

Beverly Housing Plan

Plan Development Update:

Beverly City Council

October 17, 2016

Housing Plan Status

- Project Kick-off: March 28
- Public Meeting: June 16
- Online Survey: late August
- Housing Needs Assessment: June 9
- 2nd Public Meeting: November 2
- Final Plan: Early 2017

Needs Assessment

- Comprehensive review of existing conditions; demographic, economic data
- Analyzes Affordability Gaps
- Identifies housing needs based on analysis
- Provides information of existing resources
- Identifies strategies that may be considered to support objectives of the housing plan

Needs Assessment

Demographic Trends

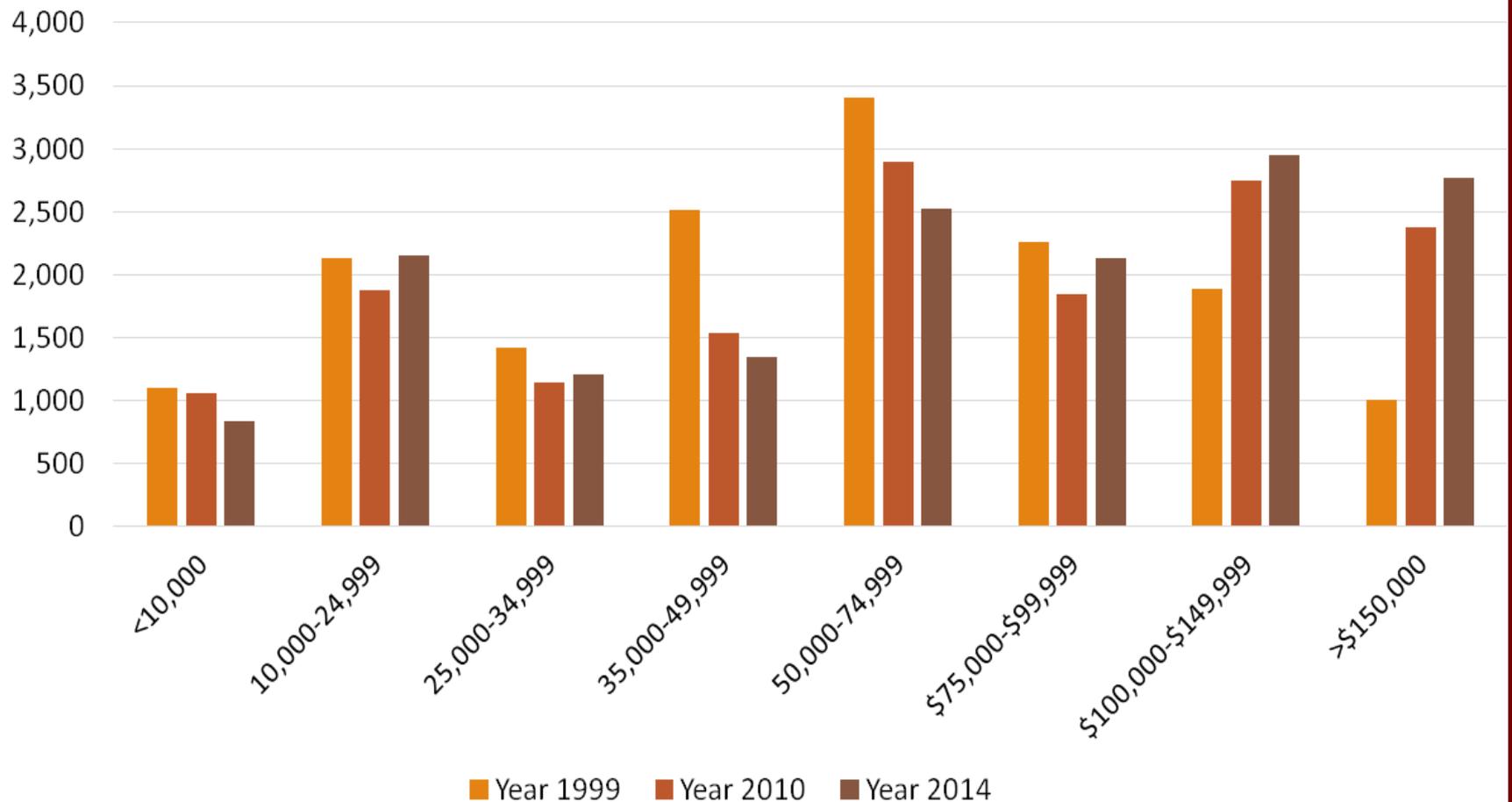
- Stable Population Growth (38,195 – 40,370)
- Steady Growth for Housing Units (14,796 – 15,925)
- Decreasing younger population, growing older population
- Projected 62% increase in age >65 (2010 to 2030) to 9,519 compared to 5.8% total population growth
- Projected 6% decrease in children <20
- Decrease in family households from 67% (1990) to 58% (2014)

Needs Assessment

Economic Trends

- Median Household income increased by 87% (1990 – 2014) from \$39,603 to \$73,980
- Approx. 25% of households earned less than \$35,000 while 36% earned more than \$100,000
- Poverty relatively low but increased between 1990 to 2014 from 6.4% to 8.6%
- A diverse economy: professional, health/social service and continued presence of Manufacturing – avg. weekly wage \$1,191

Change in Income Distribution, 1989 to 2014



Needs Assessment

Housing Cost – Rental

- Median gross rent in 2014: \$1,068 - requires an income of about \$49,720.
- 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.

Needs Assessment

Housing Cost – Ownership

- 7% of all owner-occupied units are valued below \$200,000, 26% below \$300,000.
- Median single-family house price in 2015: \$385,000 - affordable to a household earning about \$79,750 plus cash available for 20% down payment and closing costs.
- Median condo price in 2015; \$235,000 - requiring an income of approximately \$66,500 based on 95% financing and a condo fee of \$250.
- Market prices approaching pre-recession levels.

Needs Assessment

Housing Cost Burden

- 35% of Households are spending over 30% of income on housing.
- 17% are spending more than 50% of their income on housing.
- 5,715 households are earning at or below 80% AMI – 67% are cost burdened, 40% are spending over of income on housing.

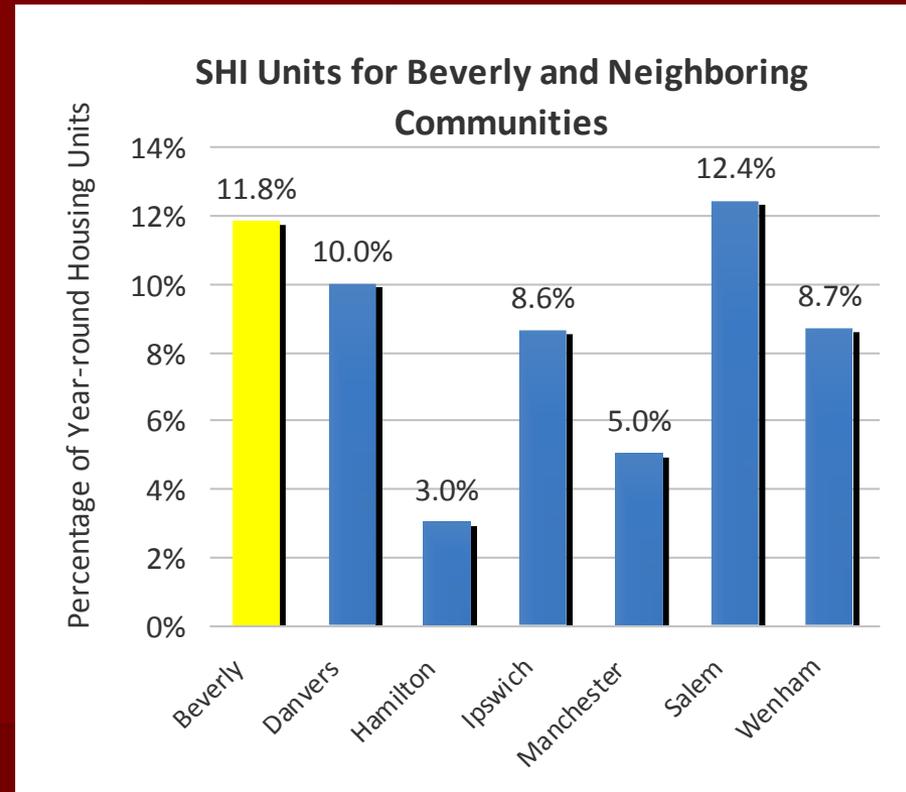
Affordable Housing Defined

Housing Affordability

- HUD Definition – household spends no more than 30% of income
- Affordable Housing (40B) definition – Subsidized, deed restricted, affirmatively marketed, available to households earning below 80% AMI
- CPA Housing Trust Fund – support creation of housing affordable below 100% AMI

Affordable Housing in Beverly

- 16,522 total housing units
- 1,947 (11.78%) are SHI units
- 646 of the subsidized units (~33%) are owned and managed by BHA
- Almost all SHI units are rentals
- Many “affordable” units that are not permanently restricted and therefore not included on SHI



SHI = Subsidized Housing Inventory

Housing Strategies

- Operationalize the Affordable Housing Trust
- Consider zoning strategies to encourage creation of market rate and affordable housing
- Encourage Transit Oriented Development (TOD)

Transit Oriented Development



- Provide transportation choice
- Increase transit ridership
- Reduce reliance on automobiles
- Reduce air pollution and energy consumption
- Increase households' disposable income
- Bolster local economy
- Increase the municipal tax base
- Contribute to more affordable housing

Housing Strategies

- Preserve existing affordable units where restriction will expire
- Reintroduce a Housing Rehabilitation Loan Program
- Preserve historic property by allowing more units to be created in existing structure
- Encourage mixed-income housing for multiple income tiers

Housing Strategies

- Consider revisions to the Inclusionary Housing Ordinance
- Create a first-time homebuyer program
- Convert existing housing to long-term affordability
- Continued civic engagement around housing initiatives
- Capitalize on regional and state housing programs