Meeting Lowell’s Housing Needs:
A Comprehensive Look

“Where we live has a powerful effect on the choices we have
and our capacity to achieve a high quality of life”

*Place Matters*
Dreier, Mollenkopf & Swanstrom (2001)

The Center for Family, Work, and Community
University of Massachusetts Lowell
Spring, 2002
Executive Summary: No Deep Pockets But Lots of Potential

Lowell, like much of Massachusetts, continues to face housing problems in all ranges of housing—for renters and prospective homeowners, for two-earner families and for single heads of households, for people new to Massachusetts and for those who grew up here. Housing is increasingly expensive, often outstripping increases in earnings. As a community, we need to have a plan in place to address today’s housing problems as well as prepare for housing challenges in the future that otherwise might jeopardize the opportunities for our children to live and work in Lowell.

This report is designed to provide enough information so that all of us can participate in the development of housing recommendations. All of us tend to assume that somebody else—city government, state or federal government, agencies, developers—is going to fix the problem of too little of the right kind of housing. The truth is that this is not going to happen. No group in Lowell has deep pockets. Housing problems cannot be solved by one group or even by one city. Only by working together can we draw on the many resources that can help us make the array of housing options attractive for those who want to come to Lowell or who want to stay and continue to make Lowell a vibrant city.

In Massachusetts and the Merrimack Valley we have just been through a period of “red hot” price increases in housing and expanding job opportunities. That period of rapid price increases on housing may be leveling off. We may have a breather, but one where we are now more anxious about the security of our jobs rather than escalating housing prices. The changing economic climate is a reminder of just how closely tied together jobs and housing are. Unless we have housing that is affordable for the incomes from jobs in the area, housing will continue to be a problem. We need to pay attention to the kinds of jobs that are being created and prepare people for skills in those jobs. We need to avoid being caught up short next time the rapid price escalation occurs. We need to get ahead of the curve.

What would getting ahead of the curve look like? A 1999 Study “A Profile of Housing in Massachusetts”1 points to many issues that should be included if housing opportunities and problems are to be understood:

- In which communities have increases in average rents and home prices most dramatically outpaced increases in income?
- What are the impacts of changes in the state’s economy on homeowners with the most serious affordability problems, such as female-headed households, homeowners of color, and low income, first-time buyers?
- How does production of multi-family housing by community compare to demolition, conversions to owner-occupied homes, and abandonment?
- What percentage of new homeowners is in the low-income population?
- How have job growth and job loss matched the growth and loss of the housing stock in given communities?
- Who are the owners of rental housing today, and what are the characteristics of these owners relative to the units they own?
- How do changes in public policy and the state’s economy impact low-income families’ ability to obtain and maintain their hold on housing?
This report is organized around over thirty questions about housing people in the area have asked. We end each section with a “take home message” and ideas for next steps. Throughout the report we offer many recommendations based on what we heard from diverse groups and individuals in greater Lowell. These recommendations suggest that as a community, we need:

- To have better information and we need people to know this information
- To look at housing and jobs together, and at housing in the context of the economy
- To draw on Lowell’s history of innovation and apply those skills to housing
- To involve more players—groups and organizations that are involved elsewhere in housing discussions
- To draw on best practices that people living in Lowell bring from other cities and countries
- To avoid the divisiveness that arose in the Julian Steele discussions

This report offers suggestions and examples for moving the housing discussions ahead by drawing on the many assets that exist in Lowell. These suggestions include:

- A change to measuring livability rather than merely affordability
- The development of a set of benchmarks against which progress can be compared
- The sponsorship of annual housing events to showcase new innovations in addressing a broad range of housing issues
- The use of new planning tools like scenario planning
- The incorporation of housing into local environmental policies

Based on research and recommendations from many people, we have listed a variety of suggestions about specific changes that are within the community’s means to consider right now and which would increase housing opportunities for a broad range of families who want to work and live in Lowell.

**At the Local Level, the community can:**

- Develop strategies to prevent existing affordable housing from converting to market rate (i.e. “expiring use”); attempt to convert privately owned subsidized properties where possible out of speculative market through limited equity coops and tenant non-profit management by providing technical and financial assistance to tenants and landlords.

- Implement strategies for blighted absentee-owned, unsubsidized rental housing to transform a larger portion of housing from speculative status to a permanent affordable community resource (Limit equity coops or tenant/nonprofit management, Cambridge Affordable Housing Trust).

- Develop program of financial assistance for low to moderate income homeowners who are cash poor or facing threat of homelessness to purchase homes in exchange for a commitment to transfer their property to a non-profit upon sale or death.

- Explore programs to purchase deed restrictions or purchase land with leaseback to help preserve relatively affordable single-family and owner occupied multi-family homes in exchange. Such an approach provides financial assistance to lower income homeowners, particularly seniors on fixed income.

- Build new housing with reasonable higher densities (“reasonable” meaning height and scale that responds to the historic context and fits in with “Acre Plan” and the like).
Make appropriate zoning changes to allow in-law or accessory apartments within single-family neighborhoods when appropriate.

Simplify building permit process and building codes to reduce development and rehab costs.

Offer tax incentives for new affordable housing developments and rehabs.

Create “urban villages” or mixed-use zoning districts that not only provide much needed housing but also enhances neighborhoods and provide a larger market for local commercial businesses.

Locate housing near public transportation routes and employment centers.

Encourage “inclusionary” housing practices which provide “density bonuses” to developers who set aside at least 10% of new units as affordable.

Give preference for affordable housing to Lowell residents to the extent permitted by law.

Appoint a “Housing Czar” who will facilitate the development of affordable housing.

Institute “Approval Rules” that would require a timely review of development plans that meet pre-defined standards and regulations.

Investigate resources within the Community Preservation Act.

Explore the development of “Regional Housing Compacts “ with area towns.

**At the state level, changes could include**

- Enacting a “Good Neighbor “ Municipal Housing Bonus, which awards incentive funding to cities and towns that produce new affordable housing units.

- Donating surplus state property to nonprofits for affordable housing development.

- Providing increased special funding to cities and towns as an incentive to form regional housing compacts.

- Increasing the share of general revenue dedicated for affordable housing.

- Reforming and streamlining the building code and permitting process to lower the cost of housing production.

- Enacting legislation to expressively authorize cities and towns to adopt “inclusionary” zoning ordinances.

- Continuing funding for the endowment of the housing trust fund.

- Appointing a permanent housing development coordinator to coordinate all aspects of community planning and housing development within the state.
Local and state government must take an active and leading role in addressing our current housing needs and effectively plan for the future. However, the whole community within the Greater Lowell region must begin to recognize that the lack of affordable housing is more than just a concern of a limited amount of low and moderate-income individuals. In reality, our inability to address the current housing needs will undermine our efforts to sustain both social and economic development in our region. Just as we live in an interdependent world economy, we must recognize how interconnected and dependent we are as a regional community. As a region, we lack deep pockets and unlimited resources; consequently we must all work together to develop a vision and a solution to our affordable housing problem. If we fail, workers will leave in greater numbers to more affordable housing markets in other areas in the United States. As the workforce becomes depleted, employers will exit the area in larger numbers and fewer companies will relocate to our region. The effect will certainly undermine our regional economy, leading to the weakening of our social fabric and lowering our quality of life. We must confront the problem of affordable housing to insure that we have a bright future for our region and more importantly for our children.
Acknowledgements

Everything that succeeds in Lowell does so because of teamwork. This study of housing is no exception. Many, many people gave generously of their time and resources so that all of us in Lowell and the Merrimack Valley could learn more about the current state of housing and the prospects for developing effective housing policies for the future. We wish to thank:

- Our funders—the Parker Foundation, Sociological Initiatives Foundation, and the University of Massachusetts’ Committee on Industrial Theory and Assessment—without whose generous financial support this project would not have been possible.

- Our Community Advisory Board who put in countless hours to guide us, help us locate information, and assist us in understanding the historical context of housing in Lowell and the Merrimack Valley. The advisory board consisted of James Milinazzo of the Lowell Housing Authority (LHA), Robert Malavich from the Lowell Division of Planning and Development (DPD), Frank Carvalho from the Coalition for a Better Acre (CBA), James Canavan from Community Teamwork, Incorporated (CTI), Judy Tavano from the Coalition to Preserve Affordable Rental Housing, Robert Flynn from the Northern Middlesex Council of Governments (NMCOG), and Bernie Lynch from the Town of Chelmsford. Without their guidance and leadership we would not have been able to see the larger picture or have many of the key details. Lowell and the Merrimack Valley are most fortunate in having leaders who care tremendously about the future of the city and the prospects for all residents.

- The many community residents who attended open meetings, focus groups, and discussions about the state of housing in Lowell.

- The two keynote speakers at our public forum to address regional housing concerns, Senator Steve Panagiotakos and Aaron Gornstein, Executive Director of CHAPA.

- Attendees at the regional forum that included representatives from several surrounding communities including town managers, town and city planning department and housing authority officials and non-profit stakeholders.

- Many groups such as the Greater Lowell Landlords’ Association that with great willingness shared information and filled out surveys about the impact of Lowell’s housing crisis.

- Shelter staff and visitors who provided information about the stressors faced by shelters in trying to meet the growing housing needs in the community.

- Individuals such as Francine Corbin who assisted at the community level.

- The graduate students—Shawn Barry and Brian Twomey—who gathered the information and did so with ingenuity, perseverance and style.

- The high school team members, Timothy Dalton, Shelagh Murphy and Tram Dang, who assisted in gathering data.

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- Robin Toof and the many other staff members of the Center for Family, Work, and Community who repeatedly volunteered to assist us at key moments in the process of gathering the data and developing the report.

- University of Massachusetts Lowell Chancellor William Hogan whose commitment to leading us toward a university mission of regional economic and social development gave us inspiration for carrying out this work.

- And, finally, the residents of Lowell and the Merrimack Valley who care greatly about making our region a place where high quality of life can be achieved.

Sincerely,

Linda Silka
Co-Director, Center for Family, Work, and Community

David Turcotte
Program Manager, Housing Study
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Housing Crunch Hitting Home in Lowell

In the Summer of 2001 University of Massachusetts Lowell’s Center for Family, Work, and Community hosted a housing forum in the City of Lowell in which people from all over the community were invited to come and discuss Lowell’s housing from their perspective. On a warm June evening over 80 residents (homeowners, renters, landlords, city officials, housing advocates, people who are homeless) came together to tell their part of the story about Lowell’s housing crisis. We heard from young couples who had hoped to buy starter homes in Lowell but who were being priced out of the housing market. We learned of lifelong residents of Lowell who were going to have to move out of the city because they could not find any place to rent (regardless of price) after the condo they were renting was sold. We heard from people who had lived in shelters and could not find a place to move to because no apartments were available. Young people with full-time jobs talked of rents skyrocketing and of not being able to afford to stay in their apartments. Landlords talked about their difficulties in wanting to buy and rehab multifamily units to rent and facing obstacles in developing this housing.

As one person remarked, it seems to be the case that when things get good in terms of jobs, things get bad in terms of housing. In the Merrimack Valley we have low unemployment, but the tightest rental market in decades. Rents are rapidly increasing and housing prices are skyrocketing. What was apparent was that people seeking housing at all levels (shelters, Section 8, rental, condo, and houses) were struggling with what the changing housing market meant for their present and future plans.

This project began less than a year ago (summer 2001), at which point the unemployment rate in Lowell was the lowest it had been in decades. Today—less than a year later—the unemployment rate is above 7%. People are beginning to worry about their jobs and are thus concerned about the possibility of losing their housing.

Most of us played a game called “Musical Chairs” as children. The essence of the game is that at the beginning enough chairs are available for all of the children. Each time the music stops another chair is removed and the children who are left compete against one another for an insufficient number of remaining seats. By the end of the game, most children have lost out and there is only one winner with the one remaining chair. Increasingly people are talking about housing in Massachusetts as being like a game of “Musical Chairs.”

Housing has been called “an insider’s game.” In Lowell we are fortunate to have access to many experts on housing who are willing to help us learn about this insider’s game. Although the grasp of facts and policy needed to become a part of the decision making is daunting, residents in other communities are increasingly becoming involved and are contributing to the dialogue. How can we have this happen in Lowell and the Merrimack Valley? There are possibilities for involvement in discussions of community preservation, open space, affordable housing, and other housing-related issues. People can become involved in discussions of brownfields. Citizen groups and neighborhood associations can become involved. How do community leaders become involved? How do they locate the information they need? How can this lead to building a strong process of dialogue? What roles can major players take in making the housing situation better? How do we keep from having housing problems “sneak up” on us in the future?

We need to be able as a community to get up to speed quickly. This report is about ideas, a process and suggestions. The intent is to look at housing from the perspective of the community
and to think about what needs to be done. This project looks at where the information is and why it is hard to obtain and sort through.

We started our attempt to understand the housing situation with general questions: Where would community members find the relevant information on housing? Is this information readily accessible? Is the information free and available to the community or is it only available to insiders? What kind of background or tools do community members need to interpret the information? What suggestions does this information point to for addressing housing problems? How are other cities in Massachusetts and elsewhere identifying solutions to housing problems?

As we went along (carrying out open forums, interviewing key players, doing surveys, gathering information from local, state, and national sources) we expanded the questions we sought to answer. Many questions in this enlarged list were asked of us along the way. These questions (grouped below) are those that we have tried to cover in this report.

- **The Crisis:** Are we just imagining it, or is the housing situation worse in Lowell, the Merrimack Valley, and Massachusetts than elsewhere? What does the housing problem look like from the perspective of different people (for example, the homeless, renters, prospective homeowners, and landlords)? What can we learn by looking at housing strains at local shelters? What can we learn from the Julian D. Steele experience?

- **Information about the broader context:** How is the overall situation in Massachusetts impacting problems in Lowell and the Merrimack Valley? How is the overall national policy situation making the housing problem worse in places such as Lowell? What changes have happened in recent years for each of these decision makers that make a difference in what they can do about housing?

- **Information to help us think about the crisis and problems to watch out for:** Why should we care as a community if there are problems with housing availability or affordability? How do we know what kind of housing we need in the Lowell area? How do we find out how much housing we have in the Lowell area? Why are the numbers on housing from different sources sometimes inconsistent and difficult to compare? Attending to the diversity in our community: what are the implications for housing? What are the problems when we consider housing in isolation from economic and jobs data or when we consider one “level” of housing in isolation from other levels? What are the problems with not paying attention to cycles and trends in housing costs? What are different ways in which people use the phrase ‘affordable housing’ and what problems in communication result?

- **Roles groups can take:** What roles can various groups play? What are groups doing in other cities and communities that might be tried in Lowell and the Merrimack Valley? What roles could UMass Lowell play? What are universities around the country doing?

- **Using information effectively and moving toward solutions:** What tools are available to help us think about housing? Who is teaching about housing and how can they be of help? What suggestions do different groups offer for addressing the problem? How and why is housing tied to considerations of the economy? Where does transportation fit into the mix? Public transportation? What can we learn about community process and problem solving from the Julian D. Steele experience?
Suggestions for Using This Guide

This report is *not* written for experts. It is written for people like you who may have only recently realized the extent of the housing problem and want to be able to enter into discussions about what we can do as a community.

The report is organized around questions you might have and emphasizes how to build a community process. We have started with the questions we heard most often and then moved to more technical topics and suggestions for possible solutions. Although this report can be read from beginning to end, it can also be read by starting with the question that is of most interest to you and then moving to others. We have cross-referenced this information so that you will be able to see where else in the report there might be information that would be useful to your quest.
The Crisis: What’s Happening to Housing in Lowell?

This Section:

1. Giving up before we even start: Why should we even try to learn about the housing problem when somebody else seems to controls everything.

2. Are we just imagining it, or is the situation worse in Lowell and the Merrimack Valley than in many other places?

3. What does the housing problem look like from different people’s perspectives (e.g., landlords, renters, the homeless)?

4. Can we learn anything about housing by looking at housing strains at local shelters?

5. What can we learn from the Julian D. Steele experience?
1. Giving up before we even start: Why should we try to learn about the housing problem because somebody else seems to control everything?

We repeatedly encountered pessimism from people in Lowell about whether there was any hope of solving the housing problem. Most people reported feeling that they had little control over housing decisions. We often heard statements to the effect that somebody else controls the decisions and policies that shape housing costs: the federal government, state government, and communities surrounding Lowell, various quasi-government agencies, and so forth. We became interested in the question of “Who are the players currently making decisions about housing?”

The truth is that many different groups do contribute to the availability of housing and no one group can single-handedly make housing affordable and available. Below is a picture that shows many of the factors that impact housing. Two points should be noted. First, many players take actions and make policies that affect housing. Second, by starting to identify the players--instead of imagining some unknown other who can eliminate our housing problems--then as a community we can begin to figure out what we might achieve by working together.
Factors Affecting Housing Availability and Affordability

Only by working together can we develop policies that address the short term and long term housing problems in Lowell and the region. But what would working together mean? We found through our process that many different groups have tools under their control that can impact the housing situation in Lowell. Below we have listed examples of groups that do have tools under their control (e.g., zoning, access to state or federal grants, build out analyses). We have left a few blank spaces for you to add information about others groups (including yours) that are contributing to addressing the housing problem.

<table>
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<th>Groups That Play Roles in Housing</th>
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<td>Which Group?</td>
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<td>Lowell City Council</td>
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<td>Lowell City Council Subcommittee on Housing</td>
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<tr>
<td>Lowell City Division of Planning and Development</td>
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<td>Zoning Board of Appeals</td>
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<td>Lowell Planning Board</td>
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<td>Lowell Public Housing</td>
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<td>Regional Planning Agencies (e.g., Northeast Council of Governments)</td>
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<td>Community Development Corporations</td>
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| **Faith-Based Organization**                  | ✓ Ability to create a CDC  
 ✓ Access to low-income tax credits  
 ✓ Gather support through higher moral obligation | ✓ No Section 8 housing of their own  
 ✓ Have difficulty providing housing to families 30% below the Median Family Income  
 ✓ Limited development capacity and experience in many cases |
| **Neighborhood Associations**                 | ✓ Access to Board of Appeals  
 ✓ Able to block or support potential development | ✓ Usually do not have many resources |
| **Private Sector (e.g., Developers)**         | ✓ Access to HOME money  
 ✓ Low-income tax credits | ✓ Lack access to private money grants from private foundations and institutions that only give grants to non-profit organizations |
| **Merrimack Valley Economic Development Commission** | ✓ Advocate for regional approach | ✓ No development department  
 ✓ Access to development funds |
| **Partnerships (e.g., Liberty Square; Residents First)** | ✓ Ability to reach a lower-income group  
 ✓ Can obtain city support and financing  
 ✓ Can expand the number of low-income houses that can be built | ✓ Limited resources |
| **State Government**                          | ✓ Affordable Housing Laws, Massachusetts Housing Investment Corporation, Community Preservation Act, Mass Development Finance Agency, Mass Housing Partnership, Massachusetts Housing Finance Agency, Mass Department of Housing and Community Development | ✓ Often subject to political and economic budgetary pressures |
| **Federal Government**                        | ✓ Control HUD funds (some programs similar to above) | ✓ Often subject to political and economic budgetary pressures |
| **Other non-profit organizations (e.g., Merrimack Valley Housing Partnership)** | ✓ Bring in grant resources  
 ✓ Provide education by holding classes (e.g. first time home buyers program) | ✓ Do not build or finance housing |
| **Banks and Lending Institutions (Lowell Development and Financial Corporation)** | ✓ Provide technical resources  
 ✓ Donate land  
 ✓ Make attractive loans for low-income housing | ✓ Do not build housing  
 ✓ Limited amount of money going to low-income loans |
Consider, for example, what one type of organization—the Community Development Corporation (CDCs)—has been able to succeed in doing throughout Massachusetts. CDCs are nonprofit groups that build moderate- and low-income housing. There are several CDCs operating in Lowell including Coalition for A Better Acre, Cambodian American League of Lowell, and Lowell Housing Authority (Residents First).

- In 2001, CDCs built nearly 1,000 units of housing statewide, using the state’s $20 million Affordable Housing Trust Fund, the $2 million Community Enterprise Development Program (a state-funded program for home ownership) and other funding sources.
- According to the Massachusetts Association of Community Development Corporations, CDCs expect to build or renovate another 1,300 more units in 2002.
- At the same time, housing activists estimate that nearly 40,000 new affordable and market-rate units need to be built annually if the demand for housing in Massachusetts is to be met.

As Michael Stone notes in Situation Critical, [Available on-line at www.mccormack.umb.edu] the number of new units that need to be built can be reduced substantially through zoning changes that have been adopted in cities in other states.

**Take Home Message:** Over 20 types of groups have tools that they can contribute to addressing housing issues in the greater Lowell area. These groups also have limits on what they can individually do.

**Next Steps:** Get to know who makes which decisions about housing in Lowell and the region. Keep track of what these groups are doing. In many cases we can directly trace the impact of groups using the tools they have available and we can identify gaps in current practices. Add your group to the list by getting involved.
2. Are we just imagining it, or is the situation worse in Lowell and the Merrimack Valley than in many other places?

According to the National Association of Home Builders (NAHB), Lowell is one of the least affordable Primary Metropolitan Statistical Areas (PMSA) in the United States, ranking 175 out of a possible 186 (a ranking of 1 being the most affordable). Rents are increasing and apartments are increasingly hard to find, house prices are increasing, and overall housing stock is failing to keep up with demand. Estimated shortages in the rental market for the Lowell, MA-NH Primary Market Statistical Area for 2003 and 2004 are 1,354 and 2,287 units respectively.

Estimated number of renters in Lowell, MA-NH area unable to afford fair market rent, according to the National Low Income Housing Coalition:  

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<tr>
<th>Bedroom</th>
<th>Percentage</th>
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<td>One bedroom</td>
<td>34%</td>
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<tr>
<td>Two bedroom</td>
<td>42%</td>
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<tr>
<td>Three bedroom</td>
<td>52%</td>
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A private rental analysis completed during the Summer of 2001 estimated market rent for a typical Lowell two bedroom at $1,050 a month. Gathering data from the Internet site Homebuyers.com that advertises apartments throughout the United States is yet another way to begin to sense the shortage of rental units as well as the high costs of those that are available. Homebuyers.com allows users to conduct apartment searches by city. In Lowell during the summer of 2001, nine agencies advertised, all having units ranging from studio to three bedroom. Among these agencies, ten one-bedroom apartments with a median rent of $803 and fourteen two-bedroom units, with a median rent of $1,145, were advertised.

A major influence on housing costs is availability. Lowell City Hall, Inspectional Services Building Department reported that from 1989 to present, the city experienced a net loss in apartments. In all, 276 buildings have been razed, resulting in the loss of 1,124 units and 32 rooms. Eighty-seven units have been gained through conversion, and 833 units have been gained through new construction, with 77% of them being single-family. Between 2000 and 2001, 94 permits were issued for single-family homes, 4 two-family, and 20 condos. No three- or four-unit structures have been built in the last several years. The region lost 90% of boarding house type low-cost rental units.

The market for Section 8 voucher holders shows in yet another way the difficulties with the local housing market. According to Community Teamwork Inc, the statewide waiting list for vouchers

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1 Cities included in the Lowell-NH PMSA are Billerica, Chelmsford, Dracut, Dunstable, Groton, Lowell, Pepperell, Tewksbury, Tyngsboro, Westford, and Pelham, NH.

2 The Federal Government’s method of calculating fair market rent. In accordance with the United States Housing Act (1937), the federal department of Housing and Urban Development (HUD) calculates and publishes Fair Market Rents (FMR) annually for each major metropolitan area in the U.S. At the same time, HUD loosely defines affordable housing as that which does not exceed 25-30 percent of a household’s annual income. FMRs help HUD determine housing allowances for Section 8 and other voucher programs. HUD FMRs are gross estimates that include rent and utilities (excluding telephone), and they are set at a particular percentile of overall rental rates. HUD is currently using the 40th percentile as a benchmark for determining FMRs, meaning that the FMR is the point at which 40 percent of all counted units are below. Only rental units that have been occupied within a period of 15 months are counted into the calculation of FMRs.
is 5,760 with a wait of approximately six to eight years long to obtain a Section 8 voucher. Obtaining a voucher is only a start, however. In effect, the voucher is a license to hunt for housing. The return rate of vouchers since September 2000—meaning the voucher expired before the holder could find housing—has been 37% at Lowell Housing Authority (LHA).

Another way to think about housing is to consider the kind of income it would take to buy a home in the Lowell area. The table below indicates the income that would be needed to purchase a median-priced home (at three different interest levels) in various communities in the Merrimack Valley. Note that at the time these figures were calculated (February 2002), the HUD estimated median income in Lowell was $72,300.

### Income Needed to Purchase Homes in Merrimack Valley

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<th>Community</th>
<th>5% Down</th>
<th>Principal</th>
<th>at 6.5%*</th>
<th>Family Income Needed**</th>
<th>at 7.5%*</th>
<th>Family Income Needed**</th>
<th>at 8.5%*</th>
<th>Family Income Needed**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billerica</td>
<td>$12,450</td>
<td>$236,550</td>
<td>$1,495</td>
<td>$59,806</td>
<td>$1,654</td>
<td>$66,160</td>
<td>$1,819</td>
<td>$72,754</td>
</tr>
<tr>
<td>Chelmsford</td>
<td>13,500</td>
<td>256,500</td>
<td>1,621</td>
<td>64,850</td>
<td>1,793</td>
<td>71,740</td>
<td>1,972</td>
<td>78,890</td>
</tr>
<tr>
<td>Dracut</td>
<td>10,498</td>
<td>199,453</td>
<td>1,261</td>
<td>50,427</td>
<td>1,395</td>
<td>55,784</td>
<td>1,534</td>
<td>61,345</td>
</tr>
<tr>
<td>Lowell</td>
<td>8,250</td>
<td>156,750</td>
<td>991</td>
<td>39,631</td>
<td>1,096</td>
<td>43,841</td>
<td>1,205</td>
<td>48,211</td>
</tr>
<tr>
<td>Tewksbury</td>
<td>12,995</td>
<td>246,905</td>
<td>1,561</td>
<td>62,424</td>
<td>1,726</td>
<td>69,056</td>
<td>1,898</td>
<td>75,940</td>
</tr>
<tr>
<td>Tyngsboro</td>
<td>13,250</td>
<td>251,750</td>
<td>1,591</td>
<td>63,649</td>
<td>1,760</td>
<td>70,411</td>
<td>1,936</td>
<td>77,430</td>
</tr>
<tr>
<td>Pepperell</td>
<td>13,713</td>
<td>260,538</td>
<td>1,647</td>
<td>65,871</td>
<td>1,822</td>
<td>72,869</td>
<td>2,003</td>
<td>80,132</td>
</tr>
</tbody>
</table>


* Calculations provided by <<http://www.amo-mortgage.com/amortization.html>> and are based on a 30-year term mortgage. These calculations do not include property taxes or private mortgage insurance (PMI).

** HUD and many housing organizations have concluded that housing is considered "affordable" if costs do not exceed 30% of income.

**Take Home Message:** Housing prices are indeed high in Lowell and the Merrimack Valley. Rents are increasing and apartments are increasingly hard to find, house prices are increasing, and overall housing stock is failing to keep up with demand. If the economy continues to worsen the availability of apartments could be better or rents could go down, but many people won’t have jobs and won’t be able to pay mortgages or rents. The gap between the number of units needed and the number available is likely to worsen if new employers come to the area. Many renters cannot afford fair market rents. Apartments are so difficult to find that 20% of Section 8 vouchers are being returned because people cannot find apartments.

**Next Steps:** Look at cities with similar arrays of incomes and types of housing to see what these communities are doing to either reduce the cost of housing or expand the supply. Section 22 of this report discusses strategies for thinking about density in increasing supply. Section 23 discusses questions to ask about the costs to build or rehabilitate housing.
3. What does the housing problem look like from different people’s perspectives (e.g., landlords, renters, the homeless)?

Many people can enrich our understanding of the housing problem in Lowell and the Merrimack Valley. Landlords, for example, feel many pressures: increasing utility costs, increasing labor costs, increasing costs for water and insurance, and pressures to reduce units on the same land. Potential renters struggle to find housing they can afford. Young families struggle to find houses they can afford to buy. These perspectives assist us in going beyond the numbers to understanding the impact of the current housing shortage.

**Perspective of Landlords:** In a survey conducted between July and August, landlords supplied us with much information, including information about the typical monthly rents they are charging in the City of Lowell. According to the Greater Lowell Landlords’ Association survey data, average monthly rent for a three-bedroom unit is $1,053. The average rent for a two-bedroom unit is $827, and for a one-bedroom, average rent is $697. Note that these figures are lower than those for units that are currently turning over and are available to new tenants.

Landlords were asked to list the three biggest factors causing them to increase rent. The following chart displays the factors that landlords see as influencing rent hikes in the city. Eighty-nine percent of the landlords surveyed indicated that the factor of taxes and water was, from their perspective, the biggest contributor to increasing rents. The second greatest influence was a combination of loss of rent and damage by tenants.

**Major Factors that Landlord Report as Leading to Rent Increases**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes and Water</td>
<td>89%</td>
</tr>
<tr>
<td>Loss of rent due to tenants</td>
<td>44%</td>
</tr>
<tr>
<td>Damages by tenants</td>
<td>44%</td>
</tr>
<tr>
<td>Debt or Mortgage(s)</td>
<td>39%</td>
</tr>
<tr>
<td>Lead paint</td>
<td>33%</td>
</tr>
<tr>
<td>Utilities</td>
<td>33%</td>
</tr>
<tr>
<td>Insurance</td>
<td>28%</td>
</tr>
</tbody>
</table>

How low is the vacancy rate? A spokesperson for the Greater Lowell Landlords’ Association stated that the availability rate during the summer of 2001 is at or below 1 percent, and the least available units are single-occupancy apartments. He also remarked that there has been a visible reduction in the amount of permits issued for multi-unit structures, particularly those designed for single renters. This, he argued, was the result of a citywide perception of single renters as undesirable tenants and community members. He noted that changes seem to be occurring in who is a single renter—now sometimes divorced parents or faculty who need a second unit because they live a long distance from campus—yet these changes have yet to filter into the perception of their broader community.
The landlords also stated that, in their view, the housing market has undergone significant changes in supply and demand.

It used to be that five or six people would call a landlord about an advertised unit, and then only one or two might show up to look at the unit. Now, fifteen to twenty people are coming to view units, and in some cases the units are being rented out sight unseen. (GLLA focus group meeting).

This failure of the housing market to keep up with demand has also enabled landlords’ to be more selective of their tenants. Not only are landlords’ conducting credit history checks; but also one’s appearance and demeanor while interacting with landlords can be a significant factor.

Perspective of People Looking for Housing: Sometimes it is easy to forget when hearing numbers what the experience is like for individuals. At the open forum on housing we heard many cases first hand that captured the difficulties of finding housing. One such example was Jacqui Vachon-Jackon, a single mother who is a native of Lowell and a full time professional with two children who reported on her search for housing when the condo she was renting was sold. She spent three months looking for an apartment that she could afford on a single professional salary. Eventually she began to avoid taking her children with her when she searched for housing and, although bilingual, she made certain that she did not speak Spanish during the housing search. She works in housing and knows many different people in the housing market. Despite using all her contacts she reported that she had enormous difficulty in finding housing.

Here is a case study that gives an example. We thank Evelyn D. for her willingness to share her story so that others might learn from it.

**Increasing Rents:** Evelyn D. is a single mother with one child (a 4 year old boy). She was living in Amesbury for many years but moved back to Lowell in December 1997 when she separated from her husband. She moved into an apartment complex off Mammoth Road just over the Lowell line. She had a full time job at the university and was an undergraduate student at that time. She paid $520 per month (which did not include electricity). The rent went up to $550 in April 1998 and she considered this still reasonable and she was able to manage the increase. Daycare was $500 a month at that time and she had just enough for her food, gas and her car payment. The complex was then sold in the summer of 1999. She received notice from the complex management saying that the rents would be capped at $580 until the new owners took over fully in September of 1999.

**Looking for Another Rental Unit:** In September of 1999, Evelyn began a graduate program at UMass Lowell. At that time, she made a phone call to see if an apartment might be available on campus. Because she had a child, Evelyn was able to obtain a 2-bedroom apartment for which the rent was $575. She moved in on August 1, 1999. In September 1999, the rents at her former complex went up to $1100. Within a few months, they were $1200 a month for a 2 bedroom apartment.] She stayed in university housing. There were 24 units in the building and the university owned two such buildings. The rent went up to $605 in January 2000 and $630 by the time she left. She lived there until she graduated in June 2001. Evelyn noted that “the university was kind enough to let me stay for the full summer” as she was having some trouble finding affordable housing. Typically, a one bedroom apartment she found available was listed at about $1000 a month (summer 2001) and 2 bedrooms were about $1200 (average). Sometimes she would call or come after work with her 4-year old son and she would be placed on a waiting list. When she would call back she would find that the apartment had been rented. Evelyn said “there seemed to be an awful lot of waiting lists.” Evelyn said that one landlord told her of receiving 65 phone calls for one apartment near the university on North Campus. Evelyn experienced first hand the shortage of housing in Lowell and mentioned that some of the housing she went to see
was not only dirty but substandard with old bathrooms and things that needed repairs. One building had the front door blocked and you could only access the third floor by a rickety old wooden staircase. She wondered why the city of Lowell was not checking these buildings for health violations, especially since the disrepair of some buildings was so readily visible.

**Where the Landlords Live:** Something else Evelyn noticed in her search of over 35 to 40 apartments during the summer was that the landlords lived in Pelham, N.H. or Chelmsford. The buildings typically were not owner occupied. The building she is in now is not owner occupied. She is on the second floor and her landlord lives in North Andover, but fortunately her landlord is there all the time cleaning, checking, etc.

**Finding an Apartment:** When she came to see this apartment, what she liked about it was how clean it was. She said to her son “wait a minute” in French and the landlord looked at her and asked if she was from Lowell. There followed a conversation and Evelyn found out that their families knew each other and she was immediately asked if she wanted the apartment. She pays $900 a month including heat for her new apartment. She now has a manageable rent in a clean, safe building in a nice, quiet neighborhood. She has the responsibility of keeping the lawn cut and helping to keep up the building.

**Poor Quality of Apartments Available:** She said that many apartments were not advertised. At least six of the apartments that she called about she found out through “word of mouth” from her aunts, uncles, and friends. Those apartments that were advertised in the newspaper typically “were not good.” She mentioned seeing three apartments advertised on Branch Street and the week before there was a shooting on Branch Street and this didn’t entice her to go to look at these apartments. She was looking for a safe neighborhood in which to live.

**Possible Barriers When One Has a Child:** The barrier that Evelyn faced was that of being a single mother with a 4-year old child. She said, “Children just add another dimension.” She feels that having a child was probably one of the reasons she was placed on so many waiting lists. It seemed to her as though preference was given to a young couple or single professional.

**Using Unused Space:** Evelyn mentioned that there are a lot of huge blocks that were built for the early immigrants and people working in the mills. So there is a lot of housing in Lowell and the city could somehow try to tap into preserving the city as a historic showpiece of ethnic immigration and neighborhoods. She mentioned an empty building across from St. Joseph’s Hospital that something could possibly be done about. She felt that there is a lot of potential and it’s the resources that we need to work on and find – federal or state money, working together with the city, and working together with groups (Habitat for Humanity) willing to help. She said “We have to find a way for people to work together or people will leave Lowell.” She would like to stay and work here in Lowell.

**The Need for Major Players to Work Together:** Evelyn said that she found herself thinking about sustainability indicators for Lowell. The university has a large student population that is here nine months of the year. The university needs to house these students in a different way – more dorms perhaps, or perhaps looking at buying some large tenement blocks that are empty and refurbishing them and letting the students rent them at reasonable student rates. There also needs to be affordable year round housing for residents who are not students and “if that’s not the case, you will have people leaving.” She said that students crowd into substandard apartments so that they can afford to live in the area. The university with all its resources could look into housing in the area and she thought the tenement blocks would make excellent student housing.

Evelyn felt that the city of Lowell needs to help too. The city promotes the image that the residents can walk anywhere and be safe but she felt that there are certain areas that are not safe and perhaps if the city could have more police on horseback, more community policing, this would give people a higher comfort level. The city could also look into working with the university who houses students nine months of the year, but what about the summer months? She said there are a lot of
creative things that might be done during the summer months. The city also has to work with the homeless shelters transitioning people to jobs.

In closing, Evelyn thought that by working together, (the city, university, and agencies) solutions can be found.

**Perspective of a Small Business Owner or Just How Much Can We Charge for Pizza:** We were fortunate in being able to enlist as a member of our advisory board for this report a small business owner who owns a pizza parlor. He described his concerns about wanting to being able to pay his employees a livable wage, but also being unable to raise the price of pizzas beyond what buyers will pay or can afford. He asked us to think about the question of where the workers at the many small local businesses will live if rental prices rapidly increase and the price of homes continues to go up.

**Perspective of an Employee:** We were fortunate to talk with various employers about how the housing situation was affecting them. Consider, for example, the case of a young family man who was attempting to better his life through participating in a federally-funded training program that prepared him for full-time work while he received a stipend. He successfully completed the training and an internship and was offered a full-time, fully benefited administrative assistant post. Approximately three months later his rent was raised so much that he could no longer afford the apartment and could not find another apartment in the area for his wife and his young son. Eventually, the young man had to leave Lowell and his job that offered upward mobility, because he could not afford to live in the area.

**Perspectives of Shelters:** Lowell’s shelters for the homeless are also facing first hand the problems that arise when insufficient housing is available. In 1989, the average length of stay at the House of Hope was three weeks; now the length of stay is ten to twelve months. The growth in average length of stay is the result of a shortage in the overall housing supply. The combined total beds available in the three family shelters is 28, and the number of shelters operating in the city has not changed since 1985. Many participants said that they had looked in other cities and towns for affordable apartments, but they were not successful because the apartments were either too costly or not near public transportation.

**Perspective of Community Member Who Works With the Homeless:** Joe Tucker has on his own been carrying out an informal tracking of housing costs. Every few years since 1991 on his son’s birthday, he counts the number of ads in the Lowell Sun for apartment rentals and also looks at the costs. His numbers are listed below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Ads</th>
<th>Rental Range for 1 Bedroom</th>
<th>Rental Range for 2 Bedrooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>21</td>
<td>$900-$995</td>
<td>$1050-$1095</td>
</tr>
<tr>
<td>2000</td>
<td>41</td>
<td>$750-$750</td>
<td>$900-$1000</td>
</tr>
<tr>
<td>1998</td>
<td>33</td>
<td>$450-$480</td>
<td>$550-$600</td>
</tr>
<tr>
<td>1997</td>
<td>63</td>
<td>$475-$550</td>
<td>$595-$675</td>
</tr>
<tr>
<td>1994</td>
<td>169</td>
<td>$395-$450</td>
<td>$540-$600</td>
</tr>
<tr>
<td>1991</td>
<td>262</td>
<td>$380-$390</td>
<td>$550-$600</td>
</tr>
</tbody>
</table>

iii The authors of this report very much thank Joe Tucker for his willingness to share this information with us and at the public forum.
**Take Home Message:** The housing crisis is affecting different people in different ways. People who attended our housing forum are especially hard hit by the increasing cost of and limited availability of housing. Different people also have different suggestions for addressing the housing problem. It is important to find ways to regularly tap into these diverse perspectives to build a strong community.

**Next Steps:** Carefully track the relative availability and cost of different types of housing and compare against the incomes of people in the area. By considering income and housing together we can begin to see which kinds of housing are in under supply and which are in over supply. Also, consider examining the impact on the local economy (dining in local restaurants, shopping at local stores, attending local entertainment events) if most disposable income goes to rent increases (and whether those increases circulate in the local economy through local landlords or go to absentee owners living outside the city).
4. Can we learn anything about housing by looking at housing strains at local shelters?

What is the impact of housing strains on the local shelters? To gather information on this question we interviewed shelter staff and surveyed individuals living at one of the shelters in the city. According to staff at the House of Hope—one of three family housing shelters in the city—the average stay at the shelter is now ten to twelve months. As one House of Hope staff member noted, in 1989, the average length of stay at the House of Hope was three weeks.

According to staff members, growth in average length of stay is the result of a shortage in the overall housing supply. The combined total of beds available in the three family shelters is 28, and the number of shelters operating in the city has not changed since 1985. As noted earlier, in 1989 the average length of stay at the House of Hope was three weeks; now the length of stay is ten to twelve months. Thus, the city’s shelters are facing tremendous pressures in terms of services offered, namely safe and adequate temporary housing for those in need.

In a survey of 17 individuals staying at the Lowell Transitional Living Center (LTLC), of which over fifty percent have lived in Lowell more than 5 years, it was reported that high cost of rent is the greatest problem they are facing in terms of finding a place to live. One man has been staying at the shelter for four and one-half years. Including this person, three people have been at the shelter for more than one year. Eight people said they were looking for a two-bedroom unit, and the remaining participants indicated that they were looking for either a studio or one-bedroom apartment.

Many participants said that they had looked in other cities and towns for affordable apartments, but they were unsuccessful because the apartments were either too costly or not near public transportation. When asked what could be done to improve the housing market, one participant suggested that both landlords and public policy officials listen to the customer. Another added that the city could rebuild old and vacant buildings.

In speaking with one individual living at the LTLC, we learned first hand that there are many factors that may lead a person to become homeless. The man had held a fairly high paying job in the high-tech industry, providing computer maintenance and support. He was laid off in the recent bottoming out of the computer industry. Simultaneous to his job-loss, his rent was raised by $100 a month. For $350 per month, he received a room, with a shared bath and no kitchen use. He lived in the old, run-down home for four years. Having lost his job, he was unable to pay the increased rate of $450 per month. Exacerbating the situation is the fact that he has also had his home and car repossessed, thus he would have a very difficult time getting a home mortgage. He is currently collecting unemployment, which prohibits him from being placed on the Lowell Housing Authority (LHA) waiting list for subsidized housing.

Another person at the LTLC said that he felt the city was trying to push low-income families and individuals out of the city. He also said that initiatives such as the artist lofts were only pushing rental rates higher throughout the city. The man added that there are many vacant and boarded-up buildings in Lowell, and asked why the city did not put these structures to use. One suggestion that came from our discussions with people at the LTLC was to set up a program by which individuals staying at the city’s shelters could work on the renovation of these structures and then live in them when they are completed.
**Take Home Message:** The shelters are seeing the same problem we described earlier—families are struggling with finding places to live that are affordable and available. The shelters have not been able to keep up with the demand. Using the House of Hope example in which the average length of stay in 1989 was three weeks and now is ten to twelve months—a more than tenfold increase—the amount of shelter space would have to have increased ten times just to maintain the same available bed space in 2001 as was available in 1989. In addition, many people who live in shelter today have jobs and are still homeless.

**Next Steps:** As a community, regularly make use of statistics gathered by the McKinney Continuum of Care Group that brings together the shelters as well as other providers. Find better opportunities for this group to share their regular minutes that describe the changes in housing that they are seeing and how these changes might be addressed.
5. What can we learn from the Julian D. Steele experience?

According to the city’s Annual Action Plan (July 2001-June 2002), Lowell has a total of 2,178 public housing units, 284 of which were units in the Julian D. Steele (JDS) complex. Of these, 100 of the units were unsuitable for living and deemed too expensive to repair. In 1997 the city drafted the “Julian D. Steele Reinvention Plan,” which called for demolition and redevelopment of the complex. The JDS discussions turned out not to be a time that brought together Lowell’s diverse residents to sort out differences in how best to remedy the problems in JDS. Instead, this important issue of how to address our rapidly worsening housing problems became divisive. What can we learn from this experience?

First, a bit about the current status. The Julian D. Steele reinvention plan is currently under review in the Massachusetts’ Ways and Means Committee. According to the City of Lowell’s most recent Annual Action Plan (July 2001-June 2002), the city’s actions are the result of a lack of funding at the state level to rejuvenate many of the units:

Realizing that state modernization funds would not be forthcoming, the [LHA], working together with residents, its consultants and City and State officials, has developed a plan to demolish all 284 public housing units and replace them with a combination of privately owned low and moderate income units for owners and renters alike” (Annual Action Plan, 2-24).

According to the city’s reinvention plan, property ownership will be transferred to a non-profit development corporation, the Residents First Development Corporation (RFDC). RFDC will then create a mixed income housing development. According to Senate Bill 2217, the development will be required to offer “rental and homeownership opportunities to households with very low incomes up to 50 percent of the area median income, households with low and moderate incomes between 50 percent and 80 percent of the area median income and households with between 80 percent and 150 percent of the area median income, based on household size, as determined by the United States Department of Housing and Urban Development” (Senate Bill, No. 2217).

The city must also provide a plan that will make available at least 45 percent of the JDS units to very low- to low- and moderate-income families, for either rental or homeownership opportunities. In order to aid the city in facilitating the reinvention plan, the state may offer the city a subsidy in excess of $2,000,000. This money will be allocated to the LHA, and the funds are then transferable to RFDC.

Senate Bill 2217 also calls for the creation of an annual fund of $600,000 devoted to LHA in order to aid the city in rebuilding affordable housing throughout the city. According to the proposed bill:

The funds shall be used by the [LHA] to subsidize part of the rents of up to 157 of the replicated housing units referred to in Section 3, said 157 housing units to be available to households whose median incomes are not more than 50 per cent of the area median income of the city of Lowell.... The department of housing and community development shall certify that the 157 additional rental housing units of the 220 units … are available for households whose median income is not more than 50 per cent of the city of Lowell’s area median income.
Five lessons emerge from the Julian D. Steele process:

1. As a community we don’t have an effective process to develop a consensus on how to identify our housing needs and consider what we do about those housing needs. The lesson of Julian Steele is that the inability to develop a consensus on what to do produced a very divisive, lengthy, and costly process that is still continuing and still being felt to this day.

2. As a community we need to have better access to data that will help us thoughtfully consider as a community the implications of adding or subtracting housing from the available stock.

3. As a community we need to be involved early enough in the process of planning shifts in housing so that we have adequate time to evaluate information provided by housing authorities.

4. We need a complete picture of current housing, pressures on that housing, and expected future pressures on housing.

5. We need ways to follow up on the impact of our decisions and see what kinds of foreseen and unforeseen consequences they have (on density, mixed usage, and the like).

The process through which the Julian Steele decisions occurred made it difficult for all of us to come together to build a workable plan. In the Boston Globe, the result has been labeled a major setback in affordable housing initiatives at the public policy level, and the support by state legislators of the plan has been termed a “dangerously flawed policy.”

[T]he [state legislative] session [that ended July 31, 2000] may be remembered for a huge step backward—the approval by the Legislature and the governor in the final week of the City of Lowell’s request to demolish 284 units of permanently affordable housing known as the Julian D. Steele project…. The new housing will target families with incomes more than twice those of the current Julian Steele families. Nine out of the ten current households are single parent. Seven out of ten are Hispanic. Some 98 percent of the families have an income of 50 percent or lower than the median income of the area. It is most unlikely that these families can afford rental, let alone ownership of the reinvented Steele development. For these residents, reinvention amounts to eviction (Boston Globe, 08/10/2000).

The Reinvention Plan will see through the demolition of the current state subsidized housing project and replace the units with “privately owned low and moderate income units for owners and renters alike” (Draft Annual Action Plan, 2-24).

In the meantime, the LHA is responsible for placing all of the tenants, which has placed greater pressure on the subsidized housing system in the city.

The relocation plan involves a combination of elements including transfers to other public housing units and the use of Section 8 vouchers so that residents can be relocated as quickly and easily as possible (DAAP, 2-24).

However, the market for Section 8 voucher holders is not very promising. As noted earlier, the statewide waiting list for vouchers is 5,760 with a wait of approximately six to eight years long. Furthermore, the return rate of vouchers, meaning the voucher expired before the holder could find housing, is said to be as high as twenty percent at Lowell Housing Authority (LHA). As of January 11, 2001,
84 families remain at the Julian Steele housing projects, with 14 or 15 residents being relocated every month. Milinazzo hopes to have the entire site emptied by June 30, when construction of the new development can begin.” (Lowell Sun, 01/11/02).

**Take Home Message:** As a community we need a complete picture of current housing, pressures on that housing, and expected future pressures on that housing. We need to follow up on the impact of our decisions and see what kinds of foreseen and unforeseen consequences they have on density, access to public transportation, mixed usage, and the like.

**Next Steps:** Section 31 “What can we learn from other communities?” of this report provides ideas on strategies other communities are using to assess housing. Section 17 “Where can we find the information needed on housing in order to participate in an informed way?” provides a list of reports that include suggestions on identifying and addressing housing needs. Section 26 “Who has resources to teach about housing issues and how can they help us?” lists groups that are available to assist us in thinking about these issues.
The Broader Context

This Section:

6. How is the overall situation in Massachusetts impacting housing in Lowell?

7. How is the overall national policy situation making the housing problem worse in places such as Lowell?

8. What changes have happened for each of these decision makers that make a difference?

9. Why are housing numbers so difficult to compare?

10. Wages and housing costs

11. What does the term “affordable housing” mean: Recognizing the different uses given to the term.
6. How is the overall situation in Massachusetts impacting housing in Lowell?

Lowell’s housing market must be understood within the shortfalls in the broader Massachusetts housing market. A major pressure affecting Lowell’s housing is the high cost of housing in surrounding areas and Massachusetts as a whole. For instance, when housing becomes unaffordable in Boston, those who are able to relocate in favor of lower-cost housing in communities like Lowell will more than likely do so.

The National Low-Income Housing Coalition (NLIHC) finds Massachusetts to be the fourth most expensive state for housing. Massachusetts is one of the most costly states for homeownership, according to Edward Moscovitch,

> New home prices in Massachusetts were 47% higher than the national average in 2000—the average home here cost $236,000, compared to only $159,000 across the nation (Moscovitch, 1).

Housing prices in the last five years have rapidly increased in Massachusetts, and these higher prices in Boston and the surrounding suburbs are pushing people further from these communities in search of affordable housing. In an article, “Housing prices soared in most of the Bay State”, it is reported that “the longest-running real estate boom in Massachusetts has pushed the median price for single-family homes up by 36.7 percent from 1990 to 2000…As job opportunities in high tech, biotech, telecommunications, and the financial industry exploded in Greater Boston during the 1990s, the supply of homes dwindled and prices soared.” Karl Case, an economics professor at Wellesley College noted the impact for communities like Lowell, “When buyers were priced out of their choice towns, they went to the next market, which explains the increases in Mattapan, Dorchester, Quincy, Lawrence, and Lowell.”

That many young families can no longer afford first homes in suburban Boston is nothing new. That teachers, police officers, firefighters, and other town employees can no longer live in the communities they serve is an emerging trend. Even teachers and firefighters making $40,000 and $50,000 can’t afford to buy a starter home for a quarter-million dollars (Jeffrey Nutting, Franklin Town Administrator, Boston Globe, 05/10/01).

Lowell, which is in close proximity to Routes 3, 495, and 93, is now reportedly an attractive alternative.

Why are houses in Massachusetts so expensive? In the Massachusetts Housing Partnership Fund study, entitled “Why are Massachusetts Home Prices so High?” Moscovitch explores the relationships between the cost of housing construction, land purchase, heating, and other such variables. When cost differences are taken into account, Massachusetts’ home prices are still almost 30% above the national average (p 2).

Further analysis, applying supply and demand and population growth failed to explain these differences, except that Massachusetts has failed to keep pace with the national average of new home construction.

> Massachusetts built only 15 units per thousand—barely more than half the national norm given our population growth…. By contrast, Maryland built the 28 units per thousand called for by its population growth. It is not surprising, then, that Maryland home prices are almost 40% less than those in Massachusetts (ibid, 4).
A major factor in the shortfall of new home construction, Moscovitch concludes, can be attributed to neighborhood resistance to development, pointing out that this resistance often leads to increased costs for legal fees.

The impact of the high cost of housing can be seen in yet another way. In their study entitled "Out of Reach," the National Low Income Housing Coalition points to the high costs of rental units in Massachusetts.

46% of renters in Massachusetts are unable to afford Fair Market Rent for a two-bedroom unit…. [A] worker earning the Minimum Wage ($6.00 per hour) has to work 110 hours per week in order to afford a two-bedroom unit at the area’s Fair Market Rent.

The housing wage needed to afford Fair Market Rent (FMR) is over 200% higher than the present minimum wage. The following tables from the "Out of Reach" study, use HUD calculations of 1990 Census data.

The first table below shows us what HUD estimates for the Median Family Income in the Year 2001 for various localities. The estimate for the greater Lowell area is $72,300 (note that this includes other communities in addition to Lowell). Thirty percent of $72,300 (the HUD benchmark for affordability) is $21,690. In accordance with HUD’s definition of what is affordable, a family earning the Median Family Income estimate for Greater Lowell is able to spend $1,807 per month for housing cost (rent or mortgage). For a family earning 80% ($57,840) of the median income, monthly housing costs should not exceed $1,446; at 50% ($36,150) $904; at 30% ($21,690) $542.

<table>
<thead>
<tr>
<th>2001 Family Income (HUD Estimate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual</td>
</tr>
<tr>
<td>Massachusetts</td>
</tr>
<tr>
<td>Massachusetts non-metro</td>
</tr>
<tr>
<td>Lowell, MA-NH, PMSA</td>
</tr>
</tbody>
</table>

One of the more telling indicators in the Out of Reach study is the table that shows Fair Market Rent (FMR) as a percentage of Massachusetts’ minimum wage ($6.75). In Lowell, the HUD FMR for a one-bedroom unit ($708) is 264% of minimum wage. An individual earning the minimum wage in Massachusetts would need to work 106 hours per week to afford a one-bedroom unit at the HUD determined FMR. In fact, the hourly wage needed to afford the city’s FMR for a one-bedroom unit is $13.64—more than twice the state’s minimum wage or approximately $28,370 annually. The housing wage for a two-bedroom unit is 319% of the Massachusetts minimum wage, with a worker needing to earn approximately $34,200 annually.

Another major factor in housing costs is the quality of jobs within a given area. Massachusetts’ wages are some of the highest in the nation. However, the high averages can be misleading. Given that the state hosts some of the most prestigious colleges and universities in the nation, it has the ability to attract high-paying, sophisticated employers in industries such as health care and biotechnology. Meanwhile, the manufacturing sector (high-paying, benefited) has suffered

iv Lowell, MA-NH PMSA includes Billerica, Chelmsford, Dracut, Dunstable, Groton, Lowell, Pepperell, Tewksbury, Tyngsboro, Westford, and Pelham, NH.
significant losses, which has presumably been supplanted with service sector (low-paying, temporary) jobs.

### Housing Wage-Hourly Wage Needed to Afford FMR @ 40 hours per week

<table>
<thead>
<tr>
<th>Location</th>
<th>Zero Bedroom FMR</th>
<th>One Bedroom FMR</th>
<th>Two Bedroom FMR</th>
<th>Three Bedroom FMR</th>
<th>Four Bedroom FMR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Massachusetts</td>
<td>$13.65</td>
<td>$15.90</td>
<td>$19.86</td>
<td>$24.85</td>
<td>$29.13</td>
</tr>
<tr>
<td>Massachusetts non-metro</td>
<td>$9.32</td>
<td>$11.45</td>
<td>$14.77</td>
<td>$18.78</td>
<td>$21.75</td>
</tr>
<tr>
<td>Lowell city</td>
<td>$10.54</td>
<td>$13.62</td>
<td>$16.44</td>
<td>$20.60</td>
<td>$23.04</td>
</tr>
<tr>
<td>Lowell, MA-NH (PMSA)</td>
<td>$10.54</td>
<td>$13.62</td>
<td>$16.44</td>
<td>$20.60</td>
<td>$23.04</td>
</tr>
</tbody>
</table>

### Housing Wage as Percentage of Minimum Wage

<table>
<thead>
<tr>
<th>Location</th>
<th>Zero Bedroom FMR</th>
<th>One Bedroom FMR</th>
<th>Two Bedroom FMR</th>
<th>Three Bedroom FMR</th>
<th>Four Bedroom FMR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Massachusetts</td>
<td>202%</td>
<td>236%</td>
<td>294%</td>
<td>368%</td>
<td>432%</td>
</tr>
<tr>
<td>Massachusetts non-metro</td>
<td>138%</td>
<td>170%</td>
<td>219%</td>
<td>278%</td>
<td>322%</td>
</tr>
<tr>
<td>Lowell city</td>
<td>156%</td>
<td>202%</td>
<td>244%</td>
<td>305%</td>
<td>341%</td>
</tr>
<tr>
<td>Lowell, MA-NH (PMSA)</td>
<td>205%</td>
<td>264%</td>
<td>319%</td>
<td>400%</td>
<td>447%</td>
</tr>
</tbody>
</table>

It should be noted that based on data gathered for the present report, the HUD determined FMRs for the Lowell area do not reflect average rental rates. Based on the community member’s informal tracking of rental rates (see p.15), for example, the rental range for a one-bedroom apartment was between $900 and $995, which exceeds the HUD FMR by nearly $200. The HUD FMR for a two-bedroom rental unit is $855, while the community member’s study shows a range of $1050 to $1095. The survey conducted with the GLLA (see p.12) finds an average rent of $827 for a two-bedroom unit; a figure that falls below the HUD determined FMR. The average rent for a one-bedroom unit in the GLLA survey ($697) was only slightly lower than the HUD calculation ($708).

### 2001 Fair Market Rents by Number of Bedrooms

<table>
<thead>
<tr>
<th>Location</th>
<th>Zero</th>
<th>One</th>
<th>Two</th>
<th>Three</th>
<th>Four</th>
</tr>
</thead>
<tbody>
<tr>
<td>Massachusetts</td>
<td>$710</td>
<td>$827</td>
<td>$1,033</td>
<td>$1,292</td>
<td>$1,515</td>
</tr>
<tr>
<td>Massachusetts non-metro</td>
<td>$485</td>
<td>$595</td>
<td>$768</td>
<td>$977</td>
<td>$1,131</td>
</tr>
<tr>
<td>Lowell city</td>
<td>$548</td>
<td>$708</td>
<td>$855</td>
<td>$1,071</td>
<td>$1,198</td>
</tr>
<tr>
<td>Lowell, MA-NH (PMSA)</td>
<td>$548</td>
<td>$708</td>
<td>$855</td>
<td>$1,071</td>
<td>$1,198</td>
</tr>
</tbody>
</table>

The table below provides data on the number of households that rent as opposed to own and is available through National Low-Income Housing Coalition’s *Out of Reach* report. Between 1990 and 2000 the Lowell PMSA witnessed a decline in the rate of renting by nearly 8 percent, while the statewide rate increased by over two percent. One possible explanation for this decline is the reduction in available rental units over the same period. As noted earlier in this report, the city suffered a net loss in rental units due to a shortfall in the number of newly constructed rental units when compared to the number of razed units. From 1989 to present, there have been 276 dwellings razed in the city, yielding a loss of 1,124 units and 32 rooms. Eighty-seven new units have been gained through conversion and 833 new units through new construction. Of these new units, 645 (77 percent) are single-family. Thus Lowell has experienced a sizable net loss in rental
units. The aforementioned figures were gathered through correspondence with Lowell City Hall Inspectional Services Building Department.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Massachusetts</td>
<td>914,752</td>
<td>935,843</td>
<td>2.30%</td>
</tr>
<tr>
<td>Massachusetts Non-Metro</td>
<td>27,751</td>
<td>28,306</td>
<td>2.00%</td>
</tr>
<tr>
<td>Lowell, MA-NH PMSA</td>
<td>34,246</td>
<td>31,523</td>
<td>-7.95%</td>
</tr>
</tbody>
</table>

Another reason for looking beyond the city limits of Lowell to understand housing pressure is apparent in considering growth rates in nearby communities. Recent census data comparing the 1990 to the 2000 information confirms there has been a surge in growth in the suburbs. Here are the data for Lowell and nearby communities:

**Census Data: Growth Rates in the Lowell Area between 1990 and 2000**

<table>
<thead>
<tr>
<th>City</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tyngsboro</td>
<td>28%</td>
</tr>
<tr>
<td>Westford</td>
<td>27%</td>
</tr>
<tr>
<td>Dracut</td>
<td>12%</td>
</tr>
<tr>
<td>Chelmsford</td>
<td>5%</td>
</tr>
<tr>
<td>Tewksbury</td>
<td>5%</td>
</tr>
<tr>
<td>Billerica</td>
<td>4%</td>
</tr>
<tr>
<td>Lowell</td>
<td>2%</td>
</tr>
</tbody>
</table>

Note also that the number of registered vehicles in Greater Lowell grew three times faster in the 1990s than the state average – 23 percent to 7.6 percent – and more than twice as fast as the population growth of 9 percent (Lowell Sun, 03/22/01). These data affirm that this region has been growing. The growth in the number of registered vehicles (a growth rate three times the average in Massachusetts) could indicate that more and more people are commuting from the suburbs because they are being priced out of the towns and cities in which they work.

**Take Home Message:** Pressures are growing on Lowell’s housing market as a result of changes that are taking place in the region and in the state as a whole. The increasing unaffordability of housing in greater Boston is making Lowell’s “relative” affordability more attractive, which then places upward pressure on the Lowell housing prices. Massachusetts as a whole has failed to keep pace with the national average of new home construction so housing pressure is likely to continue. The housing wage needed to afford Fair Market Rent is over 200% higher than the present minimum wage. An individual earning minimum wage in Massachusetts would need to work 106 hours a week to afford a one-bedroom apartment.
**Next Steps:** As a community, track the median incomes for various types of workers (for example, teachers, those who work in the new destination sites such as the Tsongas Arena, owners of small businesses in Lowell) so that we know what kind of housing we need and what kinds of jobs we need to create so that our housing will be affordable. Look at people who were earning the median two years ago: What could they afford then and what can they afford now? As a community, regularly estimating what income our children would have to have if they wanted to be able to afford the housing their family now lives in? What kinds of jobs do we need to create and maintain?
7. How is the overall national policy situation making the housing problem worse in places such as Lowell?

The very strength of our economy is forcing the poorest residents to compete for a shrinking pool of affordable units. With nowhere else to turn, millions of families with worse case housing needs join lists for HUD-assisted housing and are left waiting in vain.12

Traditionally the federal government has played an important role in making affordable housing available. The U.S. Department of Housing and Urban Development13 notes how this has changed:

1995 saw a historic reversal of Federal housing policy—a freeze on new housing vouchers. Not surprisingly, this unprecedented freeze was devastating to low-income families and senior citizens. The past four decades of housing policy have shown that with rising rents and deterioration of units, the Nation must continuously add new units or vouchers just to stay even with the need. (p. v)

The stock of rental housing affordable to the lowest income families is shrinking and Congress eliminated funding for new rental assistance in 1995. Between 1993 and 1995, a loss of 900,000 rental units affordable to very-low-income families, a reduction of 9 percent occurred. There was an even greater reduction—16 percent—in the number of units affordable to extremely-low-income renters. (p. 2)

The faster growth in worse case needs in the 1990s was among working families. Although full-time work should pay, having a low-paying job was found to be increasingly unlikely to lift a family out of poverty or resolve worse case housing needs. Between 1991 and 1995, worse case needs rose by 24 percent for households with at least one full-time minimum wage worker. (p. 2)

Elsewhere the report also notes the impact of expiring use:

The expiration of project-based subsidies compounds the crisis. Private owners who opt out of their HUD-assisted subsidy contracts threaten to worsen an already dire rental crisis and counteract efforts to reduce the isolation of low-income families in high poverty neighborhoods. During 1998 alone, almost 13,000 units were lost through opt-outs as owners quit the project-based Section 8 program in search of higher, market-rate rents. (p. v)

The HUD report shows us the problem by looking at lengthening wait lists for Section 8s:

Time on wait lists is long and growing longer. The length of time a household is on a waiting list before it is placed in a public housing unit or given a Section 8 rental assistance voucher is painfully-long—and appears to be growing longer still. Many waiting lists are years long. (p. 7)

Nationally, the average waiting time to be placed in a public housing unit has risen from 10 to 11 months between 1996 and 1998. (p. 8)

Nationally, the average Section 8 waiting time has risen from 26 to 28 months between 1996 and 1998. (p. 8)

At the national level, there has been a significant reduction in the availability of multi-family rental units. According to The State of the Nation's Housing, by the Joint Center for Housing Studies at Harvard14 there has been a “net loss of nearly one million units of this type” (p. 21). This loss resulted from a combination of demolition and a lack of adequate replacement.

Almost 1.4 million units in multifamily buildings with two to four apartments were either converted or demolished during the 1990s. New construction between 1985 and 1999 added only
about 400,000 apartments in these small buildings…(ibid, 21).

The study suggested that there were many factors that led to this reduction in rental stock, including a poor rate of return on investments for landlords.

For many of these landlords [who rent multifamily units], the ventures are unprofitable: in 1995, 32 percent of owners with fewer than 10 units reported losses on their investments. Losses among owners living in their buildings, however, were substantially lower at 14 percent. As a result, unless they have a resident landlord, small multifamily structures are especially at risk of deterioration and eventual removal from the stock (ibid, 21).

From the landlords’ perspective, renting units is a business decision, and if it is not profitable, it simply does not make sense to remain in operation. Further compounding the rental market is the federal Department of Housing and Urban Development’s (HUD) objective to increase the rate of homeownership throughout the United States. This agenda is driven by the traditional lure of homeownership as the “American dream”. According to HUD Secretary Mel Martinez, the department expressed its commitment to making homeownership a possibility for many Americans. Through programs such as the American Dream Downpayment Fund, Section 8 Homeownership, Renewing the Dream Tax Credit, and Hybrid Adjustable Rate Mortgages, the Bush administration believes it can improve the overall quality of affordable housing in America.

The assumption that the desire to own one’s home is held by everyone is not confirmed by a recent study by Fannie Mae.

41 percent of rental households rent as a matter of choice, according to a recent study by Fannie Mae, which promotes homeownership (Lowell Sun, 08/17/01).

In her article, entitled “Renting Can Sometimes be Better than Buying”, Pamela Reeves offers statistics from several studies which suggest that such variables as market volatility and overall cost differences between renting and owning play a major role in determining which is the best option.

5.6 million households with incomes over $50,000 rent their housing. On the other end, two-worker households earning the typical minimum wage cannot afford a typical two-bedroom apartment (ibid).

Should this trend of continuing lack of affordability go on, many working families in America will be priced out of the housing market entirely.

**Take Home Message:** The Federal Government has changed its priorities in terms of affordable housing. In recent years, the stock of rental housing affordable to the lowest income families has shrunk. Time on Section 8 wait lists is increasing throughout the country. Expiring use subsidies is taking place in many locations. HUD is placing increasing emphasis on finding ways to support homeownership primarily for 1-3 units, but has failed to promote permanent affordable equity ownership options such as limited equity coops.
**Next Steps:** Communities must ask the federal government to resume a more active role in financing and supporting the continuing need for affordable housing. Section 31 “What can we learn from other communities? How are other cities addressing affordable housing?” in this report provides examples of how other cities are addressing this problem of reduced support from the federal government. Section 7 “How is the overall national policy situation making the housing problem worse in places such as Lowell?” shows that local community development corporations and other groups are unlikely to be able to fill the gap created by reduced funding by the federal government.
8. **What changes have happened for each of these decision makers that make a difference?**

If we are to address our housing challenges effectively, we need to be aware of changes that are taking place at the federal, state, and municipal levels. Below we list some of those changes and also provide information about where to learn more.

**Changes at the Federal Level:** Section 7 “How is the Overall National Policy Situation Making the Housing Problem Worse in Places Such as Lowell” in this report discusses some of the changes that have taken place in federal housing priorities. The book *Place Matters: Metropolitics for Twenty-first Century* (2001) includes detailed summaries of the history of federal housing policies. A wealth of information is also available at the www.fanniemaefoundation.com web site the HUD web site www.hud.gov.

**Changes at the State Level:** Changes are regularly occurring at the state level in laws and regulations on housing. Descriptions of these changes are included throughout this report. Recent changes include passage of the Community Preservation Act that allows cities and towns that have passed a local tax to tap a community preservation pool of funding that can be used in part for affordable housing. Numerous bills related to housing a pending in the state legislature.

**Changes at the Municipal Level:** City level changes are described throughout this report. Readers might look at Section 1 “Giving Up Before We Even Start: Why Should We Try to Learn About the Housing Problem Because Somebody Else Seems to Control Everything” for examples of some of the changes that are occurring and that may occur in the future.

**Next Steps:** A yearly briefing open to the community might be held that brings all of us up to date on changes taking place that will shape our opportunities and resources.
9. Why are housing numbers often so difficult to compare?

It is worth noting that sometimes comparisons are made between “apples and oranges.” Be sure to watch out for this. Sometimes the information, for example, refers to a statistical area that includes several municipalities; sometimes the information available is for a single city. Sometimes utilities are included in the reported cost of housing; sometimes not. Sometimes income is being reported as individual income and sometimes as family income. Sometimes New Hampshire towns are included and sometimes not; because NH has a lower minimum wage than MA, the figures for hours of work needed to afford various types of housing will vary. The ways of calculating affordability may also vary. Sometimes the time periods being summarized are different. And, sometimes people are using estimates rather than actual figures and so different assumptions about changes in the economy, housing, incomes, and so forth will lead to different estimates.
10. Wages and Housing Costs

According to data provided by the Massachusetts Division of Employment and Training (DET), the median personal wage in Lowell for 1999 was $35,942. However, it is important to point out the wide variation in wages across industries. For example, manufacturing is traditionally recognized for offering competitive wages, job security, benefit packages, and the potential for advancement within the workplace, and service industry jobs often fall short in all of the aforementioned job qualities. These assumptions are confirmed by DET data that indicate wages by industry. The average weekly wage in goods producing sectors (figures represent Quarter Ending June 2001) was $1,224.58, while services jobs averaged $839.95 weekly. The average weekly wage for all industries in Lowell was $962.74. This information is important not only in highlighting the potential for variation in wages across industries, but also due to the fact that the Merrimack Valley has experienced a dramatic shift in employment figures in both of the aforementioned sectors. “Manufacturing and services occupied 20 percent and 25 percent of the state workforce, respectively, in 1985. Since that time, manufacturing has dropped to just 13 percent of the state’s employment base, while finance, trade, and construction have maintained roughly fixed percentages of total employment.”

Losses in the manufacturing sector have not eluded Lowell. DET figures show that between 1990 and 2000, manufacturing jobs have gone from 15,233 to 6,687. Meanwhile, the service sector has grown steadily over the same period, increasing from 9,447 in 1990 to 13,372 in 2000. A more comprehensive layout of employment figures by industry in Lowell is available at the following Internet site: http://www.detma.org/lmi/local/Lowell.html.

The following table is based on calculations using the National Low Income Housing Coalition (NLIHC). The table displays the wages needed in order for housing costs not to exceed 30% income. The monthly rents were selected in accordance with data on rental rates in Lowell, ranging from $750 to $1,350 per month. According to the calculations, one would require an annual wage of $30,000 to afford a $750 per month rent.

<table>
<thead>
<tr>
<th>Monthly Rent</th>
<th>Hourly Wage*</th>
<th>Annual Wage*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$750</td>
<td>$14.42</td>
<td>$30,000</td>
</tr>
<tr>
<td>$900</td>
<td>$17.31</td>
<td>$36,000</td>
</tr>
<tr>
<td>$1,050</td>
<td>$20.19</td>
<td>$42,000</td>
</tr>
<tr>
<td>$1,200</td>
<td>$23.08</td>
<td>$48,000</td>
</tr>
<tr>
<td>$1,350</td>
<td>$25.96</td>
<td>$54,000</td>
</tr>
</tbody>
</table>

*These wages represent what is necessary for housing costs to not exceed 30% of income.

Take Home Message: Manufacturing jobs are decreasing in our area while service-based jobs are increasing. These two sectors typically have different wage structures. These differences may affect the kinds of housing community residents and area residents can afford.

Next Steps: We need to know the affordability needs of workers who are employed by area businesses and who will be employed in the future. As a community and region, track not only incomes but also changes in types of industries in our area. Benchmarks (the UMass publication that analyzes economic trends by region of the state) is one such resource that can be used.
11. What does the term “Affordable Housing” mean: Recognizing the different uses given to the term

Discussions about affordable housing falter because people use the phrase “affordable housing” in different ways. When people worry about the lack of affordable housing they could be referring to subsidized housing. On the other hand, they could be referring to the high cost of home ownership and the fact that people with a median income in a particular area cannot afford to purchase the median home available in that community. They could be talking about a severe affordability gap. People discussing affordable housing may also be attending to income, family size, and housing costs or may only be referring to the latter. This section takes us through some of the typical ways of calculating housing costs and affordability.

The Federal Government’s determination of what’s affordable: The fair market rent calculation. In accordance with the United States Housing Act (1937), the federal department of Housing and Urban Development (HUD) calculates and publishes Fair Market Rents (FMR) annually for each major metropolitan area in the U.S. At the same time, HUD loosely defines affordable housing as that which does not exceed 25-30 percent of a household’s annual income. FMRs help HUD determine housing allowances for Section 8 and other voucher programs. HUD FMRs are gross estimates that include rent and utilities (excluding telephone), and they are set at a particular percentile of overall rental rates. HUD is currently using the 40th percentile as a benchmark for determining FMRs, meaning that the FMR is the point at which 40 percent of all counted units are below. Only rental units that have been occupied within a period of 15 months are counted into the calculation of FMRs.

Recognizing Other Factors that Affect What’s Affordable

Where does income fit in? When public policy officials and housing analysts calculate the availability of affordable housing within a particular region, they often use the area median income as a gauge for determining what is affordable. The results of such calculations is that what is affordable in one community may not be affordable in another if incomes in that community are low. For example, the FMRs for a two-bedroom apartment in Lowell and New Bedford are $855 and $728 respectively (National Low-Income Housing Coalition). The following tables are based on data provided by the National Low-Income Housing Coalition (NLIHC).

Table: Fair Market Rents for Lowell

<table>
<thead>
<tr>
<th>Number of Bedrooms</th>
<th>HUD Fair Market Rents</th>
<th>Median Income Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bedroom</td>
<td>$ 708</td>
<td>$28,320</td>
</tr>
<tr>
<td>2 Bedrooms</td>
<td>$ 855</td>
<td>$34,200</td>
</tr>
<tr>
<td>3 Bedrooms</td>
<td>$1,071</td>
<td>$42,840</td>
</tr>
<tr>
<td>4 Bedrooms</td>
<td>$1,198</td>
<td>$47,920</td>
</tr>
</tbody>
</table>

What’s missing when family size and other costs are omitted from the calculations: The above calculations do not take into account family size or other expenses that may vary from region to region. For example, a single mother of two would have a much more difficult time meeting basic non-housing needs than a single woman without children, yet the FMR does not include such variables. Michael Stone16 (at the University of Massachusetts Boston) helps us
understand the impact of omitting these factors. He uses the Shelter Poverty Standard [for more information on how to calculate the shelter poverty standard see article by Michael Stone on the web at www.donahue.umassp.edu/publications/housing/4-affordability].

An employed single parent with one child, working full time at a minimum wage job ($6.75 an hour) can afford $189 a month for housing (16% of her income) on the Shelter Poverty Standard—if she also has health insurance and subsidized childcare; without these benefits she can afford even less…. A married couple with two children, with both families working full-time at minimum wage jobs ($25,000 a year) can afford nothing for housing if they are to pay their taxes and meet their family’s non-shelter needs at a basic level…. A senior citizen living alone, and depending entirely upon Social Security survivor’s benefits of $500 a month can afford nothing for housing and still meet her other needs (Stone, 2001)

That housing does not exceed twenty-five to thirty percent of household earnings has become the standard test for affordability. However, according to Stone, it means little when accounting for low- and extremely-low income earners.

The traditional “rule of thumb” was that people supposedly can afford to spend up to 25 percent of their incomes without hardship. In the 1980s this standard was raised to 30 percent. But for all low-income families, and many moderate-income families, paying thirty percent (or even 25 percent) of their limited income for housing does not leave them with enough money to meet their other needs…. What we really mean when we say that a household is paying “more than they can afford” for shelter is that after paying for their housing they can’t meet their non-shelter needs adequately. So instead of taking some arbitrary percentage of income (like 25 or 30 percent), a better way to figure out how much a family realistically can afford for housing is to take the difference between their disposable income (i.e. after taxes) and the cost of meeting their non-housing needs at a basic level of adequacy (Stone, 2001).

The Shelter Poor Analysis: Stone highlights the fact that smaller families can afford to devote a higher percentage of their earnings for housing than larger families. Smaller families need less money for food, health care, clothing, transportation, and the like.

Using thirty percent of a low-income earner’s annual wages as the measure has a severe impact when compared with the same percentage for a high-income earner. For example, a single parent of two, working full-time at the Massachusetts minimum wage would earn approximately $14,000 annually. Thirty percent of this salary is roughly $4200, leaving a little less than $10,000 to spend on basic family needs, including food, clothing, and health supplies. $4200 per year breaks down to $350 per month. With two children, a multi-bedroom unit would be needed. In Lowell, a two-bedroom apartment costs much more than $350 per month. Furthermore, it is safe to assume that his/her employer does not provide health and daycare benefits. Now apply the same measures to a single professional, with no children, earning $100,000 annually. Thirty percent of this annual wage is $30,000, leaving $70,000 to meet other costs of living. Also, $30,000 allows one to spend $2,500 per month for housing, creating many more living options than the minimum wage earner. Given the diversity of today’s urban areas, it is highly probable that these two individuals live within the same city.

Who are the shelter poor? According to Stone,17 three out of every ten Massachusetts residents (about 670,000) households (1.8 million people) live in shelter poverty. He notes that almost 40% of all Massachusetts renters are shelter poor and they include “families with low-wage jobs, elderly women with meager Social Security or SSI benefits, families on public assistance, and single men with barriers to stable employment.”18 Over 20% of all Massachusetts homeowners are shelter poor and “about half are low and moderate-income elderly singles or couples barely
able to pay property taxes and fuel bills, many cannot afford to maintain their homes, and many
cannot afford to maintain their own health and nutrition after paying their housing costs. Many of
the rest are moderate-income families with children who took on huge mortgage burdens during
the economic booms, but whose incomes have been destabilized by corporate and government
downsizing and economic globalization.\textsuperscript{19}

Stone also notes that the shelter poverty approach finds that 28\% of Massachusetts’s households
have affordability problems, yet this approach may underestimate the affordability problem.
Conventional measures indicate that 36\% of households (based on the 30\% of income approach
and 47\% of renters based on the 25\% of income rule) are paying more than they can afford.\textsuperscript{20}

\textbf{Take Home Message:} Affordability can be measured using HUD fair market rent analysis, the
Commonwealth’s assessment, or measures such as Stone’s Shelter Poor analysis. Each helps us
see the nature of the housing problem we face.

\textbf{Next Steps:} As a community, develop a simple system of making use of all three kinds of
information to attend to affordability issues for renters and potential homebuyers.
Information to help us think about the crisis

This Section:

12. Why should we care as a community if there are problems with housing availability or affordability?
13. The problems with considering housing in isolation from data and economic conditions and jobs
14. Is housing tied to economic development? Why do we need to think about these two issues together?
15. Where do transportation resources fit into the mix?
16. How do we know what kind of housing we need in the Lowell area?
17. Where can we find the information needed on housing in order to participate in an informed way?
18. How do we know how much housing, and of what types, we have in the Lowell area?
19. The problem when we focus on one “level” of housing in isolation.
20. Lowell as a diverse community: Implications for housing.
21. Who currently makes policy decisions about housing and what roles are there for people who have yet to become involved?
22. The importance of paying attention to cycles in housing costs.
23. Density: What are the views of density and why is this an important issue?
24. What does it cost to build or rehabilitate housing?
25. The importance of community access to key data.
26. Who has resources to teach about housing issues and how can they help us?
27. What groups are involved in housing indirectly and should be included in housing discussion?
28. Tools that can help us think through housing issues.
29. What can we learn from newspaper coverage of housing problems?
30. What suggestions are different groups making for addressing the housing problem?
31. What can we learn from other communities? How are other cities addressing affordable housing?
32. What are universities around the country doing? What roles could UMass Lowell play? Should play?
12. Why should we care as a community if there are problems with housing availability or affordability?

The housing crisis is a barrier to future growth in the area and to maintaining our standard of living. The failure of both the public and private sector to adequately meet housing demand has many results, including an increased demand on public shelter services, a spike in housing costs, and the displacement of those in need of affordable rental housing. Furthermore, a shortage in housing weakens the city’s ability to attract long-term employers and employees. When housing becomes unaffordable, we begin to see problems in maintaining a strong economy. As Forrant, Moss, and Tilly note,

“For fewer people are moving to Massachusetts and more people are moving out, compared with the rest of the country. This situation, in turn, directs attention to the issue of high housing prices, which was stressed in MassINC’s report *The Road Ahead* (1998). If the high cost of living is driving working families away from Massachusetts, in the long run the human resources that provide the brainpower and innovative spark that have made Massachusetts great may be undermined.” (Forrant, Moss, & Tilly, 2001, p. 41)

For the most geographically mobile age group (those family heads under 35), Massachusetts was one of the most expensive states to own and finance a home, a factor that has been found to influence in- and out-migration from states.

A shortage in housing weakens the city’s ability to attract long-term employers and employees and shortages are predicted to worsen in the near future. The chilling effects of these shortages have been demonstrated first hand in the Boston area. In an article in the *Boston Globe* (June 24, 2001), entitled “Housing Costs deter Scholars from Hub” the relationship is discussed between housing costs and a region’s ability to attract and keep skilled workers. College professors are used as the example.

[Dennis] Trout is one of dozens of scholars who are reluctantly leaving each year for Ohio, for Missouri, and for California, driven away by the high costs of homes and scarce campus housing in Boston…. ‘The housing situation has become the number one competitive concern among universities in New England’, said Charles Vest, president of the Massachusetts Institute of Technology.

The Globe article goes on to note that the high price of housing is working against MIT, which has a history of attracting, renowned faculty and students, as well as highly prized public and private research dollars. Another negative effect of high housing costs in the area is that it eliminates the community-like atmosphere that college campuses aim to create, because faculty members are commuting to work instead of living in the area among their students.

We should also care as a community about housing costs because of the changing structure of our regional economy. As HUD notes:

“The Northeast region has undergone significant economic change over the last generation, with major shifts away from manufacturing and other traditional strengths of the economy. While the overall economic trends are positive, the long-term effects of economic change remain, and the regions is left with two economies—a disparity that has created a striking “opportunity gap” that must be addressed. The region’s economic transformation has resulted in an especially dramatic job decline in traditional manufacturing industries in cities both large and small. (p. iv)
**Take Home Message:** Housing affordability and availability directly affect our ability to compete as a region in attracting long-term employers and employees. Massachusetts is already struggling to remain competitive and high cost of housing is a major factor is making it difficult. The Northeast region has undergone a significant economic change and a major shift away from manufacturing which is creating a gap in incomes. The region is left with two economies—a disparity that HUD describes as producing a striking “opportunity gap” that must be addressed.

**Next Steps:** Section 14 in this report discusses ways to consider economic development and housing together. Develop strategies to address the high costs of housing to prevent negative economic consequences. Section 20 discusses Lowell’s newest residents and ways to consider housing that will match incomes.

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**Letter to the Editor, New York Times,**

**Only the Rich Can Afford to Live Here**

“Santa Cruz is not the only California town in which exorbitant housing prices upset the economic and social ecology. In Santa Barbara, the median price for a starter home has risen from the mid-$300,000 range (in 1997) to more than $650,000 today.

Increasingly, people buying homes in Santa Barbara are wealthy retirees, not the teachers, nurses, police, fire, and middle-class public and private-sector workers who form the heart of a regional economy. While the residents make good neighbors, they do not provide the skills that are lost when more productive residents are priced out of the housing market.

How will this situation be resolved in towns like Santa Cruz and Santa Barbara? Perhaps when housing prices collapse to an affordable level because of the steep decline in essential services. Eventually even the retirees need to visit the hospital.”
13. The problems with considering housing in isolation from data on economic conditions and jobs

Those living in booming regions may find it easier to increase their incomes, but they usually have to spend their gains on rising housing, transportation, and other costs.24

Much is being said about the positive benefits for Lowell’s homeowners who are selling their houses at present and are able to see considerable price appreciation. In the Boston Globe and the Lowell Sun, for example, stories have appeared in recent months about potential homebuyers now looking to Lowell as a good community to consider because homes are still affordable but the amenities and quality of life are on the increase (see Section 6 of this paper: “How is the overall situation in Massachusetts impacting housing in Lowell?”). Discussion is also occurring about attracting a different kind of resident to Lowell, often in the context of promoting Lowell as a destination city.

As we have noted elsewhere in this report, we need to be sure to think about these increases of the value of houses in the context of incomes of current and future residents.25 We need to think not only about retirees who may be selling their homes and moving to Florida or other less expensive states, but also about young people who are just starting out and who want to be able to afford to stay in Lowell and raise their families. As a community we need to keep tabs on the kinds of jobs we are creating, what they pay, and whether that pay scale is consistent with or not consistent with the costs of different types of housing that are available or that could be created.

It is also important to consider possible demand for new housing that will come as a result of economic development initiatives. For example, TeleCom City, which is located in parts of Everett, Malden, and Medford, is expected to create 7,500 new jobs.26 The Mystic Valley Development Commission is promoting the development of 525 new housing units based on a study by Northeastern University’s Center for Urban and Regional Policy that estimated immigration will occur as a result of this job creation. These three communities are working together to do joint redevelopment. The 525 units represent just some of the 2,900 housing units that are needed to keep pace with the burgeoning housing demand in the area. Lowell’s Acre Redevelopment and JAM (Jackson-Appleton-Middlesex Streets) Plans are other examples of ways in which the impact of economic development and revitalization must take into consideration impact on housing availability and affordability.

Please see the section in this report on “Is housing tied to economic development? Why do we need to think about these issues together?” for a longer discussion of these issues.

Take Home Message: Economic development plans impact the number and types of housing that we need as a community and region. Need for particular types of new housing will come as a result of economic development initiatives.
**Next Steps:** As economic development plans are floated locally or regionally, careful attention should be given not only to number of units needed but to the *type and costs* of units for the kind of occupations that are likely to be created. We must ensure that the inability to match existing and new occupations within the regional economy to existing housing availability doesn’t contribute to labor shortages that could lead to the weakening of the economy. This requires an understanding of job market conditions as well as labor market projections. Sections 13 and 14 provide information about ways to calculate incomes needed for various types of housing.
14. Is housing tied to economic development? Why do we need to think about these two issues together?

*If housing prices continue to rise, the housing crisis could pose a barrier to the future growth of the region as employers find it difficult to recruit workers and are forced to locate elsewhere.*

Economic development and housing costs are tied together in many different ways that we need to understand. Each—high housing costs or economic booms—can impact the other. New businesses coming to the area can increase the number of housing units that are needed. High housing costs can eventually cause new businesses to shy away from our area. New and expanding businesses can change the overall pattern of wages and these changes, in turn, can affect what people can afford to pay for housing.

We can start, for example, with the question of what houses cost to buy and apartments to rent. This gives us an idea of what kinds of income people must earn to live in the Merrimack Valley. We can then look at the range of salaries in the city and surrounding communities and see if a mismatch exists at various income levels between wages and available housing. If many of Lowell’s households have just one wage earner (such as a single mom) with a median income of $35,000, then we have a problem as a community if the typical wage earner needs to earn at least $48,015 to afford the median-priced home in Lowell. Or, we could look at the small businesses that have started up in Lowell in recent years and ask the question of what the community would look like if people who own these businesses can no longer afford to live in Lowell. What would the impact be?

We could start with wages and ask whether well-paying jobs are more or less plentiful now than in the past. If jobs at the high end of the pay scale (such as manufacturing jobs) are disappearing and are being replaced by jobs that pay less (such as many service jobs), then these changes will impact the housing that families can afford.

High costs of housing can put Massachusetts and Lowell at a competitive disadvantage and can act as a brake on economic development. When we develop a housing policy we need to consider what our housing goals imply about the kind of local economy we are aiming to create. People might say, ‘Let’s recruit businesses that pay better wages so that people can afford the available housing’ or ‘Let’s just build more housing that is affordable.’ Each of these possibilities raises questions.

How then do we think about how housing needs impact the economy and are impacted by economic development? Take the example of Greater Boston. In *A New Paradigm* (Center for Urban and Regional Policy) the authors note that the economic boom in Greater Boston “has generated a demand for new housing.”

Greater Boston’s economic renaissance, begun nearly two decades ago, has endowed the region with an extraordinary labor market where unemployment remains below 3 percent and family incomes are rising faster than in almost any other metropolitan area in the nation. The market has been so strong that it has attracted professional workers to the region from other parts of the country and a new wave of immigrants from abroad. But prosperity brings its own challenges. None is more acute than the region’s severe housing crisis. Vacancy rates are now so low that home prices and rents are being bid up substantially faster than most household incomes. Between 1995 and 1999, the median price of a Greater Boston home shot up by a nominal 35 percent while incomes rose by a healthy, but more modest, 25 percent. As a result, many long-time residents of the region, in addition to many newcomers, are facing a severe affordability gap between their incomes and what they must pay to rent housing or purchase a home. Prices and rents are rising so quickly that not only are the poor in trouble, but an increasing number of...
working and lower middle income families worry that prosperity may price them out of the Boston housing market.

“Despite this increase in housing production, vacancy rates have continued to fall below optimal levels.”

To meet the demand and dampen the cost of housing, it will be necessary to build sufficient numbers of units to account for the natural increase in population as well as to increase the vacancy rate to a more optimal level. Greater Boston needs to add approximately 10,000 new housing units a year simply to keep place with growth in the number of households and a modest increase in the population. In addition, we need to construct 5,100 additional units a year to raise the vacancy rates. Assuming the current production rate does not decline, this leaves a production gap of approximately 7,200 new units a year in Greater Boston—a total of 36,000 units above current production levels over the next five years.29

As noted earlier, housing costs are the most influential variable in the Boston area’s cost of living, and this high cost has a negative impact on the region’s ability to attract young educated workers. “[G]rowing concerns have been raised about the affordability of home ownership, particularly for young and moderate income households in the Commonwealth” (Road Ahead, 76). As a footnote, MassINC refers to several public opinion polls that identify home ownership as one of American households’ “most important concerns” (ibid). While Massachusetts households continue to have an advantage over their out of state counterparts regarding annual earnings, homeownership rates in the Commonwealth have been as much as 6.9 percentage points below the national average (1980), according to the United States Census Bureau. While in recent years Massachusetts has increased its share of homeownership in comparison to the national rate, it remains below the national average. The percentage of households that owned their housing in the United States was 65.7 percent, while in Massachusetts this rate was 61.8 percent- a differential of nearly four percent.

Although the state has shown favorable advances in the rate of homeownership, the cost of owning a home has risen quite sharply, particularly when compared to national growth rates. “At the time of the 1980 Census, the median price of owner occupied homes in Massachusetts was estimated to be $48,500, only slightly above the median house price for the entire U.S. By 1990, however, the median price for a home in the state had more than tripled, rising to $162,800…. Thus, by 1990, the median price of a home in Massachusetts was more than double that of the nation ($163,000 vs. $79,000)… By 1990, the ratio of the median house price to median household income ranged from 3.57 in the Springfield metropolitan area and 3.77 in Lowell to highs of 4.46 in Boston and 4.93 in the New Bedford metropolitan area. By 1990, Massachusetts clearly had become one of the most expensive places to buy shelter in the nation” (Road Ahead, 79-80). Thus, while annual statewide earnings continue to exceed those of the nation, Massachusetts homeowners are burdened by the high price of homeownership.

**Take Home Message:** Massachusetts and areas like greater Lowell are become increasing unaffordable when compared to other regions of the country. Housing costs are the most influential variable in the Boston area’s cost of living. This lack of affordability makes it especially difficult to attract young families to the area. High costs of housing put Massachusetts and Lowell at a competitive disadvantage and can act as a brake on economic development.

**Next Steps:** Develop strategies to address the high costs of housing to prevent negative economic consequences.
15. Where do transportation resources fit into the mix?

Often when planners consider housing issues they do so in isolation. They do not analyze the impact on other systems. Increasingly communities are being encouraged to consider the impact on transportation and other systems of the housing development decisions that are envisioned. It turns out that building housing on large acreages has implications for transportation and a variety of other infrastructure components. Much more transportation infrastructure must be developed. This cost of suburban development is now leading to a reconsideration of some of the advantages of historically situated central cities such as Lowell, which already have substantial public transportation.

Again we go back to issues of economic development and jobs. Two years ago, the Center for Family, Work, and Community completed the study “Where are the Jobs?” for Lowell’s Enterprise Community. The leaders of the Enterprise Community were interested in how people living in Lowell can take advantage of the large number of new, entry-levels jobs being added in the Merrimack Valley. Many of Lowell’s residents did not have reliable private transportation, so the question was one of where new jobs were being added and whether these jobs could be reliably reached by public transportation. The CFWC study showed that most of the jobs were being added in the suburbs rather than in Lowell and most of the jobs at the time were beyond the reach of public transportation or had start and end times that were incompatible with the schedules of available public transportation. Those same jobs, added in Lowell, would have been potentially available to Lowell’s residents if the transportation options were greater. One of the implications of the study was that transportation and housing cannot be effectively considered in isolation.

**Take Home Message:** Integrate transportation routes and planning into housing and economic development planning.

**Next Steps:** As a community, investigate the possibility of locating housing near public transportation routes and employment centers.
16. How do we know what kind of housing we need in the Lowell area?

This is a surprising complicated question. Here we need to think about who now lives in Lowell, who is likely to live in Lowell in the future, and how we prepare for these changes. And we need to think about what kind of community we are and hope to be. Consider the graphic below:

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**Impact of Housing Crisis on Renters and Homeowners**
Factors Affecting Supply and Demand for Different Forms of Housing

The previous graphic reminds us that to understand housing needs we need to know about the number of housing units, their type, their cost, and we also need to know about the current state of the economy and its impact on the availability of jobs and the range of incomes. This information is complex in sometimes unexpected ways. Consider, for example, the report A New Paradigm on Greater Boston’s housing that we have previously discussed. This report points out that when vacancy rates are low, increases in family income may not keep up with increases in housing prices and rents.

Number of Units Relative to What’s Needed: How much additional housing do we need? Take the example of Greater Boston. A New Paradigm notes that the economic boom in Greater Boston “has generated a demand for new housing.” The authors argue that when vacancy rates are very low (below 1% for homes and below 3% for rental units), “any increase in family income will be met by an even faster increase in housing prices and rents.” The authors go on to note:

Prices and rents could rise as much as 40 percent faster than family incomes, if vacancies remain at the current rate. This will mean that tens of thousands of more families will be forced to pay an ever higher share of their incomes for basic shelter or leave the region altogether.

Recent private analyses for the Greater Lowell area also find shortages in available housing. Estimated shortages in the rental market for the Greater Lowell Primary Market Statistical Area for 2003 and 2004 are 1,354 and 2,287 units respectively.

And, as things now stand, the estimated number of renters in Lowell, MA-NH area unable to afford fair market rent:

<table>
<thead>
<tr>
<th>Bedroom Type</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>One bedroom</td>
<td>34%</td>
</tr>
<tr>
<td>Two bedroom</td>
<td>42%</td>
</tr>
<tr>
<td>Three bedroom</td>
<td>52%</td>
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Interviews with key stakeholders point to the same problem of a shortage in housing. Landlords and tenant advocates interviewed for this report argue that Lowell’s housing crisis is due in large part to a shortage in housing stock in all types of housing but primarily in the rental market. The failure of both the public and private sector to adequately meet demand is seen as having many results, including an increased demand on public shelter services, a spike in housing costs, and the displacement of those in need of affordable rental housing. Furthermore, a shortage in housing weakens the city’s ability to attract long-term employers and employees.

Cost of housing: These issues cannot be addressed in the absence of knowing what people have to spend on housing:

The cruel irony is that the economic boom has actually hurt low-income renters, especially in overheated, high-tech regions such as New York, Boston, and San Francisco. From 1997 to 1999, rents increased by 9.9 percent nationwide, compared with the general inflation rate of 6.1 percent. But rent increases were higher in cities than in suburbs. Housing planners use the standard that households should pay no more than 30 percent of their income for rent and utilities. By 1999, 41 percent of renter households paid more than that, with nearly one in five paying more than half their incomes. Nowhere in the country can a family with one full-time minimum-wage worker (earning $5.25 per hour) afford the cost of a two-bedroom apartment at the “fair-market rent.”
Please see Question #6 “How is the overall situation in Massachusetts impacting housing in Lowell?” for a fuller discussion of the Fair Market Rent Analysis and other ways to analyze what people in the area can afford for housing costs.

**Available Housing Relative to Median Incomes:** An important question we continue to struggle with as a community is whether there is sufficient housing that is affordable given the incomes of people who live in Lowell. This issue has sometimes been framed simply as one of “Do we need more subsidized housing?” This remains a contentious issue in Lowell and other communities. Consider, for example, a *Lowell Sun* article that reports some of the viewpoints expressed in Lowell about subsidized housing that fall within the state’s definition. “Despite a list of more than 1,000 people long and waits that could extend more than two years, city officials have no plans or desire to increase the city’s affordable housing stock….Nearly all [city councilors] say that the city is doing its fair share to provide adequate affordable housing, and that the city can’t do any more without state and federal help.”²³⁴

City officials look at the high concentration of low-rate units in the city (and specifically in some areas like downtown) and the lack of space for more affordable housing in Lowell and say it’s time for other communities to do their part.²³⁵

**University Student Population as an Example of a Factor Affecting Supply and Demand:** As the report *A New Paradigm* notes, students have a significant impact on housing availability in Greater Boston. Students can often afford to pay more for apartments than can individual families, and some landlords may prefer to rent to students. All of these factors can put added demands on the housing supply.

We attempted to identify the number of students living in the community. We interviewed authorities at University of Massachusetts and discovered that at present UML does not track student housing choices and so does not have any way to assess possible student impact on local housing inventory. Other universities are able to carry out this kind of tracking and UML and MCC must consider doing so.

**Take Home Message:** We need to track number, type, and cost of housing relative to incomes. Changes in student populations and the like need to be considered.

**Next Steps:** In Sections 18 and 19 we provide examples of how to track number, type and cost of housing relative to income. Before we can track this information, we need to be clear on the definition of what is affordable and the income levels of affordability in relation to family size and composition. Monitor changes in rent and housing costs via Internet surveys, newspaper ads and real estate industry sales figures. UMass Lowell should gather information on students housing status as do other colleges and universities.
17. Where can we find the information needed on housing in order to participate in an informed way?

Repeatedly we found that people new to the housing debates are having difficulty knowing where to look for key information that would help them assess the claims and counterclaims. This is not surprising. The information is difficult to find (and use!) Some is proprietary (commissioned by groups with funding to make assessments of whether a particular area is a good place to purchase apartment buildings or do rehabilitation). Sometimes the information is embedded in reports that would only be known to professionals. Or, different sources may cover different years or measure income or housing costs in different ways. Sometimes the information may not cover the same area.

To make things a little easier, we have listed below some of the sources that can be helpful in laying out housing issues.

<table>
<thead>
<tr>
<th>Source:</th>
<th>Covers:</th>
<th>How to Locate:</th>
<th>Date Issued</th>
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<tbody>
<tr>
<td>1. University of Massachusetts, “A Profile of Housing in Massachusetts”</td>
<td>Housing in all of Massachusetts, including housing demand, housing production and supply, housing and credit markets, and housing affordability, housing discrimination</td>
<td>Available on the web at <a href="http://www.donahue.umassp.edu">www.donahue.umassp.edu</a></td>
<td>1999</td>
</tr>
<tr>
<td>2. National Association of Home Builders</td>
<td>Housing in the United States, including housing production and supply, smart growth, multifamily housing, and housing facts, figures and trends</td>
<td><a href="http://www.nahb.com">www.nahb.com</a></td>
<td></td>
</tr>
<tr>
<td>5. Massachusetts Housing Partnership Fund</td>
<td>A self-supporting state agency that promotes more stable and diverse neighborhoods across MA through the development and preservation of affordable housing.</td>
<td><a href="http://www.mhpfund.com">www.mhpfund.com</a></td>
<td>Est. 1985</td>
</tr>
<tr>
<td>6. U.S. Census</td>
<td>Data at the federal, state and local level, on homeownership, housing affordability, housing vacancy, market absorption of apartments and construction.</td>
<td><a href="http://www.census.gov">www.census.gov</a></td>
<td></td>
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<tr>
<td>Development, “Waiting In Vain: An Update on America’s Rental Housing Crisis”</td>
<td>for HUD housing assistance has grown dramatically. 2) Market rents are rising faster than the incomes of poor people. 3) The number of affordable housing units is falling.” (HUD press release)</td>
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<tr>
<td>8. Harvard University Joint Center for Housing Studies</td>
<td>Analyzes the ways in which housing policies and practices are shaped by economic and demographic trends.</td>
<td><a href="http://www.jchs.harvard.edu">www.jchs.harvard.edu</a></td>
<td>Est. 1959</td>
</tr>
<tr>
<td>9. UMass Boston, “Situation Critical: Meeting the Housing Needs of Lower-Income Massachusetts Residents”</td>
<td>Assesses housing affordability within the context of economic development, and offers policy recommendations to increase access to affordable housing in the Commonwealth.</td>
<td><a href="http://www.mccormack.umb.edu">www.mccormack.umb.edu</a></td>
<td>September 2000</td>
</tr>
<tr>
<td>10. MassINC., “The Road Ahead”</td>
<td>This report reviews recent trends and patterns in Massachusetts and how they will shape the landscape for workers and their earnings.</td>
<td><a href="http://www.massinc.org">www.massinc.org</a></td>
<td></td>
</tr>
<tr>
<td>11. Citizens’ Housing and Planning Association web site</td>
<td>“Citizens’ Housing and Planning Association (CHAPA) is the non-profit umbrella organization for affordable housing and community development activities throughout Massachusetts.” (CHAPA web site)</td>
<td><a href="http://www.chapa.org">www.chapa.org</a></td>
<td>Est. 1967</td>
</tr>
<tr>
<td>13. Community Preservation materials</td>
<td>The CP act enables legislation to enable cities and towns to exercise control over local planning.</td>
<td><a href="http://www.communitypreservation.org">www.communitypreservation.org</a></td>
<td>2001</td>
</tr>
<tr>
<td>14. MassHousing</td>
<td>The state’s affordable housing bank. Lends money at rates below the conventional market to support rental and home ownership opportunities for low- and moderate-income residents of the Commonwealth of Massachusetts.</td>
<td><a href="http://www.masshousing.com">www.masshousing.com</a></td>
<td></td>
</tr>
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</table>

Each of these reports includes valuable information about housing, the economy, and various resources that are available to us as a community to move forward in addressing our housing problems.

**Take Home Message:** Many reports are available that can easily assist community members to learn more about housing issues and problems. Many of these reports are available online.
**Next Steps**: All of these reports should be made available online and at Pollard Library, the Division of Planning, and the Center for Family, Work, and Community so that community members can access them.
18. How do we know how much housing and of what types we have in the Lowell area?

This is a surprisingly difficult question to answer. We need to pay attention to changing supply of the different types of units.

Factors Affecting Supply of Housing

Lowell has an estimated 40,262 year-round housing units.36

Permits: To better understand these numbers, we started by looking at permits and records by obtaining a copy of handwritten records from Lowell City Hall, Inspectional Services Building Department. These records show that from 1989 to present, the city has experienced a net loss in apartments. In all, 276 dwellings have been razed, resulting in the loss of 1,124 units and 32 rooms. Eighty-seven units have been gained through conversion, and 833 units have been gained through new construction, with 77% of them being single-family. Between 2000 and 2001, 94 permits were issued for single-family homes, 4 two-family, and 20 condos. No three- or four-unit structures have been built in the last several years. Thus, there have been changes in both number of units and types of units over the last decade.

Expiring Use: In Lowell, as in many other cities, some apartment buildings were built with loans or funding from HUD. Owners of those mortgages can choose to pay off the mortgages and then are often under no obligation to continue to offer subsidized apartments. Currently, Lowell has 973 subsidized apartments at risk of being lost to market rate. According to Barbara Turner (a VISTA volunteer), the contracts on these apartments come up every year for negotiation, and this is a big problem because every year there is the fear of losing some of these subsidized apartments to market rate tenants. Of these apartments, 843 apartments have tenant associations and another 130 do not have tenant associations. Below are listed the apartments and when their mortgages will be paid off (so that all units could potentially go to market rate).

Potential Expiring Use Properties

Apartments with Tenant Associations

<table>
<thead>
<tr>
<th>Apartment Complex</th>
<th>Number of Units</th>
<th>Expiration Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>CENTENNIAL ISLAND 118 APTS</td>
<td>RENT FMR 182%</td>
<td>SEPT 15, 2003</td>
</tr>
<tr>
<td>FIRST LOWELL REHAB 46 APTS</td>
<td></td>
<td>DEC 31, 1999</td>
</tr>
<tr>
<td>LOWELL BELVIDERE HOUSING 74 APTS</td>
<td></td>
<td>FEB 9, 2002</td>
</tr>
<tr>
<td>LOWELL SUN/FARTHER JOHN’S 84 APTS</td>
<td></td>
<td>JUNE 22, 2000</td>
</tr>
<tr>
<td>ROGERS HALL 61 APTS</td>
<td></td>
<td>JULY 23, 2004</td>
</tr>
<tr>
<td>SOUTHWICK BLOCK APTS 28 APTS</td>
<td></td>
<td>JULY 23, 2001</td>
</tr>
<tr>
<td>WESTMINSTER VILLAGE 432 APTS</td>
<td></td>
<td>FEB 28, 2000</td>
</tr>
</tbody>
</table>

Apartments without Tenant Associations

<table>
<thead>
<tr>
<th>Apartment Complex</th>
<th>Number of Units</th>
<th>Expiration Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOWNHOUSE OF LOWELL 96 APTS</td>
<td></td>
<td>JUNE 18, 1999</td>
</tr>
<tr>
<td>MAJESTIC APTS 34 APTS</td>
<td></td>
<td>MAY 31, 2000</td>
</tr>
</tbody>
</table>

Apartment Complexes Recently Sold

<table>
<thead>
<tr>
<th>Apartment Complex</th>
<th>Number of Units</th>
<th>Expiration Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRINCETON VILLAGE 151 APTS</td>
<td>PURCHASED BY ARTHUR WINN</td>
<td>2001</td>
</tr>
</tbody>
</table>

Twenty-Year Renewals

<table>
<thead>
<tr>
<th>Apartment Complex</th>
<th>Number of Units</th>
<th>Expiration Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>MARKET MILLS 230 APTS</td>
<td></td>
<td>OCT 5, 2021</td>
</tr>
<tr>
<td>WENTWORTH APTS 40 APTS</td>
<td></td>
<td>JULY 30, 2000</td>
</tr>
</tbody>
</table>
Supply of Subsidized Housing: In contrast to the figures above, the 2000/2001 City Of Lowell Consolidated Annual Performance and Evaluation Report for HUD, CDBG, HOME, and ESG Programs reports that the city is continuing to increase the supply of affordable housing for Lowell residents: “The most active strategies are homeownership programs such as First Time Homebuyer programs, Rehab, Lead Abatement, Expiring Use and Urban Revitalization Strategies such as the ACRE, JAM, and Julian Steele plans.” According to Lowell Public Housing, there are 1,650 people on the federal public housing list for housing in Lowell; 5,158 people on the state public housing list for housing; and 1,713 on the Section 8 voucher waiting list for housing. The annual report also states that the production of affordable rental units has been identified in the five-year plan as the area of greatest need:

Changes in Affordable Housing Inventory from 1997-2001

<table>
<thead>
<tr>
<th>DHCD Report Date</th>
<th>Affordable Housing Inventory/Percentage of Total City Housing</th>
<th>Affordability Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/17/1997</td>
<td>12.74% (5,130)</td>
<td>New Construction: 15 Years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rehab units: 5 Years</td>
</tr>
<tr>
<td>10/1/2001</td>
<td>13.49% (5,212)</td>
<td>New Construction: 30 Years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rehab units: 5 years</td>
</tr>
<tr>
<td>Increase</td>
<td>182</td>
<td></td>
</tr>
</tbody>
</table>

Note: Table taken from City of Lowell Annual Performance Report, p. 17

Housing Units “Off Line” or not available to be rented: Hard figures are not available but in our interviews with a wide variety of community leaders, we were told that there may be as many as 50 apartments in multifamily units in which one unit is occupied by an owner that could be on the rental market but that have been taken “off line” by their elderly owners.

Substandard Housing: Another way to look at housing is to consider the number of units that are considered substandard. According to the Annual Action Plan, Lowell has 100 substandard units, all of which are located in the Julian D. Steele housing complex.

Julian Steele: The Julian Steele razing resulted in the loss of 284 units. The new units in this area, once completed, will replace a percentage of the lost units. According to Senate Bill Number 2217, a total of 180 new units will be constructed, of which 81 will be available to persons earning very low- to moderate-incomes. Upon completion of the Julian D. Steele “reinvention plan”, the city will replicate 220 units throughout the city for very low- to moderate-income families.

Fair Housing: The City of Lowell Consolidated Plan (2001/2002) Annual Action Plan discussed various impediments to fair housing. These impediments include: Lack of Fair Housing Agency, Concentration of Subsidized Housing in Small Geographic Area, Possible Lack of Geographic Options for Minorities being Relocated from the Julian D. Steele Housing Development, Minorities on the LHA Waiting List, Shortage of Three- and Four Bedroom Units for Families with Children, lack of Racial Diversity on City Boards and Commissions, and Discrimination in Rental Real Estate Practices Because of Lead Paint Issues.

Goals for Housing: Examining the goals for housing is another way to understand what housing is needed in Lowell. The City of Lowell FY2001 Annual Action Plan (covering the period July
1, 2001 through June 30, 2002) includes the goals for housing listed below. Note that all of these goals are listed as high priority.

- Housing: Increase and upgrade the supply of affordable housing
- Affordable Housing Needs to be undertaken
  - Objective: Home Ownership
  - Objective: Preserve Supply of Subsidized Affordable Housing
  - Objective: Develop Regional Housing Partnerships
  - Objective: Reduce Concentration of lower-income households within targeted neighborhood areas
  - Objective: Upgrade the quality and quantity of affordable housing stock

**Take Home Message:** Lowell has approximately 40,000 year-round housing units. This number is changing as units go off line, rental units are added, destroyed, turned into condos, or new homes or apartments are built. Most new structures (77%) are single-family homes. Currently Lowell has 973 subsidized apartments at risk of being lost to market rate. City of Lowell Annual Action Plan has set high priorities in home ownership, increasing and upgrading the supply of affordable housing, preservation of subsidized affordable housing, developing regional housing partnerships, reducing the concentration of lower-income households within targeted neighborhood areas, and upgrading the quality and quantity of affordable housing stock.

**Next Steps:** Have all of the information included in this section readily available in one place and easily accessible to the community so that we can all work together to improve housing opportunities. Please see Section 18 for ideas on how we can track these changes.
19. The problem when we focus on one “level” of housing in isolation

Those who rent do not have a place on the escalator of rising home values and inevitably fall further and further behind.38

Too often levels of housing are looked at in isolation. We ask how things are going in terms of the affordability of single-family homes or what has happened to the price of condos? How are we doing in terms of high-end housing? Instead of focusing on just one level of housing, we need to track the changes across all of the various levels of housing.

Tables are shown below that can be used in Lowell for tracking changes in the availability of housing. They are examples that might assist us as a community in tracking changes in available housing at different levels.

Example: Lowell Housing Plan Status Reportv

<table>
<thead>
<tr>
<th>Type of Housing</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner-Occupied Units</td>
<td></td>
</tr>
<tr>
<td>Rental Housing</td>
<td></td>
</tr>
<tr>
<td>Elderly-Subsidized</td>
<td></td>
</tr>
<tr>
<td>Public Housing</td>
<td></td>
</tr>
<tr>
<td>Special Needs Housing</td>
<td></td>
</tr>
<tr>
<td>Federal/State Rental Assistance Certificates</td>
<td></td>
</tr>
<tr>
<td>Market Rate Housing</td>
<td></td>
</tr>
<tr>
<td>Vacant</td>
<td></td>
</tr>
</tbody>
</table>

Example: Tracking Status of Housing Units

<table>
<thead>
<tr>
<th>Type of Housing</th>
<th>How many currently?</th>
<th>Number added</th>
<th>Number lost</th>
<th>Net change</th>
<th>Monthly housing cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apartment: 1 Bdrm (Public)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apartment: 1 Bdrm (Private)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apartment: 2 Bdrm</td>
<td>xxxxxx</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Family</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Family</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Family</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Example: Tracking Resources for Adding Housing Units

<table>
<thead>
<tr>
<th>Vacant Buildable Lots</th>
<th>Size</th>
<th>Current Status</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Example: Status of Housing Demand as Reflected in Jobs

<table>
<thead>
<tr>
<th>Economic Indicators</th>
<th>In xxx Quartile</th>
<th>In xxx Quartile</th>
<th>In xxx Quartile</th>
<th>In xxx Quartile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs Added</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jobs Lost</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Why is it important to track the changes in housing costs and availability at all levels together? Boston University Professor Laurence Kotlikoff pointed out that the enormous gains in property values in Boston are bad news for low-income families. ‘The poor are being driven out and the city is no longer affordable,’ he said. ‘Even poor sections are no longer affordable.’

“Those who rent do not have a place on the escalator of rising home values and inevitably fall further and further behind.”

We need to be able to track these kinds of changes in Lowell and the Merrimack Valley.

Take Home Message: Changes in all levels of housing costs must be tracked, not just single-family homes and condos.

Next Steps: Implement the sample tracking reports listed above looking at the various types of rental housing whether one to three bedroom and whether special needs housing or general market rate rental. In addition, implement tracking of the interrelationship between housing demand and job changes within the economy.
20. Lowell as a diverse community: Implications for housing

Lowell is increasing in its diversity. One way to understand diversity and housing is indicated by recent analyses of Census data. Northeastern professor Andrew Sum analyzed recent Census figures and argued that “the Massachusetts economy could not have grown as quickly as it did in the 1990s without immigrant labor to fill new jobs.” He noted that “a larger number of immigrants may be going to California, but Massachusetts was more dependent on newcomers as participants in our economy. Without these new immigrants our labor force would have shrunk.” Sum also pointed out that “Census figures show that Massachusetts residents continued to leave the state during the ‘90s while 335,000 people arrived here from foreign countries, accounting for the state’s population growth.” The new immigrants filled jobs at both the high end of the labor market and at the entry level in positions in services and manufacturing.

The immigration of diverse groups is impacting the housing market at all levels. The Marketplace section of the Boston Globe (12/6/2001), for example, noted the impact in the article “Realtors catch up to big immigrant market.” The article stated that “many real estate firms are questioning how they can be more responsive to the needs of immigrants who are becoming home buyers in increasing numbers—especially in New Bedford, Boston, Cambridge, Lowell, Quincy, and Brockton.” According to Nick Retsimas, Director of the Joint Center for Housing Studies at Harvard “Growing numbers of immigrants are buying houses.” He noted that “In the last decade, immigrants have accounted for 25 percent of all new home buyers in the United States.”

Consider, for example, the impact of Asian Americans. This past summer the Institute for Asian American Studies and the Asian American Studies program sponsored a HUD Asian American Outreach and Training Conference attended by over 100 persons. The leaders pointed out that the state’s Asian American population is nearly a quarter million, represents about 3.5% of the population, and grew by 67% since 1990. In 25 years, this population is projected to be over 9% of the Massachusetts total.

The discussion at the Census forum “presented accounts of the problematical effects of the serious affordable housing shortage on sectors of the Asian American community. For example, the ‘shelter poverty’ of lower-income Asians, who spend a disproportionate percentage of their incomes on housing, was noted along with the phenomenon of Asian American families doubling and tripling up in apartments. It was pointed out that suburban cities like Malden that were once relatively affordable are no longer so. Suggestions for dealing with the housing shortage included more cooperative housing, rent control, and mixed income housing.”

The participants at the conference noted the importance for HUD to attend to rapidly changing settlement patterns in Asian American communities. Participants also highlighted the importance of increasing the capacity and civic participation of Asian Americans. Participants said that, although local Asian American agencies deal with these issues at a micro level, the housing and community development issues are at the macro level. They argued that “to affect the macro-level, newer immigrants need to get involved and become politically active.” They reported that Lowell is one of the places where this kind of activism is already starting to happen.

There are many other reasons to attend to Lowell’s diversity in developing housing policies. The University of Massachusetts Boston Gaston Institute recently reported that patterns of subprime lending reveal what appear to be predatory lending practices. In Lowell, for example, the Gaston
Institute reports that Latinos’ share of subprime mortgage refinancing loans is higher than the Latino percentage of Lowell’s population.

How do we go about drawing on the expertise that newcomers bring to Lowell and the region? Throughout the spring of 2001, The University of Massachusetts Lowell’s Center for Family, Work, and Community with funding from the Executive Office of Environmental Affairs\textsuperscript{vi} carried out a “Celebrating Diverse Traditions of Community Preservation” demonstration project in Lowell. The purpose of the project was to draw upon the best practices of that immigrant newcomers to Lowell bring from their home countries including those in African, Asian, Caribbean, European, and South American. Over 15 focus groups and discussions were held and best practices for housing were documented. These discussions then led to a one-day showcase/festival in which groups presented many of their ideas.

\textbf{Take Home Message:} Lowell is increasingly diverse. This diversity provides many opportunities for thinking about housing affordability and availability. Each new group may have its own vision, likes, dislikes and needs regarding housing. Newer groups may have larger families that require more people per unit and may be attracted to higher density housing in order to maintain a sense of community.

\textbf{Next Steps:} Look at what businesses are bringing to our community, what they contribute to the economic and community life, and what kind of housing we would need to make certain that these businesses and their employees can thrive in Lowell. In addition, look at the kind of housing that people are living in and imagine our city without the newcomers. What expectations and experiences do people bring for different kinds of mixed usage, co-housing, urban villages? How can we draw on this leadership? Newcomers must be involved in developing their own vision and strategies for addressing housing needs in order to meet the housing needs of the entire community.

\textsuperscript{vi} The EOEA-UMass Commonwealth Partnership brings together policy makers from the Executive Office of Environmental Affairs and faculty from all of the University of Massachusetts campus to develop strategies for strengthening ways to work together. The Community Preservation Committee (co-chaired by Betsy Shure Gross of the Executive Office of Environmental Affairs and Linda Silka of the University of Massachusetts Lowell) developed a plan for bringing resources of the partnerships to address issues of community preservation, including housing, open space, transportation, and economic development.
21. Who currently makes policy decisions about housing and what roles are there for people who have yet to become involved?

The individual, the employer, community development organizations, other nonprofits, the city, other nearby communities, the region, the state, the federal government.

<table>
<thead>
<tr>
<th>Which Group?</th>
<th>Tools Under Their Control</th>
<th>Tools They Don’t Have</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowell City Council</td>
<td>• Can change zoning codes, lot size, density</td>
<td>• All changes are subject to public hearings</td>
</tr>
<tr>
<td></td>
<td>• Can set aside areas for affordable housing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• HOME money</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Community Development block money</td>
<td></td>
</tr>
<tr>
<td>Lowell City Council Subcommittee on Housing</td>
<td>• Influence and control the housing agenda</td>
<td>• Need approval from the City Council and City Manager</td>
</tr>
<tr>
<td></td>
<td>• Make recommendations for housing agenda</td>
<td></td>
</tr>
<tr>
<td>Lowell City Division of Planning and Development</td>
<td>• Make recommendations to the planning board</td>
<td>• Need approval from the City Council and City Manager</td>
</tr>
<tr>
<td>Zoning Board of Appeals</td>
<td>• Give variances to the zoning code to make housing developments possible</td>
<td>• Cannot permanently change zoning codes</td>
</tr>
<tr>
<td>Lowell Planning Board</td>
<td>• Make sure that builders comply with regulations</td>
<td>• Can’t change zoning codes and provide variances</td>
</tr>
<tr>
<td></td>
<td>• Review variances</td>
<td></td>
</tr>
<tr>
<td>Lowell Public Housing</td>
<td>• Control Section 8 housing vouchers</td>
<td>• Limited resources</td>
</tr>
<tr>
<td></td>
<td>• CDC (Residents First)</td>
<td>• Program depends on HUD</td>
</tr>
<tr>
<td></td>
<td>• Build and rehabilitate housing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Offer first-time homebuyers program</td>
<td></td>
</tr>
<tr>
<td>Regional Planning Agencies (e.g., Northeast Council of Governments)</td>
<td>• Make sure efforts are coordinated among local cities and towns</td>
<td>• Can only recommend</td>
</tr>
<tr>
<td>Community Development Corporations</td>
<td>• Build and rehabilitate housing</td>
<td>• No Section 8 housing of their own</td>
</tr>
<tr>
<td></td>
<td>• Offer loans to first-time homebuyers</td>
<td>• Have difficulty providing housing to families 30% below the Median Family Income</td>
</tr>
<tr>
<td></td>
<td>• Low-income tax credits</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Manage housing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Access to grant money</td>
<td></td>
</tr>
<tr>
<td>Faith-Based Organization</td>
<td>• Ability to create a CDC</td>
<td>• No Section 8 housing of their own</td>
</tr>
<tr>
<td></td>
<td>• Access to low-income tax credits</td>
<td>• Have difficulty providing housing to families 30% below the Median Family Income</td>
</tr>
<tr>
<td></td>
<td>• Gather support through higher moral obligation</td>
<td>• Limited development capacity and experience in many cases</td>
</tr>
<tr>
<td>Neighborhood Associations</td>
<td>• Access to Board of Appeals</td>
<td>• Usually do not have many resources</td>
</tr>
<tr>
<td></td>
<td>• Able to block or support potential development</td>
<td></td>
</tr>
<tr>
<td>Private Sector (e.g., Developers)</td>
<td>• Access to HOME money</td>
<td>• Lack access to private money grants from private foundations</td>
</tr>
<tr>
<td></td>
<td>• Low-income tax credits</td>
<td></td>
</tr>
</tbody>
</table>
| **Merrimack Valley Economic Development Commission** | • Advocate for regional approach | • No development department  
• Access to development funds |
| **Partnerships (e.g., Liberty Square; Residents First)** | • Ability to reach a lower-income group  
• Can obtain city support and financing  
• Can expand the number of low-income houses that can be built | • Limited resources |
| **State Government** | • Affordable Housing Laws,  
Massachusetts Housing Investment Corporation,  
Community Preservation Act,  
Mass Development Finance Agency, Mass Housing Partnership, Massachusetts Housing Finance Agency, Mass Department of Housing and Community Development | • Often subject to political and economic budgetary pressures |
| **Federal Government** | • Control HUD funds (some programs similar to above) | • Often subject to political and economic budgetary pressures |
| **Other non-profit organizations (e.g., Merrimack Valley Partnership)** | • Bring in grant resources  
• Provide education by holding classes (e.g. first time home buyers program) | • Do not build or finance housing |
| **Banks and Lending Institutions (Lowell Development and Financial Corporation)** | • Provide technical resources  
• Donate land  
• Make attractive loans for low-income housing | • Do not build housing  
• Limited amount of money going to low-income loans |
| **Unions** | • Educate members  
• Use their political muscle  
• Invest pension money or other economic resources they control in low-income projects | • Do not build or finance housing |
| **Universities and colleges** | • Technical expertise in some related areas  
• Links with city governments and agencies  
• Community Service Learning programs | • Don’t generally have an existing housing development infrastructure  
• Housing is generally not in the mission of a university or college |
| **Habitat for Humanity** | • Ability to reach a lower-income group  
• Build and rehabilitate housing  
• Access to grant money  
• No-interest loans  
• Volunteer base | • Do not provide rental housing  
• Limited funding for planning and building (volunteer driven) |
22. The importance of paying attention to cycles in housing costs.

When we fail to pay attention to cycles in housing costs, we run into many problems. Consider, for example, the figures for house prices. If we look only at figures from 1995 to 2001 we see dramatic increases in purchase prices for houses. But if we look back to 1989 we see a very different picture where housing prices underwent dramatic declines then once again increased. These ups and downs have enormous consequences for families and communities. Families go through bankruptcies. Communities struggle with property taxes. Sometimes landlords walked away from properties that have lost their value.

Median Home Sales for Lowell and the Surrounding Communities

<table>
<thead>
<tr>
<th>Town</th>
<th>1-Family</th>
<th>Condo</th>
<th>All Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1989</td>
<td>1995</td>
<td>% change</td>
</tr>
<tr>
<td>Billerica</td>
<td>$149,900</td>
<td>$136,700</td>
<td>-9%</td>
</tr>
<tr>
<td>Chelmsford</td>
<td>$172,000</td>
<td>$162,500</td>
<td>-6%</td>
</tr>
<tr>
<td>Dracut</td>
<td>$138,250</td>
<td>$117,750</td>
<td>-15%</td>
</tr>
<tr>
<td>Lowell</td>
<td>$124,500</td>
<td>$86,450</td>
<td>-31%</td>
</tr>
<tr>
<td>Tyngsboro</td>
<td>$182,175</td>
<td>$142,000</td>
<td>-22%</td>
</tr>
<tr>
<td>Tewksbury</td>
<td>$159,900</td>
<td>$157,000</td>
<td>-2%</td>
</tr>
<tr>
<td>Pepperell</td>
<td>$165,000</td>
<td>$143,725</td>
<td>-13%</td>
</tr>
</tbody>
</table>

Note: Median sales price by town available at http://rers.thewarrengroup.com by calendar year
23. Density: What are the views of density and why is this an important issue?

Lowell and the Merrimack Valley in many ways are at the forefront of issues of density. Lowell, like other urban communities, has always been densely populated. People who grew up in the Acre, Back Central, speak of their many experiences of growing up in densely populated neighborhoods where they lived close to extended family members. With relatively little land mass and a large population, Lowell is at the hub of the Merrimack Valley and is more densely populated than the surrounding communities.

The state of Massachusetts has recently provided individual communities with a “buildout” analysis that is intended to assist communities in identifying where unused land exists and what the press on services (school, water, and the like) will be if current zoning remains in place and all available land is developed. Part of the reason for the build out analysis is the following startling statistic: The population of Massachusetts has increased very little (28%) in the last decade, but during that same time the land that has been taken over for development has increased 188%. These changes have led to rapid escalation in infrastructure costs as new roads, sewers, and the like must be built to service these new areas.

Because Massachusetts is a small state with relatively little land (and with many communities close to “buildout”), this rapid development is leading people to revisit the issue of density and to consider some of the benefits that have long been recognized as the consequence of carefully planned density. Some of these benefits become apparent when one considers different systems not in isolation but together: housing, transportation, economic development, open space, and historic preservation. To a perhaps surprising degree, planners are discovering that density brings a number of benefits when different systems are considered together.

According to a recent policy paper published by the Massachusetts Executive Office of Administration and Finance (EOAF), “Reducing Local Restrictions on Housing Development” (January 31, 2000), The Commonwealth has experienced a decline in density between 1950 and 1990. The EOAF policy paper contends that recent housing shortages in Massachusetts are due largely to more restrictive zoning ordinances that limit the rate of development.

“The new housing that is being built tends to be at the higher end of the market, and the number of multi-family developments is actually declining. This decline in multi-family developments exacerbates the affordability issue, particularly since renters typically have lower incomes than owners” (EOAF, p.1).

In its study, the Office of Administration and Finance attributes this shortfall in housing construction to the escalating costs of housing throughout the state. “According to Anthony Downs, an economist for the Brookings Institution, ‘the restrictive behavior of local governments – expressed through their various regulations – is by far the most important single cause of high housing costs’…. [L]ocal ordinances often mandate standards for new development that are well in excess of those under which most of the country’s homes were built. For instance, most suburbs in the United States prohibit residential densities in excess of 10 units per acre even though many parts of the country have high quality housing at densities of more than 35 units per acre” (p.2).

The Executive Office of Environmental Affairs (EOEA) recently reviewed the zoning restrictions in 16 Massachusetts communities, including three in the Merrimack Valley (Andover, Lowell and Dracut). All three of the Merrimack Valley communities experienced a sizeable reduction in the
number of units allowed per acre. Of the existing units in Lowell, the rate of density is 10.2 units per acre. For newly developed properties, the rate has been reduced to 7.4 units per acre. In Dracut, the reduction has been much more dramatic, going from 2.4 units per acre for existing housing units to a meager 0.8 units per acre for new development. According to EOE:

“Forty-five communities in the Commonwealth have adopted explicit growth rate by-laws that limit the construction of new units to as little as 50 per year. Of sixteen communities reviewed in depth by the [EOEA], six had adopted regulations making it impossible to build multi-family housing in any form” (p.3).

Given that increases in density have implications for city and town budgets, many public policy officials are wary of allowing multi-family developments. The EOAF conducted a study on the additional costs that are brought about as a result of increasing housing stock. “After factoring out the average tax assessment on a moderately priced home and the additional state aid each new enrollment can be expected to generate, every additional single-family home could cost a community approximately $1,500 in unrecovered educational expenses alone” (p.4).

In order to promote the development of structures that will increase the housing stock, the Cellucci/Swift administration has devoted $47 million in funds. These funds are designed to promote the development of affordable (low- and moderate-income) housing in accordance with the state’s Chapter 40B zoning law. The money will be distributed as “Additional Assistance to communities where low- and moderate-income residential development occurs. These funds will help offset the negative financial impact of residential development on communities” (p.6).

**Addressing Urban Sprawl:** According to Bruce Katz, Director of the Brookings Institution Center on Urban and Metropolitan Policy, the “smart growth” movement is part of a broader strategy to reverse urban sprawl. Although Katz criticizes the smart growth movement for neglecting the issue of affordable housing, he offers some interesting points on the consequences of urban sprawl. In his speech entitled “The Need to Connect Smart Growth and Affordable Housing”, Katz points out that suburban areas have become the leaders in population growth.

American families have followed a pattern of migration that mirrors what is now called urban sprawl. As individuals and families earn more, they slowly move away from central urban areas in favor of more rural or suburban landscapes and an opportunity to fulfill the American dream of home ownership. This trend has had several impacts, including a concentration of poverty, increased reliance on automobiles, and a diversion of state and federal funds for schools, transportation systems, and other subsidized facilities. The tendency of families to continuously move to outlying areas demands the use of open space and diverts valuable resources from central urban areas to their rural and suburban counterparts, raising questions of equity. This phenomenon presents several problems for older urban areas. For instance, the most likely groups to emigrate from the city to the suburbs are those who have higher earnings, thus they most likely have higher skills. With the departure of a high-skilled labor force, there is a significant reduction in the city’s ability to attract businesses. Assuming that this is the case, one can easily see the domino effect that looms over the city. With a reduction in the ability to attract employers, unemployment rates will inevitably rise and revenues through business taxes will decline.

David Dixon, Fellow of the American Architectural Institute (FAIA), points out that the most costly areas in Boston are also the most densely populated. In his essay “Fear and Loathing of Density,” (in ArchitectureBoston, Fall 2001) Dixon calls for a revitalization of older urban areas as an economic development strategy, and he reviews the experiences of Cambridge, Chicago,
and Cleveland to reinforce his assertion that population density will bring about economic prosperity. In Cambridge, Mass, it is believed that an increase in density will spawn an increase in local business activity, as well as provide needed revenues for a transit system. In Chicago, development initiatives surrounding the Cabrini-Green housing complex prompted the city to change direction regarding density. Until recently, the city sought to maintain density levels at or below 30 units per acre. Current policy allows 30 to 60 units per acre, with a mix of structures ranging from single-family homes to multi-family apartments. Cleveland has begun developing housing with densities as high as 50 units per acre, in an attempt to revitalize community activities.

Dixon also debunks several myths surrounding density. Dense urban developments do not reduce property values, he contends; rather, development money increases property values regardless of how it is used. He also suggests that density itself does not cause gentrification, and that gentrification is more a byproduct of a shortage of mixed-income and affordable housing developments. Dixon also points out that it is not density that increases traffic volume, but that this phenomenon is more attributable to urban sprawl and a concurrent lack of public transportation infrastructure.

The problem is not density, but how we shape density. The last 15 years have produced terrific examples of higher-density housing and commercial development that enrich neighborhoods in cities across America. We need to focus on learning from these examples and use them to build a new understanding—and perception—of density (Dixon, p. 37).

The shift in population growth areas from urban to suburban has been followed by a similar shift in job creation centers as well.

A new form of metropolitan development is emerging throughout the country of office and retail and commercial space strung out along highways. Robert Lang calls these places “edgeless cities” and they are quickly overtaking older downtowns as the primary location for office space. Vermont, again, reflects these larger trends. According to the Vermont Forum on Sprawl, 45% of the job growth in the state from 1980 to 1996 took place in new growth towns. By contrast, only 21% of the job growth took place in traditional centers (Katz, Speech, 2000).

The nature of urban sprawl, density and development is a matter of regional concern. For Greater Lowell, the Northern Middlesex Council of Governments (NMCOG) advocates a regional growth management plan. According to their report, 2020 Vision: Planning for Growth in the Northern Middlesex Region (Final Report – June 1999), such a plan integrates economic development and housing development strategies in an effort to reduce both environmental and economic impact of development patterns.

The goal of growth management is to balance economic growth and development with preservation of environmental quality and resources. Preserving land for conservation has economic consequences, and using land for economic production has environmental consequences. [It] emphasizes channeling new development to locations where there has been an investment in infrastructure or where ecological systems have already been disturbed by human activities (p.11).

In order to adequately and successfully plan for the future, NMCOG recommends that cities and towns unite to develop a smart growth plan that will effectively address environmental and economic concerns. The 2020 Vision report includes examples of growth management models in several states, including Oregon, Rhode Island and Vermont. The authors point out that these
statewide initiatives provide incentives for development agencies to use land that has already been developed as a way to preserve environmental qualities.

Some of NMCOG’s recommendations for a regional growth plan include an increase in cluster developments, cross-municipal coordination, improving transportation systems, minimizing income gaps within the region, and a regional land trust (2020 Vision, Final Report – June 1999).

A comprehensive regional growth management model appears to be a good remedy for what Daniel Luria and Joel Rogers (Metro Futures, 1999) call the “Iron Law of Urban Decay”. Growth and migration patterns in the United States have had severe negative consequences for traditional, central urban areas.

As incomes rise, workers move to suburbia; when suburbs mature, they resist paying taxes to support the metro core; as the tax base declines and services deteriorate in the city, the middle class flees. Poverty concentrates among those left behind, and they become ‘different’—disconnected from labor markets, without role models for advancement, lacking the human or financial capital even for bootstrapping (Luria and Rogers, 1999, p. 4).

In recent years, industrial and commercial growth has increased along Route 495, and much of it is happening south of Lowell in formerly residential and rural landscapes. The implications of this phenomenon are numerous. For instance, even if jobs are created in these outlying areas, those individuals who rely on public transportation may find themselves unable to obtain them. Furthermore, the neglect of the older, central urban areas will ultimately lead to a decline in property value, which will stem even more emigration.

**Take Home Message:** Density can be a tool for decreasing the costs of various services. It can make best use of limited space and decrease the per unit cost of housing. In addition, density doesn’t reduce property values. It increases property values by bringing about economic growth through enhanced local business activity.

**Next Steps:** Annually do a density analysis that looks at what would change if density were to be reduced. (For example, would Lowell’s population drop below 100,000 and thus reduce opportunities to apply for particular streams of funding?). Compare Lowell’s practices against what is being done in other moderate-sized communities to maintain the character of their neighborhoods. As plans are made for reducing density, consider the implications any change might have for jobs, housing, and economic development.
24. What does it cost to build or rehabilitate housing?

One might simply assume that if vacant land or empty buildings are available, a little money or a little effort can turn these resources into housing. Things are a bit more complicated than that. To create more housing we need to think about some of the following:

- If we build housing, how much will the land and building cost and what do those costs per unit translate into in terms of rental rates or housing price needed to cover the costs?
- If we rehab existing buildings, how much will the rehab cost be (including for things like lead remove or historic rehab costs) and what do these costs per unit translate into in terms of rental rates or housing prices needed to cover the costs?
- What options are available if the land or building is a brownfields (a site that is potentially contaminated) and how do we figure those open-ended costs?
- If we have the choice to build either a house or an apartment building on the same land, how do the economics work out comparatively in terms of the profit we would clear making one choice versus the other?
- If the median family income in Lowell is $72,300, how much could we spend in developing housing and still have people be able to afford the fair market rent?
- What funding resources are available to reduce the cost of rehabbing housing or building new housing the costs of which can not be fully covered by the potential renters?
- Based on the cost of building, what level of income would families need to afford the housing being built by various groups?

For example, the Coalition for a Better Acre has discovered that costs (including financing) for rehabbing houses means that CBA cannot afford—without special subsidies or project-based Section 8 vouchers—to build such housing for families with income at 30% or below of the median (in other words, families with income less than about $23,000 a year). In other words, even community development corporations cannot afford at present to build housing for those who are at the lowest income levels.

Many groups and organizations in Lowell have developed innovative approaches to financing housing. These approaches provide ideas and strategies that might be expanded:
- Coalition for a Better Acre’s Partnerships
- Shelters developing new housing
- Lowell Plan developing First Time Homebuyer Program with major institutions
- Merrimack Valley Housing Partnership First Time Homebuyer Programs
- Groups rehabbing of old mill space
- Habitat for Humanity’s development of new housing
- New Homebuyer Program encouraging first time homebuyers to buy multiple-family houses

**Take Home Message:** There are many factors that can drive rehab and construction costs. All these costs—such as land acquisition, attorney and architect fees and construction expenses—impact the actual rental and purchase cost to the end user.

**Next Steps:** Investigate the possibilities for greater Lowell of putting into practice Michael Stone’s recommendation that the government should be encouraged to provide more capital grants as a way to reduce overall costs and debt servicing so that housing can be more affordable for larger numbers of people.
25. The importance of community access to key data

As we went about this process we were reminded of the old parable about a group of people who each “felt” a different part of an elephant and came away with very different impressions of the nature of the beast. Each group we worked with seemed to have only part of the information needed to grasp the overall housing crisis. Some people knew only about what is going on currently in terms of rapid housing cost increases, and were not aware of the steep deceleration that occurred in the early 1990s. Others were aware of what was taking place in Lowell but were not aware of events throughout the remainder of the state. Still others were aware of the dramatic impacts of the housing problem for those who were without any shelter, but were less aware of the impact of the rapidly increasing housing costs on young families attempting to buy their first home. In short, it was very difficult for people to have an overall sense of the picture of what was going on and how different elements were connected to each other.

As a community we need to be able to see the overall picture and this will only occur if we have rapid, easy access to key data. Increasingly, groups around the country are looking at sustainability by developing indicators that can be tracked over time. We could do the same thing in Lowell in ways that would allow us to readily track the quality of housing stock, the cost, and the quantity.

**Next Steps:** All of the key reports should be available online and at central locations throughout the city.
26. Who has resources to teach about housing issues and how can they help us?

Various resources exist in the region and the state that could be drawn upon to learn more about housing. CHAPA, Merrimack Valley Housing Partnership, the EOEA-UML Community Preservation Institute and Community teamwork, Incorporated offer a broad range of educational programs that are designed to increase knowledge among housing consumers. Below we list some of those resources.

<table>
<thead>
<tr>
<th>Resource</th>
<th>What They Offer</th>
<th>Cost</th>
<th>Contact Info</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHAPA: Citizens’ Housing and Planning Association</td>
<td>Information and Referrals, Trainings, Housing Briefs, Research Studies</td>
<td>NA</td>
<td>617-742-0820; 18 Tremont Street Suite 401 Boston, MA 02108</td>
</tr>
<tr>
<td>Merrimack Valley Housing Partnership</td>
<td>First Time Home Buyers Training; Referrals to Financing Agencies</td>
<td>Nominal</td>
<td>Jim Wilde, Executive Director 978-459-8490 <a href="http://ecommunity.uml.edu/mvhp">http://ecommunity.uml.edu/mvhp</a></td>
</tr>
<tr>
<td>Community Preservation Institute (jointly offered by University of Massachusetts and the Executive Office of Environmental Affairs)</td>
<td>Offer nine week courses for citizens and residents throughout state on all community preservation topics including housing</td>
<td>Scholarships available</td>
<td>Community Preservation Website <a href="http://www.mass.gov/envir">www.mass.gov/envir</a></td>
</tr>
<tr>
<td>UML Center for Family, Work, and Community</td>
<td>Able to sponsor community discussions and symposia</td>
<td>Free</td>
<td><a href="mailto:Linda_Silka@uml.edu">Linda_Silka@uml.edu</a>, <a href="mailto:David_Turcotte@uml.edu">David_Turcotte@uml.edu</a></td>
</tr>
<tr>
<td>Massachusetts Housing Consumer Information Center (CTI)</td>
<td>Offers several programs, including Homebuyer Incentive Program, First Time Homebuyer Seminars, Home of Your Own Program, Foreclosure Prevention and Advocacy, Property Management Training Institute</td>
<td>Costs of these programs vary and eligibility is based on income guidelines.</td>
<td>Community Teamwork, Inc. (978) 459-0551 <a href="http://www.comteam.org">www.comteam.org</a></td>
</tr>
</tbody>
</table>
27. What groups come to housing indirectly and should be included in housing discussions?

Many groups in Lowell are known for their work in areas other than housing, but yet are important resources for addressing our housing problems and for developing an overall housing policy. Below a few of these groups are briefly described.

**Asthma Association of Greater Lowell:** The Asthma Association of Greater Lowell brings together some 30 groups monthly to prevent asthma. A major focus of the Association’s work is to improve housing so that there will be fewer triggers that produce asthma among the children of the city.

**Brownfields Advisory Board:** The Brownfields Advisory Board is chaired by John Collins from the Lowell Department of Health. This Board meets monthly and works to identify ways to reduce environmental problems in the city. This group is bringing together information about all of the different rules and regulations on environmental issues in the city. The group could provide us with information about how we could develop a policy on housing and the environment.

**Environmental JOBS:** The CBA and UML are copartners in a training program that provides opportunities for students in the city to train for environmental jobs. Many of these graduates are very interested in providing leadership on environmental issues in the city.

**Faith Based Organizations:** Faith based organizations regularly hear from their members about their family concerns. These groups could provide important ideas for addressing housing issues.

**Mutual Assistance Associations:** The many mutual assistance associations and ethnic organizations regularly hear from their members about family and housing concerns. These groups could provide important ideas for addressing housing issues.

**Parent Information Center:** The school system’s parent information center might be a good partner in reaching parents new to the city (or who have moved) about their housing concerns.

**New Ventures:** New Ventures is a partnership bringing together Coalition for a Better Acre, Lowell Community Health Center, and the University of Massachusetts Lowell to address environmental hazards. A major focus of the group is housing.

**One Lowell:** One Lowell brings together over a dozen groups in Lowell to increase civic participation and opportunity among the diverse refugee and immigrant groups now making their homes in Lowell. The partnership provides many opportunities to draw on emerging leadership in the community.
28. Tools that can help us think through housing issues

Many resources are available to assist us as community leaders in thinking through housing issues. Below we have listed some of these resources.

**State Resources:** Below we quote information directly from “SPOTLIGHT” (the Community Preservation Act Community Newsletter) because this newsletter provides many useful ideas.

**A. Community Preservation Institute:** “The Community Preservation Institute is a nine course evening program designed to help Massachusetts' residents explore key topics such as land and resource protection, **housing issues** and historic preservation as a foundation to balance various issues facing our communities. The Institute applies a unique team teaching approach in all of its classes. University professors, government officials, and citizen group leaders come together to provide a well-rounded and informative curriculum throughout the session. Classes are held from 6:30-9:30 on Wednesday and Thursday evenings.

The Community Preservation Institute helps Massachusetts' residents explore tools, techniques and resources to use in their community to promote Community Preservation as a concept for good planning. Last month, the Institute graduated 42 students who participated in the Institute's fall courses at UMass Lowell and the UMass I-495 Center for Professional Education in Westborough. In addition to these two campuses, this spring the Institute will expand its campus locations to include UMass Dartmouth. The Institute will continue to expand its selection of custom courses at each location, which are targeted toward the particular concerns of its surrounding communities.

This fall, students in Westborough learned about creative zoning in their custom class. This course focused on historical land use patterns in Massachusetts and the evolution of local zoning as well as innovative zoning techniques. In Lowell, students were offered a course on diversity in Community Preservation. The class examined how people from diverse cultures can greatly enhance Community Preservation initiatives in a community. In the spring, an additional custom class will be offered at the Dartmouth location focusing on natural resources as an economic catalyst.

The spring session begins on March 20th in Westborough and Dartmouth and March 21st in Lowell. Applications for the spring session are due February 15th, 2002. For more information about the Institute, a list of courses or for an application, log onto our Community Preservation website at: www.mass.gov/envir

**B. Community Development Planning Tools:** “Interest in the Community Development Planning Program outlined under Executive Order 418 is increasing. About 150 communities have indicated an interest in participating in the program by signing an Initial Agreement. Of these, more than 25 communities have already submitted existing Master, Open Space, Housing, or other Plans as equivalent to the minimum requirements of E.O. 418 in order to give themselves more flexibility in utilizing the E.O. 418 planning services for local priorities. Eight communities have approved scope of services and are beginning to utilize E.O. 418 services to draft Community Development Plans.

Community Development Planning allows communities to access $30,000 in services to create a community plan that address the four core areas of housing, economic development, transportation, and open space and natural resources. For those who are interested in learning more about Community Development Planning or asking questions of the state agencies implementing the program a series of Community Development Planning information sessions will be held across the state in the coming months. Contact your regional planning agency or the EOEA's Community Preservation Team (Kurt Gaertner at 617-626-1154 or mailto: kurt.gaertner@state.ma.us or Ed Bourque at 617-626-1048 or mailto: ed.bourque@state.ma.us) for a schedule of upcoming events.
Information on the Community Development Planning Program, including the "Building Vibrant Communities" guidebook is available on the web at http://www.mass.gov/envir/cpa/cdp.html.

C. Northern Middlesex Council of Governments: NMCOG’s report, entitled 2020 Vision: Planning for Growth in the Northern Middlesex Region provides recommendations and strategies for communities to implement a proposed growth management plan. Section XIII presents an agenda to begin planning and acting on the proposed model of development. As well as including a detailed list of tasks, NMCOG categorizes recommendations by level of difficulty. For instance, some of the most difficult tasks include preserving open space and historic resources, increasing commercial activities, reviving out-of-use or underutilized urban areas, decreasing dependency on automobiles, and promoting equity in income distribution. NMCOG also offers detailed explanations of opportunities and constraints for each task. See www.nmcog.org.

D. Scenario Workshop: Scenario Workshop, a model developed in Denmark at the Danish Parliament’s Board of Technology, will provide an excellent opportunity to discuss housing issues and sustainability planning for the city for the next 20 years. More often than not, housing discussions and planning are done in isolation from other important areas, such as water, municipal waste, energy, transportation and economic development. Under the Scenario Workshop model, diverse residents from business, government, the community as well as technical experts will work to develop a holistic vision of what Lowell 20 years in the future could look like as an environmentally sound, economically strong and democratically vibrant city. Participants will begin by critiquing four scenarios of what life would look like for a typical family in Lowell in 2022. This focus on the life of a family allows participants the opportunity see how their decisions can impact life in the future down to the family level. In contrast, discussions around housing today usually are impersonal, focusing on median family income and statistical analysis. Consequently, the current approach makes is easier to make decisions that restrict the future availability of affordable housing for low and moderate-income families. The scenario workshop approach will make it easier to seriously address the future housing needs of our community by seeing this issue as an integral component of a sustainable future. See http://europa.eu.int/comm/environment/urban/home_en.htm or www.cordis.lu/easw/home.html or www.loka.org/pages/scenario_workshop_project.htm
29. What can we learn from newspaper coverage of housing problems?

Housing problems have been very much in the news in Massachusetts over the last year. Often it is useful to look at what housing topics are being covered in these articles because the articles can set the agenda, frame the discussion, and even suggest solutions being considered in other communities. Below we include a listing of the major topics that have received coverage in the *Boston Globe* and the *Lowell Sun* this year. These articles are available at the Center for Family, Work, and Community and can be made available for community discussions.

- **Rapidly increasing costs of buying homes:**
  - *The Difference of a Decade: Housing prices soared in most of the Bay State* (Boston Sunday Globe, 4/22/2001)
  - *Not all of state’s communities saw gains* (Boston Globe, 4/22/2001)

- **Lack of available housing:**
  - *State fiddles as housing crunch burns* (Boston Globe, 4/27/2001)
  - *Housing crunch hitting home in Lowell* (Boston Globe, 8/12/2001)

- **Housing opportunities:**
  - *Not rich? You can buy in Boston. You’re renting. You make less than $58,000. You dream of owning a nice home in the city* (Boston Globe, 8/19/2001)

- **Policy changes:**
  - *Lawmakers eye spur to affordable housing: Bills would bolster community efforts* (Boston Globe, 1/2/2002)
  - *Panel wants to ease local restrictions on building homes* (Boston Globe, 1/19/2002)
  - *A new idea for housing* (Boston Globe, 2/1/2002)

- **Who is buying homes:**
  - *Asians in forefront of Mass homes sales* (Boston Globe, 7/16/2001)
  - *Study says sprawl can reduce race gap in home ownership* (Boston Globe, 9/4/2001)
  - *Realtors catch up to big immigrant market* (Boston Globe, 12/6/2001)

- **Community Preservation and its implications for housing:**
  - *Methuen ripe for preservation as political landscape changes* (Boston Globe NorthWest Weekly, 4/22/2001)
  - *Study says sprawl can reduce race gap in home ownership* (Boston Globe, 9/4/2001)

- **Innovations in housing:**
  - *Low-income, faculty to share housing: Tufts plans unusual mix for former school* (12/9/2001)

- **Bringing new groups under the home ownership umbrella:**
  - *Homeowner experiment faces test under dragging economy* (Boston Globe, 12/9/2001)
  - *Turning the rent into money for a down payment: Program helps tenants leave public housing* (Boston Globe, 12/9/2001)

- **Affordable housing:**
  - *Building, housing need ties proposed* (Boston Globe, NorthWest Weekly, 4/22/2001)
  - *Racism fuels affordable housing shortage in suburbs, official says* (Lowell Sun, 2/18/2001)
  - *State, towns clash on low-cost housing: Facing multiple plans, communities fight law* (Boston Sunday Globe, 2/18/2001)
Debunking myths frequently linked to affordable housing (Boston Sunday Globe, 2/18/2001)
Affordable housing fight looms (Boston Sunday Globe, 3/4/2001)
Affordable housing is favored in decision: Plan to convert complex to market rates blocked (Boston Sunday Globe, 3/11/2001)
Fall River enters fray on housing: Mayor’s plan to raze units riles advocates (Boston Sunday Globe, 3/11/2001)
Lowell eyes better affordable housing supply—not more (Lowell Sun, date unknown)
Contentious battles mark housing debate (Lowell Sun, 12/29/2001)
Creating Healthy Public Housing (Boston Globe, 9/4/2001)
30. What suggestions are different groups making for addressing the housing problem?

In this section we include three collections of suggestions that people made about addressing the housing problem in Lowell. First we include a numbered list of suggestions that people mentioned as we talked together about housing problems. Then we summarize several more detailed responses that people made about strategies they felt should be considered. Finally, we summarize some suggestions we would like to put forward for integrating the information and ideas that we gathered through completing this report.

**Listing of Suggestions from People Concerned with Lowell’s Housing**

The suggestions put forward include:
1. Keep better track of what has worked and what hasn’t in developing housing in Lowell so that we have a better “institutional or community memory” of our past successes and failures
2. Develop more broad based partnerships that would address housing issues
3. Attend to the full range of incomes of people in Lowell as housing policies are formulated
4. Encourage large local employers to look at subsidizing housing for their employees and provide employers with models and examples of other employers around the country that have played major roles in developing housing
5. Encourage more experienced landlords to buy and rehab properties for rentals
6. Build multifamily units (rather than single-family homes) on available land
7. Change zoning ordinances to allow more flexibility in housing
8. Explore innovative financing strategies used in other communities to expand the opportunities for the creation of housing
9. Reduce the time needed to turn around sites for reuse made available from razing derelict buildings
10. Put more information about local housing and housing conditions on line so that the information can be more readily used
11. Find ways to use the innovative public private partnerships that built the Tsongas Arena and other sites
12. Identify brownfields sites that could be reused to expand housing
13. Involve University in reducing housing pressure on local housing market that result from students renting housing
14. Institute rent control
15. Build housing that is consistent with the current density in Lowell
16. Look at ways to reduce costs of new developments
17. Look at why Section 8s have to be turned back in
18. Emphasize a regional approach to housing
19. Work with surrounding communities to build more affordable housing
20. Take the concept of the artists’ lofts and think about something similar for families already living in Lowell
21. Look at ways to increase mixed usage that could reduce the need for use of cars
22. Build more parking garages in congested neighborhoods
23. Build more retirement communities
24. Consider developing assisted living facilities that provide housing for elders from various ethnic groups
25. Engage more groups like “One Lowell” in addressing housing problems
26. Look at models in other cities that build smaller homes on available land
27. Take the ‘continuum of care’ concept and apply it beyond homelessness (that is, think about a continuum of housing at different income levels)
More Detailed Suggestions Offered for Lowell's Housing

Some people provided more detailed summaries of strategies they thought worth considering or repeating in Lowell. These are summarized below.

- **Changing the demographic character of Lowell:** Some people mentioned at the open forum and in interviews and focus groups that they felt that city officials had the goal of changing the demographic character of Lowell. One person mentioned, for example, that he felt the city was trying to push low-income families and individuals out of the city. He also said that initiatives such as the artist lofts were only pushing rental rates higher throughout the city. This person also noted that there are many vacant and boarded-up buildings in Lowell, and asked why the city did not put these structures to use.

- **Arguing for the benefits of mixed-income housing:** One of our respondents illustrated his view of the promise of mixed-income housing by describing his own experience. He reported that his family had been able to move out of their apartment and into their newly purchased condominium in Lowell. He described their experience as follows: “We lived across the street from where the condos were being built and thought they looked beautiful, but, we never thought we would be able to afford one. But then one day, we were reading the paper and saw that 20 of the 100 units were going to be allocated for people in low/moderate income levels. The auction for the units was going to be held at the senior center, and about 45 people showed up to the auction. We drew number twenty-one, and were initially upset; however, we spoke to some of the people in charge and they said, not to worry because there is always a couple of people that don’t qualify. As it turned out, they were right. We received a phone call letting us know we could apply and so we filled out the application, and found that we met the guidelines for moderate income housing.” In part, the move was made possible by the Massachusetts Housing Finance Authority (MHFA) who offered a lower interest rate for the first six years. “The two years we paid a seven percent interest rate, for the next two it moved to eight percent and for the fifth and sixth year it was eight and a half percent. After the initial six years it then moved to market rate. Another way the MHFA helped us was, we were able to put down less on the down payment. Normally, you have to put between ten and twenty percent down, but we were able to get in with only five percent down.”

- **Arguing the case for a laissez-faire approach:** Data were gathered in a focus group with members of the Greater Lowell Landlord Association. From the perspective of the group of landlords who operate in Lowell, if city, state and federal agencies applied a more laissez-faire approach, allowing the housing market to operate more freely, the affordable housing stock would adjust itself to meet demands, particularly regarding codes and regulations, as well as zoning laws. The landlords were particularly critical of a new city program designed to encourage new homebuyers to purchase multi-family structures. The city provides down-payment assistance to first-time homebuyers who commit themselves to renting affordable housing units. The landlords said that the individuals who participate in this program have little or no experience in being landlords and this lack of experience will inevitably lead to failure. Instead, the landlords suggest that the city make these structures available to existing landlords who have established a history of fair rental practices in the city. One landlord criticized local banks for not treating landlords as they would any other business owner when considering loan applications. Because landlords have no fixed income, the banks are often unwilling to issue loans for them.
• **Arguing for reuse of Lowell’s old buildings:** In our interviews with people on the rental market, they mentioned that there are many blocks that were built for the early immigrants and people working in the mills. They saw lots of potential housing in Lowell and argued that the city should somehow try to tap into preserving the city as a historic showpiece of ethnic immigration and neighborhoods. One person mentioned an empty building across from St. Joseph’s Hospital that something could be done with. This respondent thought there was a lot of potential in such buildings and that these are the resources that we need to work on and find – federal or state money, working together with the city, and working together with groups such as Habitat for Humanity that are willing to help. She argued that “We have to find a way for people to work together or people will leave Lowell.”

• **Arguing for university involvement:** Some participants commented that the university has a large student population that is here nine months of the year and that the university needs to house the students in a different way – more dorms perhaps, look at buying some large tenement blocks that are empty and refurbishing them and letting the students rent them at reasonable student rates. Students now crowd into substandard apartments so they can share affordable rents. The result is these apartments aren’t available to large families. The university could look into housing in the area and the tenement blocks if rehabbed would make excellent student housing. The city could also look into working with the university to think of creative things that can be done for the summer months. The city also has to work with the homeless shelters transitioning people to jobs. By working together, the city, university, and agencies can find solutions.
Preparing for Housing Crises Now and In the Future:  
20 Steps We Can Take Right Now

Much of what we learned about housing in Lowell and the region was how to change the way we as a community prepare ourselves to address housing issues. Repeatedly people pointed out that we can’t know the future. Right now we have a crisis in housing. A year from now the crisis may look different and our worry may be focused on other issues such as jobs. We need, in short, ways to be prepared for the future without knowing quite what that future will look like. Below we offer 20 steps that can be taken immediately. These suggestions point to using the same innovations that have worked for Lowell in areas outside of housing, but now are being applied to the housing crisis.

Recommendation 1: As a community, we should draw on our skill at innovation as reflected in developing the theme “There’s a lot to like about Lowell”

As we travel around the state we encounter people who are very intrigued by Lowell’s theme “There’s a lot to like about Lowell” that is now being broadcast on radio stations or published in papers. This theme has been used to celebrate Lowell’s amenities such as the Tsongas Arena and LeLacheur Park. Use of this theme has enhanced Lowell’s reputation beyond the city. What we have not done is explore ways we can use the same inventiveness that led to this theme to identify the advantages of Lowell’s housing: close-knit neighborhoods, a place that people can start out and stay, mixed-income housing options, reuse of historic structures, a variety of transportation options. Lowell has a history of innovative thinking of which the current advertisements represent just the latest: the Lowell National Historical Park is a great example of this inventiveness. We can use that same inventiveness to identify housing shortfalls and arrive at innovative solutions to address them.

Recommendation 2: Bring groups to the housing “table” that have not played a central role in Lowell (similar groups that have been involved in other communities)

Many communities have faith-based organizations, social service organizations, local universities and other groups regularly thinking about housing issues and producing suggestions for solutions. Such involvement has remained limited in Lowell, which has restricted the options generated for addressing housing shortfalls. Invitations for involvement have been sporadic. Lowell is home to many people with enormous experience. Among newcomers, for example, are architects, planners—that is, people who bring much experience from Africa, Asia, Central and South America, and Europe that could be drawn into the discussion of Lowell’s housing shortfalls and in the designing of innovative solutions. Please see the section on “Celebrating Diverse Traditions of Community Preservation” for examples.

Recommendation 3: Don’t ask groups to come to us; go out to groups

This report started out by noting that housing policy has become an insider’s game. Relatively few individuals and groups have been tapped to design solutions. The people with expertise on housing have a wealth of knowledge; the result can be that suggestions from people without that knowledge of the arcane rules can appear naïve to housing experts. When an open hearing on housing is held, most of the time few people attend. They are asked to come to the insiders and they are generally asked late in the process when solutions have already been devised. Not surprisingly the turnout is often low. Yet this lack of attendance belies the strong interest in housing and the many worries that people in Lowell have about housing. When the issues are brought to the community and when people are asked about their housing experiences, a wealth
of ideas and knowledge can be generated as was found in the “Celebrating Diverse Traditions of Community Preservation.” Going to the meetings people were holding with their groups and asking to discuss housing issues at those meetings proved to be an effective strategy here.

**Recommendation 4: Increase community access to housing data**

Information on building permits, vacant land, loss and gains of different kinds of apartments should be made readily available and accessible at the city’s web site so that community groups can be effective partners in planning.

**Recommendation 5: More aggressively share plans for economic development across communities so that impact on housing needs can be figured**

We should attend to the questions listed in “A Profile of Housing in Massachusetts” (please see listing in Executive Summary) in need of answers. We should make certain that we collect information that will assist us in answering these questions.

**Recommendation 6: Develop a problem solving/innovation measure and measure our progress against that benchmark**

As a community we don’t yet have a way of tracking our progress, not merely in terms of increasing the number of available housing units, but also in terms of how we solve our housing problems. New problems will continue to crop up. As noted earlier, Lowell has won many awards (such as the “All American City” Award) for its innovations in solving problems in other areas (in public private partnerships, in creating the national park, in reuse of brownfields). Lowell could provide that same national leadership in devising housing solutions if as a community we had ways to identify problem in housing and then measure and track our progress in addressing these problems.

**Recommendation 7: Analyze what worked with the “All American City” process, the Lowell Police Department Race Relations Council, “One Lowell,” NonProfit Leadership Forum, the Lowell Plan, the Greater Lowell Family Resource Consortium and then apply lessons learned to developing partnerships that focus on housing issues**

Lowell has been justifiably recognized as a fertile ground for developing partnerships that overcome differences. The city has also been recognized for sensing problems before they get out of hand and for developing strategic solutions. These successes should be analyzed to understand what worked and what did not so that these practices can be incorporated into the housing arena. These partnerships might even add their leadership to discussions of housing.

**Recommendation 8: More aggressively seek out visions of housing solutions from Lowell’s long term residents as well as people who newly come to Lowell from other cities, states, and countries**

Residents who have lived in Lowell’s neighborhoods for decades have seen many changes and have across-time visions for what Lowell’s housing in particular neighborhoods could be like. Residents who have lived elsewhere have across-place visions for what Lowell’s housing could be like. A strength of Lowell is that both sorts of people live here and this is a neighborhood city where people put down strong roots. We need projects that enable us to learn about how people with varied experiences here and elsewhere draw on those experiences to envision what could be possible in Lowell (innovative zoning, uses of open space in conjunction with housing, co-locating services and housing, housing that supports intergenerational living). Greater knowledge of these experiences can shape the housing planning process in Lowell.
Recommendation 9: Save time and money by using opportunities that already exist to collect housing data

As we attempt to learn more about housing, we should actively use opportunities that exist already. Consider, for example, that parents already have to visit the Lowell School Department’s Parent Information Center for school assignment. While they wait to see officials at the center there is often time to engage parents in discussions and in filling out surveys. There is time to ask questions, to learn about housing concerns and housing preferences. Entering into a partnership with Lowell Public Schools might provide opportunities to learn from busy parents about their housing plans and concerns.

Recommendation 10: More aggressively seek out funding from foundations that could support the process of building a city-wide, inclusive housing plan

Fannie Mae Foundation as well as other foundations are increasingly interested in how diverse communities go about solving their housing problems. In developing the partnerships above, we should aggressively seek out this kind of funding to develop more inclusive processes to address housing issues.

Recommendation 11: Aggressively seek out and use environmental funding for housing

Lowell is like many other older, industrialized cities around the country that struggle with the environmental legacy of the industrial past. Lowell has been at the forefront in devising ways to use this problem as a way to capture funding needed to address the problem; Lowell has become a “Brownfields Showcase Community,” has had federal funding for job training for working on brownfields, has federal funding for developing partnerships among the city, university, and the refugee and immigrant communities to address environmental problems. We need to go beyond previous attempts to identify environmental funding that could be used for housing (e.g., HUD’s Healthy Homes Research Program, Lead Programs). Lowell can become a national model in developing effective strategies that address livability issues by making further progress in addressing problems with heavy metals and indoor air quality. By focusing on environmental issues we tap into groups such as (a) the New Ventures Partnership (bringing together Coalition for a Better Acre, Lowell Community Health Center, and UML), (b) the Environmental Policy Planning Group (led by the City Health Department), (c) the Greater Lowell Asthma Coalition (bringing together over 25 groups to address in part housing issues that affect health)—all of which have strong and continuing concerns with housing and could provide support for city-wide initiatives.

Recommendation 12: Reframe the planning process

At present, city planning processes typically take place with only limited public involvement. The Acre Planning Process and the JAM plan were exceptions to this and provide examples of what we might want to do more frequently in the city. Both of these planning processes drew much more on the community involvement over a longer period of time. The input opportunities were not merely opportunities to respond to plans already developed but to inform the framing of those plans. The city and the university (through a partnership) obtained federal funding (from the Agency for Toxic Disease Registry) to increase the knowledge of community residents so that they would be better prepared to engage in these planning processes. Toward that end, we should identify and use the resources available from the Community Preservation Institute and other organizations to develop capacity for more people to be involved in the planning processes.
Recommendation 13: Identify resources that yet been tapped

As noted earlier, no group in the city has the needed capital and no one group can individually solve housing problems. On the other hand, there may be many groups that could provide support (information, bringing together people, etc) that can bring us along in addressing the housing problems. Consider, for example, the local university. UML’s mission is focused on sustainable regional and social development. Faculty teach courses on the topic and students (particularly in the Department of Regional Economic and Social Development) carry out projects and theses that are related to this topic of housing. The university is likely to be an untapped resource. Later in this report are included many examples of ways in which other universities around the country have engaged in housing initiatives to support their region. A listing of web resources has also been included in the Appendix. This listing provides ideas and suggestions for resources that we might consider tapping in Lowell. Also we should look at the listing of the tools groups have and don’t have. Use resources that have already been created (NMCOG report, Buildout Analysis, “Where are the Jobs?”).

Recommendation 14: Reconsider methods for working regionally on housing problems by bringing together groups that are not focused within particular municipal barriers

The discussion among communities in this region on housing is widely regarded as having had limited success. Often the discussion has been limited to the important but contentious issues of affordable housing and smart growth. Many reasons for the lack of success in regional planning have been offered: local control, state mandates, too little regional control. Moreover, it has usually been elected officials or their representatives that have come together and they must be primarily responsible to their local constituents. We need to bring together groups that are not focused within particular municipal borders (employers, unions, regional transportation authorities, watershed associations, regional poverty agencies, people who live in one town and work in another, health care providers, landlords, organizations such as HeadStart, Elder Services of Merrimack Valley, and Merrimack Valley Project). They can help to develop common livability benchmarks and indicators. They can draw on, for example, community preservation themes that bring together housing, open space, historic reuse, transportation, and economic development.

Recommendation 15: Use the various measures to assess affordability

We should regularly use the FMR, Shelter Poor, and other measures described here to track costs across the range of housing. We can then compare their implications for addressing housing problems. By using the same process year after year we can assess changes that are taking place. At the same time, we should make better use of geographic information systems to track changes and do so in a way that is accessible to the community.

Recommendation 16: Broaden the terms of Lowell’s housing discussion from affordability to livability

Increasingly the discussion of housing has narrowed to affordability (and often to just one definition of affordability). The problem with such discussions is that they focus on just one type of housing, do not link housing to questions of economic development, transportation, and other key factors that affect the livability of the Merrimack Valley. Focusing on affordability narrows and polarizes the discussion between Lowell and surrounding towns by asking only whether communities have met the state’s requirements of 10% affordable housing rather than about the need for a range of housing options that will make it possible for all of the workers in the Merrimack Valley to find housing. We suggest instead including a livability index, with
affordability as one part of that index. A Livability Index would include affordability, but also other amenities in the area; livability for people in different income groups. Livability enables us to look more closely at the range and quality of housing that is available given the range of jobs available. Livability could incorporate issues of whether the housing is substandard; livability could incorporate whether the available housing meets the needs of families that live in Lowell. Livability could link to the environmental policy being developed for Lowell. And, livability very much fits with the destination city concept of Lowell because it includes many parts of community preservation.

We should use a livability indicator that includes information about cost of housing at all levels and for all incomes and take into account, but also takes into account the types of jobs we are trying to create and the environmental quality of housing. We would measure yearly improvements and declines in livability.

**Recommendation 17: Draw on the templates developed in this report**

This report includes many templates that can be useful to planning process (the graphic for who’s involved, the graphic for renters and homeowners, the listing of groups and the tools they have under they control and so forth). These could be used for planning and considering the issues. More can be developed as needed.

**Recommendation 18: Look at faith-based opportunities**

Many of the churches and temples in the Lowell area have ideas and strategies for increasing the housing options in the city. These groups could be actively recruited into partnerships to assist in developing housing opportunities.

**Recommendation 19: Show how we can increase environmental quality without increasing the cost or gentrification.**

We can immediately draw on the groups in the city working on environmental issues to investigate ways to step-up our efforts to create healthy homes that reduce environmental problems (e.g., mold, lead, asbestos).

**Recommendation 20: Involve the University of Massachusetts Lowell in housing discussions**

Throughout this report we have listed a number of ways in which UML could be a partner in the development of reports, resources, and analyses. In the last section of the report we list what other universities are doing around the country to support communities in their work to create better housing opportunities.
31. What can we learn from other communities? How are other cities addressing affordable housing?

We looked at what three other cities are doing to help increase their supply of affordable housing. These examples were positive case studies of how non-profits, for-profits and city or town officials can all work together to increase the supply of affordable housing.

**Boston, MA: A New Idea for Housing**

Officials in Boston are investigating a business plan from a Swedish manufacturer of factory-built homes (Scanhouse). The Mayor, Boston Redevelopment Authority officials and union leaders in the building trades are reportedly looking at whether panelized homes could be used in the Boston housing market to create affordable housing. They are investigating the construction of a manufacturing plant in Boston that would produce components for 2,000 houses a year. These 1,500 square foot houses meet federal standards for design, strength, and fire safety. Mayor Menino is reportedly looking at 20 acres of state-owned land at the former Boston State Hospital in Mattapan as a potential site for as many as 200 panelized homes. Seattle and Milwaukee are also experimenting with this type of housing.

**Roxbury, MA: Nonprofits and a University Working Together**

A partnership, to preserve affordable housing in Roxbury’s Mission Hill neighborhood, has been established between Harvard University, Roxbury Tenants of Harvard Association, and Brigham & Women’s Hospital. The result of this partnership is a complicated land swap where: 1) Harvard University has agreed to sell 31 houses, at favorable rates, to the Roxbury tenants’ group; 2) Brigham & Women’s Hospital, for its part, will transfer seven buildings, lots, and mixed-use properties also to the Roxbury tenants’ group; and, 3) the Roxbury tenants group (a nonprofit housing and human services organization), in return, will allow six buildings they own to be relocated.

This successful partnership, the result of an institution joining forces with a nonprofit organization, guarantees affordable rental housing in Roxbury’s Mission Hill neighborhood. The Roxbury Tenants of Harvard Association currently manages nearly 1,000 units on Mission Hill. When this move is complete, deeds to 31 Harvard University properties will be transferred to the group and will remain affordable for low-to-moderate income tenants for the next 100 years. (Boston Globe, August 4, 2001, p. G1)

**Brookline, MA: Examining All Land Options**

The town of Brookline has been active historically in promoting affordable housing, but plans to do more to meet the state’s goal of 10% affordable housing in each city or town. The town held public forums to discuss the town’s approach to the development of affordable housing. At the forums, they discussed plans to use all resources at their disposal – including looking at every piece of town-owned land, institutional land, private land in transition, Housing Trust Fund and other housing program money, and zoning and other municipal tools – to promote the development of additional affordable housing. They plan to facilitate the development of mixed-income housing by partnering with an experienced private developer. They also plan using a tool which is available to developers, called “comprehensive permits,” authorized by Section 40B of the Massachusetts General Laws and known as the “Anti-Snob Zoning Act.”
After the forums, the Board of Selectmen were urged to make it clear, at the earliest opportunity, to the Governor that “the town of Brookline is very interested in creating affordable housing” and urged the state to consider all properties in Brookline for such reuse. (Report on Affordable Housing Forums, April 3, 2001)

New Bedford’s Implementation of the Community Preservation Act

Information quoted from Community Preservation Newsletter: “For the town of Bedford, the CPA continues to be a story of success. Bedford was the first municipality to accept the Community Preservation Act when it passed at Town election in March 2001. Since passing the CPA, the Town has taken several steps to ensure it spends the money effectively and with its best interests in mind. As required by the Act, Bedford established a Community Preservation Committee to recommend how the funds should be spent. The Committee assessed Bedford's needs and proposed potential projects by combining feedback from residents, municipal committees and local leaders.

Since its creation, the Community Preservation Committee has encouraged residents to express their opinions about how Community Preservation funds should be spent through a variety of public hearings, interviews and open meetings. After proposals by both citizens and Committee members were evaluated, the Committee adopted a priority spending list incorporating the goals and projects for required elements of the CPA: open space, historic preservation and affordable housing. The Community Preservation Committee created a budget for several projects on its priority list including: the purchase of the Valente (Finn) Property, a Duplex Conversion Project and a Condo Buy-down Program. The Valente (Finn) property consists of about 15 acres of undeveloped land. This land is important because it abuts the Town reservoir and contains wetland areas. The Duplex Conversion Project consists of purchasing an existing duplex in Bedford and completing a rehabilitation of the property. Once this process is complete, the property will be sold as two condominium units at affordable prices. The Condo Buy-down Program consists of buying condominium units in Town, and then converting the units into affordable housing. Community Preservation Act funds will then be used to fund the gap between the purchase prices and affordable sale prices.

On October 29, 2001, a Special Town Meeting approved all of the above-mentioned projects as well as the setting aside of funds to be used for recreational purposes at a later date. The Committee’s well-rounded use of CPA funds ensures a bright future for Bedford.”

New York City: Transfers of Ownership to Low Income Cooperatives

In an effort to save affordable housing, the New York Department of Housing Preservation and Development (HPD) has sold over 650 buildings from the “in rem” inventory (buildings which have fallen into New York City ownership for nonpayment of taxes) through a program to form low-income cooperatives, making this initiative the first sizable program in the U.S. to transfer ownership of privately-held buildings to low-income tenants.

The program, the Community Service Society (CSS) of New York, one of the city’s most established social service organizations, began the Ownership Transfer Project (OTP) in 1982. HPD participated by providing below-market rehab loans to OTP buildings. The purpose of the OTP project was to keep buildings permanently affordable to low-income residents by transferring properties from private to co-op ownership before landlords abandoned them, taken over by the city, or sold to real estate speculators or gentrifiers. The OTP helps tenants develop boards of directors and begin to take charge of building operations; identify and negotiate with
owners, mortgages, and creditors to acquire buildings; develop repair and renovation plans for their buildings; obtain financial assistance for purchase and repair of their buildings; acquire the buildings; improve housing management practices; form a cooperative or other appropriate ownership entity; and prepare all tenants for cooperative ownership.

The building at 507 West 140th Street, a 15-unit, five-story building in Harlem’s Hamilton Heights neighborhood was a good candidate for the program and has proved to be successful. The tenants, after several years of quasi-abandonment in the late 1970s, had come to expect little maintenance or repairs from their landlord. After the landlord announced that he intended to stop collecting rent and providing services, the tenants refused to abandon their homes and banded together to form a cooperative, the premise of which “was based on low-income working families.” (Shelterforce Online July 19, 2001)

What other cities are doing, at the public policy level

San Francisco, California: Innovations in a Tight Housing Market

Due to the many challenges facing the city of San Francisco, the second densest city in the United States where the median sales price of a home or condominium soars to $500,000 and with a 1% rental vacancy rate, the city has developed some of the nation’s most innovative approaches to creating and maintaining affordable housing opportunities.

Under the leadership of Mayor Willie L. Brown, San Francisco has 1) devoted almost $100 million a year of local resources to affordable housing. This includes a portion of the hotel tax for the development housing for seniors and people with disabilities and nearly 50% of the tax increment generated by all redevelopment activities; 2) imposed a housing development requirement or linkage fee on the development of commercial offices with proposed legislation adding the development of retail, entertainment, and hotels to the program and proposed that market-rate housing developments of 10 units or more be required to set aside 10% of the units as affordable under the city’s Inclusionary Housing Program; 3) maximized housing opportunities in large-scale development such as the 305 acre Mission Bay development which will now include a new campus for the University of California at San Francisco, 5 million square feet of commercial office space, retail space, a hotel, open space, a school, a police and fire station, and 6,000 units of housing with the stipulation that 1,700 housing units be permanently affordable. Another area that the city is looking at an opportunity for affordable housing is military base closures such as Treasure Island Naval Base. This base is being reused with 1100 units of housing, 218 of which are devoted to housing formerly homeless families and individuals; 4) established the Affordable Housing Preservation Program to save HUD subsidized rental housing at risk of conversion to market rate; 5) used housing to add social infrastructure to neighborhoods by including child care centers, job training programs, health clinics, senior programs and other community facilities in affordable housing development; and 6) collaborated with private lenders and investors such as AFL-CIO Housing Investment Trust on several key affordable housing developments. (U.S. Mayors Articles August 16, 2001)

Madison, Wisconsin: Using Tax Credits

An innovative partnership program in the state of Wisconsin, one of a few such partnership programs in the country, is using tax credits to buy single-family housing in their efforts to provide affordable housing.

The partnership program is run by Madison Community Reinvestment Associates and was formed by the Urban League of Greater Madison, Firstar Bank, and the Wisconsin Affordable
Housing Corp. in 1992. This partnership is unusual in that it is not common for a non-profit organization such as the Urban League to be involved in the housing program.

This program buys rundown homes and fixes them up. By doing this, the partnership feels that it will create “more stability by upgrading the housing and putting in families that will eventually own them.” They also feel that there will be less transience and more improvement in the neighborhood.

The Wisconsin Affordable Housing Corp. gets a fee for finding the homes and arranging for whatever renovation is needed. Firstar and the city’s Community Development Block Grant program provide financing. Firstar receives federal income tax credits, which allows them to recover its entire down payment and helps families to later purchase the houses with no money down. The families pay a flat rent that runs about $700 a month for 15 years. After that, the families can then buy the house for typically around $87,000 and are eligible for a loan through a first-time home buyer program. (Wisconsin State Journal. June 26, 2001)

State Wide Approaches

According to Bruce Katz-Director at the Center on Urban and Metropolitan Policy-the Brookings Institution, several regional initiatives have begun at the state level in California, Maryland and New Jersey. To reverse the trends of decentralization, New Jersey has implemented a 10-year, $1 billion program that will preserve 1 million acres and allows for counties to use tax revenues for land preservation. New Jersey has also restructured development codes to “reduce the cost of redeveloping in older areas” (Katz, Presentation, 2001). In reducing the cost of redevelopment in older urban areas, New Jersey believes it will be able to reverse a long standing trend of developing along the outer peripheries of central urban areas, which has several implications, including concentration of poverty and a loss of available low-skilled jobs. Furthermore, decentralization exerts tremendous pressure on outlying infrastructure, social services, and school systems, as well as reducing open space.

In California, the Tax Credit Allocation Committee provides an estimated $450 million annually in an effort to increase affordable housing rental stock. The committee encourages the development of affordable housing by providing tax incentives based on qualifications such as proximity to transportation, recreation, education, and retail facilities. In another case, the Missouri Neighborhood Preservation Act of 2000 proposes similar measures, however, the energies are directed towards a reinvestment in moderate housing stock.

The Missouri Distressed Communities Program of 1998 is yet another state program designed to reverse the trend of abandoning older urban areas in favor of new developments along the peripheries of central cities. The Minneapolis/St. Paul region has an innovative tax-sharing program that was developed by the State of Minnesota. Known as the fiscal disparities law, the state of Minnesota has created a regional fund that gains revenue through commercial and industrial growth, and these funds are then redistributed to the communities with the fewest resources.
32. What are universities around the country doing? What roles could UMass Lowell play? Should play?

Universities around the country have begun contributing to addressing local housing problems. Below we have listed examples of some of the different ways in which universities are contributing:

- **General roles:** U.S. Department of Housing and Urban Development, in the Report “Colleges and Communities: Partners in Urban Revitalization: A Report on the Community Outreach Partnership Center Program” describes many roles for universities to be involved in addressing housing problems in distressed communities: “Recognizing the crucial role that America’s colleges and universities can play in rebuilding communities large and small, HUD established the Office of University Partnerships in 1994 to encourage and expand the efforts of colleges and universities that are striving to make a difference in their communities.” Possible roles include: Fostering dialogue, Disseminating models of joint university-community action, Brokering access to new partnership opportunities, Training the urban leaders of today and tomorrow, Channeling the vast research capacity of nation’s universities, Laying the foundation for lasting change.

- **Increasing efficiency and effectiveness of housing-related service delivery, building capacity of nonprofit housing providers, implementing exemplary housing-based interventions in targeted neighborhoods:** The Fannie Mae Foundation has funded 14 university-community partnerships to work on these housing and community development issues. The universities include: Pratt Institute, University of Alabama at Birmingham, University of Illinois at Chicago, University of Texas-Pan American, Yale University, UCLA, Case Western Reserve, University of Wisconsin-Milwaukee, University of Michigan, University of Florida, University of Pennsylvania, George State, and Michigan State.

- **Research and housing analyses:** University of Massachusetts’ Donahue Institute has carried out statewide analyses of the demographics of housing demand, housing production and supply, housing and credit markets, housing affordability, housing for populations with special needs, housing discrimination, and the economic impact of housing. More information is available on “A Profile of Housing in Massachusetts” at www.donahue.umassp.edu.

- **Measuring Community Capacity for Affordable Housing:** Michigan State University Center for Urban Affairs produces a newsletter “Community News.” In the winter, 2001 issue the newsletter includes a variety of ideas and techniques for measuring community capacity for building affordable housing.

- **New paradigms for addressing housing problems:** Northeastern University’s Center for Urban and Regional Policy worked with a number of partners to develop a plan for addressing the housing problems in the Greater Boston area.

- **Faculty who specialize in housing policy and linking housing policy to local change:** University of Massachusetts Boston’s Michael Stone (Professor of Community Planning and Public Policy) developed new strategies for measuring housing affordability and has developed suggested policies for addressing housing problems.

- **Creation of shared housing:** “Tufts University faculty members and low- to moderate-income residents will live in neighboring apartments in a converted school building. The City of Medford and Walnut Hill Properties Corporation last month signed a purchases-and-sale agreement under which the company will acquire the former Hillside elementary school
and convert it to 12 apartment units. Walnut Hill, based in Medford, is a nonprofit affiliate of Tufts that manages property for the university." One of the leaders quoted in the article noted, “It’s incredibly important, given the skyrocketing housing costs. Even though it’s only three units, it sent a very loud message about the importance of providing low-cost housing opportunities.” (For more information see Boston Globe Northwest Weekly, 12/9/2001, p 1, 5)

- **Graduate student, undergraduate student involvement:** In 1997, HUD awarded University of Pennsylvania’s City and Regional Planning Department a Community Development and Planning Work Study Grant that funds four graduate student interns per year for two years to engage University City High School students with community agencies in local planning efforts.

- **Creation of pool of funds to encourage university personnel and personnel from other large institutions to purchase homes in the local area:** Lowell has developed a small program in which major institutions provide funding for employees which is then used to help with down payment assistance and other costs.

- **Refurbishing housing:** The following is an excerpt from an article written by Butch John in The Courier-Journal (9/15/2000): *University of Louisville, East Russell's revival gets award Sierra Club praises rebound in housing.* “Where others saw only urban decay, the University of Louisville’s John Gilderbloom and local developers saw in East Russell an opportunity to rebuild a historic African-American community. Eight years after turning their attention and the resources of the school's Center for Sustainable Urban Neighborhoods to the western Louisville community, about 550 refurbished or new dwellings now dot its streets. The neighborhood revitalization project they formed, the East Russell Partnership, has dozens more homes and a retooled local business district in the works for East Russell – accomplishments that yesterday earned it national recognition from the Sierra Club. The partnership received the national environmental group's Best Practices Award in Washington, D.C. -- a recognition earned by one initiative in each state. ‘The East Russell project really stood out in that it has helped a down-and-out area come back,’ said Sierra Club project coordinator Deron Lovaas. The university's involvement in East Russell's development began in 1992. Wishing to re-establish neighborhoods lost to suburban flight and decay, it received federal grants totaling $3.5 million from the U.S. Department of Education, the U.S. Department of Housing and Urban Development and the Environmental Protection Agency. Earmarked for improvement projects in impoverished western Louisville neighborhoods, the grants were matched with about $1 million from local churches, nonprofit agencies, foundations and community groups involved in the partnership. In addition, the university offered labor and expertise -- from future draftsmen and architects looking for experience to doctoral students like Michael Brazley, president of the largest minority architectural firm in Kentucky -- volunteering their time. The area also had a YMCA, an established branch of the public library and the support of organizations like the Louisville Central Development Corp., Canaan Community Development Organization, St. Stephen's Economic Development Center and others willing to invest time and money in the area. ‘It was going from the ivory tower of academia to the laboratory of the community,’ said Gilderbloom, a professor of urban and public affairs who describes U of L's role as ‘facilitator’ of the rebuilding process. Housing came first. Rental property was discussed, but potential residents pleaded for housing they could call their own, Brazley said. ‘The community fought for middle-class housing and mixed neighborhoods instead of more row rental housing,’ Gilderbloom said. The first homes along 16th Street, designed by Brazley to be ‘efficient and ecologically sound,’ went up in 1994. The buyers were principally low-income people who had not previously owned a home. Many of the homes replaced turn-of-the-century shotgun houses,
Brazley said. Watkins said his organization plans to build 62 homes on what had been 90 lots in the East Russell area by 2002. Other developers and nonprofit agencies are expressing interest in the area, Gilderbloom said. Some believe the area may not be recognizable in five years. When the grant runs out next year, U of L's program will die with it. By then, Gilderbloom said, East Russell will be able to rebound on its own.” (More information is available on the HUD COPC/OUP web site www.oup.org and www.courier-journal.com)

- **Creating Housing:** Unlike many businesses, institutions, and residents that have abandoned our cities, however, Yale University has made a commitment to help its surrounding community rebuild itself. To reverse decades of disinvestment, Yale has launched a comprehensive collaborative effort to increase homeownership by producing and rehabilitating homes for sale to Yale faculty and maintenance, clerical, managerial, and technical staff. The program includes homeownership education, financial assistance, and brokering services. Yale is not alone. Pratt University in Brooklyn, which has a long-established history of community involvement, has created a powerful national model for university-community partnerships. Pratt has a housing production initiative that brings together an impressive multidisciplinary group of Pratt faculty that is designed to stimulate private investment in five targeted neighborhoods. And the University of Alabama at Birmingham has a comprehensive housing initiative that includes youth education and training and small-business development. (More information is available on the HUD COPC/OUP web site)

- **Broad-Based Housing:** Clark University acquires and renovates distressed and abandoned family housing and resells it to expand affordable homeownership opportunities. (More information is available on the HUD COPC/OUP web site)

- **Research and Technical Assistance:** Chicago State University’s Geography Program provides research and technical assistance to revitalize low-income neighborhoods, especially in areas of housing and community development (More information is available on the HUD COPC/OUP web site)

- **Comprehensive Approaches:** In January 1996, Trinity College announced a comprehensive $175-million neighborhood revitalization initiative for the community surrounding its campus in the heart of Hartford. The initiative, which links neighborhood institutions in an unprecedented collaboration, has been designed to create a safe, viable, and vibrant neighborhood that is also a central hub of educational, health, family-support, and economic-development activities. Drawing on community resources and institutions already in place, the revitalization initiative creates an infrastructure for local families that encourages stable home ownership, supports neighborhood economic development, and provides educational resources for children, youth, and adults. (More information is available on the HUD COPC/OUP web site)
A Note on Procedures Used in This Data Collection Project

We again wish to thank our funders: Parker Foundation, Sociological Inquiries, and the University of Massachusetts Lowell’s Committee on Industrial Theory and Assessment. Without their generous support we would not have been able to carry out this project to gather information on Lowell’s past, present, and future housing.

The inspiration for this report was a recently published study entitled “A New Paradigm for Housing in Greater Boston”, which was the result of a broad coalition of stakeholders. The report was prepared by Northeastern University’s Center for Urban and Regional Policy (CURP), with additional support from several governmental and non-governmental organizations in the Greater Boston area.

The initial phases of the study included the recruitment of several potential partners. The advisory board consisted of James Milinazzo of the Lowell Housing Authority (LHA), Robert Malavich from the Lowell Division of Planning and Development (DPD), Frank Carvalho from the Coalition for a Better Acre (CBA), James Canavan from Community Teamwork, Incorporated (CTI), Judy Tavano from the Coalition to Preserve Affordable Rental Housing, Robert Flynn from the Northern Middlesex Council of Governments (NMCOG), and Bernie Lynch from the Town of Chelmsford. Regular meetings with the Advisory Board guided us in our research. During these meetings we developed the necessary and important questions, as well as strategies for gathering key information.

One of the first resources was the community. We invited community members to join a public forum on housing and we elicited information on their experiences. Attendees included city council members, staff from the DPD and LHA, landlords, and people who have been affected in one way or another by the troubled housing market. Many people shared their experiences, which were then used to help us get a better idea of what is actually happening and how it affects families, local businesses, public policy officials and landlords.

In the midst of recruiting people for the public forum, news reports were gathered from a wide variety of sources on the Internet. The objective was to gain insight into local, regional, statewide, and national housing trends. The Internet was an invaluable tool in our effort to better understand regional and urban planning strategies. Reports and studies were gathered from such organizations as Citizens' Housing and Planning Association (CHAPA), National Low-Income Housing Coalition (NLIHC), and the Warren Group.

A survey was developed and distributed to local landlords with the help of the Greater Lowell Landlords’ Association (GLLA). This mail survey was distributed to approximately 200 landlords operating in Lowell. The response rate was approximately 15 percent. The GLLA also helped in the facilitation of a focus group with five landlords who rent apartments in Lowell. The focus group helped us gather more qualitative in depth data.

In addition, an interview was conducted with staff from the House of Hope—one of three family housing shelters in the city. We learned how changes in the housing market have affected shelters in the city over time. A survey was also conducted with seventeen individuals staying at the Lowell Transitional Living Center (LTLC) to get a better picture of how the housing market is affecting those living in shelters.
A public forum was held to address regional housing concerns. Attendees included representatives from several surrounding communities including town managers, town and city planning department and housing authority officials and non-profit stakeholders. The two keynote speakers were Senator Steve Panagiotakos and Aaron Gornstein, Executive Director of CHAPA. Discussion revolved around strategies and concerns of development and housing.

In the initial stages of the development of this report, Michael Stone from UMass Boston College of Public and Community Service gave invaluable advice on focus and content.

We wish to thank the Center for Family, Work, and Community who contributed in large ways and small to the many tasks that went into completing this report.
End Notes

1 University of Massachusetts Donahue Institute. 1998. *A Profile of Housing in Massachusetts.* Available at www.donahue.umassp.edu
5 Data provided by Massachusetts Division of Employment and Training.
6 A spokesperson for the Greater Lowell Landlords' Association reported that as of December, 2001 the rental market is starting to soften with vacancies perhaps at about 4% and with upper end apartments being more difficult to fill.
7 Calculated in fair market rent (FMR) wages. The FMR wage is a calculation of what a renter needs to earn, working forty hours per week, in order for his or her rent to not exceed 30% of income. In Massachusetts the FMR wage is $16.44 for a two-bedroom unit, whereas an FMR wage for the same unit in Boston is $20.21.
10 In the Massachusetts Housing Partnership Fund study, *Why are Massachusetts Home Prices so High?*, Moscovitch
11 “Out of Reach”, September 2000, NLIHC addresses affordable rental units across the United States.
14 According to *The State of the Nations Housing*, conducted by the Joint Center for Housing Studies, Harvard University
18 Above, p. 3.
19 Above, p. 4.
20 Above, p. 4.
25 Please see the appendix for additional information on the links among population growth, economic development patterns, and cost of living assessments. This information summarizes analyses include in “The Road Ahead.”
27 Center for Urban and Regional Policy, Northeastern University. 2000. *A New Paradigm for Housing in Greater Boston.* p. i. See also *The Road Ahead and Knowledge Sector Powerhouse: Reshaping Massachusetts Industries and Employment During the 1980s and 1990s.*
See The Road Ahead and Knowledge Sector Powerhouse: Reshaping Massachusetts Industries and Employment During the 1980s and 1990s.


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