

Housing Needs Assessment

CITY OF BEVERLY



Benefits of the Housing Needs Assessment

Provides updated information on demographic, economic and housing characteristics and trends, including market conditions.

Analyzes affordability gaps.

Identifies priority housing needs related to target populations including income levels and types of households.

Provides information on existing resources to address needs.

Provides the context for developing strategic approaches to support the broad range of housing needs through a Housing Production Plan, including the investment of local resources.

What is Affordable Housing ?

HUD definition – Spending no more than 30% of income on housing costs

Affordable housing (40B definition):

- Subsidized
- Deed restricted
- Affirmatively marketed
- Available to households earning at or below 80% of area median income



Photo: BHA Garden City Towers

Who Needs Affordable Housing?

Children who grew up in Beverly and want to raise their own families locally.

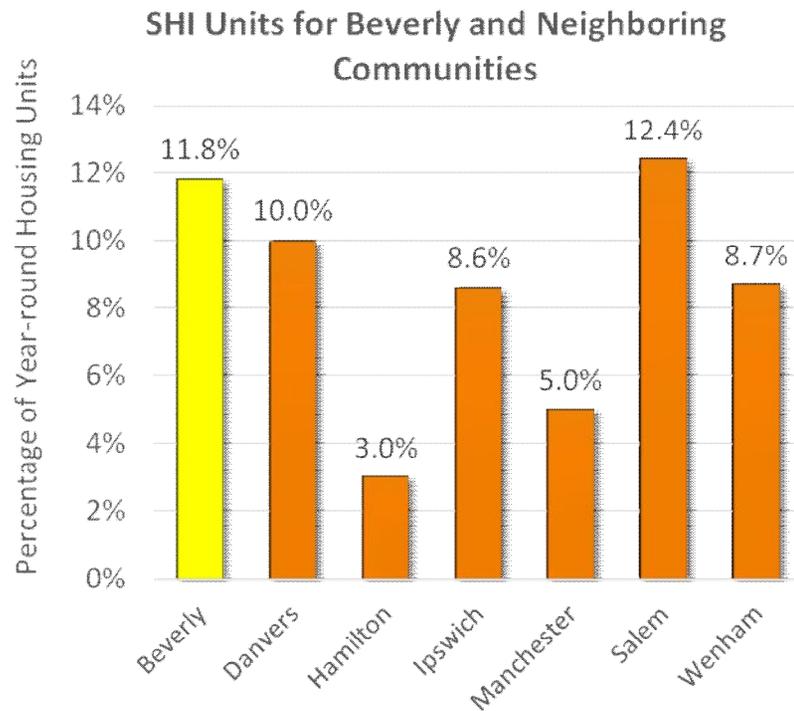
The cashier in the local grocery store or sales person at the North Shore Mall, both earning little more than minimum wage.

The school cafeteria worker and husband working at Beverly Hospital with combined earnings of less than \$73,000 and 2 children.

An elderly neighbor struggling to pay increasing housing-related costs on her fixed income.

The disabled veteran returning home from the military.

What Housing is Affordable in Beverly?



Of the 16,522 year-round housing units, 1,947 units or 11.78% are included in the Subsidized Housing Inventory (SHI).

646 units or about 1/3 of SHI are BHA units.

Almost all SHI units are rentals.

Significant affordability in private housing stock but not eligible for SHI.

Key Demographic Trends

Relatively stable population since 1970, now at about 40,000 residents.

Decreasing younger population but growing numbers of older residents.

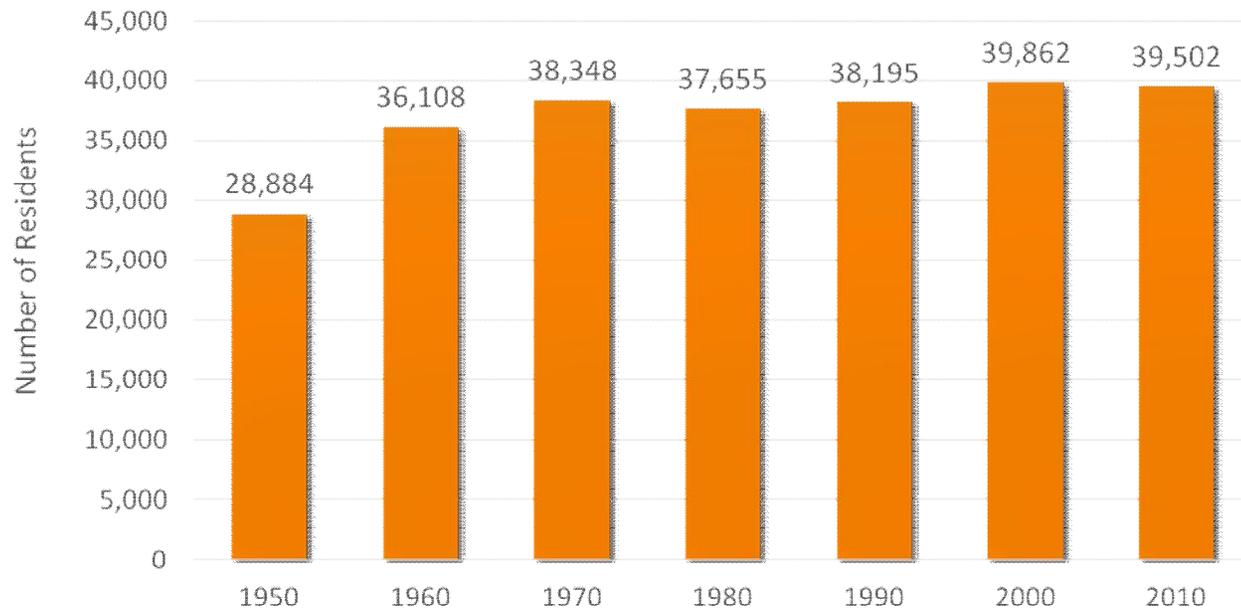
Those over age 65 are projected to increase by 62% from 2010 to 2030 compared to 1% total population growth and 10% household growth.

Projected 6% decrease in children under age 15.

Decreases in family households from 67% in 1990 to 58% by 2014.

Corresponding increases in smaller, non-family households.

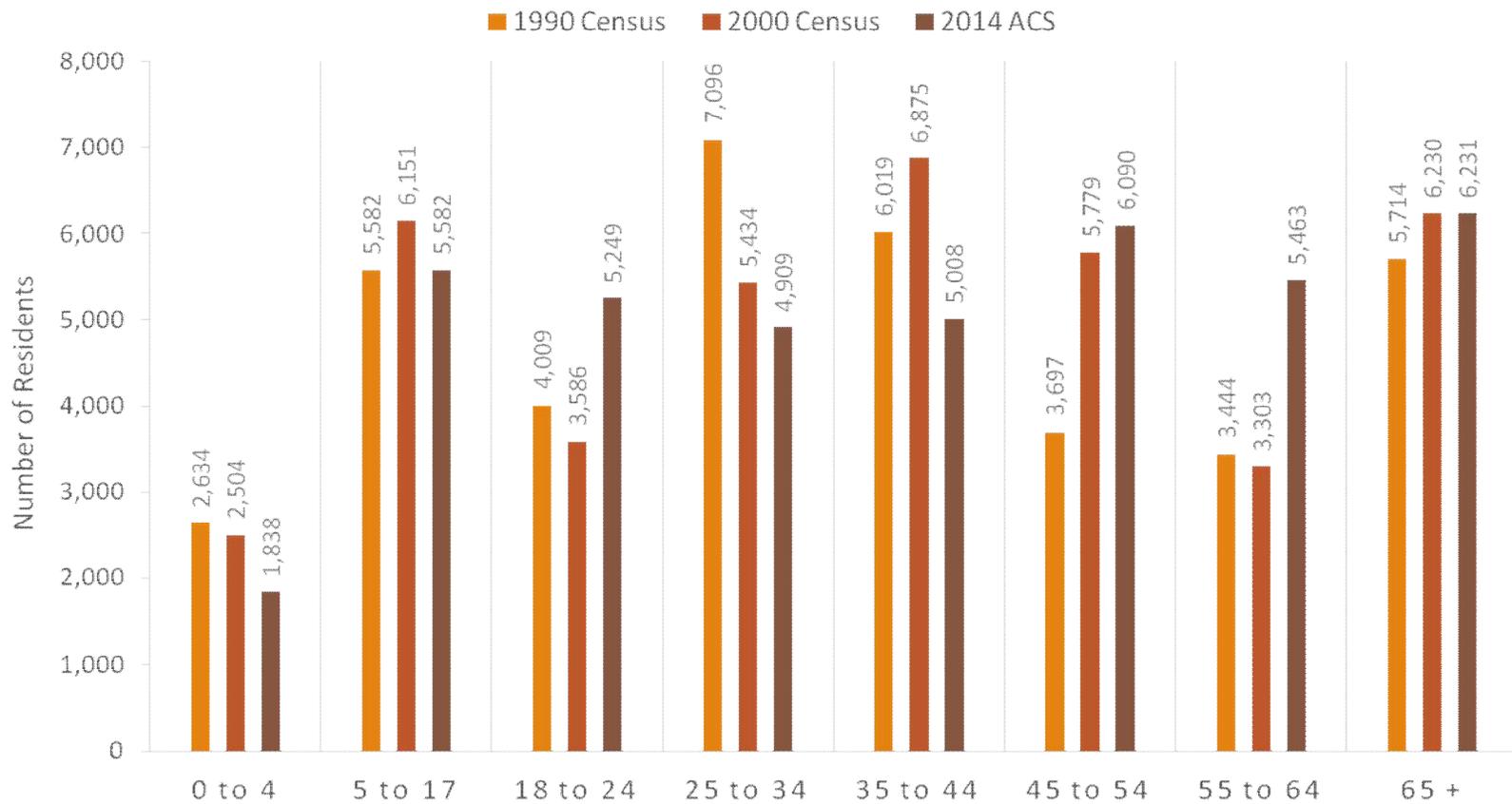
Population Change, 1950 to 2010



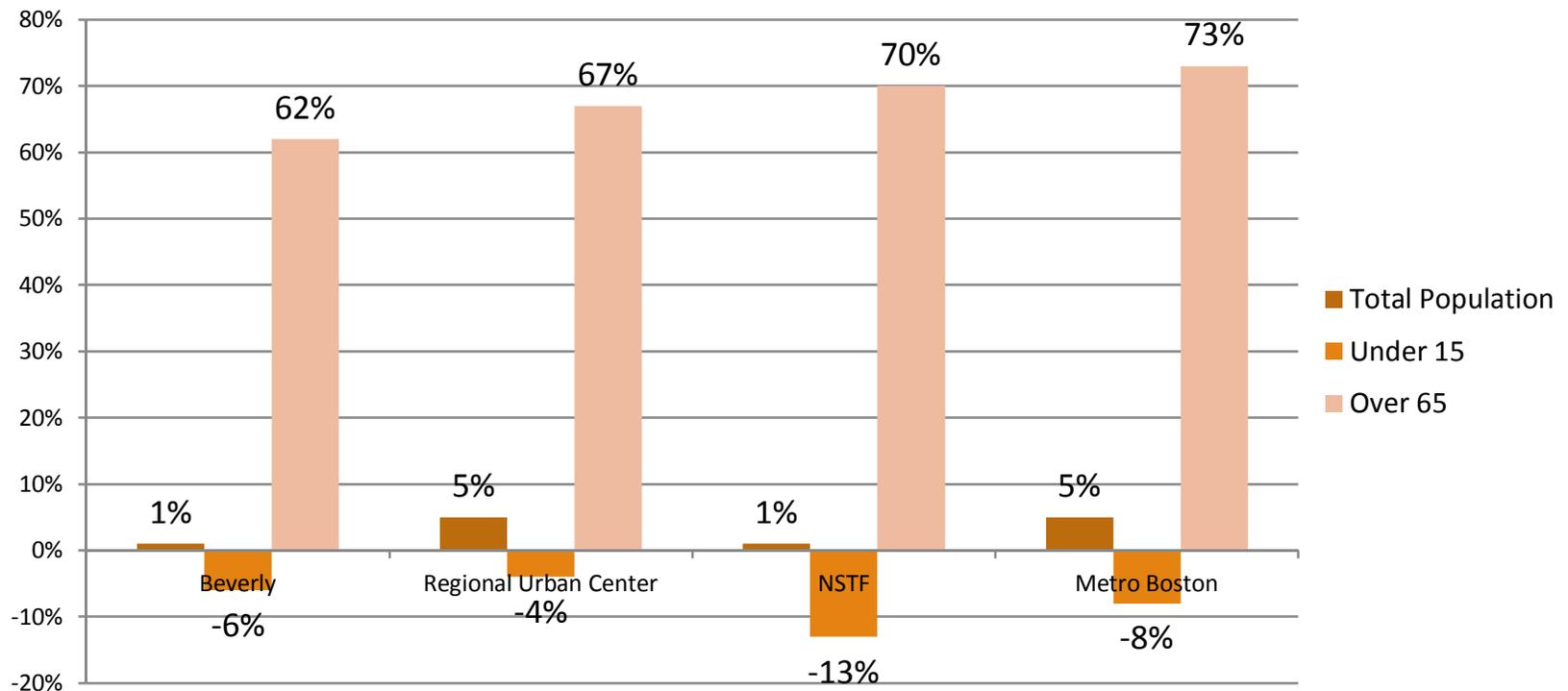
40,370

2014
est. population

Change in Age Distribution, 1990 to 2014



Projected Changes in Age Distribution, 2010 to 2030



Key Economic Trends

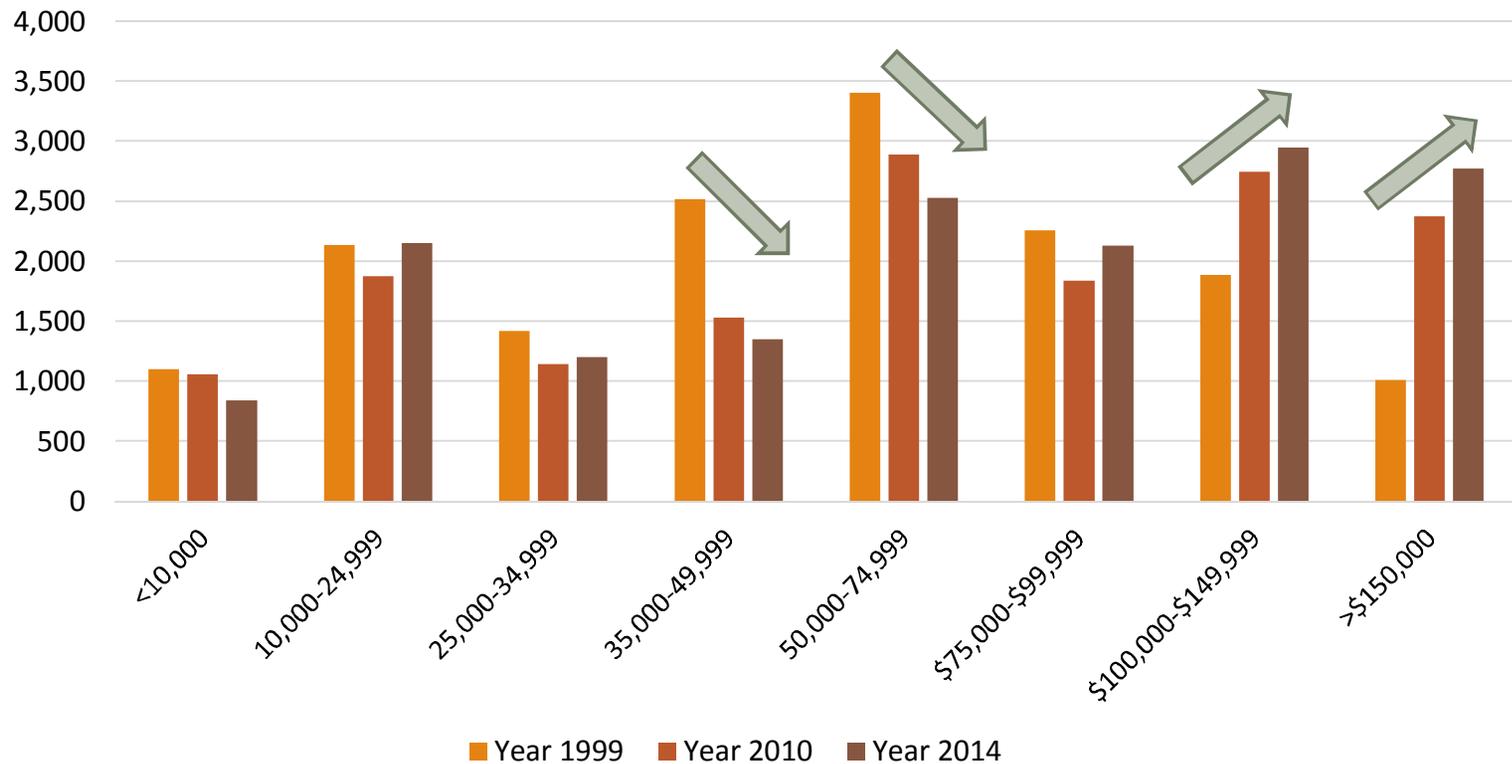
Median household income increased by 87% between 1990 and 2014, from \$39,603 to \$73,980.

Increasing income disparities.

- Median income of \$37,872 for renters and \$103,098 for homeowners.
- Median income of families was \$96,514 versus \$41,910 for non-family households.
- Median income of \$92,137 for households with heads in the 45 to 64 age range compared to \$37,746 for those 65 years or older.
- About one-quarter of households earned less than \$35,000 while 36% earned more than \$100,000.
- Poverty is relatively low but grew from 6.4% in 1990 to 8.6% by 2014.
- Poverty for children increased from 8.9% in 1990 to 11.5% by 2014.

Diverse economic base with significant professional, health/social service jobs and continuing presence of manufacturing with average weekly wage of \$1,191.

Change in Income Distribution, 1989 to 2014



Key Housing Trends

Slowdown in housing growth after 2000 through 2014.

Projected unit growth of 8% from 2010 to 2030.

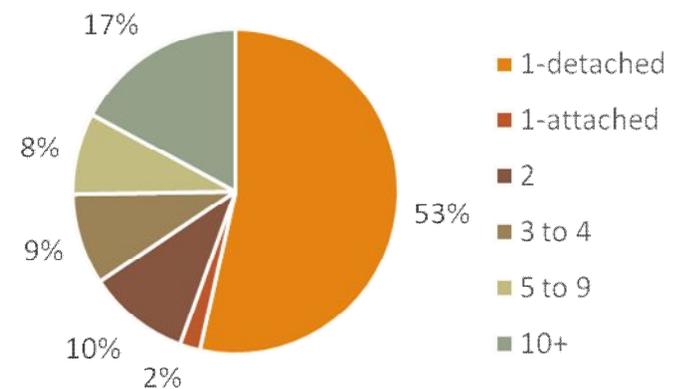
Slight increase in owner-occupancy.

Very low vacancy rates at 0.2% for ownership and 2.9% for rentals.

Increases in single-family homes and larger multi-family housing stock.

Declines in small multi-family housing units.

Distribution of Units Per Structure, 2014



Housing Costs – Ownership

Significant affordability in private housing market as 7% of all owner-occupied units are valued below \$200,000, 26% below \$300,000.

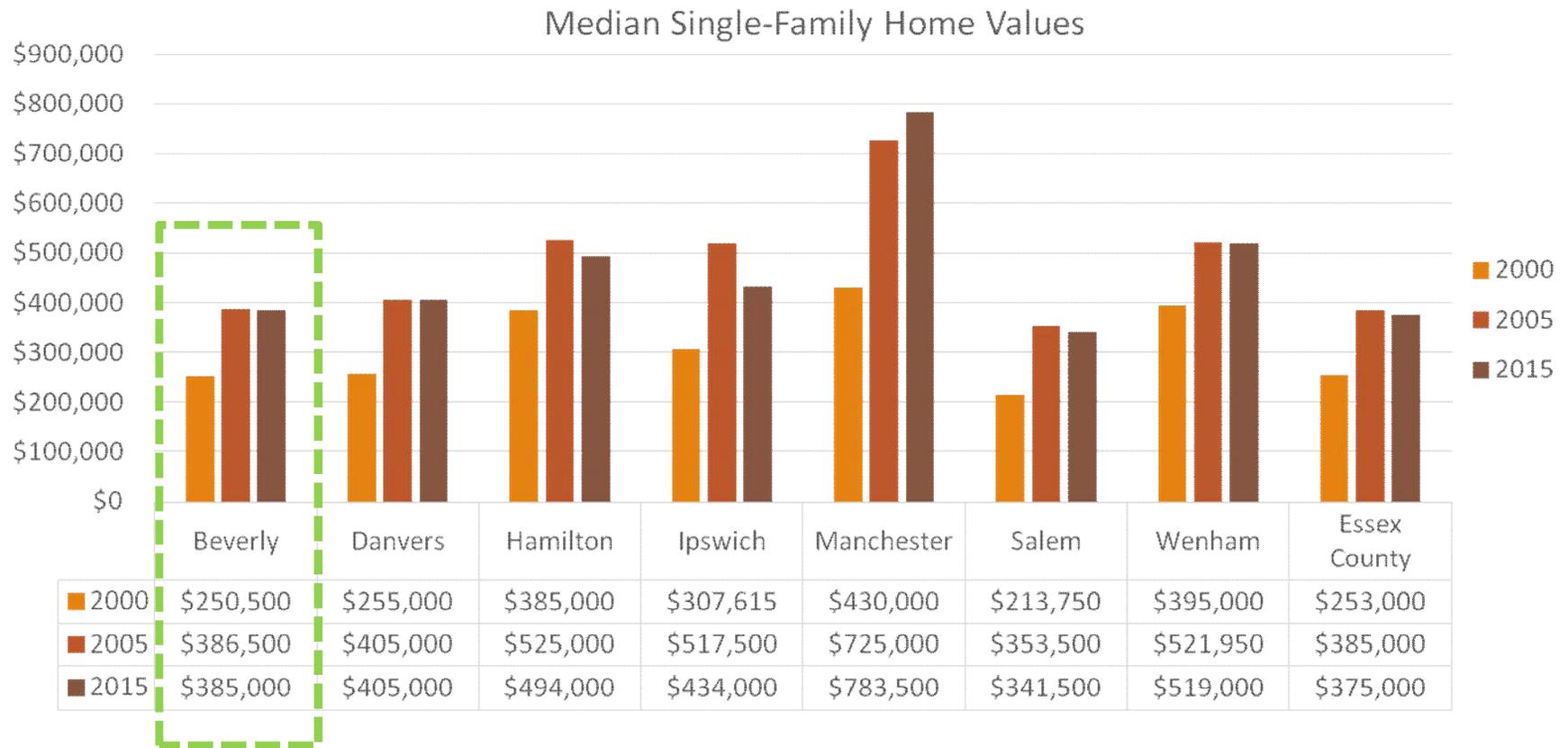
Assessors data suggests that there are 496 single-family homes and 775 condos that are likely to be affordable to those earning at or below 80% AMI.

The median single-family house price was \$385,000 in 2015, affordable to a household earning about \$79,750 plus cash available for 20% down payment and closing costs.

The median condo price was \$235,000 in 2015, requiring an income of approximately \$66,500 based on 95% financing and a condo fee of \$250.

Market prices approaching pre-recession levels.

Comparison of Median Single-Family Home Values



Housing Costs – Rentals

Median gross rent of \$1,068 according to 2014 census estimates. This rent would require an income of about \$49,720.

In comparison, a household earning the minimum wage would earn no more than \$20,880.

Census figures include 1,910 subsidized rents, more than 30% of all rentals, and thus census figures overestimate market rents.

Rentals also include significant up-front cash requirements.



Photo: Jaclen Tower

Substantial Cost Burdens

35% of all Beverly households were spending too much for their housing (more than 30% of income) including almost 17% spending more than half their income on housing costs.

Of the 5,715 households earning at or below 80% AMI (3,490 renter households and 2,225 owner households), 3,855 or 67% had cost burdens with 2,280 or 40% spending more than half of their income on housing (severe cost burdens).

Renters

A total of 1,350 households, or 39% of renter households earning at or below 80% AMI, were spending more than half their income on housing costs. Of particular concern are 1,105 extremely low-income renters with severe costs burdens.

Other major concerns are those earning at or below 80% AMI with severe cost burdens that included 395 seniors, 310 small families, and 310 non-family, non-elderly renters.

Data suggests a total unmet housing need of 2,480 rentals units based on cost burdens, 2,295 for those earning at or below 80% AMI.

Substantial Cost Burdens

Homeowners

Of the 2,225 owner households earning at or below 80% AMI, 1,560 or 70% were overspending with 930 or 42% experiencing severe cost burdens.

Of the 1,220 senior households earning within 80% AMI, 1,560 or 70% were paying too much with 340 or 28% spending more than 50% of their income on housing.

There were 560 small families (2-4 members) earning at or below 80% AMI, 480 or 86% with cost burdens and 300 or 47% with severe cost burdens.

There were 100 large families earning within 80% AMI, 85 with cost burdens, 45 with severe cost burdens.

Of the total 345 low and moderate-income non-family, non-elderly homeowners, 310 or 90% were experiencing severe cost burdens, 255 or 74% with severe cost burdens.

Priority Housing Needs



Photo: Cabot Street Homes

Rental housing is top priority need.

- Small families, seniors and individuals.
- Focus on most vulnerable residents.
- Need smaller units for increasing numbers of smaller households.
- Most state subsidies for rentals.
- Supports greater numbers of households over time.
- Provides opportunities to integrate several income tiers into a development.

Priority Housing Needs

First-time homeownership is second priority need.

- Starter housing for families and units for empty nesters.
- Few subsidized ownership units in city.

Also:

Integrate handicapped accessibility and supportive services into new development.

Provide resources to improve substandard housing.



Photo: BHA-owned single-family house

Next Steps

Conduct community survey.

Draft next section of the Housing Production Plan.

Conduct another public meeting.

Obtain approvals from Planning Board and City Council.

Submit Plan to the state.

Visit the City's website for more information – www.beverlyma.gov



Photo: Harborlight House

Housing Strategies for Discussion: Examples



Photo: Turtle Creek

- A. Operationalize the Affordable Housing Trust Fund.
- B. Consider zoning changes.
 - Adopt mixed-use zoning for Bass River area
 - Amend accessory apt. ordinance
 - Establish a Smart Growth Overlay District/40R district
 - Allow 2-family homes in more districts
 - Amend inclusionary zoning ordinance
 - Allow mixed uses in more areas
 - Allow wider range of housing types in neighborhoods
- C. Pursue transit-oriented development.
- D. Convert existing housing to long-term affordability.

Housing Strategies for Discussion: Examples

- E. Find resources to reintroduce a Housing Rehabilitation Loan Program and/or Emergency Repair Program.
- F. Preserve historic properties by allowing more units to be created in the existing structure and/or through additional units on the property.
- G. Encourage mixed-income housing that provides housing for several income tiers.
- H. Preserve the BHA inventory and identify potential redevelopment opportunities.
- I. Continue to work with Regional Task Force to identify housing opportunities for the homeless, or those at risk of homelessness.



Photo: Holcroft Park Homes

Housing Strategies for Discussion: Examples

- J. Help qualifying renters with upfront cash requirements.
- K. Provide down payment and closing cost assistance to first-time homebuyers.
- L. Find ways to decrease expenses for severely cost burdened seniors who are homeowners through reduced taxes/fees.
- M. Develop additional opportunities for seniors who own homes to move into new units that better accommodate their existing lifestyles, opening their homes to families.
- N. Prepare inventory of City-owned property and analyze feasibility for development.



Photo: BHA Family Handicapped Accessible Unit