



CITY OF NEWBURYPORT
AFFORDABLE HOUSING TRUST
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November 16, 2018

Jared Eigerman, Chair
Ad Hoc Committee on Waterfront West
Newburyport City Council
60 Pleasant Street
Newburyport, MA 01950

RE: Affordable Housing Development at Waterfront West

Dear Chair Eigerman and Members of the Council:

In October 2018, the City of Newburyport adopted the updated Housing Production Plan (the "Plan"). The Plan provides guidance to the City as it renders decisions on policy issues regarding housing, including the allocation of resources for the production of new affordable and workforce housing, it's the revision of the existing zoning code as it relates to building new housing, and engagement with housing developers and other housing service providers in partnerships that will work to fill the identified needs.

The potential redevelopment of the area known as Waterfront West provides an exceptional opportunity to advance the City's goal to create more residential units that are affordable for working individuals, families, and retirees. Not only will new affordable condominiums promote a more economically diverse community, the units will be deed-restricted for affordability thereby ensuring that they remain affordable in perpetuity. Affordable housing development at Waterfront West will not only add to the City's stock of affordable housing, but through the deed restrictions, these units will also be preserved indefinitely, which is another main goal in the Plan.

As the Council, in consultation with the Planning Board, explores the redevelopment possibilities and aspirations for this area as well as zoning in order to make these possibilities a reality, the City is in a unique position to transform this waterfront area into a thriving, diverse neighborhood. The Affordable Housing Trust is looking to you to lead the charge and compel New England Development to create a thriving, economically diverse neighborhood and to help the Trust accomplish the benchmark goals found in the Plan.

Based on the information provided in the Plan, the Trust urges you to consider and incorporate the following affordable housing priorities into the Waterfront West zoning and any other documents created to guide the redevelopment of this area:

- *More Affordable Units* – The existing zoning requires that 10% of all of the units constructed at Waterfront West be affordable. In October 2017, the Council, with the Planning Board's

support, adopted the Inclusionary Affordable Housing Ordinance. This ordinance mandates 12% of all units constructed to be affordable. This percentage is a minimum requirement for Waterfront West. The Housing Trust would prefer that between 15% and 20% of the residential units be deed-restricted as affordable.

- *Levels of Affordability* – Most affordable units developed in Newburyport and throughout the region are restricted to those earning 80% or less of Area Median Income (AMI). This means that a two-member household may earn a maximum of \$64,900 and a four-member household may earn a maximum of \$81,100. According to 2014 American Community Survey estimates, approximately 35% of Newburyport's households have incomes at or below 80% AMI. The Trust would prefer a deeper affordability for a portion of the affordable units created at Waterfront West. By offering deeper affordability the project will better meet the City's goals to diversify its housing stock and also serve a large segment (over one-third) of the population. The Trust encourages the Council to consider mandating the following:
 - 10% of the total affordable units at >50% AMI
 - 10% of your total affordable units at >70% AMI
- *Bedroom Mix* – To truly create a diverse project, to foster the creation of a community and to meet the housing needs in the City, the affordable units must have a mix of one-, two- and three-bedrooms. A mix of bedroom counts in both the market rate and the affordable units will allow for a variety of household types to be housed in the development – singles and families of varying sizes. The mix of bedroom counts in the affordable units must be in direct proportion to that of the market-rate units. The Trust encourages the Council to mandate that there be a variety of options for the number of bedrooms per unit in all phases of the project and that the proportion of these units is equal regardless of market rate or affordable.
- *Affordable Units and Project Phasing* – Every phase of the project that includes residential development must include the minimum percentage of affordable units within it. The developer must be held accountable for creating these units in each of the proposed residential and/or mixed-use structures and may not be allowed to postpone the development of the affordable units to later project phases.
- *Off-Site Affordable Units* – The Trust is not opposed to the developer satisfying a portion of the affordable unit obligation through the creation of deed-restricted affordable units in off-site locations. However, this alternative will require careful thought and consideration; the following elements of off-site affordable housing development must be included in the zoning for Waterfront West if the Council is amenable to this option:
 - *Location*: Off-site affordable units must not be created in one location, they must be scattered throughout the City. Zoning must allow for discussion of potential locations between the developer and the Trust prior to or during the permitting phase so as to ensure off-site locations are appropriate and acceptable.
 - *Unit Size*: The bedroom counts and overall size of the off-site units shall be in direct proportion to the affordable units on-site at Waterfront West.

- *Discretionary Allowance*: The option to provide off-site affordable units to satisfy the affordable housing requirements at Waterfront West shall be at the discretion of the Planning Board upon consultation with the Trust.
- *Subsidized Housing Inventory* – In order for the affordable units to be placed on the Commonwealth’s Subsidized Housing Inventory (SHI), the size of the unit, the income eligibility requirements, the locations of the units within the multi-unit structures, requirements for phased projects, deed restrictions, and many other facets of affordable housing units and their development must meet regulations promulgated by the U.S. Department of Housing and Urban Development and Massachusetts’ Department of Housing and Community Development. The Trust recommends the Council adopt language clearly stating that affordable units developed (whether on- or off-site) must adhere to local, state, and federal regulations to guarantee inclusion on the SHI.
- *Payment-in-Lieu* – The Trust strongly recommends the Council not allow the developer to offer a payment-in-lieu of providing the affordable housing units. Given the (1) costs associated with constructing new housing, (2) the dwindling amount of developable land in Newburyport, and (3) the capacity of the City to facilitate the construction of affordable housing, funds given to the City for future affordable housing development will likely not result in the creation of new units in the near future. The developer is much better equipped to construct the units within the overall project.

We acknowledge the complexity of this project and the need to balance these affordable housing goals with other City goals focused on infrastructure, public spaces, marina uses, and the overall design and visual presentation of the development. Affordable housing is but one segment of this project; the Trust believes that it is a vital piece, one that will have as much of a legacy as the architecture of the buildings and the public spaces. The affordable units created at Waterfront West will provide housing options for generations to come – options that the City is currently lacking.

For more information on the City’s affordable housing goals and priorities, please visit the following link: <https://www.cityofnewburyport.com/affordable-housing-trust/pages/housing-production-plan>.

Thank you for your time and consideration,

Judy Tymon, Chair
Affordable Housing Trust

cc: Donna D. Holaday, Mayor
City Council
Andrew R. Port, Director of Planning
Bonnie Sontag, Chair, Planning Board