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TO: **Andrew R. Port, Director of Planning & Development**

FROM: **Kate Newhall-Smith, Affordable Housing Trust Administrator**

DATE: **March 27, 2015**

RE: **Newburyport's Proposed 40R District and its Effect on Affordable Housing and the Subsidized Housing Inventory**

Over the past several decades, Newburyport has become an extremely desirable place to call home. With its vibrant and historic downtown, its location along the Merrimack River and its excellent highway and rail access, the City is an appealing community in which to live. Newburyport has long attracted affluent individuals and families into the community, which has caused both housing and land prices to rise and the amount of developable land to decrease. Home prices and rental costs have risen while the number of rental units and the availability of affordable housing have gone down.

The City of Newburyport has an obligation to ensure that the people who currently live and work here, including its senior community and young families, can continue to afford to live here. The current inadequate housing supply, lack of housing options and escalating rents and home prices are causing displacement. Furthermore, the salaries of the people who provide services to the local community are not sufficient to meet the current costs of housing.

In addition to supporting many of the goals included in the Master Plan update (currently in process), the proposed 40R district will do much to alleviate these disturbing trends of ever-increasing housing costs, lack of rental units and displacement of residents. Included as Housing Strategy 6.2.2 in the City's Housing Production Plan, the pursuit of a 40R district adjacent to the City's MBTA commuter rail station is highlighted as one method to increase the availability of affordable housing in a location that provides a variety of transportation choices, is developed in a way as to promote walkability through compact design that incorporates mixed-use buildings, and is easily accessible to the City's downtown.

Newburyport's Affordable Units and the Subsidized Housing Inventory

According to the Massachusetts Subsidized Housing Inventory (SHI), updated on December 5, 2014, Newburyport currently has 8,015 housing units, 606 of which are considered "affordable" as determined according to the Department of Housing and Community Development. Using these figures, 7.6% of the City's housing stock is affordable.

The proposed 40R district, at full build-out, will result in an additional 540 housing units. With the 25%

affordability requirement as proposed in the draft regulations, approximately 135 of these will be deed-restricted affordable units. The percentage of affordable units in the City's housing stock will increase to 8.6%.

While the 40R will not result in the City meeting the state-mandated goal of providing 10% of its housing stock as affordable, the affordable units created through this ordinance will do much in providing more housing options for the community as well as diversifying the housing stock through the addition of much-needed rental apartments. The additional affordable units constructed within the district, coupled with the implementation of the other strategies listed in the Housing Production Plan, will result in the City reaching its 10% goal.