

MAKING ESSEX A PLACE TO CALL HOME: HOUSING NEEDS AND CHOICES IN ESSEX

JANUARY 22, 2020



Forum Agenda

- Welcome and Introductions
 - State and Regional Housing Demand
 - Essex's Housing Story
 - What Can Be Done
 - Questions and Answers
- 

Speakers

- Chris Kluchman, Director, Massachusetts Housing Choice Program
- Matt Coogan, Planner, Town of Essex
- Peggy Hegarty-Steck, Action, Inc.

State and Regional Housing Demand

CHRIS KLUCHMAN





Photo: Netco, Inc.



Photo: John Phelan



Housing Choice Initiative

Making Essex a Place to Call Home

January 22, 2020



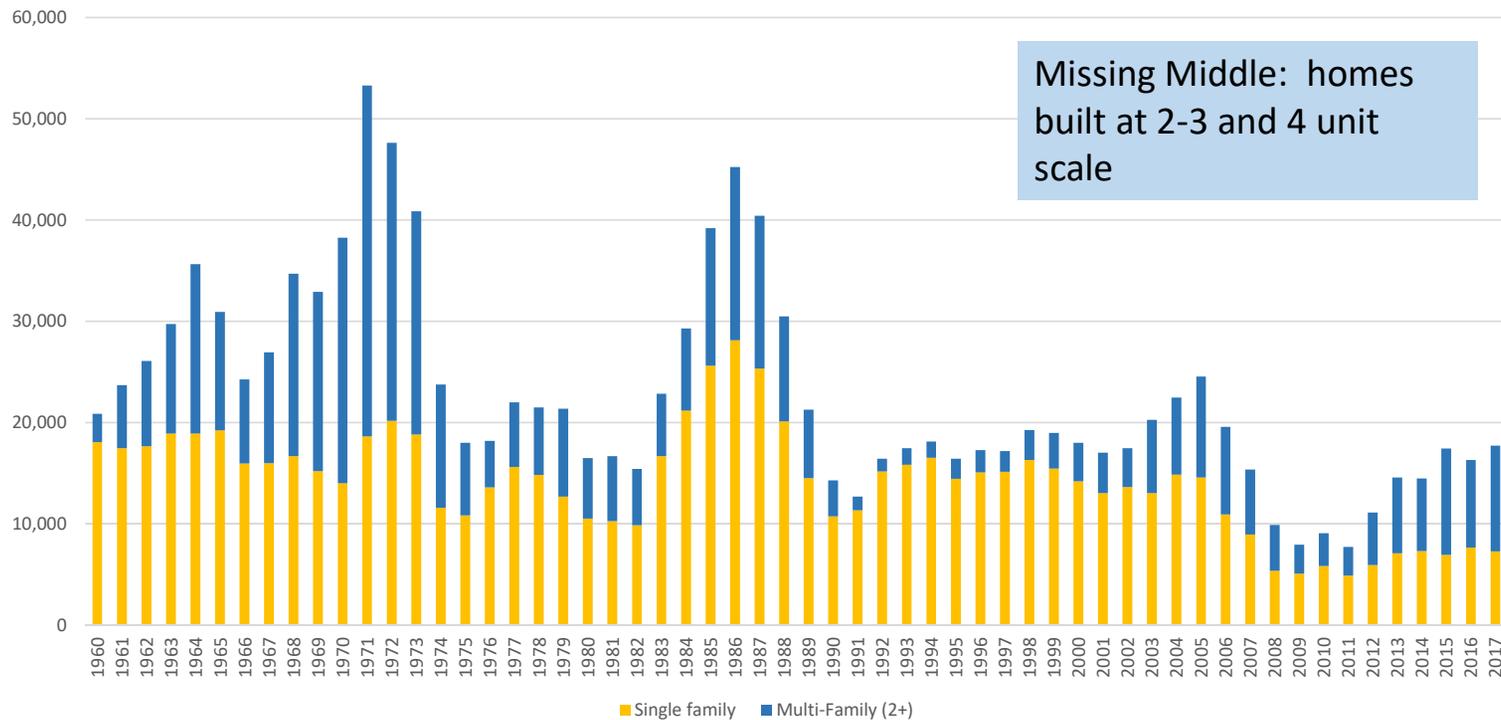
Does the state have the housing stock needed to accommodate changing needs?



Limited housing production

In recent years Massachusetts cities and towns have permitted less new housing than at almost any point since the 1950s. Between 1960 and 1990, Massachusetts communities permitted almost 900,000 housing units. Since 1990, communities have permitted only 434,685 new units.

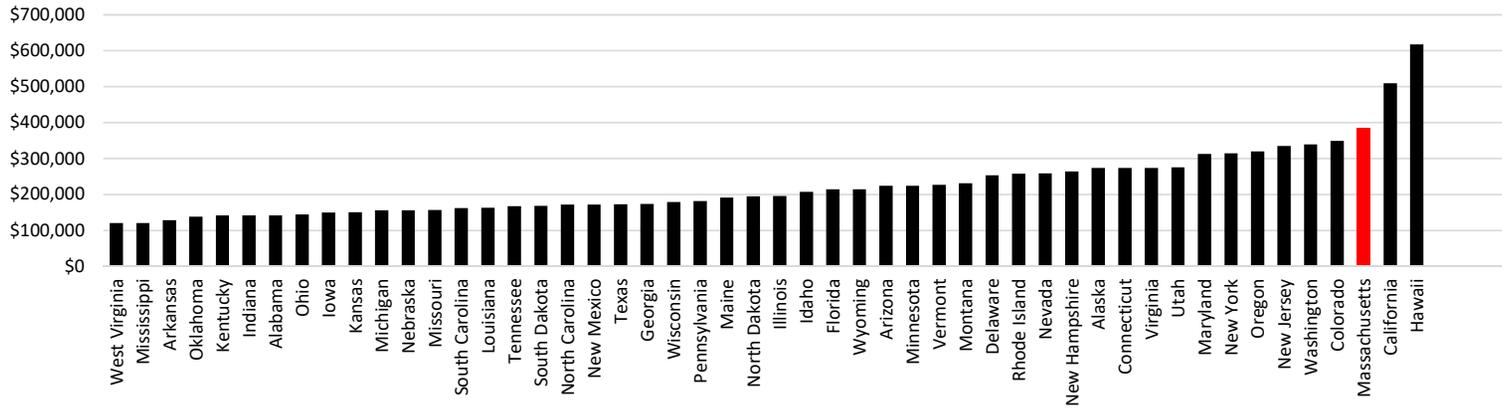
State of Massachusetts Building Permits Issued/year



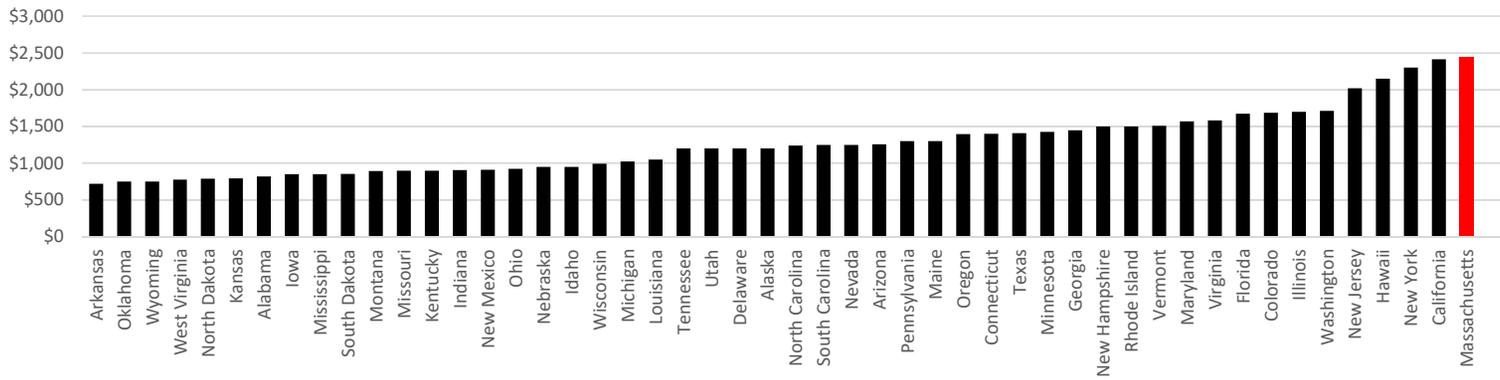
Data from U.S. Census Bureau, Building Permit Survey. Note: permits are as reported by cities and towns with imputed data by the Census Bureau for communities that fail to report.

Housing costs among the highest in the nation

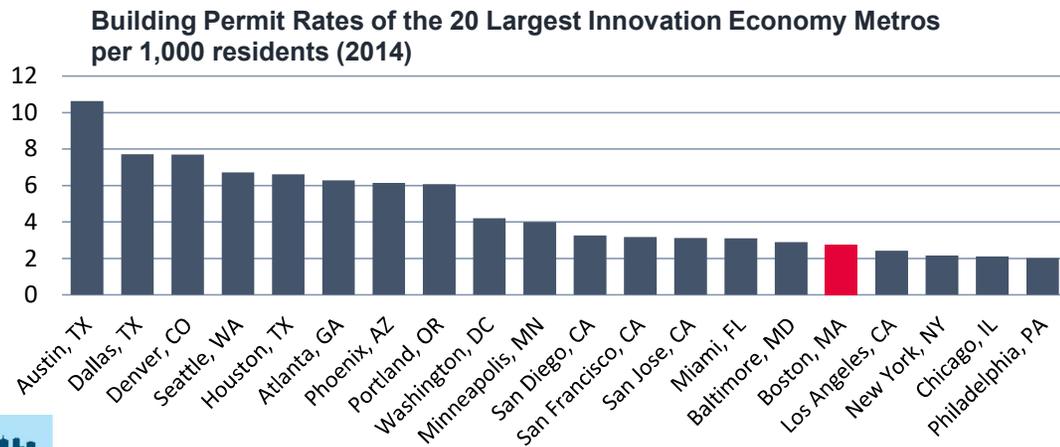
Median Home Value (2017)



Median 2 Bedroom Rent (Feb. 2019)



High Housing Costs are a Competitive Disadvantage



Massachusetts' core competitive advantage is its highly skilled workforce

Housing is related to recruitment and retention



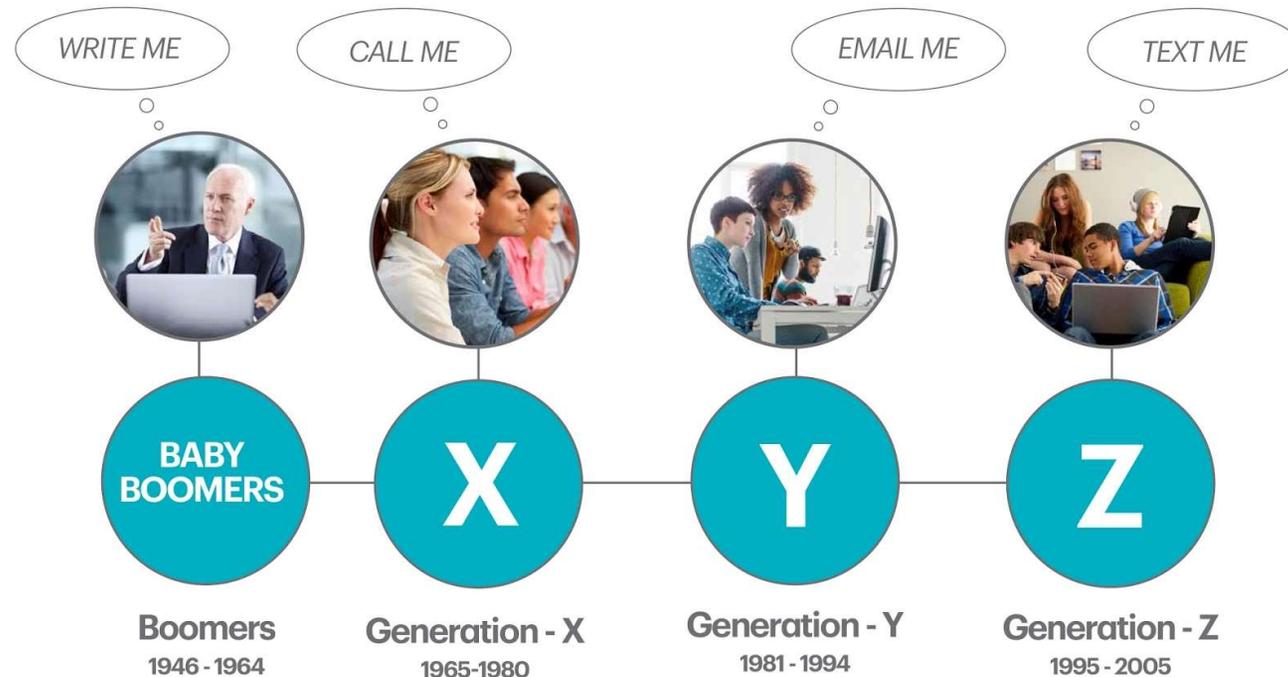
For example: Massachusetts bank looking to expand its operations in the South Shore area recruited a manager from Ohio, offer and salary accepted.

On visit with her family, applicant realized that the housing they could afford was not close to what they had in Ohio. Applicant withdrew from hiring process

High housing costs may encourage these talented people to move elsewhere



Different generations have different needs



“In 1990 a generation of baby-boomers, with a median age of 35, owned a third of America’s real estate by value. In 2019 a similarly sized cohort of millennials, aged 31, owned just 4%.” The Economist, January 16, 2020

THE YOUNG HOME BUYER

YESTERDAY

TODAY

\$38,366*

18 – 34 year olds median income in Plymouth County (1980)



\$39,565

18 – 34 year olds median income in Plymouth County (2013)

\$196,250*

Hanover Median Home Price (1987)



\$450,000

Hanover Median Home Price (2016)

43%

National % of Students Graduate with Debt



68% (61% in MA)

National % of Students Graduate with Debt

\$12,246*

Average debt per student*

\$30,100 (\$30,584)

Average debt per student

*Adjusted for inflation using Bureau of Labor Statistics Inflation calculator

Housing in Essex: Good News and Bad News

To achieve this goal, the Essex SPC recommends the Town take the following actions:

- a) Adopt a Mixed-Use Zoning By-Law (2nd floor residential over commercial) to enable better utilization of already developed land.
- b) Allow "in-law" apartments (through zoning change).
- c) Examine affordable housing needs of current Essex residents.
- d) Determine how best to support housing using CPA funds.
- e) Consider partnering with neighboring communities on a joint housing plan
- f) Conduct a market analysis for the Town.
- g) Apply for grant funding for housing studies.
- h) Explore ways to reduce costs for homeowners, including energy cost savings through MassSave free home energy audits.

Strategic Plan identifies Goals and actions and you are following up on it!



Essex renter households by cost burden

Severely Cost Burdened Cost Burdened Not Cost Burdened Not Computed



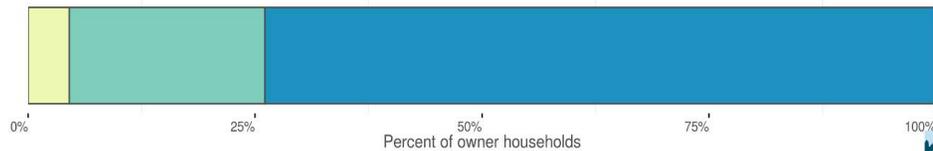
Source: U.S. Census Bureau American Community Survey, 2014-2018 5-year estimates. Table B25070: Gross rent as a percentage of household income in the past 12 months



246 rental units, but 50% of those households are "cost burdened"

Essex owner households by cost burden

Severely Cost Burdened Cost Burdened Not Cost Burdened Not Computed



Source: U.S. Census Bureau American Community Survey, 2014-2018 5-year estimates. Table B25091: Mortgage Status by selected monthly owner costs as a percentage of household income in the past 12 months



MHP DataTown

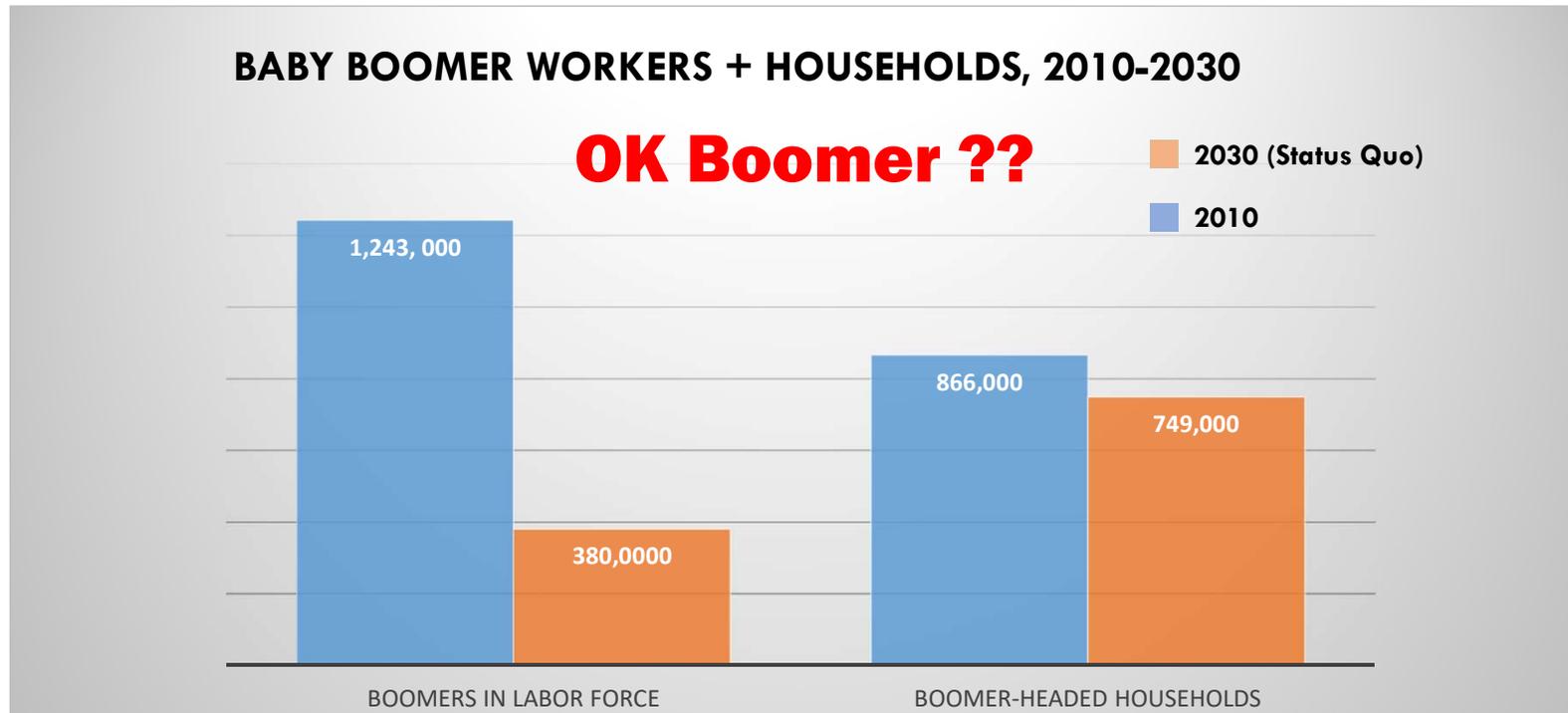
<http://www.mhp.net/data>

 @mhpdata



Photo: Massachusetts Municipal Association

Boomer retirement creates many job openings, fewer housing vacancies – Boston Metro Area



**Baby Boomers in
Labor Force
declines 70%**

**Boomer-headed
households
drop only 13%**

Chart source: MAPC, data source: U.S. Census Bureau, PUMS

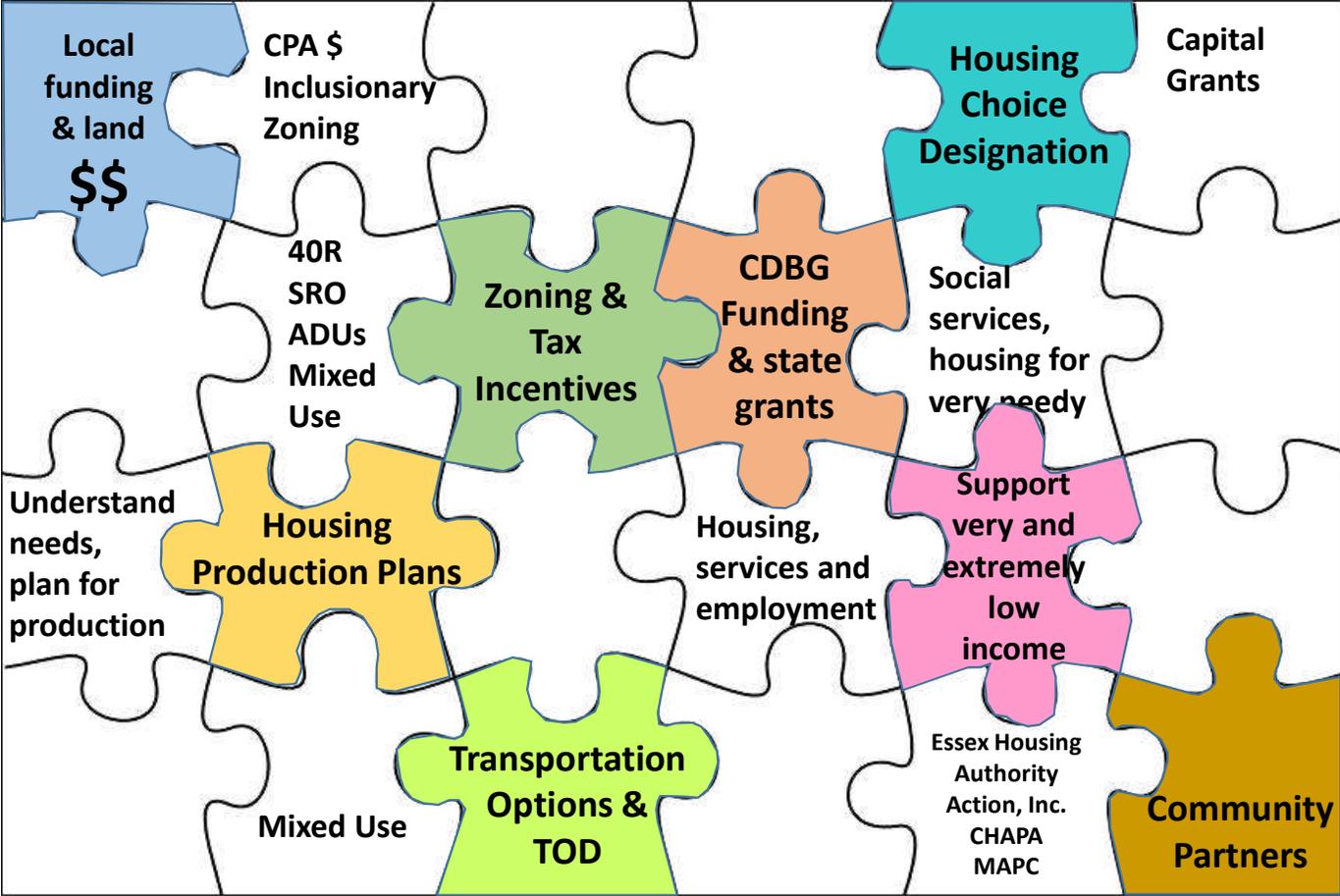
Does the state have the housing stock needed to accommodate changing needs?



NO



Putting the pieces together



Summary: Housing Choice Initiative

Housing Goal: 135,000 new units by 2025

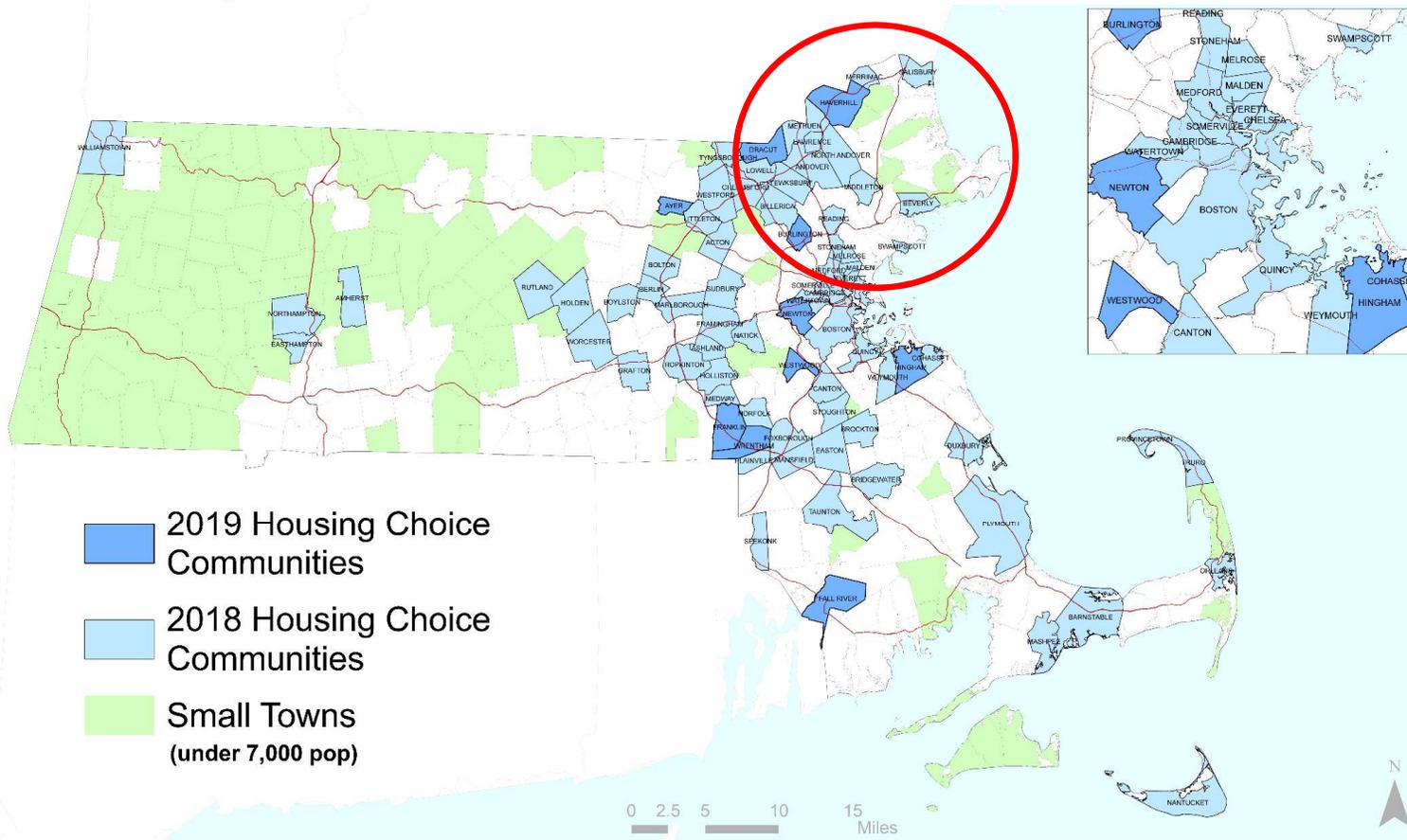
- 1. Rewards/Incentives: Housing Choice Community Designation**
 - a. Exclusive Capital Grant Program
 - b. Consideration for 9 state capital grant programs
 - c. Small Town Capital Grants (less than 7,000 population)
- 2. New and Better Coordinated Grants & Technical Assistance**
- 3. Legislation – An Act to Promote Housing Choices**



79 Housing Choice Communities



Housing Choice Communities and Small Towns



Rewards: Capital Grants

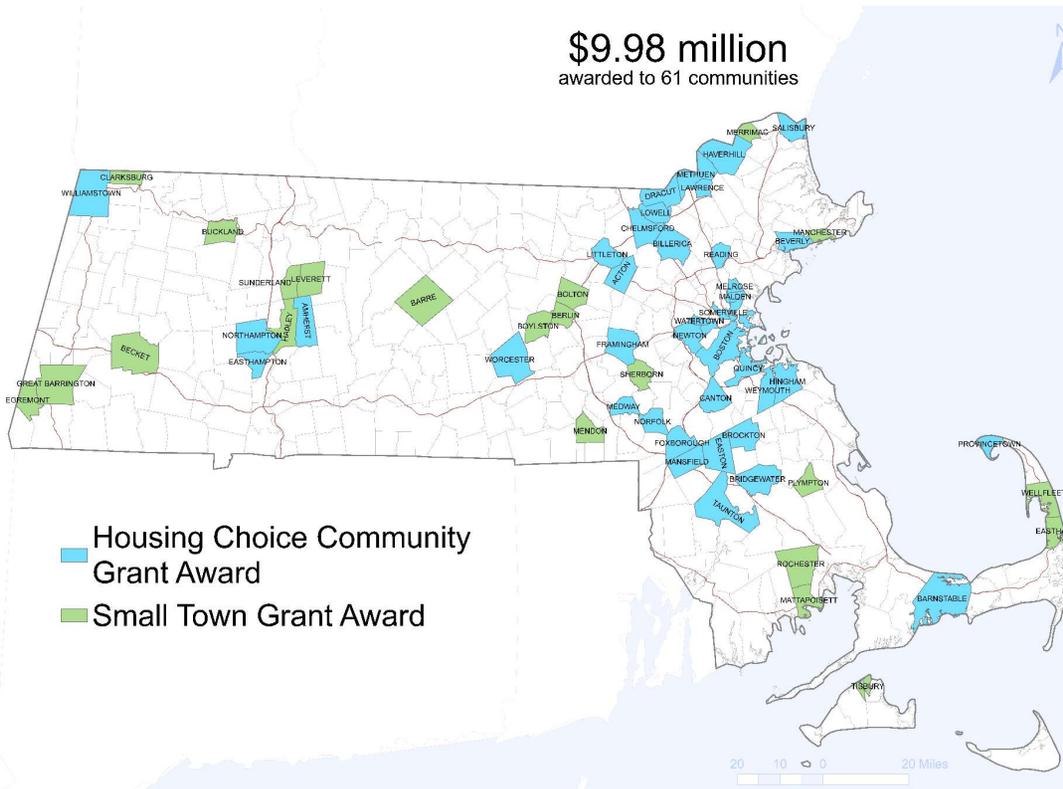
FY 19 & 20 Housing Choice Grant Recipients



Housing Choice and Small Town Grant Awards FY19 and FY20



\$9.98 million
awarded to 61 communities



Housing Choice Small Town

- | | |
|--------------|------------------|
| Acton | Barre |
| Amherst | Becket |
| Barnstable | Berlin |
| Beverly | Bolton |
| Billerica | Boylston |
| Boston | Buckland |
| Bridgewater | Clarksburg |
| Brockton | Eastham |
| Canton | Egremont |
| Chelmsford | Great Barrington |
| Dracut | Hadley |
| Easthampton | Leverett |
| Easton | Manchester |
| Everett | Mattapoisett |
| Framingham | Mendon |
| Foxborough | Merrimac |
| Haverhill | Plympton |
| Hingham | Rochester |
| Lawrence | Sherborn |
| Littleton | Sunderland |
| Lowell | Tisbury |
| Malden | Wellfleet |
| Mansfield | |
| Medway | |
| Melrose | |
| Methuen | |
| Newton | |
| Norfolk | |
| Northampton | |
| Provincetown | |
| Quincy | |
| Reading | |
| Salisbury | |
| Somerville | |
| Taunton | |
| Watertown | |
| Weymouth | |
| Williamstown | |
| Worcester | |

H. 4263 An Act to promote Housing Choices

1. Statewide housing crisis driven by lack of supply
2. H. 4263 is about housing production
3. Local Control is maintained
4. No mandated development or zoning changes
5. Creates choices for our residents and communities
6. **Provides for majority decisions instead of decisions precluded by the minority**



An Act to Promote Housing Choices: H. 4263

Changes MGL c. 40A to **reduce the threshold of votes needed to adopt 8 zoning changes** that promote housing production **from 2/3 to simple majority**.

1. Reducing residential dimensional requirements.
2. Reducing required residential parking ratios.
3. Creating mixed-use zoning in town centers, and creating multi-family and starter home zoning in town centers, near transit, and in other smart growth locations.
4. Adopting “Natural Resource Protection Zoning” and “Open Space Residential Development” by right.
5. Adopting provisions for Transfer of Development Rights (TDR).
6. Adopting 40R “Smart Growth” or “Starter Home” zoning.
7. Allowing accessory dwelling units (ADUs) or “in-law” units by right or by special permit for detached ADUs.
8. Allowing for increased density through a Special Permit process promoting more flexible development.

How will the Housing Choices Bill work?

- **Qualifying** Simple Majority Votes:
 - A town wants to allow mixed use in its central business district where only commercial is allowed in order to diversify their housing stock and use the “upstairs” of businesses. They have 100 voters for town meeting and such a zoning article would require 51 votes instead of 67.
 - A city wants to adopt a 40R district allowing multi-family residential units in its downtown near a commuter rail station. This 40R district would be a new Zoning Overlay, and would require a housing density of 20 units per acre. Instead of needing 9 of 13 votes from the city council, only 7 of 13 votes would be required.

What the Housing Choices Bill does not do:

- Examples of zoning changes that would **NOT** qualify for the simple majority vote (i.e. would continue to require a 2/3 vote):
 - Zoning change that would change a zoning map from Limited Business to Heavy Industrial.
 - Zoning that would amend the sign bylaw.
 - Zoning change that would increase the minimum lot size for a residential zoning district as such change decreases the overall density.

Questions / Comments ?

www.mass.gov/housingchoice

Chris Kluchman, FAICP

Housing Choice Program Director
DHCD, 100 Cambridge Street, Suite 300
Boston MA 02114
617-573-1167

chris.kluchman@mass.gov



Other Resources

Planning for Production

www.masshousing.com – Planning & Programs

www.housingtoolbox.org – A great resource

www.mhp/datatown.net – Community info in one place



HOUSING TOOLBOX
for Massachusetts Communities 



Housing in Essex

MATT COOGAN



Housing in Essex

A Look at Essex's Housing Story and
Housing Needs

Where do we come from and where are we going?

- Our population is aging
- Most of our housing is single-family homes
- Real constraints on new housing development

- The cost of housing is prohibitive for many
- We need more available housing in order to attract younger families
- We need to provide suitable housing for seniors on fixed incomes
- We need more diverse housing options in Essex

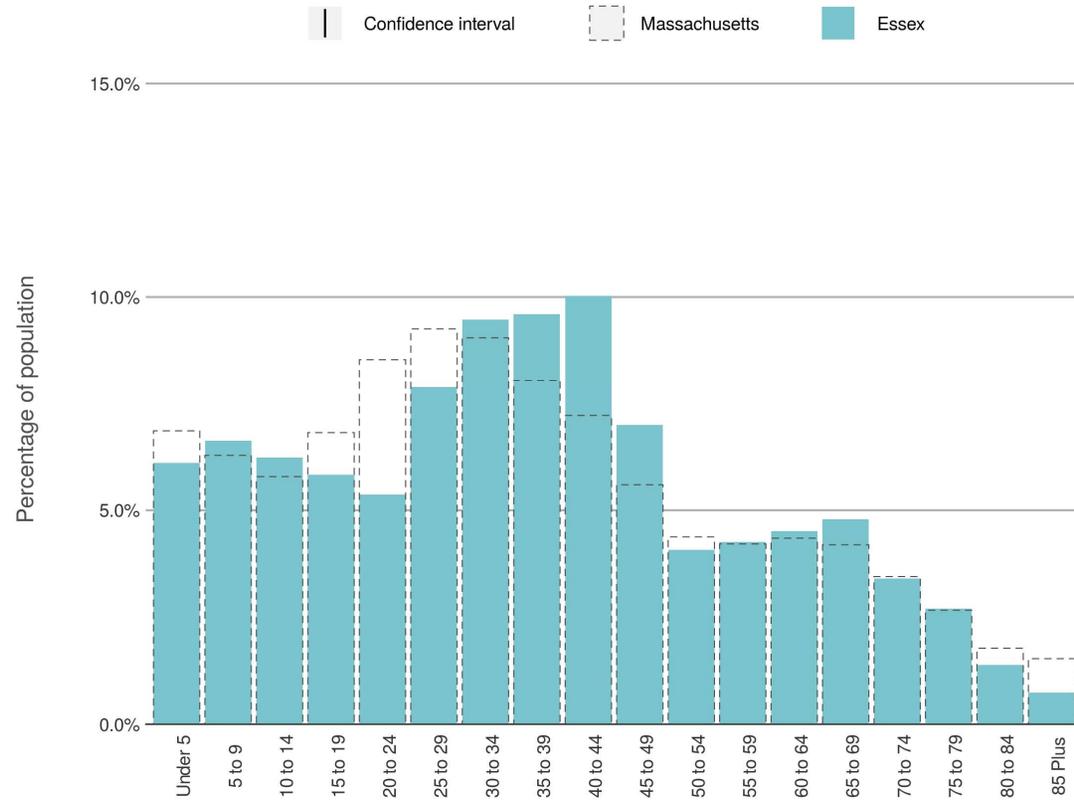
Strategic Plan Goal Nine: Meet the housing needs of all Essex residents

- **To achieve this goal, the Essex SPC recommends the Town take the following actions:**
- a) Adopt a Mixed-Use Zoning By-Law (2nd floor residential over commercial) to enable better utilization of already developed land.
- b) Allow “in-law” apartments (through zoning change).
- c) Examine affordable housing needs of current Essex residents.
- d) Determine how best to support housing using CPA funds.
- e) Consider partnering with neighboring communities on a joint housing plan
- f) Conduct a market analysis for the Town.
- g) Apply for grant funding for housing studies.
- h) Explore ways to reduce costs for homeowners, including energy cost savings through MassSave free home energy audits.

Housing in Essex Group

Housing in Essex Group has been meeting since January 2019 to learn more about housing needs in Essex and build support for new opportunities

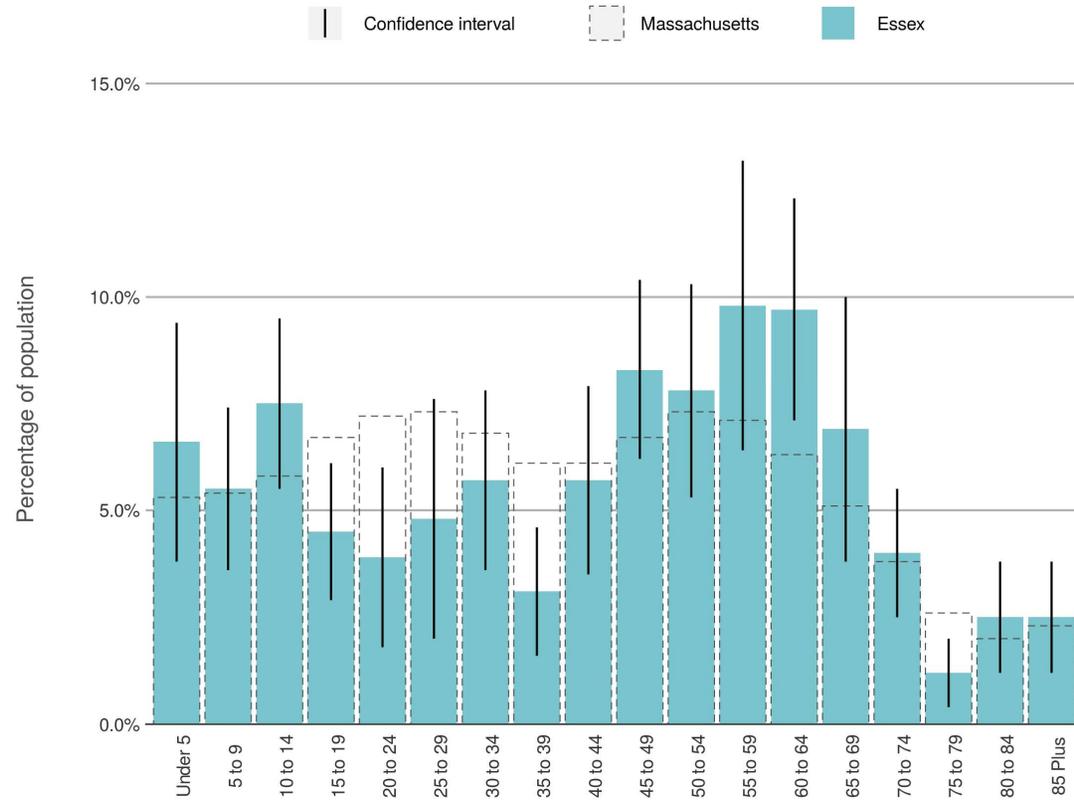
Age distribution of population Essex v. State 1990



Source: U.S. Census Bureau: Decennial Census 1990-2010 & American Community Survey, 2014-2018 5-year estimates. Table S0101: Age and Sex



Age distribution of population Essex v. State 2014-2018 ACS



Source: U.S. Census Bureau: Decennial Census 1990-2010 & American Community Survey, 2014-2018 5-year estimates. Table S0101: Age and Sex



Essex Economic Future – Housing Trends and Implications

Limited housing options

1-Unit



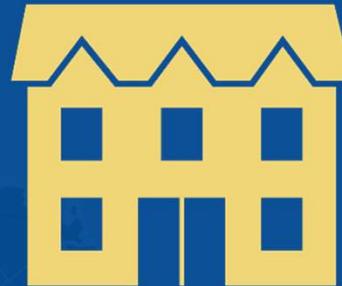
74%

2-Unit



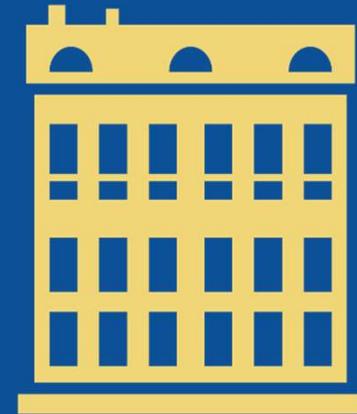
10%

3- 9- Unit



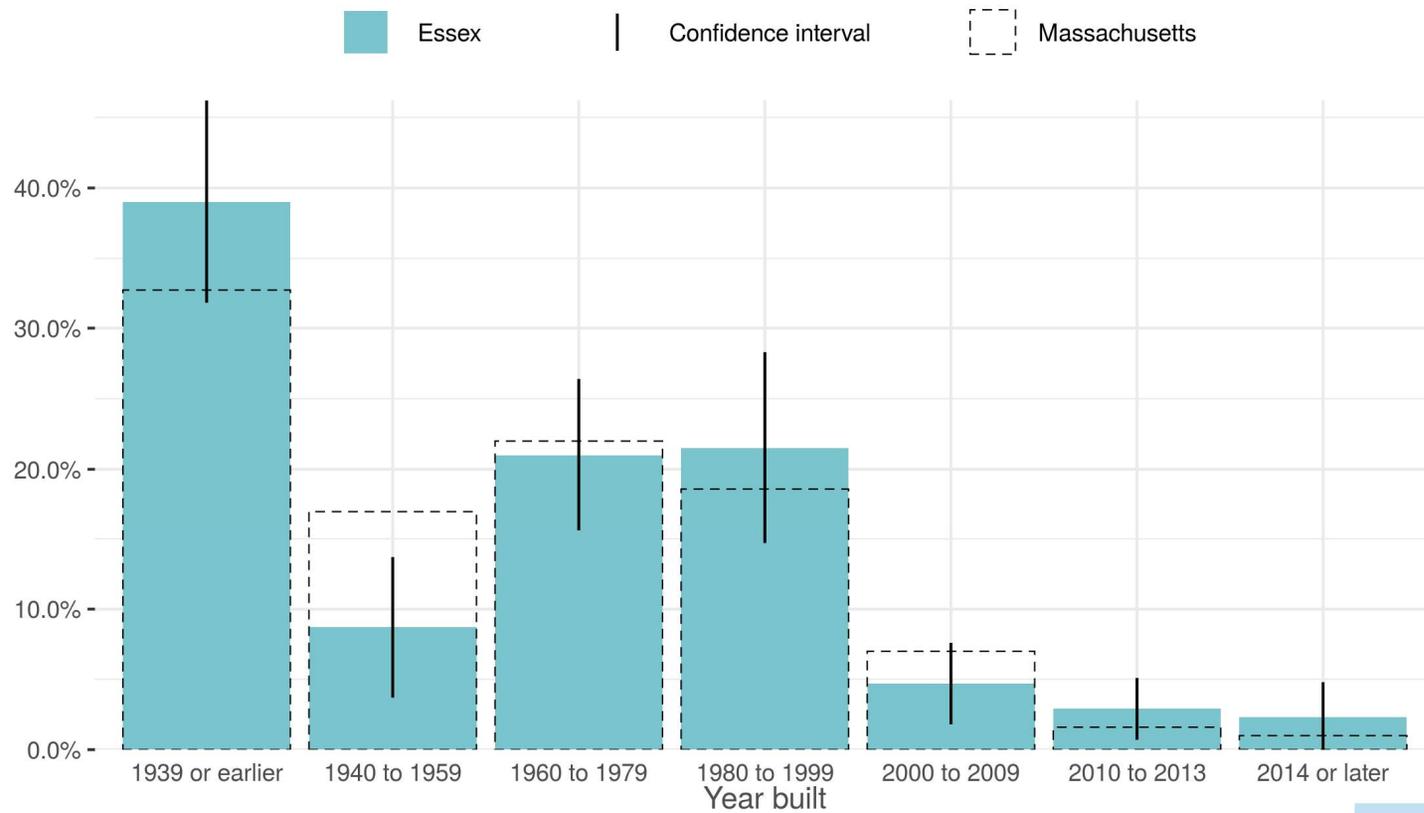
10%

10+ Unit



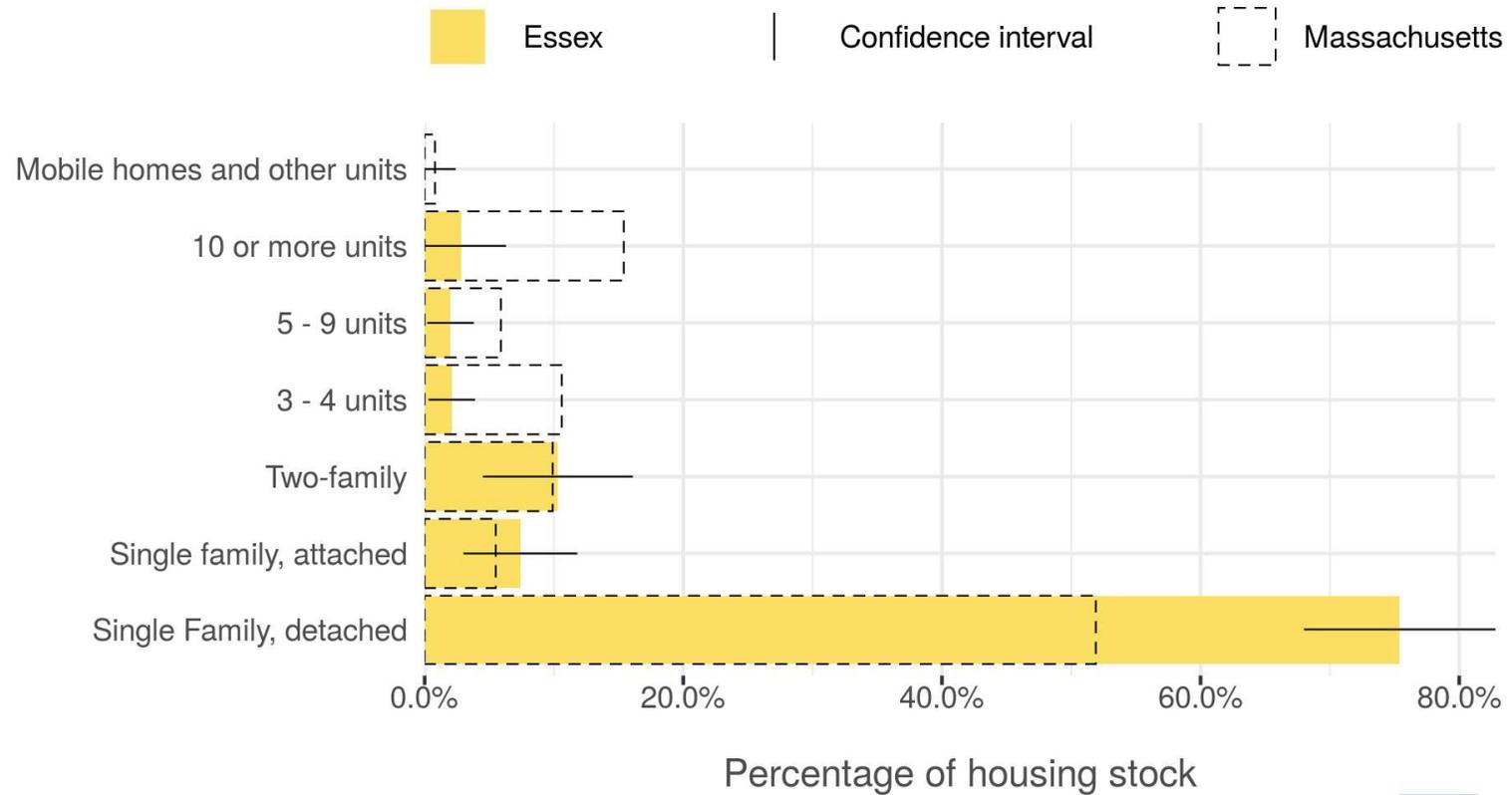
6%

Housing stock by year built Essex v. State



Source: U.S. Census Bureau American Community Survey, 2014-2018 5-year estimates
Table S2504: Physical Housing Characteristics for Occupied Housing Units

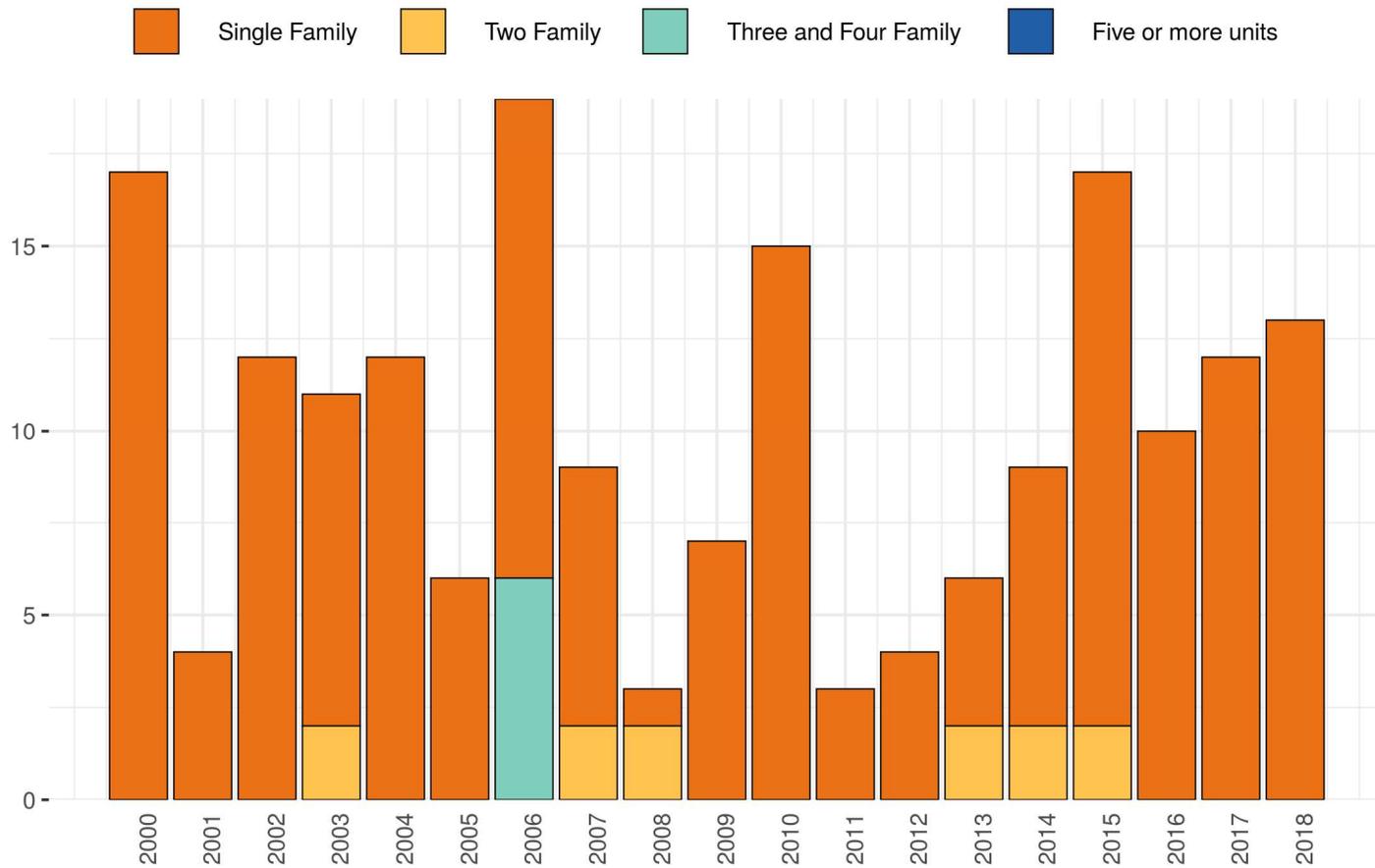
Housing units by building type Essex v. State



Source: U.S. Census Bureau American Community Survey, 2014-2018 5-year estimates
Table S2504: Physical Housing Characteristics for Occupied Housing Units

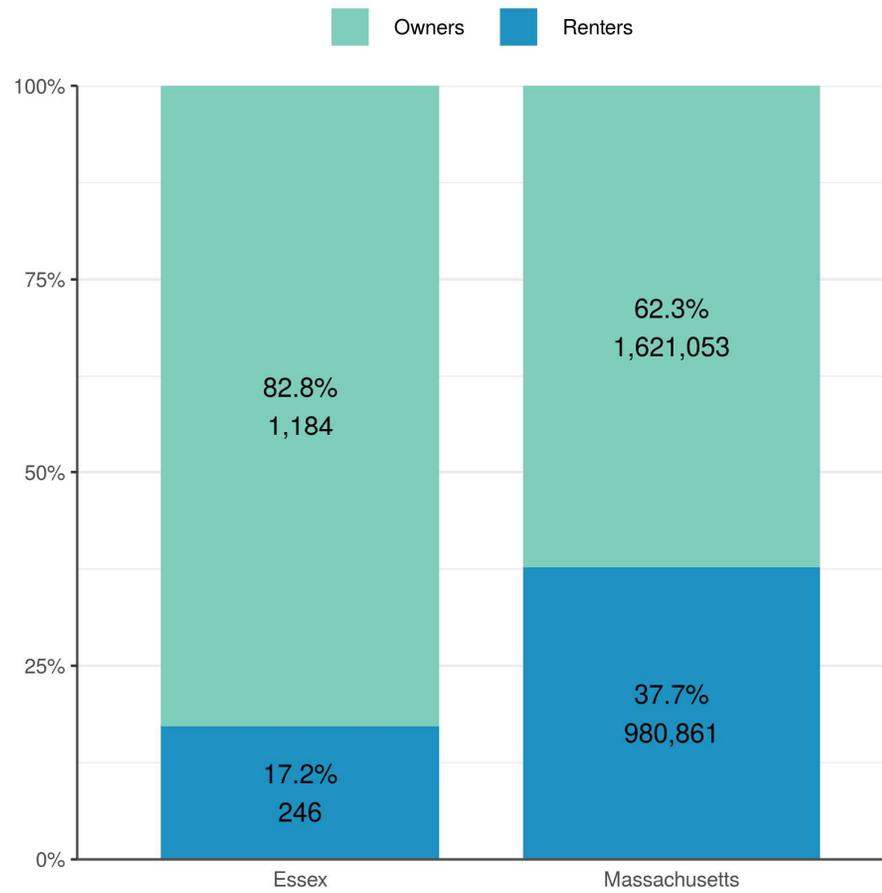


Annual housing units permitted by building type in Essex



Source: U.S. Census Bureau - Annual Building Permit Survey (Reported and Imputed)

Tenure Mix Essex v. Massachusetts



Source: U.S. Census Bureau American Community Survey, 2014-2018 5-year estimates.
Table DP04: Selected Housing Characteristics



Essex Economic Future – Housing Trends and Implications

Limited housing options

Rentals in Essex, 2000



27.5%

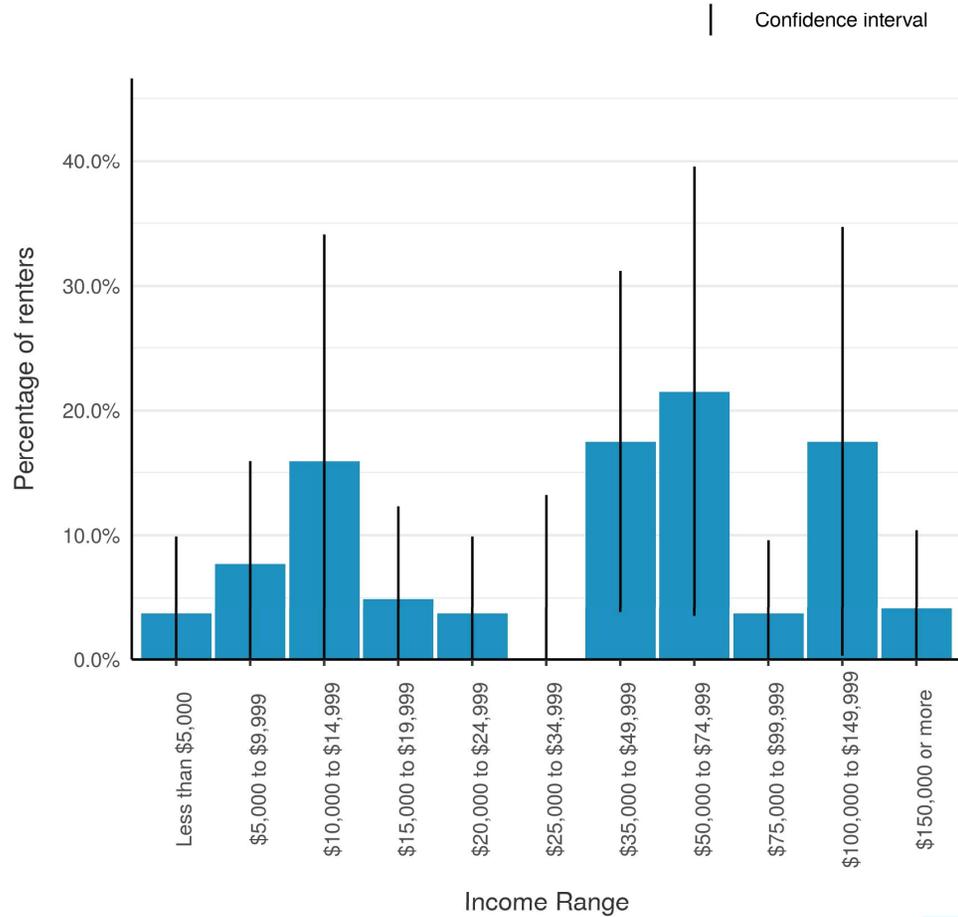


Rentals in Essex, 2018



25.9%

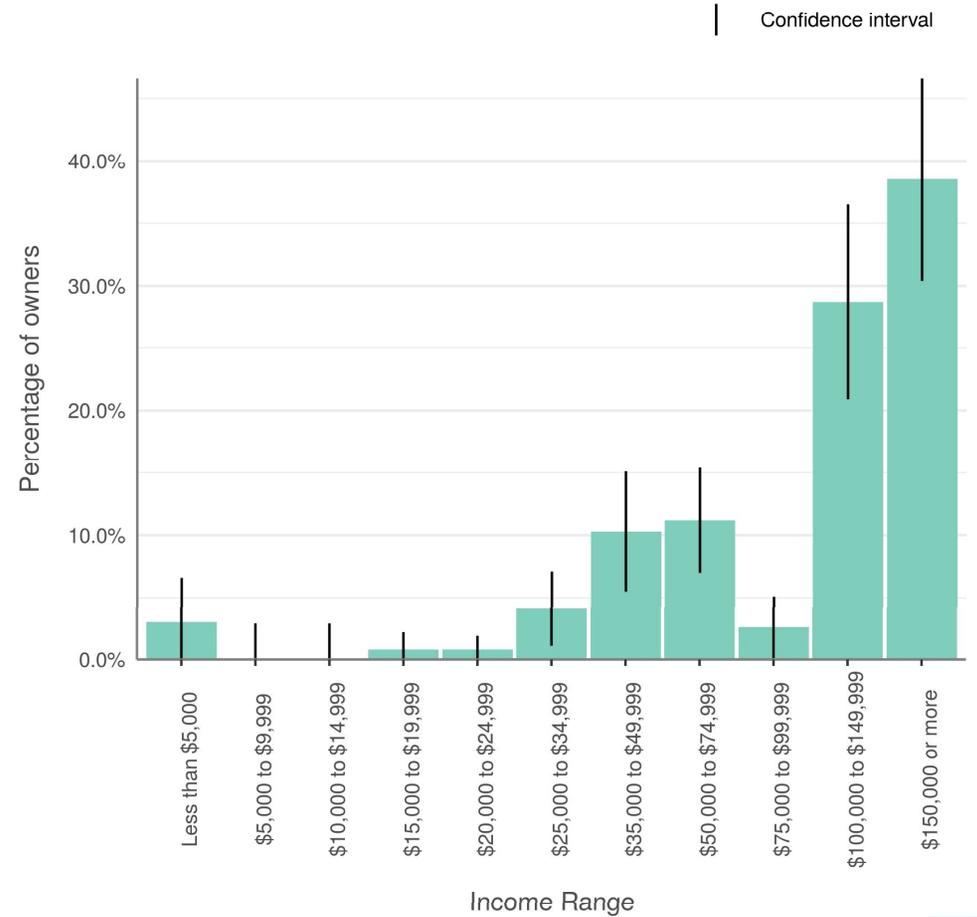
Renter households by income Essex



Source: U.S. Census Bureau American Community Survey, 2014-2018 5-year estimates:
Table S2503: Income Tenure By Town



Owner households by income Essex



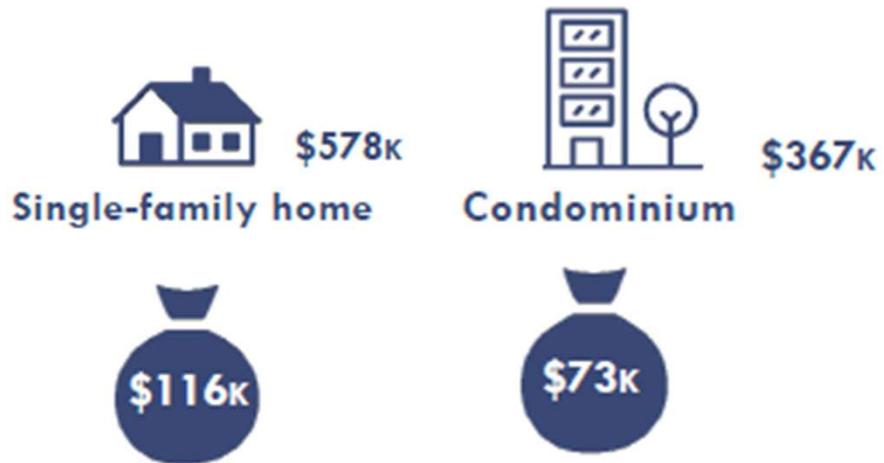
Source: U.S. Census Bureau American Community Survey, 2014-2018 5-year estimates:
Table S2503: Income Tenure By Town



Essex Economic Future – Housing Trends and Implications

Limited housing options

The Cost to Purchase a Home in Essex, 2019

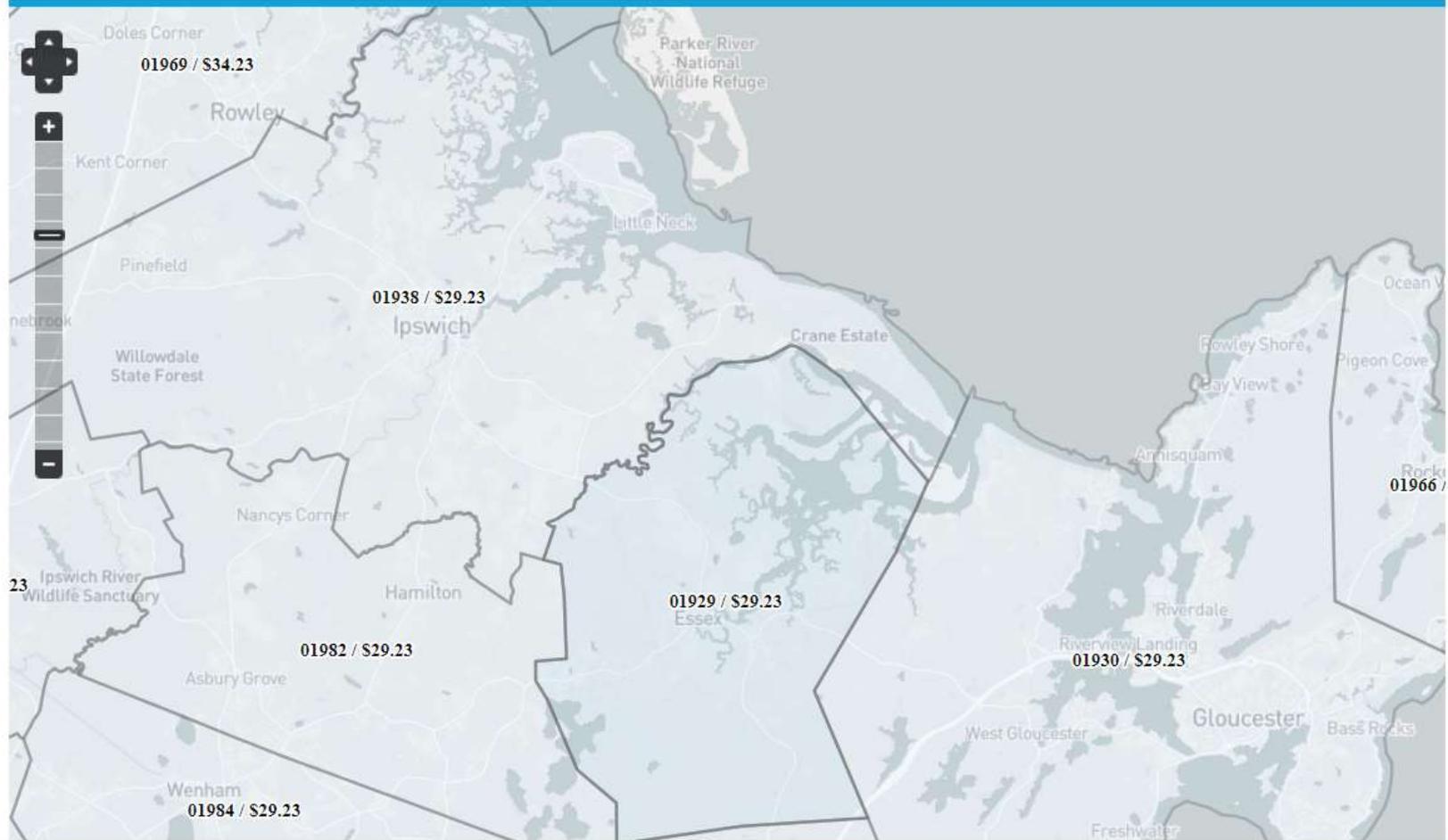


\$73,000

Two-Bedroom Housing Wage by Zip Code

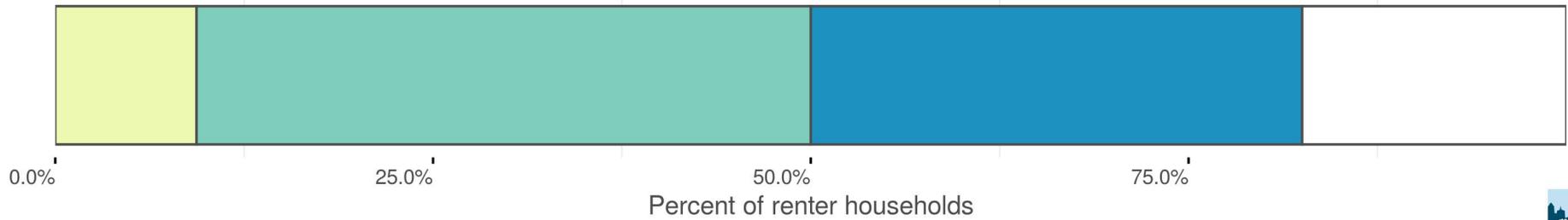
01929

Enter Your Zip Code to Explore Data for Your Community



Essex renter households by cost burden

Severely Cost Burdened Cost Burdened Not Cost Burdened Not Computed

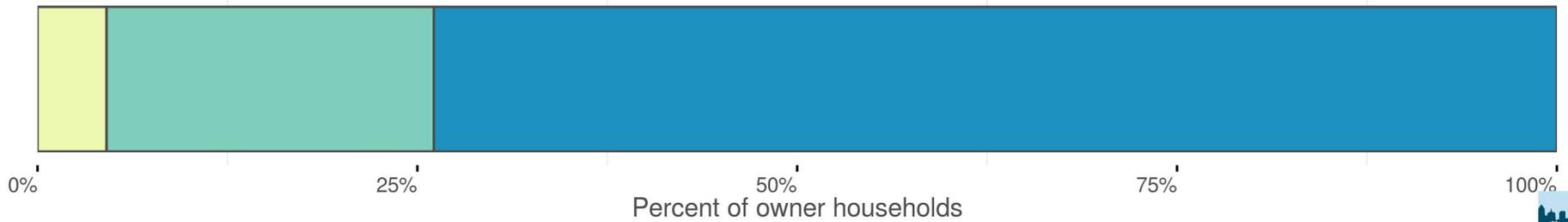


Source: U.S. Census Bureau American Community Survey, 2014-2018 5-year estimates.
Table B25070: Gross rent as a percentage of household income in the past 12 months



Essex owner households by cost burden

Severely Cost Burdened Cost Burdened Not Cost Burdened Not Computed



Source: U.S. Census Bureau American Community Survey, 2014-2018 5-year estimates. Table B25091:
Mortgage Status by selected monthly owner costs as a percentage of household income in the past 12 months



Action, Inc.

PEGGY HEGARTY-STECK





ACTION INC.



Essex: Housing Needs and Solutions

January 22, 2020



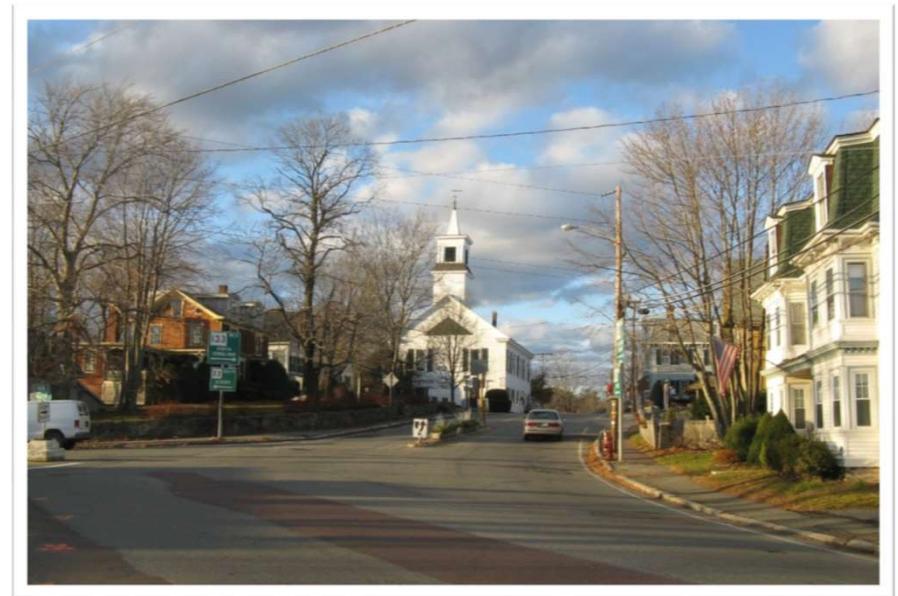
Community Action Agency

- Gloucester based non-profit organization serving Cape Ann communities for **54 years**
- **Mission driven** to create opportunities that promote a thriving Cape Ann for all
- Provide range of services to approximately **6,000 Cape Ann residents** every year and many thousands more beyond Cape Ann through our Energy Services
- **Housing** is one of our key service areas
- **Employ 70+ people**



Affordable housing is an ever increasing local community need

- More than **1/3 of Essex households** are **housing burdened** (spending 35% or more of their income on housing)
 - 37% of homeowners
 - 51% of renters
- **Median home value \$555,900** – well above the median MA home value of \$366,800



Who can live in affordable housing?

| | | HOUSEHOLD SIZE | | | | |
|--------------|---------|----------------|----------|----------|----------|----------|
| INCOME LIMIT | | 1 Person | 2 Person | 3 Person | 4 Person | 5 Person |
| | 30% AMI | \$24,900 | \$28,450 | \$32,000 | \$35,550 | \$38,400 |
| | 60% AMI | \$49,800 | \$56,880 | \$64,020 | \$71,100 | \$76,800 |
| | 80% AMI | \$62,450 | \$71,400 | \$80,300 | \$89,200 | \$96,350 |

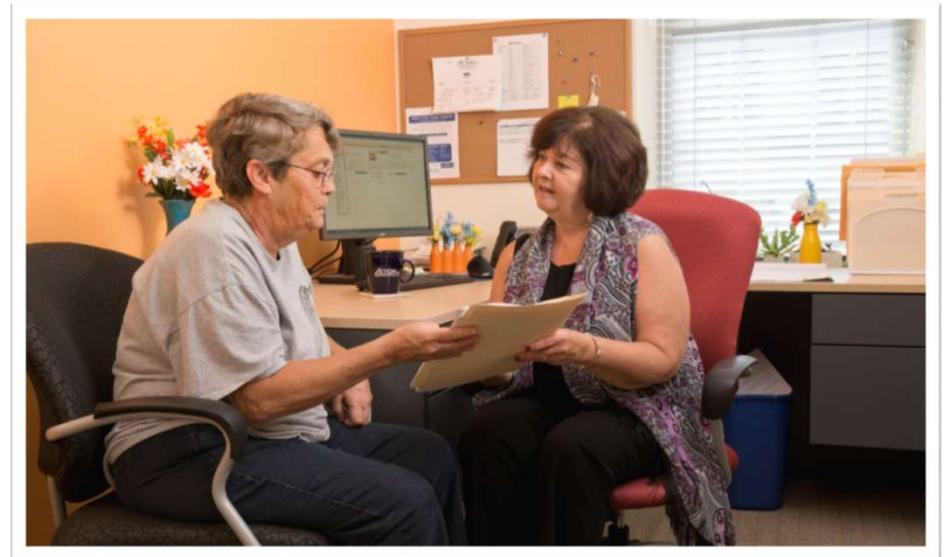
* U.S. Department of Housing and Urban Development (HUD) includes our area as part of the Boston/Cambridge/Quincy Area Median Income (AMI)

3 Prong Approach



Preserve current tenancies/housing

- Homelessness prevention
- Housing law services - eviction notices, landlord/tenant mediation
- Budget management and help with resolving unpaid rent or utility bills
- Rental assistance
- Housing search



Provide emergency housing and shelter

- Emergency shelter for 30 adults
- Rapid re-housing when possible



Create more permanent affordable housing

- Operate 25 units affordable rental housing
- Developing a 30 unit, mixed use, downtown Gloucester building in partnership with North Shore Community Development Coalition.
- Need more affordable housing development on Cape Ann



Home Together Family Housing

- 4 2-BR rental townhouses
- Bought permitted land in October 2010
- Conservation measures necessary because of nearby marshland
- Near CATA bus stop and walkable to services
- Off-street parking spaces
- 100% of the units are affordable in perpetuity
- Occupancy May 2013



COMPLEXITY

- Permitting
- Conservation land
- Need for strong development team (including architect knowledgeable about DHCD requirements)

LACK OF COMMUNITY AWARENESS

- Limited community understanding of “affordable housing” development
- Fear of change and misinformation about impact
- There is no “perfect” project

DENSITY

- Too small
- Effort, funding, and need require more density in order to be financially viable

FUNDING

- Complex, layered financing
- Need to apply repeatedly and “wait in line” for very competitive DHCD Annual One Stop funding/financing
- Long timeline – typically much longer than market rate development

**Misunderstanding
of affordable
housing**

Need more community education

**Infrequent state
funding cycles**

**Need to advocate for more resources at
state level to support more funding
cycles per year**

**Inadequate zoning
to allow for multi-
family projects
and accessory
dwellings**

Need zoning changes

Questions and Answers

- Please introduce yourself
 - Use brevity and respect time of other attendees
- 

Thank You!

FOR MORE INFORMATION, PLEASE CONTACT:

DANA LEWINTER, CITIZENS' HOUSING AND PLANNING ASSOCIATION

DLEWINTER@CHAPA.ORG

