford based on program eligibility requirements. Many times multiple subsidies from various funding sources are required, often referred to as the “layering” of subsidies, in order to make a project feasible. In the state’s Local Initiative Program (LIP), DHCD’s technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. Also, “internal subsidies” refers to those developments that do not have an external source(s) of funding for affordable housing, but use the value of the market units to “cross subsidize” the affordable ones.

**Subsidized Housing Inventory (SHI)**
This is the official list of units, by municipality, that count toward a community’s 10% goal as prescribed by Chapter 40B comprehensive permit law.

**Sustainability**
Development that includes a balanced set of integrated principles such as social equity, environmental respect, and economic viability, which preserves a high quality of life for current occupants and future generations.

**Transfer of Development Rights (TDR)**
A program that coordinates the relocation of development from environmentally sensitive areas that should be preserved as open space to areas that can accommodate higher densities.

**Transit Oriented Development (TOD)**
Development that occurs within walking distance of public transportation, usually bus or trains, to reduce the reliance on the automobile and typically accommodate mixed uses and higher densities.

**U.S. Department of Housing and Urban Development (HUD)**
The primary federal agency for regulating housing, including fair housing and housing finance. It is also the major federal funding source for affordable housing programs.
APPENDIX 3
Summary of Housing Regulations and Resources

I. SUMMARY OF HOUSING REGULATIONS

A. Chapter 40B Comprehensive Permit Law
The Massachusetts Comprehensive Permit Law, Chapter 40B Sections 20-23 of the General Laws, was enacted as Chapter 774 of the Acts of 1969 to encourage the construction of affordable housing throughout the state, particularly outside of cities. Often referred to as the Anti-Snob Zoning Act, it requires all communities to use a streamlined review process through the local Zoning Board of Appeals for “comprehensive permits” submitted by developers for projects proposing zoning and other regulatory waivers and incorporating affordable housing for at least 25% of the units. Only one application is submitted to the ZBA instead of separate permit applications that are typically required by a number of local departments as part of the normal development process. Here the ZBA takes the lead and consults with the other relevant departments (e.g., building department, planning department, highway department, fire department, sanitation department, etc.) on a single application. The Conservation Commission retains jurisdiction under the Wetlands Protection Act and Department of Environmental Protection, the Building Inspector applies the state building code, and the Board of Health enforces Title V.

For a development to qualify under Chapter 40B, it must meet all of the following requirements:

- Must be part of a “subsidized” development built by a public agency, non-profit organization, or limited dividend corporation.
- At least 25% of the units in the development must be income restricted to households with incomes at or below 80% of area median income and have rents or sales prices restricted to affordable levels income levels defined each year by the U.S. Department of Housing and Urban Development.
- Restrictions must run for minimum of 30 years or longer for new construction or for a minimum of 15 years or longer for rehabilitation. Alternatively, the project can provide 20% of the units to households below 50% of area median income. Now new homeownership must have deed restrictions that extend in perpetuity.
- Development must be subject to a regulatory agreement and monitored by a public agency or non-profit organization.
- Project sponsors must meet affirmative marketing requirements.

According to Chapter 40B regulations, the ZBA decision to deny or place conditions on a comprehensive permit project cannot be appealed by the developer if any of the following conditions are met³:

- The community has met the statutory minimum by having at least 10% of its year-round housing stock affordable as defined by Chapter 40B, at least 1.5% of the community’s land area includes affordable housing as defined again by 40B, or annual affordable housing construction is on at least 0.3% of the community’s land area.

³ Section 56.03 of the new Chapter 40B regulations.
• The community has made “recent progress” adding SHI eligible housing units during the prior 12 months equal at least to 2% of its year-round housing.
• The community has a one- or two-year exemption under Housing Production.
• The application is for a “large project” that equals at least 6% of all housing units in a community with less than 2,500 housing units.
• A “related application” for the site was filed, pending or withdrawn within 12 months of the application.

If a municipality does not meet any of the above thresholds, it is susceptible to appeals by comprehensive permit applicants of the ZBA’s decision to the state’s Housing Appeals Committee (HAC). This makes the Town susceptible to a state override of local zoning if a developer chooses to create affordable housing through the Chapter 40B comprehensive permit process.4 Recently approved regulations add a new requirement that ZBA’s provide early written notice (within 15 days of the opening of the local hearing) to the application and to DHCD if they intend to deny or condition the permit based on the grounds listed above that make the application appeal proof, providing documentation for its position. Under these circumstances, municipalities can count projects with approved comprehensive permits that are under legal approval, but not by the ZBA, at the time.

Applicants wishing to appeal the ZBA decision based on appeal-proof grounds must notify the ZBA and DHCD in writing within 15 days of receipt of the ZBA notice. If the applicant appeals, DHCD will review materials from the ZBA and applicant and issue a decision within 30days of receipt of the appeal (failure to issue a decision is a construction approval of the ZBA’s position). Either the ZBA or application can appeal DHCD’s decision by filing an interlocutory appeal with the Housing appeals Committee (HAC) within 20 days of receiving DHCD’s decision. If a ZBA fails to follow this procedure, it waives its right to deny a permit on these “appeal-proof” grounds.

Chapter 40B also addresses when a community can count a unit as eligible for inclusion in the SHI including:

• **40R**
  Units receiving Plan Approval under 40R now count when the permit or approval is filed with the municipal clerk provided that no appeals are filed by the board or when the last appeal is fully resolved, similar to a Comprehensive Permit project.

• **Certificate of Occupancy**
  Units added to the SHI on the basis of receiving building permits become temporarily ineligible if the C of O is not issued with 18 months.

• **Large Phased Projects**

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4 Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.
If the comprehensive permit approval or zoning approval allows a project to be built in phases and each phase includes at least 150 units and average time between the start of each phase is 15 months or less, then the entire project remains eligible for the SHI as long as the phasing schedule set forth in the permit approval continues to be met.

- **Projects with Expired Use Restrictions**
  Units become ineligible for inclusion in the SHI upon expiration or termination of the initial use restriction unless a subsequent use restriction is imposed.

- **Biennial Municipal Reporting**
  Municipalities are responsible for providing the information on units that should be included in the SHI through a statement certified by the chief executive officer.

Municipalities are allowed to set-aside up to 70% of the affordable units available in a 40B development for those who have a connection to the community as defined within the parameters of fair housing laws and Section III.C of the Comprehensive Permit Guidelines including residents, employees of the City of Newburyport (including the school district) or employees of businesses located in the city.

While there are ongoing discussions regarding how the state should count the affordable units for the purpose of determining whether a community has met the 10% goal, in a rental project if the subsidy applies to the entire project, all units are counted towards the state standard. For homeownership projects, only the units made affordable to those households earning within 80% of median income can be attributed to the affordable housing inventory.

There are up to three stages in the 40B process – the project eligibility stage, the application stage, and at times the appeals stage. First, the applicant must apply for eligibility of a proposed 40B project/site from a subsidizing agency. Under Chapter 40B, subsidized housing is not limited exclusively to housing receiving direct public subsidies but also applies to privately-financed projects receiving technical assistance from the State through its Local Initiative Program (LIP) or through MassHousing (Housing Starts Program), Federal Home Loan Bank Board (New England Fund), MassDevelopment, and Massachusetts Housing Partnership Fund. The subsidizing agency then forwards the application to the local City Council/Board of Selectmen for a 30-day comment period. The City Council/Board of Selectmen solicits comments from Town officials and other boards and based on their review the subsidizing agency typically issues a project eligibility letter. Alternatively, a developer may approach the City Council/Board of Selectmen for their endorsement of the project, and they can make a joint application to DHCD for certification under the Local Initiative Program (for more information see description in Section I.E below).

Recent changes to 40B regulations expands the items a subsidizing agency must consider when determining site eligibility including:

- Information provided by the municipality or other parties regarding municipal actions previously taken to meet affordable housing needs, including inclusionary zoning, multi-family districts and 40R overlay zones.
- Whether the conceptual design is appropriate for the site including building massing, topography, environmental resources, and integration into existing development patterns.
- That the land valuation, as included in the pro forma, is consistent with DHCD guidelines regarding cost examination and limitations on profits and distribution.
• Requires that LIP site approval applications be submitted by the municipality’s chief executive officer.
• Specifies that members of local boards can attend the site visit conducted during DHCD’s 30-day review period.
• Requires that the subsidizing agency provide a copy of its determination of eligibility to DHCD, the chief executive officer of the municipality, the ZBA and the applicant.

If there are substantial changes to a project before the ZBA issues its decision, the subsidizing agency can defer the re-determination of site/project eligibility until the ZBA issues its decision unless the chief executive officer of the municipality or applicant request otherwise. New 40B regulations provide greater detail on this re-determination process. Additionally, challenges to project eligibility determinations can only be made on the grounds that there has been a substantial change to the project that affects project eligibility requirements and leaves resolution of the challenge to the subsidizing agency.

The next stage in the comprehensive permit process is the application phase including pre-hearing activities such as adopting rules before the application is submitted, setting a reasonable filing fee, providing for technical “peer review” fees, establishing a process for selecting technical consultants, and setting forth minimum application submission requirements. Failure to open a public hearing within 30 days of filing an application can result in constructive approval. The public hearing is the most critical part of the whole application process. Here is the chance for the Zoning Board of Appeals’ consultants to analyze existing site conditions, advise the ZBA on the capacity of the site to handle the proposed type of development, and to recommend alternative development designs. Here is where the ZBA gets the advice of experts on unfamiliar matters – called peer review. Consistency of the project with local needs is the central principal in the review process.

Another important component of the public hearing process is the project economic analysis that determines whether conditions imposed and waivers denied would render the project “uneconomic”. The burden of proof is on the applicant, who must prove that it is impossible to proceed and still realize a reasonable return, which cannot be more than 20%. Another part of the public hearing process is the engineering review. The ZBA directs its consultants to analyze the consistency of the project with local bylaws and regulations and to examine the feasibility of alternative designs.

Chapter 40B regulations related to the hearing process include:

• The hearing must be terminated within 180 days of the filing of a complete application unless the applicant consents to extend.
• Allows communities already considering three (3) or more comprehensive permit applications to stay a hearing on additional applications if the total units under consideration meet the definition of a large project (larger of 300 units or 2% of housing in communities with 7,500 housing units as of the latest Census, 250 units in communities with 5,001 to 7,499 total units, 200 units in communities with 2,500 to 5,000 units, and 150 units or 10% of housing in communities with less than 2,500 units).
• Local boards can adopt local rules for the conduct of their hearings, but they must obtain an opinion from DHCD that these rules are consistent with Chapter 40B.
• Local boards cannot impose “unreasonable or unnecessary” time or cost burdens on an applicant and bans requiring an applicant to pay legal fees for general representation of the
ZBA or other boards. The new requirements go into the basis of the fees in more detail, but as a general rule the ZBA may not assess any fee greater than the amount that might be appropriated from town or city funds to review a project of a similar type and scale.

- An applicant can appeal the selection of a consultant within 20 days of the selection on the grounds that the consultant has a conflict of interest or lack minimum required qualifications.
- Specify and limit the circumstances under which ZBA’s can review pro formas.
- Zoning waivers are only required under “as of right” requirements, not from special permit requirements.
- Forbids ZBA’s from imposing conditions that deviate from the project eligibility requirements or that would require the project to provide more affordable units that the minimum threshold required by DHCD guidelines.
- States that ZBA’s cannot delay or deny an application because a state or federal approval has not been obtained.
- Adds new language regarding what constitutes an uneconomic condition including requiring applicants to pay for off-site public infrastructure or improvements if they involve pre-existing conditions, are not usually imposed on unsubsidized housing or are disproportionate to the impacts of the proposed development or requiring a reduction in the number of units other than on a basis of legitimate local concerns (health, safety, environment, design, etc.). Also states that a condition shall not be considered uneconomic if it would remove or modify a proposed nonresidential element of a project that is not allowed by right.

After the public hearing is closed, the ZBA must set-aside at least two sessions for deliberations within 40 days of the close of the hearing. These deliberations can result in either approval, approval with conditions, or denial.

Subsidizing agencies are required to issue final project eligibility approvals following approval of the comprehensive permit reconfirming project eligibility, including financial feasibility, and approving the proposed use restriction and finding that the applicant has committed to complying with cost examination requirements. New Chapter 40B regulations set forth the basic parameters for insuring that profit limitations are enforced, while leaving the definition of “reasonable return” to the subsidizing agency in accordance with DHCD guidelines. The applicant or subsequent developer must submit a detailed financial statement, prepared by a certified public accountant, to the subsidizing agency in a form and upon a schedule determined by the DHCD guidelines.

If the process heads into the third stage – the appeals process – the burden is on the ZBA to demonstrate that the denial is consistent with local needs, meaning the public health and safety and environmental concerns outweigh the regional need for housing. If a local ZBA denies the permit, a state Housing Appeals Committee (HAC) can overrule the local decision if less than 10% of the locality’s year round housing stock has been subsidized for households earning less than 80% of median income, if the locality cannot demonstrate health and safety reasons for the denial that cannot be mitigated, or if the community has not met housing production goals based on an approved plan or other statutory minima listed above. The HAC has upheld the developer in the vast majority of the cases, but in most instances promotes negotiation and compromise between the developer and locality. In its 30-year history, only a handful of denials have been upheld on appeal. The HAC cannot issue a permit, but may only order the ZBA to issue one. Also, any aggrieved person, except the applicant, may appeal to the Superior Court or Land Court, but even for abutters, establishing “standing” in court is an uphill battle.
Appeals from approvals are often filed to force a delay in commencing a project, but the appeal must demonstrate “legal error” in the decision of the ZBA or HAC.

B. Housing Production Regulations

As part of the Chapter 40B comprehensive permit regulations, the Massachusetts Department of Housing and Community Development (DHCD) is administering the Housing Production Program in accordance with regulations that enable cities and towns to do the following:

- Prepare and adopt an Housing Production Plan that demonstrates production of an increase of .05% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion in the Subsidized Housing Inventory (40 units and 80 units, respectively, for Newburyport) for approval by DHCD.5
- Request certification of compliance with the plan by demonstrating production of at least the number of units indicated above.
- Through local ZBA action, deny a comprehensive permit application during the period of certified compliance, which is 12 months following submission of the production documentation to DHCD, or 24 months if the 1.0% threshold is met.

For the plan to be acceptable to DHCD it must meet the following requirements:

- Include a comprehensive housing needs assessment to establish the context for municipal action based on the most recent census data. The assessment must include a discussion of municipal infrastructure include future planned improvements.
- Address a mix of housing consistent with identified needs and market conditions.
- Address the following strategies including -
  - Identification of geographic areas in which land use regulations will be modified to accomplish affordable housing production goals.
  - Identification of specific sites on which comprehensive permit applications will be encouraged.
  - Preferable characteristics of residential development such as infill housing, clustered areas, and compact development.
  - Municipally owned parcels for which development proposals will be sought.
  - Participation in regional collaborations addressing housing development.

Plans must be adopted by the City Council and Planning Board, and the term of an approved plan is five (5) years.

C. Chapter 40R/40S

In 2004, the State Legislature approved a new zoning tool for communities in recognition that escalating housing prices, now beyond the reach of increasing numbers of state residents, are causing graduates from area institutions of higher learning to relocate to other areas of the country in search of greater affordability. The Commonwealth Housing Task Force, in concert with other organizations and institutions, developed a series of recommendations, most of which were enacted by the State Legislature as Chapter 40R of the Massachusetts General Laws. The key components of these regulations are that “the state provide financial and other incentives to local communities that pass Smart Growth Overlay Zoning Districts that allow the building of single-family homes on smaller lots and

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5 Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).
the construction of apartments for families at all income levels, and the state increase its commitment to fund affordable housing for families of low and moderate income.  

The statute defines 40R as “a principle of land development that emphasizes mixing land uses, increases the availability of affordable housing by creating a range of housing opportunities in neighborhoods, takes advantage of compact design, fosters distinctive and attractive communities, preserves opens space, farmland, natural beauty and critical environmental areas, strengthens existing communities, provides a variety of transportation choices, makes development decisions predictable, fair and cost effective and encourages community and stakeholder collaboration in development decisions.” The key components of 40R include:

- Allows local option to adopt Overlay Districts near transit, areas of concentrated development, commercial districts, rural village districts, and other suitable locations;
- Allows “as-of-right” residential development of minimum allowable densities;
- Provides that 20% of the units be affordable;
- Promotes mixed-use and infill development;
- Provides two types of payments to municipalities; and
- Encourages open space and protects historic districts.

The incentives prescribed by the Task Force and passed by the Legislature include an incentive payment upon the passage of the Overlay District based on the number of projected housing units as follows:

<table>
<thead>
<tr>
<th>Incentive Units</th>
<th>Payments</th>
</tr>
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<tbody>
<tr>
<td>Up to 20</td>
<td>$10,000</td>
</tr>
<tr>
<td>21-100</td>
<td>$75,000</td>
</tr>
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<tr>
<td>210-500</td>
<td>$350,000</td>
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<tr>
<td>501 or more</td>
<td>$600,000</td>
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</tbody>
</table>

There are also density bonus payments of $3,000 for each residential unit issued a building permit. To be eligible for these incentives the Overlay Districts need to allow mixed-use development and densities of 20 units per acre for apartment buildings, 12 units per acre for two and three-family homes, and at least eight units per acre for single-family homes. Communities with populations of less than 10,000 residents are eligible for a waiver of these density requirements, however significant hardship must be demonstrated. The Zoning Districts would also encourage housing development on vacant infill lots and in underutilized nonresidential buildings. The Task Force emphasizes that Planning Boards, which would enact the Zoning Districts, would be “able to ensure that what is built in the District is compatible with and reflects the character of the immediate neighborhood.”

The principal benefits of 40R include:

- Expands a community's planning efforts;

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7 Massachusetts General Law, Chapter 40R, Section 11.
• Allows communities to address housing needs;
• Allows communities to direct growth;
• Can help communities meet production goals and 10% threshold under Chapter 40B;
• Can help identify preferred locations for 40B developments; and
• State incentive payments.

The formal steps involved in creating Overlay Districts are as follows:

• The City/Town holds a public hearing as to whether to adopt an Overlay District per the requirements of 40R;
• The City/Town applies to DHCD prior to adopting the new zoning;
• DHCD reviews the application and issues a Letter of Eligibility if the new zoning satisfies the requirements of 40R;
• The City/Town adopts the new zoning through a two-thirds vote of Town Meeting subject to any modifications required by DHCD;
• The City/Town submits evidence of approval to DHCD upon the adoption of the new zoning; and
• DHCD issues a letter of approval, which indicates the number of incentive units and the amount of payment.

The state also enacted Chapter 40S under the Massachusetts General Law that provides additional benefits through insurance to towns that build affordable housing under 40R that they would not be saddled with the extra school costs caused by school-aged children who might move into this new housing. This funding was initially included as part of 40R but was eliminated during the final stages of approval. In effect, 40S is a complimentary insurance plan for communities concerned about the impacts of a possible net increase in school costs due to new housing development.

D. Local Initiative Program (LIP) Guidelines

The Local Initiative Program (LIP) is a technical assistance subsidy program to facilitate Chapter 40B developments and locally produced affordable units. The general requirements of LIP include insuring that projects are consistent with sustainable or smart growth development principles as well as local housing needs. LIP recognizes that there is a critical need for all types of housing but encourages family and special needs housing in particular. Age-restricted housing (over 55) is allowed but the locality must demonstrate actual need and marketability. DHCD has the discretion to withhold approval of age-restricted housing if other such housing units within the community remain unbuilt or unsold or if the age-restricted units are unresponsive to the need for family housing within the context of other recent local housing efforts.

There are two types of LIP projects, those using the comprehensive permit process, the so-called “friendly” 40B’s, and Local Action Units, units where affordability is a result of some local action such as inclusionary zoning, Community Preservation funding, other regulatory requirements, etc.

Specific LIP requirements include the following by category:
Income and Assets
- Must be affordable to those earning at or below 80% of area median income adjusted by family size and annually by HUD. Applicants for affordable units must meet the program income limits in effect at the time they apply for the unit and must continue to meet income limits in effect when they actually purchase a unit.
- For homeownership units, the household may not have owned a home within the past three years except for age-restricted “over 55” housing.
- For homeownership projects, assets may not be greater than $75,000 except for age-restricted housing where the net equity from the ownership of a previous house cannot be more than $200,000.
- Income and asset limits determine eligibility for lottery participation.

Allowable Sales Prices and Rents\(^9\)
- Rents are calculated at what is affordable to a household earning 80% of area median income adjusted for family size, assuming they pay no more than 30% of their income on housing. Housing costs include rent and payments for heat, hot water, cooking fuel, and electric. If there is no municipal trash collection a trash removal allowance should be included. If utilities are separately metered and payed by the tenant, the LIP rent is reduced based on the area’s utility allowance. Indicate on the DHCD application whether the proposed rent has been determined with the use of utility allowances for some or all utilities.
- Sales prices of LIP units are set so a household earning 70% of area median income would have to pay no more than 30% of their income for housing. Housing costs include mortgage principal and interest on a 30-year fixed term mortgage at 95% of purchase price, property taxes, condo fees\(^{10}\), private mortgage insurance (if putting less than 20% of purchase price down), and hazard insurance.
- The initial maximum sales price or rent is calculated as affordable to a household with a number of household members equal to the number of bedrooms plus one (for example a two-bedroom unit would be priced based on what a three-person household could afford).

Allowable Financing and Costs
- Allowable development costs include the “as is” value of the property based on existing zoning at the time of application for a project eligibility letter (initial application to DHCD). Carrying costs (i.e., property taxes, property insurance, interest payments on acquisitions financing, etc.) can be no more than 20% of the “as is” market value unless the carrying period exceeds 24 months. Reasonable carrying costs must be verified by the submission of documentation not within the exclusive control of the applicant.
- Appraisals are required except for small projects of 20 units or less at the request of the City Council/Board of Selectmen where the applicant for the LIP comprehensive permit submits satisfactory evidence of value.

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\(^9\) DHCD has an electronic mechanism for calculating maximum sales prices on its website at [www.mass.gov/dhcd](http://www.mass.gov/dhcd).
\(^{10}\) DHCD will review condo fee estimates and approve a maximum condo fee as part of the calculation of maximum sales price. The percentage interests assigned to the condo must conform to the approved condo fees and require a lower percentage interest assigned to the affordable units as opposed to the market rate ones. DHCD must review the Schedule of Beneficial Interests in the Master Deed to confirm that LIP units have been assigned percentage interests that correspond to the condo fees.
• Profits are limited to no more than 20% of total allowable development costs in homeownership projects.
• In regard to rental developments, payment of fees and profits are limited to no more than 10% of total development costs net of profits and fees and any working capital or reserves intended for property operations. Beginning upon initial occupancy and then proceeding on an annual basis, annual dividend distributions will be limited to no more than 10% of the owner’s equity in the project. Owner’s equity is the difference between the appraised as-built value and the sum of any public equity and secured debt on the property.
• For LIP comprehensive permit projects, DHCD requires all developers to post a bond (or a letter of credit) with the municipality to guarantee the developer’s obligations to provide a satisfactory cost certification upon completion of construction and to have any excess profits, beyond what is allowed, revert back to the municipality. The bond is discharged after DHCD has determined that the developer has appropriately complied with the profit limitations.
• No third party mortgages are allowed for homeownership units.

Marketing and Outreach (refer to state Affirmative Fair Housing Marketing Plan guidelines dated June 25, 2008.)
• Marketing and outreach, including lottery administration in adherence with all Fair Housing laws.
• LIP requires that the lottery draw and rank households by size.
• If there are proportionately less minority applicants in the community preference pool than the proportion in the region, a preliminary lottery must be held to boost, if possible, the proportion of minority applicants to this regional level.
• With approval from the Subsidizing Agency, such as DHCD, up to a maximum of 70% of the units may be local preference units for those who have a connection to the community as defined under state guidelines (Section C: Local Preference section of the Affirmative Fair Housing Marketing Plan Guidelines (dated June 25, 2008).
  • The Marketing Plan must affirmatively provide outreach to area minority communities to notify them about availability of the unit(s).
  • Marketing materials must be available/application process open for a period of at least 60 days.
  • Marketing should begin about six (6) months before occupancy.
  • Lottery must be held unless there are no more qualified applicants than units available.

Regulatory Requirements
• The affordable units design, type, size, etc. must be the same as the market units and dispersed throughout the development.
• Units developed through LIP as affordable must be undistinguishable from market units as viewed from the exterior (unless the project has a DHCD-approved alternative development plan that is only granted under exceptional circumstances) and contain complete living facilities.
• For over 55 projects, only one household member must be 55 or older.
• Household size relationship to unit size is based on “households” = number of bedrooms plus one – i.e., a four-person household in a three-bedroom unit (important also for
calculating purchase prices of the affordable units for which LIP has a formula as noted above).

- Must have deed restrictions in effect in perpetuity unless the applicant or municipality can justify a shorter term to DHCD.
- All affordable units for families must have at least two or more bedrooms and meet state sanitary codes and these minimum requirements –
  1. 1 bedroom – 700 square feet/1 bath
  2. 2 bedrooms – 900 square feet/1 bath
  3. 3 bedrooms – 1,200 square feet/1 ½ baths
  4. 4 bedrooms – 1,400 square feet/2 baths

- Appraisals may take into account the probability of obtaining a variance, special permit or other zoning relief but must exclude any value relating to the possible issuance of a comprehensive permit.

The process that is required for using LIP for 40B developments – “friendly” comprehensive permit projects – is largely developer driven. It is based on the understanding that the developer and Town are working together on a project that meets community needs. Minimum requirements include:

1. Written support of the municipality’s chief elected official, and the local housing partnership, trust or other designated local housing entity. The chief executive officer is in fact required to submit the application to DHCD.
2. At least 25% of the units must be affordable and occupied by households earning at or below 80% of area median income or at least 20% of units restricted to households at or below 50% of area median income.
3. Affordability restrictions must be in effect in perpetuity, to be monitored by DHCD through a recorded regulatory agreement.
4. Project sponsors must prepare and execute an Affirmative Fair Housing Marketing Plan that must be approved by DHCD.
5. Developer’s profits are restricted per Chapter 40B requirements.

The process that is required for using LIP for 40B developments – “friendly” comprehensive permit projects – is as follows:

1. Application process
   - Developer meets with Town
   - Developer and Town agree to proposal
   - Town chief elected officer submits application to DHCD with developer’s input

2. DHCD review involves the consideration of:
   - Sustainable development criteria (redevelop first, concentrate development, be fair, restore and enhance the environment, conserve natural resources, expand housing opportunities, provide transportation choice, increase job opportunities, foster sustainable businesses, and plan regionally),
   - Number and type of units,
• Pricing of units to be affordable to households earning no more than 70% of area median income,
• Affirmative marketing plan,
• Financing, and
• Site visit.

3. DHCD issues site eligibility letter that enables the developer to bring the proposal to the ZBA for processing the comprehensive permit.

4. Zoning Board of Appeals holds hearing
• Developer and Town sign regulatory agreement to guarantee production of affordable units that includes the price of units and deed restriction in the case of homeownership and limits on rent increases if a rental project. The deed restriction limits the profit upon resale and requires that the units be sold to another buyer meeting affordability criteria.
• Developer forms a limited dividend corporation that limits profits.
• The developer and Town sign a regulatory agreement.

5. Marketing
• An Affirmative Fair Housing Marketing Plan must provide outreach to area minority communities to notify them about availability of the unit(s).
• Local preference is limited to a maximum of 70% of the affordable units, with the approval of the subsidizing agency.
• Marketing materials must be available/application process open for a period of at least 60 days.
• Lottery must be held.

6. DHCD approval must include
• Marketing plan, lottery application, and lottery explanatory materials
• Regulatory agreement (DHCD is a signatory)
• Deed rider (Use standard LIP document)
• Purchase arrangements for each buyer including signed mortgage commitment, signed purchase and sale agreement and contact information of purchaser’s closing attorney.

As mentioned above, in addition to being used for “friendly” 40B projects, LIP can be used for counting those affordable units as part of a Town’s Subsidized Housing Inventory that are created as a result of some local action. Following occupancy of the units, a Local Action Units application must be submitted to DHCD for the units to be counted as affordable. This application is on DHCD’s web site.

The contact person at DHCD is Janice Lesniak of the LIP staff (phone: 617-573-1309; fax: 617-573-1330; email: Janice.lesniak@state.ma.us. For resale questions contact Elsa Campbell, Housing Specialist (phone: 617-573-1321; fax: 617-573-1330; email: elsa.campbell@state.ma.us).

E. **MassWorks Infrastructure Program**
The MassWorks Infrastructure Program provides a one-stop shop for municipalities and other eligible public entities seeking public infrastructure funding to support economic development and job creation. The Program represents an administrative consolidation of six former grant programs:
Public Works Economic Development (PWED)
Community Development Action Grant (CDAG)
Growth Districts Initiative (GDI) Grant Program
Massachusetts Opportunity Relocation and Expansion Program (MORE)
Small Town Rural Assistance Program (STRAP)
Transit Oriented Development (TOD) Program

The MassWorks Infrastructure Program provides a one-stop shop for municipalities and other eligible public entities seeking public infrastructure funding to support:

- Economic development and job creation and retention
- Housing development at density of at least 4 units to the acre (both market and affordable units)
- Transportation improvements to enhancing safety in small, rural communities

The MassWorks Infrastructure Program is administered by the Executive Office of Housing and Economic Development, in cooperation with the Department of Transportation and Executive Office for Administration & Finance.

II. SUMMARY OF HOUSING RESOURCES
Those programs that may be most appropriate to development activity in Newburyport are described below.\(^{11}\)

A. Technical Assistance
1. Priority Development Fund\(^{12}\)
A relatively new state-funded initiative, the Priority Development Fund, provides planning assistance to municipalities for housing production. In June 2004, DHCD began making $3 million available through this Fund on a first-come, first-served basis to encourage the new production of housing, especially mixed-income rental housing. PDF assistance supports a broad range of activities to help communities produce housing. Applications must demonstrate the community’s serious long-term commitment and willingness to increase its housing supply in ways that are consistent with the Commonwealth’s principles of sustainable development.

Eligible activities include community initiated activities and implementation activities associated with the production of housing on specific sites. Community initiated activities include but are not limited to:

- Zoning activities that support the program objectives include:
  - Incentive zoning provisions to increase underlying housing density;
  - Smart Growth Zoning Overlay Districts;
  - Inter- and intra-municipal Transferable Development Rights proposals;
  - Zoning that promotes compact housing and development such as by right multi-family housing, accessory apartment units, clustered development, and inclusionary zoning;

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\(^{11}\) Program information was gathered through agency brochures, agency program guidelines and application materials as well as the following resources: Verrilli, Ann. Housing Guidebook for Massachusetts, Produced by the Citizen’s Housing and Planning Association, June 1999.

\(^{12}\) Description taken from the state’s program description.
• Zoning provisions authorizing live-and-work units, housing units for seasonal employees, mixed assisted living facilities and the conversion of large single-family structures, vacant mills, industrial buildings, commercial space, a school or other similar facilities, into multi-family developments; and
• Other innovative zoning approaches developed by and for an individual community.

Education and outreach efforts that support the program objectives include:
• Establishment of a local or regional affordable housing trust;
• Development of a plan of action for housing activities that will be undertaken with Community Preservation Act funds; and
• Efforts to build local support (grass-root education) necessary to achieve consensus or approval of local zoning initiatives.

Implementation activities associated with the production of housing in site-specific areas include but are not limited to:
• Identification of properties, site evaluation, land assembly and financial feasibility analysis; and
• Development of a Request for Proposal (RFP) for the disposition of land.

The PDF assistance is not available to serve as a substitute for pre-development assessment of alternative development scenarios for parcels already controlled by an identified private developer or to supplant municipal funds to pay staff salaries.

Eligible applicants consist of cities and towns within the Commonwealth. Municipalities may enter into third party agreements with consultants approved by DHCD, however only a municipality will be allowed to enter into a contract with MassHousing regarding the distribution of funds. Municipalities will be responsible for attesting that all funds have been expended for their intended purposes.

Joint applications involving two or more communities within a region or with similar housing challenges are strongly encouraged as a way to leverage limited resources, however, one municipality will be required to serve as the lead.

MassHousing and DHCD reserve the right to screen applications and to coordinate requests from communities seeking similar services. For example, rural communities may be more effectively served by an application for a shared consultant who can work with numerous towns to address zoning challenges that enhance housing production. Likewise, it may be more effective to support an application for a consultant to review model zoning bylaws or overlay districts with a number of interested communities with follow-up at the community level to support grassroots education than it is to support the separate development of numerous zoning bylaws. Communities submitting multiple applications must prioritize their applications.

In exchange for the assistance, municipalities must agree to share the end product of the funded activities with DHCD and MassHousing and with other communities in the Commonwealth through reports, meetings, workshops, and to highlight these activities in print, on the web or other media outlets.

The agencies will focus the evaluation of applications to determine overall consistency with program goals and the principles of sustainable development. Applications will be evaluated based on:
• Eligibility of activity;
• Public support;
• Demonstrated need for funds;
• Likelihood activity will result in production of housing;
• Reasonableness of the timeline;
• Readiness to proceed with proposed project;
• Capacity to undertake activity;
• Cost estimates and understanding of the proposed project cost;
• Proposed activity having clearly defined benefits that will result in the production of housing; and
• Benefits being realized within a 2-3 year-timeframe.

Applications for funding will be accepted and evaluated on a rolling review basis. In order to deploy this assistance as effectively and efficiently as possible, or in the event the planning funds are oversubscribed, communities that have relatively greater planning capacity and/or resources may be requested to provide some matching funds. Additional consideration and flexibility for the assistance will be made for communities with little or no planning staff capacity or resources.

Communities may apply to DHCD for assistance of up to $50,000. The amount of funds awarded will be a reflection of the anticipated impact on housing production. DHCD and MassHousing reserve the right to designate proposals as “Initiatives of Exceptional Merit,” in order to increase the amount of assistance and scope of services for certain projects.

2. **Peer to Peer Technical Assistance**
This state program utilizes the expertise and experience of local officials from one community to provide assistance to officials in another comparable community to share skills and knowledge on short-term problem solving or technical assistance projects related to community development and capacity building. Funding is provided through the Community Development Block Grant Program and is limited to grants of no more than $1,000, providing up to 30 hours of technical assistance.

Applications are accepted on a continuous basis, but funding is limited. To apply, a municipality must provide DHCD with a brief written description of the problem or issue, the technical assistance needed and documentation of a vote of the City Council/Board of Selectmen or letter from the Mayor/Town Administrator supporting the request for a peer. Communities may propose a local official from another community to serve as the peer or ask DHCD for a referral. If DHCD approves the request and once the peer is recruited, DHCD will enter into a contract for services with the municipality. When the work is completed to the municipality’s satisfaction, the municipality must prepare a final report, submit it to DHCD, and request reimbursement for the peer.

3. **MHP Intensive Community Support Team**
The Massachusetts Housing Partnership Fund is a quasi-public agency that offers a wide range of technical and financial resources to support affordable housing. The Intensive Community Support Team provides sustained, in-depth assistance to support the development of affordable housing. Focusing on housing production, the Team helps local advocates move a project from the conceptual phase through construction, bringing expertise and shared lessons from other parts of the state. The
team can also provide guidance on project finance. Those communities, which are interested in this initiative, should contact the MHP Fund directly for more information.

4. **MHP Chapter 40B Technical Assistance Program**

Working with DHCD, MHP launched this program in 1999 to provide technical assistance to those communities needing assistance in reviewing comprehensive permit applications. The Program offers up to $10,000 in third-party technical assistance to enable communities to hire consultants to help them review Chapter 40B applications. Those communities that are interested in this initiative should contact the MHP Fund directly for more information.

MHP recently announced new guidelines to help cities and towns review housing development proposals under Chapter 40B including:

- State housing agencies will now appraise and establish the land value of 40B sites before issuing project eligibility letters.
- State will put standards in place for determining when permit conditions make a 40B development “uneconomic”.
- There will be set guidelines on determining related-party transactions, i.e., when a developer may also have a role as contractor or realtor.
- Advice on how to identify the most important issues early and communicate them to the developer, how informal work sessions can be effective, and how to make decisions that are unlikely to be overturned in court.

5. **Smart Growth Technical Assistance Grants**

The state recently announced the availability of *Smart Growth Technical Assistance Grants* from the Executive Office of Environmental Affairs that provides up to $30,000 per community to implement smart growth zoning changes that respond to sustainable development practices. Eligible activities include:

- Zoning changes that implement planning recommendations;
- Development of mixed-use zoning districts;
- Completion of Brownfields inventory or site planning;
- Implementation of stormwater BMPs;
- Completion of Open Space Residential Design bylaws/ordinances;
- Implementation of Low Impact Development (LID) bylaws/ordinances; and
- Development of a Right-to-Farm bylaw/ordinance or zoning protections for agricultural preservation.

The state requires that localities provide a match of 15% of this special technical assistance fund and encourages communities that are interested in the same issues to apply jointly. Preference will be given to applications that improve sustainable development practices and implement a specific Community Development or Master Plan action. Additional preference will be offered those communities with the greatest need for improved land use practices. For FY 2006, applications were due in mid-August for projects that must be completed by June 30, 2006, but no applications were required in FY 2006 if one had been submitted previously. Nevertheless, communities are able to submit supplemental information that will likely help boost their scores and competitiveness for state discretionary resources.
B. **Housing Development**

While comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units in fact subsidize the affordable ones, communities are finding that they also require public subsidies to cover the costs of affordable or mixed-income residential development and need to access a range of programs through the state and federal government and other financial institutions to accomplish their objectives and meet affordable housing goals. Because the costs of development are typically significantly higher than the rents or purchase prices that low- and moderate-income tenants can afford, multiple layers of subsidies are often required to fill the gaps. Sometimes even Chapter 40B developments are finding it useful to apply for external subsidies to increase the numbers of affordable units, to target units to lower income or special needs populations, or to fill gaps that market rates cannot fully cover.

The state requires applicants to submit a One Stop Application for most of its housing subsidy programs in an effort to standardize the application process across agencies and programs. A Notice of Funding Availability (NOFA) is issued by the state usually twice annually for its rental programs and homeownership initiatives. Using the One Stop Application, applicants can apply to several programs simultaneously to support the funding needs of a particular project.

1. **HOME Program**

HUD created the HOME Program in 1990 to provide grants to states, larger cities and consortia of smaller cities and towns to do the following:

- Produce rental housing;
- Provide rehabilitation loans and grants, including lead paint removal and accessibility modifications, for rental and owner-occupied properties;
- Offer tenant-based rental assistance (two-year subsidies); and/or
- Assist first-time homeowners.

The HOME Program funding is targeted to homebuyers or homeowners earning no more than 80% of median income and to rental units where at least 90% of the units must be affordable and occupied by households earning no more than 60% of median income, the balance to those earning within 80% of median. Moreover, for those rental projects with five or more units, at least 20% of the units must be reserved for households earning less than 50% of median income. In addition to income guidelines, the HOME Program specifies the need for deed restrictions, resale requirements, and maximum sales prices or rentals.

The HOME Rental Program is targeted to the acquisition and rehabilitation of multi-family distressed properties or new construction of multi-family rental housing from five to fifty units. Once again, the maximum subsidy per project is $750,000 and the maximum subsidy per unit in localities that receive HOME or CDBG funds directly from HUD is $50,000 (these communities should also include a commitment of local funds in the project). Subsidies are in the form of deferred loans at 0% interest for 30 years. State HOME funding cannot be combined with another state subsidy program with several exceptions including the Low Income Housing Tax Credits, HIF and the Soft Second Program.

Unlike most cities, Newburyport does not receive an annual allocation of HOME funding directly from the state, but is part of the North Shore HOME Consortium, receiving a small annual allocation and access to further funding from a competitive pool.
2. **Community Development Block Grant Program (CDBG)**

Unlike many other cities, Newburyport does not receive an annual allocation of CDBG funding, but must apply to the state for special project funding. The City was awarded such funding in support of its Housing Rehabilitation Program. The state did not fund Newburyport’s latest application for CDBG funding assistance for this program, but hopes that such funding will be available again in the future.

3. **Housing Stabilization Fund (HSF)**

The state’s Housing Stabilization Fund (HSF) was established in 1993 through a Housing Bond bill to support housing rehabilitation through a variety of housing activities including homeownership (most of this funding has been allocated for the MHP Soft Second Program) and rental project development. The state subsequently issued additional bond bills to provide more funding. The HSF Rehabilitation Initiative is targeted to households with incomes within 80% of median income, with resale or subsequent tenancy for households within 100% of median income. The funds can be used for grants or loans through state and local agencies, housing authorities and community development corporations with the ability to subcontract to other entities. The funds have been used to match local HOME program funding, to fund demolition, and to support the acquisition and rehabilitation of affordable housing. In addition to a program directed to the rehabilitation of abandoned, distressed or foreclosed properties, the HSF provides funds to municipalities for local revitalization programs directed to the creation or preservation of rental projects. As with HOME, the maximum amount available per project is $750,000 and the maximum per unit is $65,000 for communities that do not receive HOME or CDBG funds directly from HUD, and $50,000 for those that do. Communities can apply for HSF funding biannually through the One Stop Application.

4. **Low Income Housing Tax Credit Program**

The Low Income Housing Tax Credit Program was created in 1986 by the Federal Government to offer tax credits to investors in housing development projects that include some low-income units. The tax credit program is often the centerpiece program in any affordable rental project because it brings in valuable equity funds. Tax credits are either for 4% or 9% of the development or rehab costs for each affordable unit for a ten-year period. The 4% credits have a present value of 30% of the development costs, except for the costs of land, and the 9% credit have a present value equal to 70% of the costs of developing the affordable units, with the exception of land. Both the 4% and 9% credits can be sold to investors for close to their present values.

The Federal Government limits the 9% credits and consequently there is some competition for them, nevertheless, most tax credit projects in Massachusetts are financed through the 9% credit. Private investors, such as banks or corporations, purchase the tax credits for about 80 cents on the dollar, and their money serves as equity in a project, reducing the amount of the debt service and consequently the rents. The program mandates that at least 20% of the units must be made affordable to households earning within 50% of median income or 40% of the units must be affordable to households earning up to 60% of median income. Those projects that receive the 9% tax credits must produce much higher percentages of affordable units.

The Massachusetts Legislature has enacted a comparable state tax credit program, modeled after the federal tax credit program. The One Stop Application is also used to apply for this source of funding.

5. **Affordable Housing Trust Fund**

The Affordable Housing Trust Fund (AHTF) was established by an act of the State Legislature and is codified under Chapter 121-D of the Massachusetts General Laws. The AHTF operates out of DHCD and...
is administered by MassHousing with guidance provided by an Advisory Committee of housing advocates. The purpose of the fund is to support the creation/preservation of housing that is affordable to people with incomes that do not exceed 110% of the area median income. The AHTF can be used to support the acquisition, development and/or preservation of affordable housing units. AHTF assistance can include:

- Deferred payment loans, low/no-interest amortizing loans.
- Down payment and closing cost assistance for first-time homebuyers.
- Credit enhancements and mortgage insurance guarantees.
- Matching funds for municipalities that sponsor affordable housing projects.
- Matching funds for employer-based housing and capital grants for public housing.

Funds can be used to build or renovate new affordable housing, preserve the affordability of subsidized expiring use housing, and renovate public housing. While the fund has the flexibility of serving households with incomes up to 110%, preferences for funding will be directed to projects involving the production of new affordable units for families earning below 80% of median income. The program also includes a set-aside for projects that serve homeless households or those earning below 30% of median income. Once again, the One Stop Application is used to apply for funding, typically through the availability of two funding rounds per year.

6. **Housing Innovations Fund (HIF)**
   The state also administers the Housing Innovations Fund (HIF) that was created by a 1987 bond bill and expanded under two subsequent bond bills to provide a 5% deferred loan to non-profit organizations for no more than $500,000 per project or up to 30% of the costs associated with developing alternative forms of housing including limited equity coops, mutual housing, single-room occupancy housing, special needs housing, transitional housing, domestic violence shelters and congregate housing. At least 25% of the units must be reserved for households earning less than 80% of median income and another 25% for those earning within 50% of area median income. HIF can also be used with other state subsidy programs including HOME, HSF and Low Income Housing Tax Credits. The Community Economic Development Assistance Corporation (CEDAC) administers this program. Applicants are required to complete the One-Stop Application.

7. **Federal Home Loan Bank Board’s Affordable Housing Program (AHP)**
   Another potential source of funding for both homeownership and rental projects is the Federal Home Loan Bank Board’s Affordable Housing Program (AHP) that provides subsidies to projects targeted to households earning between 50% and 80% of median income, with up to $300,000 available per project. This funding is directed to filling existing financial gaps in low- and moderate-income affordable housing projects. There are typically two competitive funding rounds per year for this program.

8. **MHP Permanent Rental Financing Program**
   The state also provides several financing programs for rental projects through the Massachusetts Housing Partnership Fund. The Permanent Rental Financing Program provides long-term, fixed-rate permanent financing for rental projects of five or more units from $100,000 loans to amounts of $2 million. At least 20% of the units must be affordable to households earning less than 50% of median income or at least 40% of the units must be affordable to households earning less than 60% of median income or at least 50% of the units must be affordable to households earning less than 80% of median income. MHP also administers the Permanent Plus Program targeted to multi-family housing or SRO properties with five or more units where at least 20% of the units are affordable to households earning
less than 50% of median income. The program combines MHP’s permanent financing with a 0% deferred loan of up to $40,000 per affordable unit up to a maximum of $500,000 per project. No other subsidy funds are allowed in this program. The Bridge Financing Program offers bridge loans of up to eight years ranging from $250,000 to $5 million to projects involving Low Income Housing Tax Credits. Applicants should contact MHP directly to obtain additional information on the program and how to apply.

9. **OneSource Program**

The Massachusetts Housing Investment Corporation (MHIC) is a private, non-profit corporation that since 1991 has provided financing for affordable housing developments and equity for projects that involve the federal Low Income Housing Tax Credit Program. MHIC raises money from area banks to fund its loan pool and invest in the tax credits. In order to qualify for MHIC’s OneSource financing, the project must include a significant number of affordable units, such that 20% to 25% of the units are affordable to households earning within 80% of median income. Interest rates are typically one point over prime and there is a 1% commitment fee. MHIC loans range from $250,000 to several million, with a minimum project size of six units. Financing can be used for both rental and homeownership projects, for rehab and new construction, also covering acquisition costs with quick turn-around times for applications of less than a month (an appraisal is required). The MHIC and MHP work closely together to coordinate MHIC’s construction financing with MHP’s permanent take-out through the OneSource Program, making their forms compatible and utilizing the same attorneys to expedite and reduce costs associated with producing affordable housing.

10. **Section 8 Rental Assistance (Housing Choice Voucher Program)**

An important low-income housing resource is the Section 8 Program that provides rental assistance to help low- and moderate-income households pay their rent. In addition to the federal Section 8 Program, the state also provides rental subsidies through the Massachusetts Rental Voucher Program as well as three smaller programs directed to those with special needs. These rental subsidy programs are administered by the state or through local housing authorities and regional non-profit housing organizations. Rent subsidies take two basic forms – either granted directly to tenants or committed to specific projects through special Project-based rental assistance. Most programs require households to pay a minimum percentage of their adjusted income (typically 30%) for housing (rent and utilities) with the government paying the difference between the household’s contribution and the actual rent.

11. **Massachusetts Preservation Projects Fund**

The Massachusetts Preservation Projects Fund (MPPF) is a state-funded 50% reimbursable matching grant program that supports the preservation of properties, landscapes, and sites (cultural resources) listed in the State Register of Historic Places. Applicants must be municipality or non-profit organization. Funds can be available for pre-development including feasibility studies, historic structure reports and certain archaeological investigations of up to $30,000. Funding can also be used for construction activities including stabilization, protection, rehabilitation, and restoration or the acquisition of a state-registered property that are imminently threatened with inappropriate alteration or destruction. Funding for development and acquisition projects range from $7,500 to $100,000. Work completed prior to the grant award, routine maintenance items, mechanical system upgrades, renovation of non-historic spaces, moving an historic building, construction of additions or architectural/engineering fees are not eligible for funding or use as the matching share. A unique feature of the program allows applicants to request up to 75% of construction costs if there is a commitment to establish a historic property maintenance fund by setting aside an additional 25% over their matching share in a restricted
endowment fund. A round of funding was recently held, but future rounds are not authorized at this time.

12. District Improvement Financing Program (DIF)
The District Improvement Financing Program (DIF) is administered by the state’s Office of Business Development to enable municipalities to finance public works and infrastructure by pledging future incremental taxes resulting from growth within a designated area to service financing obligations. This Program, in combination with others, can be helpful in developing or redeveloping target areas of a community, including the promotion of mixed-uses and smart growth. Municipalities submit a standard application and follow a prescribed application process directed by the Office of Business Development in coordination with the Economic Assistance Coordinating Council.

13. Urban Center Housing Tax Increment Financing Zone (UCH-TIF)
The Urban Center Housing Tax Increment Financing Zone Program (UCH-TIF) is a relatively new state initiative designed to give cities and towns the ability to promote residential and commercial development in commercial centers through tax increment financing that provides a real estate tax exemption on all or part of the increased value (the “increment”) of the improved real estate. The development must be primarily residential and this program can be combined with grants and loans from other local, state and federal development programs. An important purpose of the program is to increase the amount of affordable housing for households earning at or below 80% of area median income and requires that 25% of new housing to be built in the zone be affordable, although the Department of Housing and Community Development may approve a lesser percentage where necessary to insure financial feasibility. In order to take advantage of the program, a municipality needs to adopt a detailed UCH-TIF Plan and submit it to DHCD for approval.

14. Community Based Housing Program
The Community Based Housing Program provides loans to nonprofit agencies for the development or redevelopment of integrated housing for people with disabilities in institutions or nursing facilities or at risk of institutionalization. The Program provides permanent, deferred payment loans for a term of 30 years, and CBH funds may cover up to 50% of a CHA unit’s Total Development Costs up to a maximum of $750,000 per project.

15. Neighborhood Rental Initiative Program (NRI)
The Massachusetts Housing Partnership has introduced the Neighborhood Rental Initiative Program (NRI) to support the development of affordable rental housing in suburban and high-opportunity communities. MHP has committed $5 million to the program in zero percent interest, second mortgage financing. The program is targeted towards 219 communities characterized by such factors as good schools, proximity to jobs, higher housing costs and a shortage of affordable housing, including Newburyport. Applicants may request up to $75,000 per affordable unit, which for this program is defined as units serving those earning at or below 50% of area median income for a maximum project subsidy of $750,000. The minimum project size if five (5) units and 50% of the units must have two (2) or more bedrooms. NRI second mortgage financing must be used in combination with at least $250,000 in MHP first-mortgage financing.

C. Homebuyer Financing and Counseling
1. Soft Second Loan Program
The Massachusetts Housing Partnership Fund, in coordination with the state’s Department of Housing and Community Development, administers the Soft Second Loan Program to help first-time homebuyers...
purchase a home. The Program began in 1991 to help families earning up to 80% of median income qualify for a mortgage through a graduated-payment second mortgage and down payment assistance. Just recently the state announced that it had lent $1 billion in these affordable mortgages. Participating lenders originate the mortgages which are actually split in two with a conventional first mortgage based on 77% of the purchase price, the soft second mortgage for typically about 20% of the purchase price (or $20,000 if greater) and a requirement from the buyer of at least a 3% down payment. Borrowers do not need to purchase private mortgage insurance that would typically be required with such a low down payment, thus saving the buyer significant sums on a monthly basis. Program participants pay interest only on the soft second mortgage for the first ten years and some eligible buyers may qualify for an interest subsidy on the second mortgage as well. Additionally, some participating lenders and communities offer grants to support closing costs and down payments and slightly reduced interest rates on the first mortgage. Newburyport is already a participating community in the Program.

2. MassHousing Mortgages
MassHousing has mortgage financing available with low or no down payment requirements as well as 30 to 40-year fixed rates for qualifying low- and moderate-income first-time homebuyers as well as those looking to move up or refinance. The income limit is $90,720 for those purchasing in Hampshire County. Borrowers apply for the mortgages through participating lenders. The program builds in mortgage insurance to help pay the mortgage in case of job loss.

3. Homebuyer Counseling
There are a number of programs, including the Soft Second Loan Program and MassHousing’s Home Improvement Loan Program, as well as Chapter 40B homeownership projects, that require purchasers to attend homebuyer workshops sponsored by organizations that are approved by the state, Citizens Housing and Planning Association (CHAPA) and/or HUD as a condition of occupancy. These sessions provide first-time homebuyers with a wide range of important information on homeownership finance and requirements. The organizations that offer these workshops in closest proximity to Newburyport include the Merrimack Valley Housing Partnership, Community Teamwork and Gloucester Housing Authority.

Self-Help programs involve sweat-equity by the homebuyer and volunteer labor of others to reduce construction costs. Some communities have donated building lots to Habitat for Humanity to construct affordable single housing units. Under the Habitat for Humanity program, homebuyers contribute between 300 and 500 hours of sweat equity while working with volunteers from the community to construct the home. The homeowner finances the home with a 20-year loan at 0% interest. As funds are paid back to Habitat for Humanity, they are used to fund future projects.

5. Down Payment Assistance Program
Staffed by the Office of Planning and Development and sponsored by the Newburyport Affordable Housing Trust, the Down Payment Assistance Program offers up to $15,000 to cover down payments and closing costs for eligible purchasers of deed-restricted affordable units. Purchasers must be able to provide a down payment of at least 3% of the purchase price and obtain mortgage financing. The subsidy is in the form of a deferred loan in that it does not have to be repaid unless the purchaser refinances or sells the units within ten (10) years. If the property is sold within five (5) years of purchase, the full amount of the loan must be repaid. If the property is sold between the fifth and tenth year of ownership, the loan is forgiven in an amount equal to 20% of the assistance provided for each of the years remaining.
D. **Home Improvement Financing**

1. **MassHousing Home Improvement Loan Program (HLP)**
The MHFA Home Improvement Loan Program (HILP) is targeted to one- to four-unit, owner-occupied properties, including condominiums, with a minimum loan amount of $7,500 and at least a 3% down payment. Loan terms range from five to 20 years based on the amount of the loan and the borrower’s income and debt. MassHousing services the loans. Income limits are $82,000 for households of one or two persons and $94,300 for families of three or more persons. To apply for a loan, applicants must contact a participating lender.

2. **Get the Lead Out Program**
MassHousing’s Get the Lead Out Program has been offering financing for lead paint removal on excellent terms. Based on uncertain future legislative appropriations, some changes in program requirements were made to insure that eligible homeowners with lead poisoned children would have funding available for a longer period. All income eligible families who are under court order to delead or who have a child under case management with the Commonwealth’s Lead Paint Prevention Program, will continue to receive 0% deferred payments. Owners wanting to delead their homes for preventive purposes must qualify for an amortizing loan with a 3% interest rate if earning within 80% of area median income, 5% interest if earning over 80% AMI and up to the program maximum. Applicants must contact a local rehabilitation agency to apply for the loan.

3. **Septic Repair Program**
Through a partnership with the Massachusetts Department of Environmental Protection and Revenue, MassHousing offers loans to repair or replace failed or inadequate septic systems for qualifying applicants. The interest rates vary according to the borrower’s income with 0% loans available to one and two-person households earning up to $23,000 and three or more person households earning up to $26,000 annually. There are 3% loans available for those one or two person households earning up to $46,000 and three or more persons earning up to $52,000. Additionally, one to four-family dwellings and condominiums are eligible for loan amounts of up to $25,000 and can be repaid in as little as three years or over a longer period of up to 20 years. To apply for a loan, applicants must contact a participating lender.

4. **Newburyport’s Housing Rehabilitation Program**
The City of Newburyport, through the Office of Planning and Development, has been administering a Housing Rehabilitation Program to qualifying property owners who need financing and technical assistance to make necessary home improvements (e.g., roof replacement, insulation, new heating, plumbing and electrical systems, window and door replacement, asbestos and lead paint removal, painting). The property must be located in Newburyport, have outstanding code violations, and be occupied by those earning at or below 80% of area median income. Financial assistance is provided by a zero interest loan.

E. **Homelessness Prevention and Assistance Programs**
Homelessness prevention has been identified as a priority housing need in the Housing Needs Assessment. Programs to prevent homelessness include but are not limited to the following:

1. **Rental Assistance to Families (RAFT)**
The Residential Assistance to Families (RAFT) program, funded by DHCD, offers short-term financial help or other assistance to families who are homeless or seriously at-risk of
homelessness. Families can get up to $3,000 for such items as rent, mortgage payments, security deposits, utility start-up costs, first/last month’s rent, moving expenses, etc.

2. **Tenancy Preservation Program (TPP)**
The Tenancy Preservation Program (TPP) is administered by MassHousing to prevent homelessness among persons with disabilities. The Program acts as a neutral party between the landlord and tenant, also providing clinical consultation services to the Housing Court. TPP clinicians assess the reasons for the eviction, identify needed services, develop a treatment plan to maintain tenancy, and monitor the case. If the tenancy cannot be preserved, TPP coordinates the tenant’s transition to a more appropriate placement, preventing homelessness to the greatest extent possible.

3. **Homelessness Prevention and Rapid Re-Housing Program (HPRP)**
The Homelessness Prevention and Rapid Re-Housing Program (HPRP) was enacted by the federal government as part of the Recovery Act to help persons affected by the current economic crisis to provide homelessness prevention assistance to households who would likely otherwise become homeless and to rapidly re-house persons who are homeless. HUD allows grantees to develop prevention and/or rapid re-housing programs that meet locally-defined needs, to be targeted and prioritized to serve those most in need. This program is not a mortgage assistance program but meant to provide temporary assistance for such items as utility costs, moving costs, security deposits and rent in a new unit, storage fees, and other financing costs or services.

4. **HUD Homeless Assistance Grants/McKinney-Vento Appropriations**
HUD’s Homeless Assistance Grants, funded through McKinney-Vento appropriations, support a variety of programs and activities, largely distributed through the Continuum of Care system across the country. The City of Newburyport has served as the lead agent for the Tree County Continuum of Care since it was created in 1997. Homeless providers work together to identify their needs and rank projects that they want to fund. HUD then ranks the applications and makes funding decisions. Funds can be used for permanent and supportive housing, transitional housing, and services.