Town of North Andover Affordable Housing Plan for Planned Production Regulation

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I. EXECUTIVE SUMMARY

North Andover, like all of the communities in Massachusetts, has a responsibility to plan and provide for affordable housing. With the ever-increasing cost of housing ownership and rental units, the challenge of sustainable growth management and servicing the unique needs of different demographic groups, committing to, creating and maintaining affordable housing is a major task to undertake in North Andover. There are benefits to addressing this issue that include the town having more control over the type, location and size of new housing and more control during times when it is faced with developer driven housing projects. Another benefit of proactively planning for housing and then implementing the action items is that the demographic groups who most need relief from skyrocketing housing costs are being assisted so that they can stay in North Andover and have a choice of what type of housing unit is the most appropriate for their lifestyle. North Andover must decide how to best manage demographic and land use changes and continue to plan for additional growth and housing in the future.

North Andover has several priority housing needs, some which include:

1) Affordable homeownership units are needed for households who are earning less than the area median income (which according to HUD was $75,750 in 2005).

   - 80% of AMI is $60,600 and approximately 30% of the households in North Andover are earning less than 80% of the AMI. Households with incomes at this level can afford a home priced at about $156,000, with the median single family home sales price at $550,000 in 2005, which results in an affordability gap of about $394,000.
   - According to 2000 Census Data, 35% of North Andover households were earning less than $50,000 and 24% were earning less than $35,000 (which is less than 50% of AMI) annually.

2) Providing affordable rental units and assisted living units that are appropriate for elderly and disabled residents living in North Andover.

   - In 2000, residents in North Andover aged 65 and older made up over 13% of the town's entire population. This age group is significantly represented.
   - Of the residents 65 and older, almost 32% reported that they cope with some type of disability (physical, mental, self-care).
   - Approximately 18% of renter households are elderly, age 65 and older.
   - Among those elderly renter households, almost 50% pay more than 35% of their income on rent.
   - Median income drops dramatically for residents who are older than 65. The median household income in North Andover for 2000 was $72,728. For residents ages 65-74 it dropped to $43,163 and for those 75 and older, it dropped further to $21,894. The ability to pay for housing changes significantly as North Andover residents age.

3) Additional affordable rental housing opportunities are needed.

- According to Census 2000 data, 30% of North Andover renters pay more than 30% of their income on rent. 16% of renters pay more than 50% of their income on rent.
- There has been very little rental housing construction in North Andover since 1979 and the number of vacant units declined from 1990 – 2000 leaving a vacancy rate of 2.2%.
- Studio apartments rent between $650-$800, one bedroom units between $800-$1,000, two bedroom units between $1,100-$1,250, three bedroom units between $1,250-$1,500 and four bedroom units between $1,500-$1,700 monthly (according to advertisements in Eagle Tribune).
- Almost 42% of renter households only have an income of $35,000 or less annually and 59% have an income of $50,000 or less.
- Residents of North Andover making only $35,000 annually can afford approximately $875/month (30% of $35,000) for housing costs.

4) Preserving the older housing stock (housing built prior to 1940). This housing is both reflective of North Andover's history as a former mill town and it is often smaller in structure, making it more affordable and appropriate for certain demographic groups.

- Almost 18% of North Andover's housing was built prior to 1940 and it is these structures that are most susceptible to deterioration or being torn down for new development projects.
- Most of the housing built is located in an area known as Machine Shop Village. It is in this area where there are smaller, single family homes and multi-unit buildings that if preserved, represent potential affordable housing opportunities for those who have lower median incomes or desire to purchase a home for the first time.

II. INTRODUCTION

Like most communities in Massachusetts, North Andover has an opportunity to provide more housing choices for its residents. Many of the people who live and work in the Town have difficulty finding housing at a cost that does not impose a great burden on their budget. Over the last several decades, the price of housing in North Andover has risen more rapidly than wages. This has resulted in an increasing number of people who find it challenging to find affordable housing. As demonstrated in this plan, there is an obvious shortage of affordable housing in North Andover.

Affordable housing does not mean poverty housing or "housing projects" for the poor. The target population for affordable housing includes the following demographic groups:

- Town employees – policemen, firemen, teachers and municipal workers,
- Young adults with entry level positions in banks, retail stores, food service, etc., and
- Older adults who wish to downsize or move to a community closer to their children and grandchildren.

To help address the affordable housing issue in North Andover, the Board of Selectmen established a Housing Partnership Committee, which has been meeting monthly since April 2004. The function of the committee is to make recommendations to the Board of Selectmen on matters relating to affordable housing.

In 2005, Town Meeting appropriated $40,000 of Community Preservation Act funds to develop and distribute an Affordable Housing and Planned Production Plan. North Andover issued a Request for Proposals in July 2005, soliciting bids from consultants to help the Town prepare such a plan. After a competitive process, McGregor & Associates, P.C. was selected. McGregor & Associates, with Vanasse Hangen Brustlin as a subconsultant, developed this plan in conjunction with the Office of Community Development and the Housing Partnership Committee.

II A - PURPOSE OF PLAN

Economic and regulatory forces over the last several decades have been unfavorable to the creation and preservation of affordable housing units throughout Massachusetts. In order to reverse this trend, the Town of North Andover must be proactive and responsive to the needs in the community. The purpose of this Affordable Housing and Planned Production Plan is to provide a tool and a process to assist the Town in planning for and developing strategies to create and preserve housing choice, including the production of more affordable housing units.

The plan is made up of three major components, a housing needs assessment, specific recommendations, and implementation actions. The housing needs assessment examines the demographics of North Andover and analyzes the characteristics of the existing housing stock, as well as the capacity of the municipal infrastructure to absorb new growth. The second section is the Planned Production Plan, which projects the rate at which new affordable housing units may be developed over the next five years. The third section recommends specific goals and strategies for enhancing affordable housing opportunities in North Andover. It describes the mix of housing

required to meet the needs identified in the housing needs assessment, and it suggests strategies for promoting housing development to meet those needs.

The Affordable Housing and Planned Production Plan is required to meet the requirements of the Department of Housing & Community Development's (DHCD) Planned Production provision of Chapter 40B Section 31.07 (i). Chapter 40B of the Massachusetts General Laws is a law enacted by the Massachusetts Legislature in 1969 to promote affordable housing development. It is sometimes referred to as the anti-snob law or the comprehensive permit law. Chapter 40B grants developers the right to override a community's zoning regulations provided certain conditions are met. Those conditions include devoting a specified percentage of the project to affordable units and accepting a profit cap of up to 20%. However, if a community has a DHCD approved Planned Production Plan, and if affordable units are developed at the rate specified in the plan, the community can earn an exemption from the provisions of Chapter 40B for a specified period of time.

II B - PREVIOUS PLANNING EFFORTS IN NORTH ANDOVER

The Affordable Housing and Planned Production Plan builds upon, and is a direct outgrowth of, two previous plans, the 2000 Master Plan and the 2004 EO 418 Community Development Plan.

Master Plan

In 1997, North Andover initiated an effort to update its Master Plan. This effort culminated with a Master Plan that was issued in April 2000, and adopted the following month at Town Meeting.

As part of the overall master planning effort, small neighborhood meetings were organized to solicit information from interested citizens about their concerns for future town development. In addition, a phone survey was conducted of citizens chosen at random to further sample citizen attitudes and desires. Based on that public input, the Master Plan Committee adopted a mission statement that said, in part, "our Town must plan for and direct change that:

- Preserves our rural, New England character, and
- Maintains our traditional diversity." [Page 2 of Master Plan]

North Andover has evolved from a farming community to a manufacturing community to an economically developed suburban community. That evolution is reflected in the variety of housing styles that can be found in throughout the landscape. The stately homes around the Old Center and the lake, the old farm houses in the Outcountry, and the small one and two-family homes in and around the downtown area are all testaments to this evolution. The growth of traditional subdivisions of single-family homes and the incipient demolition of older housing stock, which has been replaced by larger, more modern homes in some areas, are threats to this diversity. Furthermore, new-home construction is displacing open space at an alarming rate. The Master Plan was based on the premise that preserving the rural character and housing diversity is important to the citizens of North Andover.

The Master Plan pointed out that the focus had to be on managing residential development, not stopping growth. New housing stock is going to be built and to prevent it is neither feasible nor

legal. If the rural character and housing diversity of North Andover is to be preserved, new-home development has to be managed in such a way that these features are retained.

The Master Plan recommendation that prepared the way for the Affordable Housing and Planned Production Plan stated:

> "North Andover will implement a comprehensive housing plan that provides for housing stock diversity and affordable housing development. The Town will begin by completing an affordable housing study to identify and quantify the community's existing and estimated housing needs and to locate a range of appropriate locations for affordable housing development."

This plan fulfills the recommendation, adopts the premise underlying the Master Plan, and accepts the advice about managing residential development.

Executive Order 418 Community Development Plan

In June 2004, the EO 418 Community Development Plan for North Andover was completed. The plan was developed in response to Executive Order 418, which directed various state agencies to provide assistance to cities and towns for planning purposes. The plans were to help communities determine the best way to increase the supply of housing affordable across a broad range of income levels while balancing economic development, transportation infrastructure improvements and open space preservation.

The following are Community Development Plan findings and recommendations that are relevant to this plan.

- The CDP found that "North Andover does not have effective regulations to preserve its historic mix of single-family homes." It recommended the adoption of zoning changes designed to discourage tear-down-and-replace development and to preserve the supply of modest single and two-family residences.

- The CDP recommended developing a Comprehensive Permit Policy that:

    - Identifies community housing needs and priorities,
    - Provides guidance on preferences for affordable housing development, design and locations, and
    - Defines criteria that will guide comprehensive permit negotiations.

The North Andover Affordable Housing and Planned Production plan carries out the recommendations of the 2004 EO 418 Community Development Plan.

III. HOUSING NEEDS ASSESSMENT

North Andover, like all of the communities in Massachusetts, has a responsibility to plan and provide for affordable housing. With the ever-increasing cost of housing ownership and rental units, the challenge of sustainable growth management and servicing the unique needs of different demographic groups, committing to, creating and maintaining affordable housing is a major task to undertake in North Andover. There are benefits to addressing this issue that include the town having more control over the type, location and size of new housing and more control during times when it is faced with developer driven housing projects. Another benefit of proactively planning for housing and then implementing the action items identified in this plan is that the demographic groups who most need relief from skyrocketing housing costs are being assisted so that they can stay in North Andover and have a choice of what type of housing unit is the most appropriate for their lifestyle. North Andover must decide how to best manage demographic and land use changes and continue to plan for additional growth and housing in the future.

III A - LAND USE

The Town of North Andover is located twenty-four miles north of Boston in northeastern Massachusetts. It is bounded by Andover and Lawrence to the west, Methuen and Haverhill to the north, Boxford to the east and Middleton and North Reading to the south.

Traditionally, North Andover is known by its six identifiable neighborhoods that include:

Downtown: The commercial center of North Andover, including Sutton Street and the Thomson School area.

Machine Shop Village: An area near the downtown composed of old mill-worker housing, the mills, some commercial businesses and older single family, and two-family homes within Water Street, Elm Street and Main Street boundaries.

The Library Area: A stable residential area near the Library composed of small, older, single-family homes.

The Old Center: The residential and small commercial area around the Common.

The Lake: The residential area around Lake Cochichewick where homes are on large 1 and 2 acre lots.

Outcountry: The residential part of town towards the South, on 1 acre lots.

Between 1970 and 1999, agricultural and forest land acreage declined significantly while the amount of overall acreage used for residential purposes rose by nearly 100%.[1] North Andover's land use

[1] According to MassGIS data, in 1970, approximately 14.6% of land use acreage was for residential purposes. According to the 1999 data, approximately 28% of land use acreage was multifamily residential, moderate-density residential or low-density residential purposes.

history highlighted in the table below is supportive of the increased demand for housing due in part to decades of population growth in the community, availability of land and the attractiveness of North Andover to families. Land use change is important to analyze because it illustrates the type and level of growth in a community over time. Other municipalities in the North Andover region of Massachusetts also experienced a significant decline in open land to make room for additional residential growth.

Table: Land Use Change in Acres, North Andover 1971-1999

	1971	1985	1999	Change 1971-1999	% Change 1971-1999
Agriculture	1,675.04	1,329.57	1,050.27	-624.77	-37.3%
Forest	10,605.19	9,501.78	8,628.15	-1,977.04	-18.6%
Recreation & Urban Open Space	459.39	573.63	497.84	38.45	8.4%
Multifamily Residential	162.71	235.17	259.72	97.01	59.6%
Moderate-Density Residential (1/4 - 1/2 acre)	1,229.77	1,798.86	2,307.46	1,077.69	87.6%
Low-Density Residential (> 1/2 acre)	1,188.98	1,688.03	2,379.29	1,190.31	100.1%
Commercial	178.83	254.29	276.25	97.42	54.5%
Industrial	273.16	368.14	446.20	173.04	63.3%
Transportation	295.63	300.96	310.43	14.81	5.0%
Open Land, Mining & Other	510.88	524.22	424.21	-86.67	-17.0%
Wetlands	297.97	310.85	325.24	27.27	9.2%
Water	746.84	738.90	719.33	-27.51	-3.7%
Total	**17,624.40**	**17,624.40**	**17,624.40**		

Source: MassGIS

III B - DEMOGRAPHICS

North Andover is conveniently located in the Merrimack Valley region of Massachusetts and is bounded by the communities of Andover, Haverhill, Lawrence, North Reading, Boxford, Methuen and Boxford. Residents of North Andover are fortunate to live in a town that has a large amount of open space, access to several state highways and major interstates, neighborhoods that exude character and charm and an excellent school system.

Today, North Andover is facing a considerable amount of growth in both commercial and residential districts. Coupled with this growth is a strong desire among local residents to retain the sense of community and family oriented town feel that currently exists.

Population

During the past decade, 1990-2000, North Andover's overall population increased by approximately 20%, which is significantly higher than both the Essex County and State population percentage increases for the same period. In comparison, only Boxford, Middleton and Wilmington saw higher population increases for the same time period. Table 1 below highlights historic and projected population information for North Andover and the surrounding communities. Currently, MISER has projected that there will be another 10% increase in North Andover's overall population between 2000–2010, which other than Middleton is the highest increase among neighboring towns projected.

Table 1: Population History

	1950	1960	1970	1980	1990	2000	% Change 1990-2000	Projection 2010	Projection 2020
Massachusetts	4,690,514	5,148,578	5,689,377	5,737,037	6,016,425	6,349,097	5.5%		
Essex County	522,384	568,831	637,905	633,632	670,080	723,419	8.0%		
North Andover	**8,485**	**10,908**	**16,284**	**20,129**	**22,792**	**27,202**	**19.3%**	**30,082**	**32,153**
Andover	12,437	15,878	23,695	26,370	29,151	31,247	7.2%	31,112	29,955
Boxford	926	2,010	4,032	5,374	6,266	7,921	26.4%	8,338	8,280
Haverhill	47,280	46,346	46,120	46,865	51,418	58,969	14.7%	65,798	74,385
Lawrence	80,536	70,933	66,915	63,175	70,207	72,043	2.6%	79,231	88,483
Methuen	24,477	28,114	35,456	36,701	39,990	43,789	9.5%	46,917	50,529
North Reading	4,402	8,331	11,264	11,455	12,002	13,837	15.3%	14,112	14,013
Middleton	2,916	3,718	4,044	4,135	4,921	7,744	57.4%	8,784	9,903

Sources: MISER, Bureau of the Census 2000

While North Andover's population has changed significantly, so has its racial make-up. Census 2000 reported that approximately 93% of the residents were white, which is a decrease from the 1990 Census when 97% of the population was reported to be white. The most prevalent ancestries reported by residents in both 1990 and 2000 were English, Italian and Irish descents.

North Andover's population has consistently increased over time, often faster than other local communities.

North Andover, in the past ten years, has seen a shift in the age groups that make up its population (see Table 2). Both the school age population (ages 5-14) and the senior population (75 and up) saw significant increases. Like many other communities in the region, North Andover experienced a decline in the number of residents between the ages of 20-34. However, this decrease was somewhat less than what the state experienced overall. The group that saw the biggest change from 1990-2000 is residents between the ages of 45-54. In comparison to the State, North Andover realized a larger increase in the number of school age children and elderly.

North Andover's age groups are shifting and there has been a significant increase in the school age and senior populations.

Table 2: Comparison Population by Age

	North Andover			Massachusetts	United States
Age Group	**1990**	**2000**	**% Change**	**% Change**	**% Change**
Under 5	1,523	1,915	25.7%	-3.69%	4.5%
Age 5-9	1,513	2,042	35.0%	13.97%	13.5%
Age 10-14	1,488	1,973	32.6%	23.89%	19.9%
Age 15-19	2,044	2,063	0.9%	1.42%	13.9%
Age 20-24	1,881	1,505	**-20.0%**	-21.29%	-0.3%
Age 25-34	3,234	2,995	**-7.4%**	-15.85%	-7.6%
Age 35-44	3,900	4,924	26.3%	15.74%	20.1%
Age 45-54	2,583	3,966	53.5%	45.54%	49.4%
Age 55-59	919	1,300	41.5%	22.31%	27.9%
Age 60-64	897	875	**-2.5%**	-9.63%	1.8%
Age 65-74	1,551	1,552	0.1%	-7.0%	1.6%
Age 75-84	913	1,387	51.9%	18.1%	34.3%
85+	346	705	103.8%	26.6%	37.6%

Source: Census 2000, Summary File 1, Census 1990, Summary File 1

Of the residents who are 65 and older in North Andover, approximately 32% reported that they cope with some type of disability (see Table 3 below). The majority of those disabilities

were either physical in nature (17.6%) or the individual was dealing with a disability in which they could not go outside of their home (17.8%). Additional disabilities reported were sensory, mental or the ability to take care of oneself.[2]

A significant number of North Andover's senior population is coping with some type of disability.

Table 3: Seniors with a Disability

	Population 65+	With a Disability	Sensory Disability	Physical Disability	Mental Disability	Self-Care Disability	Go Outside Home Disability
North Andover	**3,194**	**32.5%**	**14.9%**	**17.6%**	**9.0%**	**8.6%**	**17.8%**
Andover	3,604	32.7%	13.1%	23.1%	7.7%	7.9%	18.1%
Boxford	740	24.1%	8.0%	13.8%	7.3%	5.9%	11.2%
Haverhill	6,821	41.3%	14.2%	28.1%	9.6%	10.2%	20.8%
Lawrence	6,411	47.1%	13.8%	30.3%	14.6%	11.5%	27.7%
Methuen	6,414	36.1%	11.0%	25.4%	9.3%	6.7%	17.4%
North Reading	1,343	34.1%	13.9%	27.9%	8.1%	5.9%	14.4%
Middleton	744	40.7%	11.6%	25.7%	7.7%	7.1%	14.7%

Source: US Census 2000, Summary File 3 (QT-P21)

In addition to Arlington's senior disabled population there are 2,057 residents aged 16 – 64 with some sort of disability (see Table 4).

Table 4: Residents of North Andover 16 -64 with Disabilities

	Population 16 -64	With a Disability	Sensory Disability	Physical Disability	Mental Disability	Self-Care Disability	Go Outside Home Disability
North Andover	**17,222**	**11.9%**	**186**	**437**	**556**	**122**	**439**

Source: US Census 2000, Summary File 3 (QT-P21)

Households by Type

North Andover is made up of 9,724 households and of those households, 6,904, or 71% are families. The Census defines household as "all the persons who occupy a housing unit" and a family as one that "consists of a householder and one or more other persons living in the same household who are related to the householder by birth, marriage or adoption."

Owner-occupied households and renter-occupied households in North Andover differ in who is occupying the unit (married couples, elderly, young adults, etc...)

The Census further breaks down the term household into either an owner-occupied or renter-occupied living situation (see Table 5). North Andover has 7,053 owner-occupied housing units and of that total, over 88% are married couples and 14% are made up of elderly households. Interestingly, the numbers start to differ dramatically when you only look at renter-occupied households. In North Andover, 70% of renter-occupied households are married couples, and 18% are elderly households. Only two neighboring towns, Topsfield and Boxford have higher percentages of renter-occupied elderly households.

Table 5: North Andover Households by Type

	Occupied Housing Units	Family Household	Married Couple Household	Female Head of Household	Male Head of Household	Elderly Households
Renter Occupied	2,671	1,272	70.3%	24.1%	5.7%	18.0%
Owner Occupied	7,053	5,632	88.1%	9.2%	2.7%	14.1%

Source: US Bureau of the Census 2000, Summary Files 1 & 3

[2] US Census 2000, Summary File 3 (QT-P21)

North Andover's high percentage of elderly-renter occupied households and its low (in comparison to other surrounding communities, Essex County and the state) percentage of owner-occupied elderly households can be due to a number of factors that may include: the desire to downsize, illness, inability to afford high housing costs, residence relocation to senior housing, assisted living facility or to live with family members.

Family and Household Income

The median household and family incomes in North Andover are drastically different from what certain populations, like the elderly, are actually earning.

In 2000, North Andover had a median household income of $72,728 and a median family income of $91,105. (The State median household income for 2000 was $50,502 and the median family income was $61,664.) While North Andover had much higher median incomes than the state overall, when compared to its surrounding communities, its median household income was only higher than Haverhill, Lawrence, Wilmington and Methuen. The family income level however, was the fourth highest in comparison (See Table 6 below).

While it is apparent that some households and families in North Andover are doing well, that is only one small glimpse at the overall picture. Almost 35% of all households earned less than $50,000 a year and 24% earned less than $35,000 a year which not only affects how much they can afford to pay for housing, but it also affects their quality of life and ability to pay for other basic needs of the household.

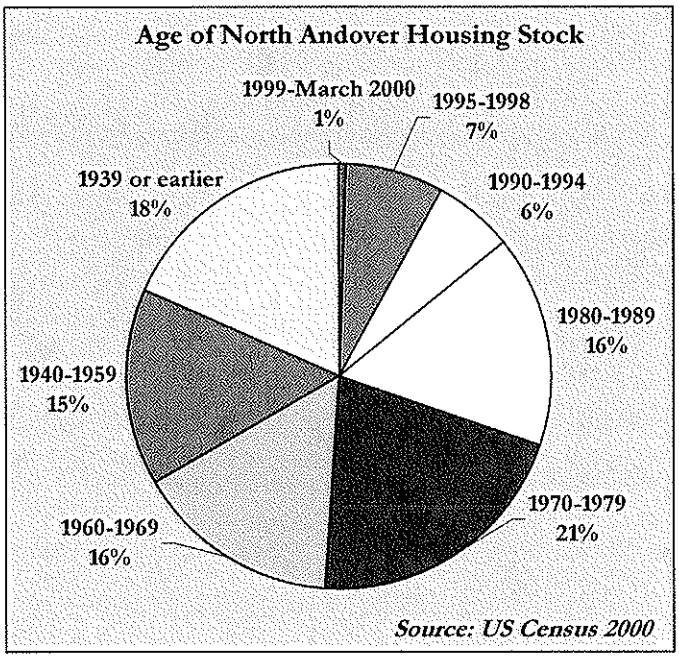
Table 6: Household Income Characteristics

	Median Household Income	Median Family Income	% Households with Income < $50,000	% Households Earning > $200K	Median Elderly Income (Age 65-74)	Median Elderly Income (Age 75+)
Massachusetts	$50,502	$61,664	49.5%	3.5%	$33,589	$21,522
Middlesex County	$60,821	$74,194	40.7%	5.4%	$40,483	$24,546
North Andover	**$72,728**	**$91,105**	**34.9%**	**8.7%**	**$43,163**	**$21,893**
Andover	$87,683	$104,820	29.3%	12.7%	$48,309	$22,823
Boxford	$113,212	$119,491	14.3%	24.0%	$55,536	$38,958
Haverhill	$49,833	$59,772	50.1%	1.6%	$30,536	$17,639
Lawrence	$27,983	$31,809	74.2%	< 1%	$17,765	$15,080
Methuen	$49,627	$59,831	50.3%	1.2%	$28,996	$20,580
North Reading	$76,962	$86,341	29.1%	5.5%	$39,438	$26,298
Middleton	$81,395	$87,605	30.9%	6.3%	$39,583	$26,293

Source: US Census 2000, Summary File 3, DP 3, P56

Even more startling is the affordability gap of residents in North Andover who are ages 65 and older. Between the ages of 65-74, the median income for an elderly household is $43,163 and for North Andover residents who are older than 75, the median income drops by over 50% to only $21,893. Another age group that is in the lowest income category is residents under the age of 24. While some of the elderly and the younger adult populations have lower incomes in common, the types of housing that may be desired are somewhat different. Many residents in the 65+-age bracket are often looking to downsize from a larger home to a smaller home or apartment, to find some type of assisted living situation or accessory apartment, while those in their twenties are looking at either an affordable rental or ownership opportunity, including a first-time home purchase.

III C - EXISTING HOUSING STOCK



North Andover is fortunate to have a much more diverse overall housing stock than many of the other surrounding communities. Different architectural styles dot the local landscape and it is easy to see the historic agricultural roots of the town in its more rural areas. Approximately 56.4% of the total number of housing units in North Andover are single-family homes; only Lawrence and Haverhill have a lower overall percentage. Over 43% of the remainder of the housing stock consists of attached single-family units or townhomes, 2-4 family homes or multifamily homes with 5 or more units. There are no other surrounding towns (with the exception of Haverhill and Lawrence) that provide more housing diversity to its residents than North Andover.

Age of Housing Stock

In addition to having a large amount of housing stock diversity, North Andover does not have an unusually old housing stock. The majority of the units built in the community were constructed between 1940 and 1990 (see Chart above). However, it is worth noting that 18% of the units were built prior to 1940 and it is those units, which are the most susceptible to deterioration or being torn down for new development. Most of the housing built prior to 1940 is multi-family housing and it was built for mill workers and their families, which reflects on North Andover's history as a mill town. A strong desire exists today among residents to preserve, rehabilitate and protect these homes.

Renter & Owner Occupied Housing Details

Approximately 71% of the housing in North Andover is owner occupied, while 26.9% is renter occupied. Thus, almost 98% of all housing units are occupied, leaving a very slight 2.2% vacancy rate[3]. Since 1990, the number of owner occupied housing units has increased from 68.9% while the number of renter occupied housing units has decreased from 31.7%.

[3] US Census data indicates that in 1990, the vacancy rate in North Andover was 4.6%.

Compared to the other surrounding communities, North Andover has the fourth highest percentage of renter occupied housing and the majority of those renters are in multi-unit buildings. North Andover is unique in that it has a diverse rental housing stock (see Table 7). With the exclusion of Haverhill and Lawrence, North Andover has a noticeably lower percentage of single-family homes that are renter occupied than other towns in the region, which can be attributed to a number of factors like unavailability, or high rental costs. The variety of properties rented range from two unit buildings to multi-unit buildings.

North Andover has a diverse rental housing stock.

Table 7: Type of Housing Unit Rented

	Renter Occupied	1 unit detached	1 unit attached	2 unit	3 or 4 Unit	5 to 9 Unit	10 to 19 Unit	20 to 49 Unit	50 or more	Mobile Home
North Andover	**2,651**	**5.6%**	**5.5%**	**19.6%**	**15.2%**	**13.7%**	**27.9%**	**2.5%**	**9.9%**	**0.0%**
Andover	2,414	13.9%	3.3%	12.3%	13.8%	11.1%	14.5%	9.4%	21.3%	0.4%
Boxford	72	48.6%	11.1%	11.1%	11.1%	9.7%	8.3%	0.0%	0.0%	0.0%
Haverhill	9,138	5.0%	5.4%	22.2%	23.2%	14.5%	9.7%	7.2%	12.7%	0.0%
Lawrence	16,594	3.4%	4.5%	19.4%	35.7%	11.9%	8.3%	6.2%	10.4%	0.0%
Methuen	4,640	10.2%	5.2%	25.8%	19.2%	9.2%	11.6%	13.3%	5.6%	0.1%
North Reading	458	21.6%	6.6%	3.3%	19.7%	0.0%	14.0%	31.7%	3.3%	0.0%
Middleton	331	28.1%	5.1%	17.5%	11.2%	32.6%	0.0%	0.0%	2.4%	3.0%

* Note: None of these towns have renters in Boats, RVs or Vans

Source: US Census 2000, Summary File 3

Of the owner occupied housing units in North Andover, approximately 76% of them are single-family homes. Other than Haverhill and Lawrence, that is the lowest percentage of owner occupied single-family home units for a community in the regional area being used for this report. Homeowners in North Andover are also paying mortgages on units in multi unit buildings, which includes anything from a two unit building to a large condominium complex.

North Andover has a lower percentage of owner occupied single family homes than other towns in the area.

Table 8: Type of Housing Unit Owned

	Owner Occupied	1 Unit detached	1 Unit attached	2 unit	3 or 4	5 to 9	10 to 19	20 to 49	50 or more	Mobile Home
North Andover	**7,073**	**76.4%**	**6.7%**	**4.7%**	**1.7%**	**3.9%**	**3.2%**	**0.9%**	**2.4%**	**0.0%**
Andover	8,891	90.4%	1.5%	1.9%	1.2%	0.8%	2.4%	0.2%	1.3%	0.3%
Boxford	2,496	94.8%	1.8%	0.3%	0.8%	2.3%	0.0%	0.0%	0.0%	0.0%
Haverhill	13,838	68.5%	12.9%	10.6%	3.3%	1.5%	0.8%	1.1%	0.3%	0.2%
Lawrence	7,869	52.1%	4.6%	24.2%	17.3%	0.7%	0.4%	0.6%	0.0%	0.2%
Methuen	11,892	82.0%	4.7%	7.0%	2.6%	1.5%	0.5%	1.1%	0.6%	0.0%
North Reading	4,337	89.7%	3.0%	0.5%	0.3%	0.7%	0.6%	3.7%	0.5%	1.1%
Middleton	1,974	80.6%	9.3%	1.2%	2.1%	0.0%	0.4%	0.0%	6.1%	0.4%

* Note: None of these towns have renters in Boats, RVs or Vans

Source: US Census 2000, Summary File 3

There were two noticeable periods in time where North Andover saw more rental housing being built in the community, prior to 1940 and during the 1970s where 26% and 27.2% of the rental housing stock was constructed respectively (see Table 9). Most of the other local communities, like

Andover and Boxford for example, have a much older rental housing stock. North Andover is in a position now to respond to the need that it has for rental housing and not only consider the creation of additional units, but also commit to maintaining and preserving the older existing rental housing stock for residents to continue to live in. While older housing stock does provide another type of housing choice, typically it is in need of updates and repair to stay in line with building code standards.

North Andover is fortunate to have a diverse rental housing stock.

Table 9: Age of Rental Housing Stock

	Renter Occupied	1939 or earlier	1940-1949	1950-1959	1960-1969	1970-1979	1980-1989	1990-1994	1995-1998	1999-2000
North Andover	**2,651**	**26.0%**	**6.6%**	**5.9%**	**18.1%**	**27.2%**	**9.5%**	**2.6%**	**4.1%**	**0.0%**
Andover	2,414	47.6%	5.8%	6.0%	7.9%	10.4%	14.3%	5.3%	2.2%	0.6%
Boxford	72	38.9%	0.0%	6.9%	20.8%	0.0%	33.3%	0.0%	0.0%	0.0%
Haverhill	9,138	45.5%	10.1%	7.0%	7.6%	14.9%	9.3%	2.8%	2.6%	0.2%
Lawrence	16,594	34.1%	13.9%	12.0%	12.5%	13.1%	10.0%	2.6%	0.9%	0.9%
Methuen	4,640	29.0%	13.8%	10.4%	13.6%	16.2%	14.6%	1.8%	0.4%	0.2%
North Reading	458	16.4%	0.0%	16.6%	27.9%	27.5%	8.7%	1.1%	0.0%	1.7%
Middleton	331	32.9%	5.4%	11.5%	15.7%	15.7%	10.6%	8.2%	0.0%	0.0%

Source: US Census 2000, Summary File 3, Qt-H7

The US Census in 2000 stated that the median gross rent in North Andover was $879. Six years later, a more accurate picture of rental costs is staggering. According to the Eagle Tribune's classified section, rental units in North Andover are available at a much higher price in 2006. For example, studio apartments rent between $650-$800, one bedroom units between $800-$1,000, two bedroom units between $1,100-$1,250, three bedroom units between $1,250-$1,500 and four bedroom units between $1,500-$1,700 monthly.

Almost 42% of renter households only have an income of $35,000 or less annually and 59% have an income of $50,000 or less. These percentages are indicative that there may be a rental housing affordability gap in North Andover. According to the US Department of Housing and Urban Development, families who pay more than 30% of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. Residents of North Andover making only $35,000 annually can afford approximately $875/month (30% of $35,000) for housing costs. Overall, 30.5% of renters pay more than 30% of their income for rent and more than 16% of renters pay more than 50% of their income for rent in North Andover.

North Andover has an affordability gap between the cost of renting and purchasing a home and the average income levels of many residents. Many households and families are housing cost burdened, meaning they pay more than 30% of their income for housing costs.

North Andover's rental unit problems are not just limited to affordability issues; they also include an availability issue. In addition to there being little rental housing construction since 1979, the vacancy rate in the community is only 2.2% (219 units).[4] Since 1990, the number of vacant units decreased by 42%. Of the 219 vacant units noted in the 2000 Census, only 28% were considered available for rent (63 units) as compared to 39% in 1990 (see Table 10).

Table 10: North Andover Housing Unit Characteristics

	1990	2000	2000 % of Total	% Change 1990-2000
Occupancy Status				
Total housing units	8,271	9,943		20.2%
Occupied housing units	7,891	9,724	97.8%	23.2%
Vacant housing units	380	219	2.2%	-42.4%
Tenure				
Occupied housing units	7,891	9,724	97.8%	23.2%
Owner-occupied housing units	5,392	7,053	70.9%	30.8%
Renter-occupied housing units	2,499	2,671	26.9%	6.9%
Vacancy Status				
Vacant housing units	380	219	2.2%	-42.4%
For rent	148	63	28.8%	-57.4%
For sale only	110	28	12.8%	-74.5%
Rented or sold, not occupied	25	32	14.6%	28.0%
For seasonal, recreational, or occasional use	51	47	21.5%	-7.8%
For migratory workers	0	0	0.0%	0.0%
Other vacant	46	49	22.4%	6.5%

Source: US Census 1990 & 2000, Summary File 1

The demographic make up of residents who rent and buy homes in North Andover is changing.

There are housing unit owners in North Andover that are equally burdened by housing costs, 23.5% of mortgage holders paid 30% or more of their income for monthly owner costs.[5] Certainly since 2000 that number has increased with the tremendous increase in single-family home sale prices and condo sale prices.

Age is another important factor to evaluate when thinking about renter and owner occupied housing. Both owners and renters saw a decline in the 15-24 and 25-34 age groups, which coincide with the overall loss of North Andover residents in these age ranges (see Table 11). The decrease in the 15-34 owner and renter age groups overall and in those who are renting and owning in the community may be due to increased housing costs, the fact that students who are completing high school and college do not want (or can't afford) to stay in town and are moving to other areas, or it may be an indication that more young adults are returning to live with their families after school. There has been a noticeable increase in the number of North Andover residents aged 35-64 and over 75 who are renting which may be indicative of the desire of some people to downsize from a larger home to a more manageable apartment or condo. Interestingly, there are a significantly higher number of residents age 75+ who live in an owner occupied living situation than there was a decade ago in 1990.

[4] US Census 2000, Summary File 1
[5] *Ibid.*

III D - HOUSING COST

As mentioned in the section above, according to the US Department of Housing and Urban Development (HUD), families who pay more than 30% of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care.

In 2005, the median single-family home sales price in North Andover was $550,000 (a 32% increase since 2000) and the median condo sales price was $233,810.[6] Using the HUD 2005 area median income number ($75,750) for the Lawrence PMSA, of which North Andover is included, the unaffordability of purchasing a home in the community is obvious.

Table 11: Age of Householder by Tenure

	1990	2000	% Change 1990-2000
Owner occupied:	**5,392**	**7,073**	**31.2%**
15 to 24 years	33	30	-9.1%
25 to 34 years	737	566	-23.2%
35 to 44 years	1,521	2129	40.0%
45 to 54 years	1,131	1885	66.7%
55 to 64 years	955	971	1.7%
65 to 74 years	748	1377	84.1%
75 years and over	267	702	162.9%
Renter occupied:	**2,499**	**2,651**	**6.1%**
15 to 24 years	124	75	-39.5%
25 to 34 years	670	552	-17.6%
35 to 44 years	432	546	26.4%
45 to 54 years	339	402	18.6%
55 to 64 years	201	272	35.3%
65 to 74 years	335	289	-13.7%
75 years and over	398	515	29.4%

Source: US Census 1990 & 2000, Summary File 3

Below is an affordability gap analysis that uses an average single-family tax bill dollar amount of $5,148 annually or $429/month and the HUD area median family income number of $75,750. Also shown is what the housing cost difference is for families who only earn 80% of AMI and for families who earn 120% of AMI.[7] It was assumed that in these three examples, home or condo owners would pay at least $100/month for insurance.[8] Under these assumptions, you would need to make at least $140,000 a year to afford the median single family home sales price of $550,000 in North Andover which is 46% higher than the area median income.

Median Household Income	**$75,750**
(Data Source: HUD Lawrence PMSA Area Median Income 2005)	
Monthly Income	**$6,312.50**
30% of Monthly Income	**$1,893.75**
Less Average SF Tax Bill (Monthly) &	
Less Average Homeowner Insurance (Monthly)	**$529.00**
Amount Available for Monthly Payment	**$1,364.75**

Residents who earn the median household income as defined by HUD can afford to purchase a single family home priced at $215,800 with no down payment on a 30 year fixed interest rate loan at 6.5% interest. There is an affordability gap of $334,200 for a single family home and there is an affordability gap of $18,010 for a condominium.

[6] The Warren Group, [INTERNET] www.thewarrengroup.com, "Town Stats Search", December 2006

[7] Average Single Family Tax Bill, [INTERNET] January 2006, yourtown.boston.com, North Andover

[8] The overall analysis was meant to be very basic and multiple external factors were not taken into consideration. The point is to show the affordability gap in North Andover under the most general assumptions and using the most basic information available.

Residents who earn 80% of the median household income, $60,600 can afford to purchase a single family home priced at $156,000 with no down payment on a 30 year fixed interest rate loan at 6.5% interest. There is an affordability gap of $394,000 for a single family home and there is an affordability gap of $77,810 for a condominium.

80% of Median Household Income	**$60,600**
Monthly Income	**$5,050**
30% of Monthly Income	**$1,515**
Less Average SF Tax Bill (Monthly) &	
Less Average Homeowner Insurance (Monthly)	**$529.00**
Amount Available for Monthly Payment	**$986**

Residents who earn 120% of the median household income, $90,900 can afford to purchase a single family home priced at $276,000 with no down payment on a 30 year fixed interest rate loan at 6.5% interest. There is an affordability gap of $274,000 for a single family home and there is no affordability gap for the purchase of a condominium.

120% of Median Household Income	**$90,900**
Monthly Income	**$7,575**
30% of Monthly Income	**$2,273**
Less Average SF Tax Bill (Monthly) &	
Less Average Homeowner Insurance (Monthly)	**$529.00**
Amount Available for Monthly Payment	**$1,744**

For comparison purposes, in 1996, the HUD area median income for the Lawrence PMSA (North Andover included) was $52,700; the median single-family home sales price was $255,000 and the median condo sales price was $83,750. Using the methodology above, the monthly payment for a home priced at $255,000 would be about $1,612, requiring at least a $64,500 annual income which is only 20% more than the area median income. The housing cost affordability gap in North Andover has clearly gotten more extreme in the past 10 years.

III E - SUBSIDIZED HOUSING INVENTORY

The Subsidized Housing Inventory (SHI) is a list of the number of housing units which count toward the Town's 10% goal for purposes of Chapter 40B. It is maintained by the Department of Housing and Community Development, and may be viewed at www.mass.gov/dhcd/ToolKit/shi.htm. In order to be included in the SHI, a housing unit must meet the following criteria:

1. They must be part of a development in which either at least 25% of the units are affordable to households earning no more than 80% of the Area Median Income, or at least 20% of the

units are affordable to households earning no more than 50% of AMI. These restrictions must apply for at least 30 years for new construction.
2. The developments must be built or operated by a public agency, non-profit or limited dividend organization.
3. There must be a long-term use restriction to ensure occupation of the affordable units by income eligible households. This restriction must be monitored by a public agency or non-profit organization.
4. Developers must meet affirmative marketing requirements.

Housing in North Andover included in the SHI can be categorized into three groups: housing monitored by the North Andover Housing Authority; housing developed under Chapter 40B; and other.

North Andover Housing Authority

Established in 1948, the North Andover Housing Authority is dedicated to serving the housing needs of the community. The mission of the North Andover Housing Authority is to promote adequate and affordable housing, economic opportunity, and a suitable living environment free from discrimination. Working together with the staff, board of commissioners, residents, and community members, the North Andover Housing Authority strives to create neighborhoods where residents continue to be a valuable part of the community.

The Housing Authority owns and manages 295 income based rental units of Public Housing in North Andover. All 295 units are in the SHI. A veteran's preference is offered to applicants on the state elderly and family waiting lists. The state age limit for elderly/disabled housing is 60 or disabled; the federal age limit for elderly/disabled housing is 62 or disabled. These units include:

- 105 elderly/disabled federal units, overseen by the U.S. Department of Housing and Urban Development (HUD),
- 164 elderly/disabled state units, including 10 congregate units, overseen by the Massachusetts Department of Housing and Community Development (DHCD).
- 26 state family units, also overseen by DHCD

Due to low turnover among residents, the state family units have a wait time that could exceed three years for North Andover residents and over ten years for non-residents.

In addition, the North Andover Housing Authority also administers four income based Mass Rental Vouchers and 133 HUD Section 8 Housing Choice Vouchers. The Section 8 Housing Choice Voucher Program provides income based rental subsidies for the elderly/disabled, families, and single individuals. A residency preference is offered to applicants who live/work in North Andover. Section 8 vouchers are difficult to obtain and in some cases, the wait for a voucher can exceed three years.

The North Andover Housing Authority offers the Family Self-Sufficiency Program (FSS) to those individuals participating in the Section 8 Housing Choice Voucher Program. FSS is a HUD funded social service program designed to promote employment and increase assets for low-income families receiving Section 8 rental subsidies. During a five-year period, participants work individually with a

case-manager on such goals as education, money management, job training, childcare, transportation, and home ownership education. A key component of the FSS Program is the establishment of an escrow or savings account that accumulates as earned income increases. Families receive the funds after they successfully complete the program. Many FSS families have used their escrow to purchase homes. FSS is unique because of its individual approach to supporting families and is one of the few asset building government programs in existence.

Future plans and goals for the NAHA include:

- Construction of four 3 bedroom modular units on two sites. Two of the units will be barrier-free.
- Continue modernization improvements to housing authority properties.
- Educate residents on available community resources and services.
- Promote community and intergenerational activities for the elderly.
- Partner with the private and public sector to maximize services and resources for residents.
- Provide financial education to housing authority residents and Section 8 participants to promote financial independence.
- Promote home-ownership education for public housing tenants and Section 8 participants.

Chapter 40B Developments

As of the writing of this plan, North Andover has five 40B developments that have been granted comprehensive permits (i.e. approved by the Zoning Board of Appeals). Three of these projects have all of their affordable units included in the SHI, and two are not yet fully included in the SHI.

The 40B developments fully included in the SHI are:

- Kittredge Crossing – 124 units total; 32 affordable,
- Campion Hall – 26 units total; 7 affordable, and
- Waverly Oaks – 11 units total, 3 affordable.

This makes a total of 42 affordable units.

The 40B developments partially included in the SHI are:

- Meeting House Commons – 88 units total, 22 affordable, and
- Oakridge Village & Maplewood Reserve – 270 units total, 75 affordable.

Other Subsidized Housing

There are two group homes in North Andover. One is sponsored by the Department of Mental Retardation and provides 4 rental units to eligible participants. The other group home also provides 4 units of housing.

The primary source of other subsidized housing in North Andover is Wood Ridge Homes – a 230-unit cooperative housing community originally developed by the Archdiocese of Boston in conjunction with HUD (Housing & Urban Development). All the land and homes are owned under a single deed held by Wood Ridge Homes, Inc. The corporation is responsible for the mortgage, property tax, and maintenance. Residents, and only residents, own shares in the corporation. As a household moves into a unit, it purchases one share in the corporation. The cost of each share is

the same for all units, regardless of household size or number of bedrooms. When the household leaves Wood Ridge, it returns the share to the corporation and receives the cost of the share plus profit accrued while the shareholder owned the share.

Residents pay a monthly "net carrying charge" to the corporation. This net carrying charge (i.e. rent) is a function of number of bedrooms and household income. For each unit, a "gross carrying charge" is determined. This charge is closely related to Fair Market Rents established by HUD and is a function of number of bedrooms. The residents are expected to contribute up to 30% of their monthly income towards this gross carrying charge. If this amount is insufficient to cover the gross carrying charge, the difference is made up through project-based Section 8 vouchers. Most of the time, about 80% of the residents are receiving Section 8 vouchers, and about 20% have sufficient income to cover the gross carrying charge.

Number of SHI Units

The Table 12A below summarizes North Andover housing included in DHCD's Subsidized Housing Inventory. As of March 2006, the official number of units was 584. This 584 consisted of 575 units shown in the upper part of the table, plus 9 units from Meetinghouse Commons and Oakridge Village/Maplewood Reserve. Over the coming year or so, as more building permits are pulled for these two projects, it is anticipated the number of subsidized units will increase to 672.

Table 12B shows how North Andover relates to other surrounding communities in the pursuit of achieving the 10% goal. It shows that North Andover is not alone in failing to meet the 10% threshold established by Chapter 40B. Only Andover and Lawrence have met the 10% threshold.

Table 12A: Subsidized Housing In North Andover

Project Name	Subsidizing Agency	Type	Total SHI Units
Housing Authority			
McCabe Court	HUD	Rental	45
Morkeski Meadows	HUD	Rental	60
Francis & Baldwin Streets	DHCD	Rental	24
Fountain Drive	DHCD	Rental	40
Bingham Way	DHCD	Rental	42
Foulds Terrace	DHCD	Rental	52
O'Connor Heights	DHCD	Rental	30
Ashland Street	DHCD	Rental	2
40B Developments			
Kittredge Crossing	FHLBB	Ownership	32
Campion Hall	FHLBB	Ownership	7
Waverly Oaks	FHLBB	Ownership	3
Other Subsidized Housing			
Group Home	DMR	Rental	4
Group Home	MHP	Rental	4
Wood Ridge Homes	MassHousing	Rental	230
Total			575
40B Projects In The Pipeline			
Meeting House Commons	FHLBB	Ownership 55+	22
Oakridge Village & Maplewood Reserve	FHLBB	Ownership	75
Eventual Total			672

Table 12B: Subsidized Housing In North Andover's Area

	Year Round Units - 2000	Total SHI Units	Percent SHI Units
North Andover	**9,896**	**584**	**5.9%**
Andover	11,513	1,363	11.8%
Boxford	2,602	19	0.7%
Haverhill	23,675	2,020	8.5%
Lawrence	25,540	3,775	14.8%
Methuen	16,848	1,062	6.3%
North Reading	4,839	101	2.1%
Middleton	2,337	143	6.1%

Source: Massachusetts Department of Housing and Community Development, March 2006

III F - MUNICIPAL INFRASTRUCTURE

North Andover's infrastructure is poised to accommodate a moderate population growth over the next ten years. Much like the other suburban communities in the region, water and sewer, roadways, the school system and public safety are most often affected by the continued increase in a town's population.

Water & Sewer

Approximately 70% of North Andover residents are connected to the town's sewer system while the remaining 30% use private septic systems. Currently, the Department of Public Works is finishing up a long-range plan (there are two more sections left) to connect all residents living near Lake Cochichewick to the town sewer system in order to better protect the watershed around the natural resource area. As of 2005, North Andover had 84.0 miles of sewer lines with about 5,299 houses connected to the system.

North Andover has won state awards for its water quality. Lake Cochichewick is the only public water supply servicing North Andover's residents. During most of the year the supply is adequate for the current population. Recently, in drought conditions during the summer, water use has exceeded the maximum allowable daily use and water restrictions have been imposed for conservation purposes. If the lake is too low North Andover now has infrastructure and an agreement with Andover to connect to Andover's water supply that comes from the Merrimack River via Haggett's Pond water treatment plant.

A majority of the town is connected to the water system with only about 10% utilizing private wells. Currently the water distribution system consists of 143.12 miles of main pipe and 1,417 public hydrants. Typically, North Andover is able to meet water usage demands, except during times of drought at which time the Department of Public Works coordinates with the Board of Selectmen to impose bans on irrigation. These bans most often occur during the summer months when the usage increase to 5 million gallons of water per day compared to only 3 million gallons used per day in the winter.

Overall, North Andover is well equipped at the present time to accommodate a reasonable amount of new residential growth in terms of the local water supply. The sewer system however presents more of a challenge because the entire town is not connected and it is fairly costly to extend the sewer lines for new development. Bigger projects where a developer may have a larger financial gain would be better able to manage the cost of sewer line extension, however for the most part, this is a development constraint in certain parts of North Andover.

Roadways

North Andover is located within a decent proximity to three major highways, I-495 (constructed in 1967), I-95 and I-93 (constructed in 1960), however the lack of a decently located I-495 interchange is seen as a challenge in the community. Residents are fortunate in that they are able to access these highways fairly easily which opens up commuting opportunities for employment that do not exist in

other towns. For the most part (with the exception of southeast North Andover), the local and state roads (Routes 133, 114, 125 and the 125 by-pass) have developed into a nice road network.

North Andover's town services and infrastructure often feel strained due to the quick population growth between 1950 – 1980 and due to the fact that the town is 90% residentially zoned. All of the right pieces were in place for the community to grow exponentially. Today, major roadways are often congested during peak periods of the day not only due to local residents but to regional residents who commute through North Andover.

Although North Andover can control its zoning and make the necessary changes to better manage growth, it cannot control the amount of inter-community traffic that uses its roadways. In order to accommodate additional residential growth, the town will need to work on creating and implementing ways to involve new developments in financing public infrastructure improvements along the main Routes 114 and 125 corridors.

Schools

North Andover is fortunate to have a K-12 school district that includes a high school, middle school and five neighborhood elementary schools. The School Department and the School Committee have been coping with an increasing number of expenses while receiving less state funding in recent years. The result of this imbalance has been a reduction of schoolteachers and programs available to schoolchildren. The School Department has closed the Bradstreet School in order to help save money, and the kindergarten students that once went to school there now attend neighborhood elementary school, which has stressed the capacity of some of these facilities. Most recently, the town has purchased land, the Foster Farm, as property for another elementary school. The community in connection with the School Committee's Task Force is committed to identify and provide the necessary tools so that children in North Andover can have the best education possible.

IV. COMMUNITY PRESERVATION ACT

The Community Preservation Act (CPA) is an enabling statute that allows municipalities, at local option, to assess a surcharge on local property taxes not to exceed 3%. Matching funds, depending upon the amount available, would be provided through fees collected at the Registry of Deeds. Currently, all 103 cities and towns that have approved CPA are receiving matching grants of 100% through 2004. The statute clarifies that at a minimum, a 5% matching grant would be provided.

At least 10% of all funds generated through CPA must be expended on each of the three delineated priorities of the CPA statute – affordable housing, open space, and historic preservation. The remaining 70% of the funds collected can be allocated for any combination of the three.

North Andover adopted the Community Preservation Act in 2001 and since that time, approximately twenty-four projects have been funded in the areas of historic preservation, open space, recreation and in the housing realm, funding this affordable housing plan and a first time homebuyers program.

Throughout the Commonwealth, a number of communities have designated a significant amount of CPA funding for affordable housing projects. Some of the proposed and completed projects that have been done and are being done illustrated in the CPA database include:[9]

- **Acton, 2005 - $200,000:** To purchase two condominium units in Acton for deed-restricted affordable rental housing for families.

- **Acton, 2005 - $25,000:** To the Acton Community Housing Corporation for a study to determine the feasibility of creating housing units for low and moderate income households on a Town-owned parcel at 214 Central Street and 28 Willow Street.

- **Acton, 2005 - $25,000:** To the Acton Community Housing to establish a Community Housing Fund for the creation, preservation, and support of community housing.

- **Amherst, 2005 - $50,000:** To begin the process of developing affordable housing on Town-owned land adjacent to Olympia Dr. A consultant will be hired to do pre-development work on the site.

- **Bedford, 2003 - $230,000:** CPA funds are being contributed toward construction of 10 affordable units of housing on just over four acres of town-owned land. The rental housing will be built on 1.2 acres of the land and the rest will be preserved for passive recreation.

[9] Massachusetts Community Preservation Act [INTERNET] http://www.communitypreservation.org/ProjectsSearchResults.cfm "CPA Search Results," 18 January 2006.

- **Bedford, 2003 - $120,000:** The Patriot Place project is a groundbreaking project in several areas. The CPC has worked with a for-profit developer to design a 40B project that is acceptable to both parties. Ten units are being built on a historic property and two of them will be designated as affordable. The site is close to town and will allow walking access to many essential services. The CPA funds are being provided in the form of a long term zero interest loan to the developer.

- **Boxford, 2005 - $120,000:** The Town has identified a 20+ acre town-owned parcel as a potential housing site. These funds will be used to do a feasibility study on the site (wetlands, well, septic, environmental study, endangered species study, traffic & access study, site plan). Should the site prove feasible, the Selectmen will propose a warrant article at Fall Town Meeting to put the parcel out to bid for developers to build community housing (the land would be leased to the developer). The Boxford Housing Trust intends to bid on that lease.

- **Braintree, 2005 - $36,069:** To the Housing Authority for accessibility improvements to their affordable housing units.

- **Chelmsford, 2002 - $100,000:** A transfer to the Chelmsford Housing Authority for the purpose of the creation of up to 6 new low-income elderly housing units.

- **Georgetown, 2003 - $10,000:** A grant to Rebuilding Together, a volunteer organization, to preserve and revitalize houses in Georgetown to assure that low-income homeowners, particularly those who are elderly, disabled or families with children, live in warmth, safety and independence.

- **Lincoln, 2003 - $150,000:** To subsidize the difference between the market and affordable price of a condo (to "buy-down" the condo).

- **Newburyport, 2005 - $50,000:** To establish an Affordable Housing Program Fund

- **Peabody, 2003 - $200,000:** Funds will assist with construction of a 96-unit mixed income site, of which 39 will remain affordable in perpetuity.

- **Weston, 2005 - $250,000:** A 12 year bond to purchase permanent affordability deed restrictions on 13 new units in the Brook School Elderly Housing Complex.

- **Westport, 2003 - $25,000:** For a unit accessibility project. This money will be used for the engineering and design of handicap accessible units for elderly and disabled individuals. It will also include test borings and perc tests for new units. Presently only four units are considered handicap accessible and even they do not meet standards of today.

Potential allowable uses to which CPA money may be used for housing include[10]:

- Modify existing homes, including accessibility improvements that allow the disabled or senior citizens to continue to live in their homes

- Provide a match for state Home Modifications funds to adapt the homes of elderly and disabled town residents, including the installation of such safety measures as ramps and bars

- Assist the local housing authority to support its low income rental properties

- Assist residents to meet homeownership costs, including grants or "soft second" loans to reduce mortgage interest rates, provide a down payment, assist with closing costs, security deposits, utility assistance, or to subsidize interest rates.

- Use as a subsidy to write down interest rates for first-time homebuyer programs such as the Massachusetts Housing Partnership's Soft Second Program or the state's Self Help Program that has specific matching requirements; this subsidy makes the Soft Second Program the most affordable mortgage in the state

- Underwrite a revolving loan fund or guarantee fund for tenants who cannot afford first month, last month, and security deposit

- Fund a housing trust or a housing authority to support a particular community housing initiative income from an endowment for local affordable housing can be applied directly or matched with state or federal funding

- Provide matching funds under the Housing Innovations Fund which helps to build limited equity coops, housing for people with AIDS, etc

- Refinance "expiring use" properties which are at risk of going market rate

- Acquire a preservation restriction to limit the occupancy of certain units in a privately owned rental building to persons of low or moderate income housing

- Convert existing non-residential properties to community housing (schools, mills, churches office buildings, warehouses, etc)

- Create in-law apartments and other ancillary housing

- Acquire real property (land and/or buildings) for new housing development, both rental and homeownership

- Grant or loan funds for the creation of community housing to non-profit or for-profit parties (provided that the funds are not used by the private party to acquire a real estate

[10] Massachusetts Community Preservation Act [INTERNET] http://www.communitypreservation.org/PotentialUses2.cfm#3.%20Community%20Housing "Potential Uses of CPA Funds," 18 January 2006.

interest and that the municipality establishes sufficient safeguards to ensure that the funds are used primarily for the creation of community housing and that any benefit to the private entity is merely incidental). It is anticipated that many local CPA housing initiatives will utilize private non-profit or for-profit intermediaries for the creation of community housing

North Andover has an opportunity to use their Community Preservation Act funds for all or some of the allowable uses listed above.

Photo: Mary C. McCrann, December 2005

V. AFFORDABLE HOUSING NEEDS & KEY FINDINGS

North Andover is headed in the right direction in terms of analyzing the housing situation in the community and determining what is working and what needs to be changed. The town is faced with several challenges that include preserving open space and natural and historic resources, continuing to figure out ways to budget for and finance the public school system and of course, dealing with growth management issues. The town is aware that decisions need to be made about housing and that the choices will continue to influence the community decades into the future. The purpose of this section is to discuss North Andover's housing needs based on the research conducted for this plan, the input of municipal staff and comments made at the public forum.

Some of North Andover's housing need priorities that were identified throughout this planning process include:

- Preserving housing in the community that was built prior to 1940 (worker housing) that reflects on the town's history as a former mill town.

- Adopting new zoning (or changing/adding to what exists) to work towards an overall housing strategy that makes sense for the community.
    - Inclusionary Zoning
    - Open Space Cluster Bylaw
    - Demolition Delay Bylaw
    - Allow for Accessory Apartments

- Continue to maintain existing and create smaller single family homes, they allow for diversity in the overall housing stock and are often more affordable.

- Housing choices for the elderly, especially low-income seniors

- Housing for the disabled population

- Affordable rental apartment

North Andover's housing needs are targeted towards the following population groups:

- Elderly residents (includes those living on their own and those who need assisted living),
- Low and moderate income families and households,
- First time homebuyers,
- Town employees,
- Residents wishing to downsize from a larger home to a more manageable residence (empty-nesters),
- Disabled residents
- Young adults, and
- Residents, who already have a home or condo, but need assistance maintaining the property.

The Need for Rental Housing

There is an overwhelming need in North Andover create opportunities for additional affordable rental housing within the community. According to the Massachusetts Housing Partnership, there are fourteen typical indicators that demonstrate that a community is experiencing a rental housing need, of which North Andover clearly meets eight. The indicators include looking at the subsidized housing inventory, vacancy rates, waiting lists at the Housing Authority and incomes of renters. The eight obvious areas that help highlight the community's need for additional rental housing options and additional *affordable* rental housing options are:

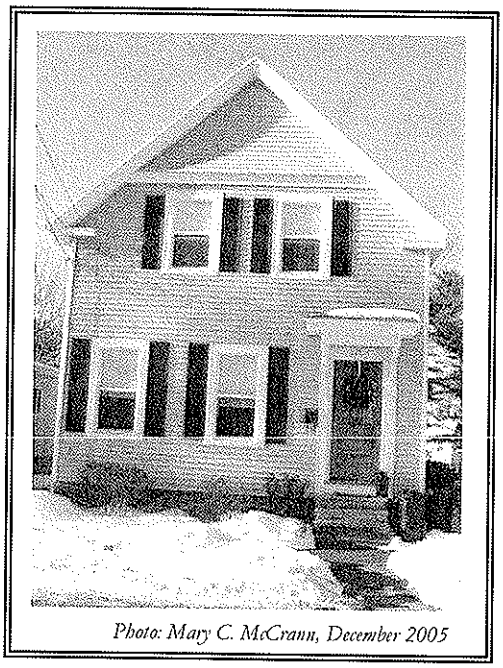


Photo: Mary C. McCrann, December 2005

A vacancy rate below 5% or limited rental availability

- The 2000 US Census showed that North Andover has a 2.2% (219 units) housing unit vacancy rate and of those units, only 28.8% are available for rent.

A closed waiting list or a long waiting period for subsidized rental housing

- The North Andover Housing Authority has a wait time that could exceed three years for North Andover residents and over ten years for non residents on the state family and Section 8 waiting list.

Little or no multi-family housing production in the last decade

- Between 1990-2000, North Andover only produced 177 units or 6.7% of its entire rental housing stock. In 2003, the Building Department granted 27 multi unit building permits and in 2004 they granted 47 building permits. Those were the first permits applied for and granted since 1996 for multi unit construction.

Rental housing that constitutes less then 30% of the housing stock

- Only 26.9% of North Andover's housing stock is renter occupied.

More than 30% of renters pay more than 30% of their income for rent

- 30.5% of North Andover renters pay more than 30% of their income for rent

More than 15% of renters pay more than 50% of their income for rent

- 16% of renters pay more than 50% of their income for rent

More than 20% of renters are living in single family homes

- In North Andover, only about 5.6% of the renters lease single-family homes which could be due in part to availability of single family housing as rental stock and the high cost of renting a single family home is not an option for many renters.

Rent and Local Wages

- There is a disconnect between the salaries of people who work in North Andover as teachers, firefighters, police officers and paramedics and how much rent and mortgages cost. For example, the starting salary for a teacher in town is $33,082[11], using 30% of the monthly income; there is only $827 available for housing. The median salary for a Police Officer is $46,482[12], using 30% of the monthly income; there is only $1,162 available for housing.

Affordable housing rental opportunities are critical for North Andover residents who wish to live and work in the community, for elderly residents who want to downsize and/or are on a limited income and for young adults who want to stay in North Andover but cannot afford to buy a house.

The Need for Affordable Home Ownership

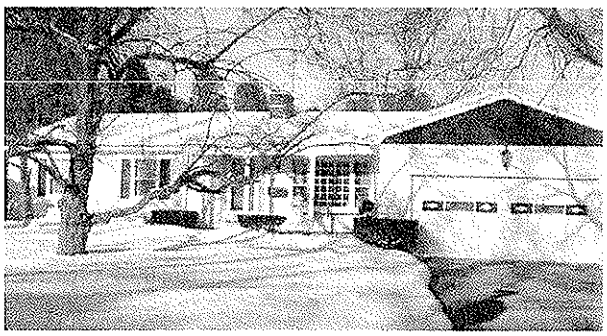


Photo: Mary C. McCrann, December 2005

As mentioned earlier in the plan, the affordability gap has gotten considerably bigger in the past ten years. The median single-family home sales price went from $255,000 in 1996 to $550,000 in 2005 and the area median income only increased from $64,500 to $75,750. To afford the median single-family home sales price and not pay more than 30% of your income for housing costs, an annual income of at least $140,000 would be necessary. To afford the median condominium sales price, and not pay more than 30% of your income for housing costs, an annual income of at least $59,000 is necessary.
Of the total 451 home sales in 2005, only 25% (111 homes) were sold at under $300,000 (this includes single family homes and condos). Of the 111 homes sold, 8 of them were single-family homes and the remaining 103 were condos. There were no single family homes that sold for under $200,000 and only 2 sold for under the price of $250,000. In order for someone to purchase a single family home or condominium at $300,000, with a 30 year fixed loan at 6.5% interest and no down payment, they are looking to pay approximately $1,900 a month. If you were earning at least the median household income $72,728[13] that would still not be quite enough to afford a home at this price even if it were available, you would need to make $76,000 or more. In North Andover, approximately 42% of households are earning 80% or LESS of the median household income ($58,182).

[11] Number from the Eagle Tribune Newspaper
[12] Number from www.salary.com, North Andover
[13] Number from US Census 2000 data, median household income.

VI. HOUSING PLANNED PRODUCTION PLAN

The Department of Housing and Community Development (DHCD) indicates on its most recent Chapter 40B unit inventory for the Town of North Andover, that only 5.9% of year-round housing units meet the 40B criteria for affordable housing (584 units from a year-round total of 9,896). This translates into a shortfall of 406 units before the 10% goal is achieved. Listed below in Table 13 are the most recent figures from North Andover for its 2006 Chapter 40B unit inventory as updated in March 2006 by DHCD.

Table 13: Chapter 40B Units for North Andover

2000 Year-Round Units (DHCD)	**9,896**	**DHCD Regulations**		
2006 Chapter 40B Units	584	Large Scale Project - Project Cap	300	
2006 % Subsidized Base	5.9%	Recent Progress Rule	198	2.0%
2006 Chapter 40B Gap	406	Planned Production	74	0.75%

Large Scale Projects (760 CMR 31.07(g)) - The purpose of a large scale project cap is to protect the community from projects proposed by developers that cannot be absorbed for reasons such as infrastructure or environmental constraints.

Recent Progress Rule (760 CMR 31.07(d)) - The purpose of the recent progress rule is to acknowledge the effort of Massachusetts communities that are working towards the Chapter 40B 10% goal of low or moderate income housing. If a town approves units for those for low and moderate income that is equal to or greater than 2% of its total year round housing stock, in the year prior to the date of an application for a comprehensive permit, a denial of a comprehensive permit is deemed to be consistent with local needs.

Planned Production (760 CMR 31.07(i)) - Communities that have an approved housing plan with a planned production strategy may have the ability to deny comprehensive permits if the plan is implemented by adding new Chapter 40B units annually at .75 of 1% of the town's year-round housing units. Two years of relief is possible if they add 40B units that are equal to 1.5% of the year-round housing unit inventory.

Recommended Methods of Implementation

For North Andover to increase its Chapter 40B unit inventory to reach the 10% goal, a wide-ranging approach to housing production must be undertaken. Issuing comprehensive permits to developers in the next few years is only one strategy and is the one that the Town has only limited ability to control. The Town has been making some progress toward this goal, but simply stopping at 10% will not fully meet all of the housing needs identified in this plan, so the Town must continue to press forward.

There are some potential projects on the horizon as well for other sites in the community. Mechanisms for creating both larger housing unit developments and smaller scale housing unit projects may use some of the techniques for implementation described in the section on short and long term recommendations found later in the Plan.

Use Restrictions

As demonstrated by this Plan, the Town of North Andover is committed to creating additional affordable housing units and maintaining its inventory for as long a period as possible. Affordable units will serve households with incomes no greater than 80% of the area median income. Deed riders or affordable rental restrictions should ensure continued affordability for periods of at least 99 years or in perpetuity to the greatest extent possible.

The resale prices included in homeownership projects should be indexed to HUD's area median income (Lawrence PMSA), as opposed to market value to better guarantee long-term affordability. The project sponsor must file annual reports on their projects. The North Andover Housing Partnership Committee or North Andover Housing Authority should monitor the resale restrictions and annual recertification of rental agreements. Regulatory agreements between the developer and the subsidizing agency will be executed to enforce these provisions. Pricing for home ownership and rental will be done in accordance with the parameters set forth in this Plan and the DHCD guidance on maximum incomes and selling prices. The units shall be marketed in a fair and open process consistent with state and federal fair housing laws.

Planned Production

Table 13 illustrates the Town of North Andover's Planned Production strategy for how it will create additional 40B units in the future, thereby meeting the goal of offering at least 10% of total housing units at levels that are affordable to those of low and moderate income.

One of the major projects currently under consideration in North Andover is the redevelopment of the Lucent site on Osgood Street (see page 42). This is a mixed-use project that could include up to 530 dwelling units, of which at least 113 units, would be deemed affordable and could count toward the subsidized housing goal for the Town. Initially, 300 units would be built as a 40B project and the final 150 – 230 units pursuant to 40R, 25% of these units would be affordable.

Table 14: Building Permit Estimates 2006 - 2010

	2006	2007	2008	2009	2010	TOTAL
Annual Average Building Permits	77	77	77	77	77	385
Oakridge Village & Maplewood Reserve	90	90				180
Waverly Oaks	8					8
Lucent[1]			50	200	200	450
Merrimac Condos	24	24				48
Orchard Village			40			40
Greenery Site				21	21	42
TOTAL	**199**	**191**	**167**	**298**	**298**	**1,153**

Notes: [1] - All projections for Lucent will assume the lower figure of 300 40B units and 150 40R units.

Table 14 above illustrates the estimates for the number of new housing units likely to be constructed in the Town over the next five years. These numbers are based upon assumptions of average building permits issued annually (537 permits from 1998 – 2004) and projects already in the pipeline. Additionally, certain 40B projects are either under review or anticipated to be before the Zoning Board of Appeals during this planning horizon. Finally, certain redevelopment projects were added based upon information currently available, although the exact years of build-out are only predictions.

The following table estimates the number of new affordable units that will be produced. It is assumed that the Town will adopt inclusionary zoning in 2006, which will take effect in 2007. These estimates are based upon a set aside of 15% of the total number of units, although it is further assumed that only half of the total building permits issued annually (77) will be for projects that trigger the inclusionary zoning provision. Thus, 6 affordable units each year will be produced by the inclusionary zoning. The several projects in this table are based upon 25% for the 40B projects (including some that have not yet been reported to DHCD), as well as Lucent.

Table 15: Building Permit Estimates 2006 - 2010

	2006	2007	2008	2009	2010	TOTAL
Inclusionary Zoning			6	6	6	18
Meetinghouse Commons[1]	22					22
Maplewood Reserve	50	27				77
Lucent[2]			50	150	135	335
Merrimac Condos		6	6			12
Waverly Oaks	3					3
Orchard Village			10			10
Greenery Site[3]				16	16	32
TOTAL	**75**	**33**	**72**	**172**	**157**	**509**

Notes: [1] - Project build-out, but affordable units not added to DHCD inventory

[2] - All 300 units in the Lucent 40B project are rental units and therefore count towards the Subsidized Housing Inventory. The 40R units are conservatively estimated at 35 that count towards the SHI although more may be created.

[3] - These numbers are based upon 15% from the Inclusionary Zoning Bylaw

Thus, based on Table 16 below, the Town can see how it will make progress toward and ultimately exceed the 40B goal of 10%. With Lucent counted, the Town will meet the 10% goal in 2010. If additional 40B projects are proposed and approved, additional progress will be made.

The Town must also consider other options for maintaining the 40B goal, especially since the 10% goal will rise after the 2010 Census numbers show a higher total number of year round housing units. However, if the Town meets the annual goal of 74 new affordable units in a year (projected for 2009 and 2010), it will at least be in compliance with this Planned Production Plan.

Table 16: Town of North Andover Planned Production

	2005	2006	2007	2008	2009	2010
New Units		215	207	348	319	294
Chapter 40B Units		75	33	72	172	157
Total Housing Units	9,896	9,896	9,896	9,896	9,896	9,896
Chapter 40B Inventory	584	659	692	764	936	1093
10% Housing Units	990	990	990	990	990	990
(Gap)/Surplus	(406)	(331)	(298)	(126)	(54)	103
Number for .75% New Affordable	74	74	74	74	74	74
Number for 1.5% New Affordable	148	148	148	148	148	148

Photo: Mary C. McCrann, December 2005

VII. SHORT AND LONG TERM RECOMMENDATIONS

The following recommendations should be given further consideration for implementation in the Town of North Andover as soon as possible.

VII A - ZONING ISSUES

Smart Growth

The Commonwealth of Massachusetts is strongly encouraging communities to implement smart growth measures as they seek to amend their zoning codes. The American Planning Association, in its Policy Guide on Smart Growth, defines smart growth as:

Smart growth means using comprehensive planning to guide, design, develop, revitalize and build communities for all that:

- have a unique sense of community and place;
- preserve and enhance valuable natural and cultural resources;
- equitably distribute the costs and benefits of development;
- expand the range of transportation, employment and housing choices in a fiscally responsible manner;
- value long-range, regional considerations of sustainability over short term incremental geographically isolated actions; and
- promotes public health and healthy communities.

Compact, transit accessible, pedestrian-oriented, mixed use development patterns and land reuse epitomize the application of the principles of smart growth.[14]

The Massachusetts Office of Commonwealth Development established a list of Sustainable Development Principles that include:

- **REDEVELOP FIRST**. Support the revitalization of community centers and neighborhoods. Encourage reuse and rehabilitation of existing infrastructure rather than the construction of new infrastructure in undeveloped areas. Give preference to redevelopment of brownfields, preservation and reuse of historic structures and rehabilitation of existing housing and schools.
- **CONCENTRATE DEVELOPMENT**. Support development that is compact, conserves land, integrates uses, and fosters a sense of place. Create walkable districts mixing commercial, civic, cultural, educational and recreational activities with open space and housing for diverse communities.
- **EXPAND HOUSING OPPORTUNITIES.** Support the construction and rehabilitation of housing to meet the needs of people of all abilities, income levels and household types. Coordinate the provision of housing with the location of jobs, transit

[14] http://www.planning.org/policyguides/smartgrowth.htm

and services. Foster the development of housing, particularly multifamily, that is compatible with a community's character and vision.[15]

Many communities are employing a variety of smart growth techniques to enhance housing choice and affordability. Whereas many zoning codes focus on where single- family housing should be located, and at what density, smart growth encourages the construction of a variety of housing types, often in conjunction with retail and personal service establishments. Thus, villages and neighborhoods are created that feature higher density housing in close proximity (or even in the same building) as the goods and services neighborhood residents need. This creates more of a pedestrian friendly village setting that theoretically is less reliant on the automobile. At this time, North Andover does not have many provisions in place that allows for this type of smart growth mixed-use or village center development, or ways in which to increase housing choices.

North Andover Zoning

A number of zoning issues and constraints have been identified during this Affordable Housing planning process and during the recent 2004 Community Development Plan process. Most significant is the need to allow for mixed uses in select districts in North Andover, at least by special permit, but preferably by right. These districts include the R4, R2 and GB Districts. This will allow developers greater opportunities to build housing while encouraging greater creativity in the types of development they pursue. Mixed uses can foster a variety of housing, employment, shopping, services, and social opportunities that benefit the neighborhood and the community as a whole. By including retail or office use in conjunction with residential, potential developers may be able to leverage the non-residential uses to help finance the affordable units to be created. Potential zoning changes to consider include the following:

- Encourage housing in commercial structures by allowing for mixed use buildings in appropriate commercial districts in village centers and downtown, preferably by right. Currently, mixed uses are not listed in the Summary of Use or the District Use Regulations. By specifically allowing for mixed uses, the town can create new, exciting residential choices, especially in commercial areas. This will create neighborhoods with a mix of housing, retail, and employment opportunities.

- The Town should consider specific provisions to encourage infill development and adaptive reuse of vacant or underutilized buildings. Adaptive reuse of vacant or underutilized structures is a strategy designed to encourage redevelopment of these structures as an alternative to building on previously undeveloped land. Typically, a mix of uses is allowed in an effort to provide flexibility for developers to create projects that revitalize older buildings. Design issues regarding the architectural integrity of the building, landscaping, parking, screening, etc. should be addressed in the language of a zoning amendment to adopt this type of bylaw.

- Multi-family dwellings and apartments are only allowed in the R5, R6, Village Residential, B1, B2 and PCD districts, either by right or special permit. Two-family dwellings are only allowed by right in the Village Residential and R6, and by special permit in the R4 and PCD

[15] http://www.mass.gov/dhcd/components/housdev/10SDprin.pdf

and town houses only by right in the R5 district and by special permit in the B2. Opportunities to expand housing other than single family should be expanded by allowing more options as a matter of right. The goal is to create alternative housing choices such as triplexes, duplexes, town houses, condos, apartments, multi-family dwellings, etc. and housing developments for specific needs (i.e. senior housing and for disabled individuals). This will help to increase housing choice for middle-income residents.

- The Town should consider density bonuses for providing affordable housing in mixed use developments (this would be above what may be required if the town adopts inclusionary zoning). Three market units for every additional affordable unit is consistent with what is required under 40B and could be used as a starting point.

- Develop comprehensive design requirements for residential development. Design criteria should be established that maintain or improve architectural integrity, address signage issues, improve pedestrian and bicycle amenities, require landscaping, require small setbacks, encourage parking to the rear of the buildings, etc. Design is important when considering higher density because it helps ensure that neighborhood or community characteristics will be adhered to and maintained. This assists in community acceptance of the higher density as well.

VII B - ADOPT AN INCLUSIONARY ZONING BYLAW

Inclusionary zoning is a technique in which developers are asked to provide a certain number of affordable dwelling units when they are creating market rate units. A growing number of communities in Massachusetts have turned to this zoning tool as a way to increase the affordable housing stock. Examples include Arlington, Belmont, Cambridge, Dennis, Duxbury, Haverhill, Peabody, Rockport, and Tewksbury. Inclusionary zoning would work well as a complement to adopting an Open Space Cluster Bylaw.

Under inclusionary housing, a minimum percentage of affordable units are to be provided when development proposals exceed an established threshold. These affordable units can be targeted for those individuals earning less than 120% of the median household income, and would be deed restricted to ensure long-term affordability. Progress toward meeting affordable housing goals can be maintained through such a zoning provision only if the affordable units are provided for those households earning 80% of median household income or less.

This could be one of the most effective and direct means for creating affordable housing units in North Andover. At a minimum, it will prevent the town from losing ground in the production of affordable units as new market rate ones are built. Moreover, as discussed in detail below, it could create additional units to assist the Town in meeting the 10% 40B goal. Such a bylaw is fair if written properly and applied across the board, and since it is initiated by North Andover, it places more control in the town's hands as opposed to the developer's. Finally, if the Town adopts inclusionary zoning, it will have more of a competitive edge for discretionary state grant programs scored under the Commonwealth Capital program.

Several important policy decisions need to be considered including the percentage of units that should be required to be affordable; what threshold should be established to invoke the requirement

for affordable units; whether payments in lieu of producing affordable units should be permitted; whether the units should be provided on-site or off-site; and how the program should be monitored. Suggested guidelines are listed below:

- The bylaw should apply across all zoning districts in which residential development is allowed, rather than specific ones, and should apply to all types of residential development.
- Require that at least 15% of any housing development of six or more units to be affordable to low and moderate-income individuals. A two-tiered system could be established that requires the minimum of 15% affordable for developments of six or more units, and a density bonus of three market rate units for every additional affordable unit provided if the Town prefers to create an incentive for the creation of additional affordable units..
- Affordable units shall be defined as those that are set-aside for households earning no more than 80% of the median family income in accordance with Department of Housing and Community Development guidelines. It should be noted that only those units priced for those earning 80% of area median income or less qualifies to be counted towards the 10% 40B goal. An additional consideration is to whether units priced up to 120% of area median income should be included as part of an Inclusionary Zoning Bylaw. Doing that can provide increased housing choices and will help to bridge the gap between housing costs and income.
- It is recommended that the bylaw include a local preference provision that ensures that up to 70% of the affordable units created pursuant to the bylaw are set aside for North Andover residents and town employees, or whatever additional criteria the town wishes to apply to the program.
- The units should be marketed in a fair and open process consistent with state and federal fair housing laws. The Town should work with project developers to ensure that the affordable units are affirmatively marketed to qualified applicants with respect to the income requirements described above.
- Affordable units shall be protected by a long-term deed restriction no shorter than 99 years.
- It is recommended that payment in lieu of units be included in this bylaw as an alternative to providing the units on-site. It is important that this plan do as much as possible to achieve built units. Funds raised through this program can be used to augment funding from the Community Preservation Act and will add to the money made available to the Affordable Housing Trust.
- Providing off-site units should be considered as an alternative to building units on-site if approved by the permitting authority. This would include safeguards to ensure that the affordable units are developed concurrently with the market rate units and that they are compatible and in keeping with the character of the neighborhood in which they are built.
- The Town will need to establish which public entity will be responsible for administering the program because it can be time-consuming. Typically it is the Housing Partnership Committee, Housing Authority, or Planning Board that is assigned the responsibility.

VII C - EVALUATE TOWN-OWNED LAND FOR DEVELOPMENT

Like many other communities in Massachusetts, North Andover acquires land it owns for a number of reasons such as tax-takings, donations, bank foreclosures, etc. Some of these parcels may be suitable for the development of housing. When the Town owns the site, it has more control over

what type of housing gets built, the location of the units, and the developer chosen to build the housing. This gives the Town greater control over what is built and where so that the specific needs identified in this plan can be addressed.

This strategy is one of the most direct approaches a municipality can take to specify the type of housing to be developed and its location, as described below.

To continue the work that the community has already done, North Andover should:

- Maintain and update the existing inventory of Town-owned land and revise criteria to determine future uses as the community changes require. For potential housing sites, criteria can include proximity to commercial areas, availability of adequate infrastructure, surrounding land uses, etc. Not all sites will be suitable for affordable housing or they may be more appropriate for other uses.
- Seek Town Meeting approval for each case individually, which is required to dispose of Town-owned land.
- If the decision is made to develop some Town-owned land for affordable housing, prepare a Request for Proposals for developers to propose affordable housing, based on what is most appropriate for each site. The prospective developers can be asked to conduct a more thorough site analysis, especially where there may be constraints on future development. In writing the RFP, the town can dictate the parameters for future development of the site including density, design, type of housing, percent of affordable units, local preferences for the affordable units, and term of affordability.

VII D - FIRST TIME HOMEBUYERS PROGRAM

A First Time Homebuyers Program provides assistance to income eligible and qualified prospective homeowners to help them purchase their first home while allowing the town to investigate whether or not the units that they eventually purchase can be counted towards the subsidized housing inventory.

In 2005, the Community Preservation Committee through the use of North Andover's Community Preservation Act funds allocated $225,000 in seed money to start a First-Time Homebuyers Program. To date, discussions have noted that this program will be administered by the Community Development and Services Office and the CPA funding will be used to administer the program and then help them fund approximately 10 qualified applicants. The program will be organized so that there will be a local preference for applicants who have strong North Andover ties. Applicants who apply and qualify will undergo a comprehensive selection process and complete a first-time homebuyer-training course. Funds that are awarded to chosen applicants can be used as a down payment fund or to help with closing costs and should be specified by the guidelines developed by the Community Development Office.

Funding and starting a First Time Homebuyers Program in North Andover will directly help address the need for more affordable home ownership opportunities that is evident in the community.

VII E - SPECIFIC SITES FOR HOUSING DEVELOPMENT IDENTIFIED BY THE TOWN

Several sites have been identified by North Andover town officials or participants at the public forum as potential places to consider for housing. These sites may present some interesting opportunities, but a more detailed real estate market evaluation and engineering site assessment will be necessary to better ascertain actual development and market potential. Additionally, the underlying zoning should be examined to determine what can be built or whether zoning amendments might be contemplated. Zoning was addressed in more detail above.

The Greenery at 75 Park Street

This was a privately owned and operated nursing home located on 2.547 acres adjacent to the current site for the police station. Since it is still in private hands, the Town needs to look for opportunities to work with the property owner to redevelop the site. The site was recently purchased by Neighborhood for Affordable Housing (NOAH), an East Boston based community development corporation. NOAH is planning to redevelop the site for 42 rental units pursuant to 40B. 32 of the units would be affordable and ten would be rented at market rate.

Lucent at 1600 Osgood Street

Originally owned by Western Electric, the Lucent Technologies Merrimack Valley Works plant at 1600 Osgood Street is an extensive compound located in North Andover's northernmost industrial area since the mid-1950s. The site consists of 169 acres, including 40 acres on the south side that have never been developed. In addition to nearly 2 million square feet of manufacturing, office and warehouse space in 30 permanent and temporary buildings, the property includes 40 acres of roadways and parking, 6,000 parking spaces and four little league ball fields. The centerpiece of the site is its 1.5 million square foot manufacturing facility. Western Electric built the North Andover plant between 1954-1956.[16] Currently, the property is mostly vacant, although some new tenants are moving into the development, including North Andover's Division of Community Development.

This site, currently being considered by the town for a large mixed-use project, is located next to a MBTA commuter rail line. The proposed mix may include office, small- and medium-scale retail, residential and recreational uses. The Town has proposed development, including consideration of a Smart Growth Zoning Overlay District pursuant to M.G.L. c. 40R, which was brought to Town Meeting in May 2007. It was approved and the project is moving forward.

[16] http://www.townofnorthandover.com/

Chapter 40R encourages communities to create dense residential or mixed-use smart growth zoning districts, including a high percentage of affordable housing units, to be located near transit stations, in areas of concentrated development such as existing city and town centers, and in other highly suitable locations. Projects must be developable under the community's smart growth zoning adopted under Chapter 40R, either as-of-right or through a limited plan review process akin to site plan review. Upon state review and approval of a local overlay district, communities become eligible for payments from a Smart Growth Housing Trust Fund, as well as other financial incentives.[17]

The latest proposal for the site includes up to 300 40B rental housing units, of which 25% or 75 units would be affordable. Additionally 150 - 230 units are anticipated pursuant to 40R, 25% of which would be affordable (35 – 58). It is anticipated that a mix of housing types and size will be provided if the project moves forward, including two and three bedroom units and perhaps some 55+ housing. However, the Town should work with the developer to ensure that the mix of units in the residential component of the project meets its most immediate needs as outlined on page 30.

Development of the Lucent site represents the most significant opportunity for North Andover to expand its affordable housing base. The proposed affordable units will go a long way to helping the Town achieve the 10% 40B goal in accordance with the planned productions section of the plan. Since all rental units under the 40B rental units will count, it is anticipated that the Town will meet the 10% goal in 2010. Moreover, construction of these units may allow the Town to be in compliance with this plan with respect to the annual planned productions target of .75% increase in affordable housing stock. As the project moves forward, the Town should work with the developer to ensure that the phasing of the project, and in particular the provision of affordable units, helps to achieve that goal.[18]

From a planning perspective, a project of this scope presents North Andover with the prospect of creating a mixed-use development at a location that could justify commuter rail service. Given the anticipated size of the residential and office components of the project, a regional employment center could emerge along with ancillary services that support both the new residents and employers. If the Town chooses to pursue this project under the new 40R provisions, it could receive state financial support to help mitigate any impacts to schools and related municipal services.

If the project moves forward, the Town should advocate for a new MBTA commuter rail station to serve the project (for workers and residents, as well as surrounding neighborhoods). Land across from this site in the land currently zoned Industrial S, has been suggested for consideration as well.

Redevelopment and Infill Sites Downtown

Redevelopment of vacant or underutilized sites in the downtown area and nearby mill buildings should be considered, but developers will need to seek out zoning changes to make that a reality. Specifically, it is important that housing become a critical aspect of any redevelopment or infill project, most likely as part of a mixed-use package with retail or office space. Again, as discussed under the town-owned sites recommendation, this gives the Town an opportunity to specify the particular needs to be addressed in this type of project.

[17] http://www.mass.gov/dhcd/40R

[18] Certification under this plan is contingent upon the timing of issuance of the comprehensive permit, when building permits are issued for the market rate rental units (310 CMR 31.07(1)(i)6), and the number of units certified each calendar year.

VII F - REHABILITATE AND REUSE SUBSTANDARD STRUCTURES/HOUSING REHABILITATION PROGRAM

The Town of North Andover should consider researching further and then starting a Housing Rehabilitation Program to help hold onto affordable housing opportunities within town. This may involve preservation of existing affordable units that are falling into disrepair or it may involve the acquisition of aging privately-owned housing in need of upgrades. It may be necessary to conduct some feasibility studies at the outset to determine the level of effort required to make specific units habitable. Moreover, there may be opportunities to transform larger single-family houses into smaller two- or multi-family homes, particularly for elderly people looking to downsize from large homes they no longer need or are not able to maintain. Some units may require accessibility improvements to make them compliant with the Americans with Disabilities Act in order to serve the needs of disabled citizens.

Either way, there are programs that assist in providing funding for rehabilitation and reuse. Federal and state funding is available through Community Development Block Grants and the HOME Investment Partnerships Program. The Department of Housing and Community Development and MassHousing offer rehab programs as well. Finally, CPA funds, as discussed earlier, can provide funding for this purpose, especially conducting the initial feasibility studies.

Residents in North Andover voiced their opinion that the homes in the Machine Shop Village area of the community should be preserved and protected because they truly represent the Town's history. A Rehabilitation Program targets properties with existing code violations occupied by low and moderate-income households. Work that is eligible to be completed by this program includes: asbestos removal, new roofs, lead paint removal, new electrical systems, window, door and siding replacement and heating system repair and replacement.

VII G - ACCESSORY DWELLING UNITS

At the Affordable Housing Plan January 2006 public forum, participants expressed their enthusiasm and support for allowing accessory apartments in the community. North Andover may want to consider adopting an Accessory Apartment Bylaw for both new and existing construction to help achieve two of the main goals of this affordable housing plan; to increase housing choice and to provide for additional affordable units.[18] Scituate has recently adopted a bylaw that does both.

An accessory apartment (or accessory dwelling unit) is a unit permitted by right in residential districts and is added to an existing single-family dwelling unit. Specific standards can be applied for size, unit design, ownership, parking and term of affordability (if deed restricted), beyond those standards that currently in the local bylaw. Accessory apartments often have their own entryways and bathrooms and may or may not have their own cooking facilities. They usually include at least one bedroom and one living room or den.

By providing for small self-contained rental units, the Town can allow for greater housing choice, especially to senior citizens and young adults that are just leaving home or college and entering the job market for the first time. This type of housing unit is often a good choice for families who need

[18] Note that in the R1, R2, and R3 districts, there is a provision for a "family suite", a separate unit but one that only allows for blood relatives to live there.

extra income to help make mortgage payments or who want to provide a positive living environment for an older parent or relative, but still allow them to maintain a sense of independency.

VII H - DEMOLITION DELAY BYLAW

In order to help preserve the unique characteristics of structures in Machine Shop Village and other historically and culturally significant buildings throughout the community, North Andover should adopt a demolition delay bylaw (also mentioned in the EO 418 Community Development Plan). Dozens of communities have adopted some form of demolition delay ranging from 14 days to 12 months, including Amesbury, Danvers, Ipswich, Lynn, Reading, and Westford.

A demolition delay bylaw cannot prevent demolition alone but it can delay demolition of a building long enough to provide a window of time to preserve a significant resource. The purpose of this bylaw would be to preserve rehabilitate or restore whenever possible, buildings or structures which constitute or reflect distinctive features of the architectural or historic resources of North Andover. Typically this type of bylaw only pertains to the exterior of buildings and structures.

The demolition delay bylaw would require that anyone who wishes to demolish a building in North Andover has to receive approval from the Historical Commission to then apply for a permit to do so from the Building Department. The Historical Commission, working with the Community Development Office would decide whether or not the building in question should preferably be preserved and if so, a period of delay would be instated so that all parties may look at other options for the building rather than demolition. After the pre-designated delay period expires, the Building Department can move forward with issuing the demolition permit and allow demolition to proceed. A demolition delay bylaw cannot indefinitely prevent a demolition from occurring; it can only buy time to find another solution.

Should North Andover move forward with this recommendation, the Community Development Office, Town Planner and Historical Commission should all work together to identify and list significant buildings and structures in the community, in addition to those in the local historic districts.

Taken a step further, this tool can also be used simply to preserve housing choices, even if it has no historic value. It can establish a waiting period before the demolition of a residential structure to give interested parties, including the town, a chance to acquire the property for rehabilitation or to create a multi-family dwelling from a larger structure.

VII I - ADOPT A MANDATORY OPEN SPACE CLUSTER BYLAW

Currently, the North Andover Zoning Bylaw contains several provisions that allow developers to build residential projects that deviate from traditional single-family dwelling units. Planned Residential Development and Large Estate Condominium Conversion apply to only certain zoning districts. The Planned Residential District allows for greater density and intensity of use in the I-S district if certain conditions are met. The Large Estate Condominium Conversion is designed to permit existing buildings or large tracts of land in Residence Districts 1, 2, and 3 to be converted to single family condominium dwelling units in a manner that is compatible with those districts.

As recommended in North Andover's EO 418 Community Development Plan, the Town should adopt a mandatory open space cluster bylaw utilizing open space residential design techniques that offers more flexibility and applies more broadly than the sections described above. Open Space Residential Design (OSRD) is a method of planning residential development that conserves open space in a new subdivision by concentrating, or clustering, the housing units in a more densely developed portion of the project while conserving larger contiguous natural areas. The same number of homes that would be permissible in a conventionally zoned subdivision is allowed using OSRD and the difference is that the units would be located in a manner that respects overall site characteristics and natural features. See http://www.greenneighborhoods.org for more information.

Affordable units would be provided if the Town enacts an Inclusionary Zoning Bylaw, which they may want to consider adopting in connection with an OSRD bylaw. Additional affordable units could be built with a density bonus as part of a special permit process for OSRD.

VII J - FINANCIAL ASSISTANCE TO PROVIDE HOMEOWNERSHIP OPPORTUNITIES

Among the options for providing financial assistance to improve homeownership opportunities include:

- The Town can establish a "buy down" program in which the town would help to subsidize the price difference between the market and affordable units. This could be done with the money made available by CPA funds.

- The Town can provide assistance with down payments and direct mortgage subsidies beyond the First Time Homebuyers Program mentioned above.

- The Town could make a down payment on a unit in a 40B project. The Housing Authority would buy and secure the purchase and sales and mortgage documentation for dwelling units and then rent the units to qualified affordable buyers, many of which may already be on Housing Authority waiting lists. The Housing Authority would take the rent payment and pay the monthly mortgage payment. The maximum rent charged should cover the mortgage payment and related condo fees, etc. The Town could agree to waive the property taxes as well so as to eliminate any additional costs.

VII K - CONSIDER UPGRADING SEWER INFRASTRUCTURE WHERE IT DOES NOT EXIST IN AREAS OF TOWN MOST SUITABLE FOR DEVELOPMENT

North Andover has the public water capacity to allow further new residential development in the however, the lack of sewer lines in some areas may provide a barrier. Approximately 70% of the community is connected to the town sewer lines and system. The Community Development Office should continue to work with the Department of Public Works and developers to identify areas in North Andover that might be good areas to add sewer connections for future residential development projects should money be available in the future to do so.

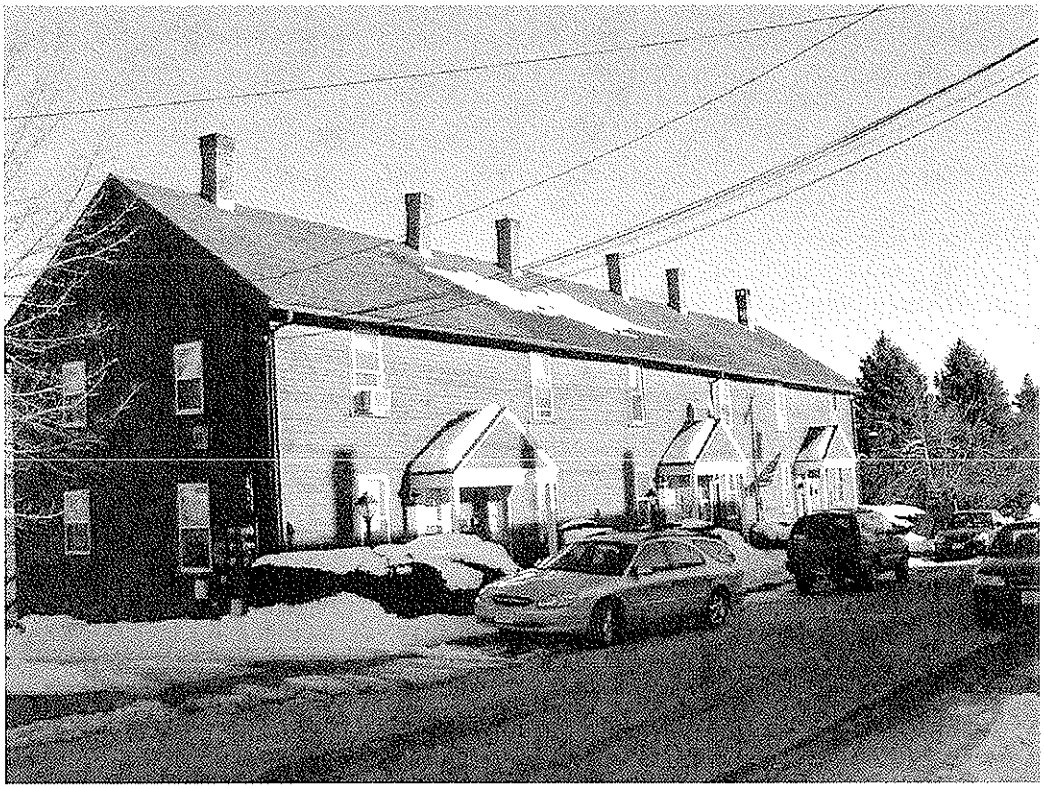


Photo: Mary C. McCrann, December 2005

VIII. IMPLEMENTATION PLAN

The following table summarizes the recommendations outlined in detail in the previous section. Additionally, this table specifies the suggested starting date for each of the recommendations, the entities that should take primary responsibility for making sure that action is taken on each item, and identifies potential funding sources. It is suggested that the Community Development Department be charged with overseeing the implementation of this plan, with the assistance of the Housing Partnership Committee. Finally, it is recommended that there be an annual report to the Board of Selectmen on progress with plan implementation in order to ensure that efforts toward implementation move forward.

Action	Time Frame	Responsible Entity	Funding Strategy
Zoning changes	2006	- Planning Board - Housing Partnership Committee	- EOEA Smart Growth Technical Assistance grant - CPA funding
Adopt Inclusionary Zoning Bylaw	2007	- Planning Board - Housing Partnership Committee	- EOEA Smart Growth Technical Assistance grant - CPA funding
Evaluate Town-Owned Land	2006 and beyond	- Community Development Department - Housing Partnership Committee	- DHCD Priority Development Fund - CPA Funding
First Time Homebuyers Program	2006	- Housing Partnership Committee	CPA Funding
Specific Sites	2007 and beyond	- Community Development Department - Housing Partnership Committee	- DHCD Priority Development Fund - CPA Funding
Housing Rehabilitation Program	2007	- Community Development Department - Housing Partnership Committee	- HOME Program - CDBG Funding Sources - CPA Funding

Adopt Accessory Apartment Bylaw	2007	- Planning Board - Housing Partnership Committee	- EOEA Smart Growth Technical Assistance grant - CPA funding
Demolition Delay Bylaw	2007	- Planning Board - Housing Partnership Committee	- EOEA Smart Growth Technical Assistance grant - CPA funding
Adopt OSRD bylaw	2007	- Planning Board - Housing Partnership Committee	- EOEA Smart Growth Technical Assistance grant - CPA funding
Financial Assistance	2007 and beyond	- Community Development Department - Housing Partnership Committee	- CPA Funding - Private lenders - MA Soft Second Mortgage Program
Work with Housing Authority	2006 and beyond	- Community Development Department - Housing Partnership Committee	Not applicable
Sewer Infrastructure	2008 and beyond	- Community Development Department - Public Works	- DEP State Revolving Loan Fund

Notes:

EOEA – Executive Office of Environmental Affairs
DHCD – Department of Housing and Community Development
HOME – HOME Investment Partnerships, administered by the U.S. Department of Housing and Urban Development (HUD)
CDBG – Community Development Block Grant, administered by HUD
DEP – Department of Environmental Protection