

COMPREHENSIVE HOUSING STUDY

City of Lawrence, Massachusetts



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Section 1

EXECUTIVE SUMMARY

- 1.1 Background**
- 1.2 Approach**
- 1.3 Local Challenges**
- 1.4 Recommended Housing Goals**
- 1.5 Summary of Key Recommendations**



CITY OF LAWRENCE, MASSACHUSETTS COMPREHENSIVE HOUSING STUDY

1. Executive Summary

1.1 Background

A call for this Comprehensive Housing Study came from a variety of sectors including members of City Council, the Lawrence Housing Authority, and non-profit developers and housing advocates. It became a key recommendation of Mayor Rivera's transition team report. As the City does not have a Master Plan, there is no official document in the City, other than the rather narrowly focused "HUD 5-year Consolidated Plan," that discusses housing needs, goals and strategies. The City of Lawrence worked with community partners including Lawrence Community Works, Greater Lawrence Community Action Council, and the Lawrence Housing Authority to raise funding and establish parameters for a Comprehensive Housing Study. Funding was provided by City of Lawrence Community Development Block Grant Program, TD Bank, Massachusetts Housing Partnership, Lawrence Housing Authority, Winn Development, and Metro Credit Union.

The intention of the Study was to help decision-makers, local and regional stakeholders, and community members develop a meaningful sense of the housing market, an understanding of key housing issues and trends, and a platform for making strategic policy decisions regarding housing. The Study was further meant to provide a measured assessment of present and future unmet housing needs and demands to help formulate community-specific housing policy priorities and intervention strategies related to regulatory changes and the investment of City resources. Additionally, the City in its RFP asked the Study's authors to respond to eight questions as part of the research, and these questions with references to where the answers can be found are listed in Appendix 7.

1.2 Approach

Following the issuance of a Request for Proposals, the City and its partners hired a team of consultants to undertake the Housing Study including independent housing consultants, Karen Sunnarborg and Charleen Regan, and Abacus Architects + Planners with principal David Eisen taking the lead for the firm. The methodology used involved the following key components:

- The collection and analysis of data from a wide variety of sources with significant reliance on the latest census figures, including data from the Census Bureau's American Community Survey, showing changes over time on key demographic, economic and housing characteristics, including housing market conditions, back to 1980 in many cases and in other cases projected forward to 2030. This data was provided on a citywide basis and also broken down by the 18 census tracts and nine (9) neighborhoods. Selected data in Lawrence was also compared to those for Essex County, the state and other cities and nearby communities.
- A review of key documents was conducted to obtain a better understanding of local conditions, past housing efforts, and previous recommendations for addressing local housing needs.
- Existing programs were analyzed as to their effectiveness in meeting the housing needs and opportunities within the City.
- Photography and mapping were used to help assess the physical characteristics of the city, the qualities of different neighborhoods, and the location and relationship of these areas to major commercial and transportation corridors and services to develop a framework for targeting strategies and neighborhood interventions.

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- Site visits and tours were undertaken to obtain a better understanding of the physical conditions of various areas of the city, of important housing developments, and of typical building and lot configurations.
- Interviews were conducted with about 50 local housing stakeholders including City staff, officials, for profit and non-profit developers and property managers, providers of housing services, lenders, and others to obtain an understanding of affordable housing initiatives, pertinent regulations, available housing resources, past and current housing investment, local housing challenges, and what measures hold the greatest promise for producing new affordable and market units while revitalizing neighborhoods.
- Public forums were held, first to present preliminary findings and obtain early input into what actions the City should be taking to better address local housing needs and challenges and second to present and obtain feedback on the draft Housing Study.
- Roundtable stakeholder meetings were held that included representatives from the City, the Study's community partners, and other local housing developers and providers to provide an opportunity for the consultants to ask questions and get feedback regarding the local housing dynamic and to present project findings and analysis as the project proceeded.
- Ongoing staff support was an additional component that provided guidance throughout the duration of the project.

1.3 Local Challenges

Lawrence is an older industrial City with a notable historic heritage but with this age, as well as economic ups and downs, have come significant housing challenges such as:

- An aging housing stock as more than half of Lawrence's housing was built before World War II with 83% built before 1980.
- Low housing growth rate of 1.9% relative to 22% population growth between 1980 and 2012 with a net increase of 494 units. This imbalance between housing supply and demand has been a leading force in driving up rents.
- Low average property values with median sales prices of \$188,000 for single-family homes, \$75,000 for condos, and \$200,500 for two-family homes. Because housing prices are low, owners are significantly constrained as to the amount of improvements they can afford to make. However, low housing prices have made ownership affordable for Lawrence residents with modest incomes.
- High rent levels with market rents of about \$1,100 which would be affordable to a household earning approximately \$50,800 while the median household income of Lawrence residents was only \$30,509.
- High housing cost burdens with more than half of all households spending too much of their income on housing and with an estimated 40% spending more than half of their income on housing.
- Significant housing turnover with almost 40% of residents moving into the unit they occupied in 2012 within the previous two years, causing substantial wear and tear on existing units and contributing to neighborhood instability.
- High incidence of foreclosures leading to further neighborhood instability and investor ownership during the early stages of the foreclosure crisis that confronted the nation a few years ago. While many investor-owners and property managers do a good job of maintaining their properties, a more competitive market climate has developed between investors and those looking to own and live in properties when dwellings become available. It is useful to note that there have been no foreclosures on property utilizing City homeowner assistance. This demonstrates how important careful underwriting and screening are to positive outcomes for homebuyers.

- Relatively small supply of single-family homes falling far short of the demand for homeownership.
- Significant numbers of subsidized developments with affordability restrictions due to expire by 2019 or sooner, referred to as “expiring use” projects, including 10 projects with a total of 736 units or 19% of all SHI units. The affordability of an additional five (5) developments and 522 units, involving another 13% of all SHI units, is listed as expiring in 2020.
- Increasing levels of poverty and high but declining unemployment leading to wide housing affordability gaps between the costs of developing or improving housing and what occupants can pay for it.
- Continuing and potentially growing problem of homelessness according to housing service providers.
- No straight-forward supply side solution to Lawrence’s housing problems as building and improving more housing must be accompanied by significant improvements in residents’ income, access to jobs and asset building.

These challenges are not unique to Lawrence as this Housing Study will demonstrate. Indeed Lawrence, like much of the rest of Massachusetts, is experiencing an affordable housing crisis that shows little sign of abating. For example, more than 21,000 Massachusetts residents are homeless, a 40% increase over the past seven years,¹ and 25% of all renters in the state spend more than half of their income on housing. Housing subsidies have been cut, shelters are over-capacity, and the rate of new housing construction is among the lowest in the nation. In this state context, it is not surprising that the City of Lawrence and other older industrial cities are also experiencing substantial challenges related to housing.

In the midst of these pressures, the City, working with for profit and non-profit partners, has attracted more than \$155 million in investment through new building improvements and development since 2012.

1.4 Recommended Housing Goals

Through an intensive interviewing process, roundtable meetings of local housing stakeholders, and public forums, the following broad themes emerged that provide the context for strategic approaches to addressing local needs and priorities:

- Promote an economically diverse community that is capable of welcoming new residents from the region, country and world while retaining those with greater economic resources who could choose to live elsewhere but want to stay in the community.
- Provide housing for residents along the full range of incomes with particular attention to the most financially vulnerable individuals and families.
- Promote the health and safety of housing in Lawrence, working with property owners to make necessary improvements.
- Leverage and expand existing public and private resources and attract new resources.
- Provide a wide range of housing alternatives to meet diverse housing needs.
- Promote civic collaborations and partnerships that support public, private and non-profit entities to invest in the City’s housing stock and stabilize neighborhoods.
- Boost the capacity of local government to better track, regulate and plan for housing and community development efforts.
- Support developers to promote quality and sustainable housing development and redevelopment opportunities.
- Position Lawrence to lead a transformative effort to improve neighborhoods and attract investment.

¹ Massachusetts is a “right to shelter” state for homeless families and due to the relatively recent recession and increasing problems with opiate addiction, it is not surprising that the numbers of homeless have increased.

Section 1 – Executive Summary

- Link housing strategies to more comprehensive planning and design guidelines that direct downtown and neighborhood revitalization efforts while promoting an economically diverse community.
- Remove barriers to development that improves neighborhoods, attracts investment and raises the quality of life for residents.
- Stabilize homeowners, protecting them from predatory lending practices.

1.5 Summary of Key Recommendations

The following recommendations represent the major themes that emerged during the course of the Study, largely from interviews, meetings and data analysis. A more detailed discussion of shorter and longer-term strategies is included in Section 12.

Capacity Building Strategies

In order to effectively address the needs articulated in this Housing Study and to implement the housing initiatives recommended in Section 12, it will be important for the City to build its capacity. This capacity includes a number of important measures including:

- Invest in training and technology to improve Lawrence's ability to better plan, monitor and steer strategic interventions more effectively.
- Further review and set departmental goals related to housing production and rehabilitation with standards to enforce accountability.
- Use existing resources more effectively that will put vacant property and underutilized land back into productive use and ultimately increase tax revenue.
- Attract new resources to better leverage limited local funds and assets and introduce new initiatives.
- Support capacity-building and expansion of private and non-profit sectors to tackle neighborhood-based housing improvements including assisted housing for special populations.
- Exert greater local and regional leadership in the area of housing.

Regulatory Strategies

The City's regulatory systems can be powerful tools to not only remove the blighting and safety issues associated with distressed properties but to also attract support from the development community based on the City's vision and priorities with the following key recommendations:

- Enhance inter-departmental coordination to reduce property vacancy and abandonment.
- Set a clear vision as well as processes and incentives to attract and support developers where appropriate.
- Establish a clear regulatory process with incentives where appropriate based on the City's vision for the future and development and design guidelines for implementing it.
- Revise Lawrence's zoning ordinance based on a reevaluation of the types of development desired.
- Have departments work together to reduce vacancy and abandonment, increase curb appeal and assemble sites for development.

Development Strategies

Given the wide range of local housing needs, the City needs to look to all areas of the community for possible new residential development opportunities including both the downtown and neighborhoods

through new construction, redevelopment and rehabilitation initiatives. The following key recommendations are proposed:

- Reinforce the character of the City's urban fabric in the downtown and mill areas, encourage appropriate development including housing in the context of economic development priorities, and connect the center of the City to the surrounding neighborhoods.
- Guide new neighborhood development based on a clear process, design guidelines and incentives where appropriate.

Preservation Strategies

More than 20% of the City's rental housing stock is subsidized and considered to be some of the most desirable housing in the City. Efforts are required to not only promote the sustainability of these subsidized units, but to also improve conditions in the City's other housing units, particularly the small multi-family properties that are more likely to have high rents, high housing turnover, and more housing code violations. This Housing Study proposes the following key recommendations for preserving existing housing:

- Insure the long-term sustainability of existing subsidized units.
- Provide financial and technical support to improve existing neighborhood housing.

Detailed short-term and longer-term strategies to address these key recommendations are included in Section 12.

Section 2

INTRODUCTION

2.1 Key Findings

2.2 Definition of Affordable Housing



2. Introduction

Based upon the data analysis conducted in this Housing Study, including census data analysis, site visits and in-depth interviews with scores of stakeholders, a set of themes and findings emerged. Many of these issues surfaced during the early phases of the Study and were used as the basis for more probing discussions during the outreach process. In addition to guiding the policy and program recommendations in this Study, this analysis has informed the recommended housing goals listed in Section 1 and the key findings that are discussed below.

2.1 Key Findings

Based on data analysis and stakeholder interviews, the following key findings form the basis for the recommendations and strategies incorporated as the implementation section of this Housing Study:

Housing Stock -- Lawrence's housing stock does not meet the full needs of today's individuals and families

- Most housing was constructed before 1950 and much is in deteriorated condition.
- Obsolete housing types, room sizes and amenities make newer stock in surrounding communities more desirable for many Lawrence families looking for a home that will hold value.
- The value of the housing often cannot support the system upgrades and repairs necessary to make the housing safe and habitable. Investment in 'curb appeal' and improvements may not have an investment payback for either the homebuyer or investor. Exceptions include local developers who with their own crews and sweat equity can await longer-term financial gains.
- Despite the low sales value, poor condition and low incomes of Lawrence households, rents are high and generally beyond the affordability levels that many Lawrence families can pay.
- Small multi-family buildings are often more affordable based on tenant income projections, but the responsibility of being a landlord and the cost of repairs and maintenance can leave homeowner/landlords struggling.
- Redeveloped mill housing is of high quality and commands top rents. Occupancy is high but so is turnover.
- Lawrence Housing Authority (LHA) units have low turnover and is a precious resource to the extremely low-income households it serves.
- Despite competing needs for new production and rehabilitation programs, Lawrence will need to pay attention to preserving its existing affordable housing, including expiring use housing and aging public housing stock.
- A number of stakeholders are interested in housing over retail spaces in the downtown as a way to increase foot traffic on Essex Street, provide businesses with customers, revitalize the downtown and create new types of housing that may appeal to a broader range of market residents.
- Weatherization programs are critical to the aging and energy inefficient and expensive stock, but fail to reach enough households.

Neighborhood Stability and Quality of Life – More resources are required to reduce blight and improve safety

- In and out migration data and move statistics show a great deal of movement in Lawrence housing units.
- Vacancy levels were relatively low in Lawrence's neighborhoods but varied somewhat from zero in a Tower Hill census tract to as high as 9.4% in Tower Hill overall and up to 10.2% in South Common as shown in the map in Section 3.3.

- Community building efforts have improved the North Common neighborhood reducing vacant property from 30% of the neighborhood in 1990 to under 15% today but such capacity is not available in most neighborhoods.
- Tax title, vacant and abandoned properties are a blight in the city. The process to move them from eyesore to asset is complicated and time consuming. Efforts have begun but the effort requires prioritization, capacity and focus.
- Homeownership is low in Lawrence compared to the surrounding communities and most Gateway Cities. Additionally, owner occupancy declined by almost 10% between 2000 and 2012.
- The quality of the housing stock and improvement of curb appeal needs focused attention particularly in Arlington, Lower Tower Hill and North Common but signs of distress and vacancy are creeping into other neighborhoods as well.
- Safety is a primary concern in Lawrence neighborhoods.
- Dumping on vacant sites is a major problem affecting neighborhood perceptions despite City efforts to reduce incidents.
- Parking, particularly in the winter, is difficult in many neighborhoods due to a housing stock that predates widespread use of cars, generally high density, and the fact that fewer than 4% of residents of Lawrence commute by public transportation. State Registry of Motor Vehicles data in fact suggest that there are almost 34,000 vehicles in Lawrence that suggests a vehicle for every two residents on average.
- While perceptions persist that Lawrence is among the communities with the highest incidence of fires, data does not support this claim. Nevertheless, Lawrence has experienced some devastating fires that have attracted significant media attention and have displaced significant numbers of lower income families with some resulting deaths as well. Continued efforts to promote code enforcement in support of important health and safety standards needs to be a high priority for City officials.
- Accessibility issues and universal design, important now because of the high number of people with disabilities in Lawrence, will become even more important as the population ages.

Market Issues – Relatively low property values limit investment

- Market development is hampered by economic feasibility concerns and lack of confidence in the depth of the market. Subsidized rents are often the same as market rents although the unassisted ‘market’ units do not have the benefit of the subsidy investment.
- Mill development for housing depends on a variety of subsidies, including historic tax credits that take a long time to assemble and the City’s desire for the right balance of mill properties available for commercial and industrial uses as well. Affordable units also require a financial commitment from the city.
- Fragmented ownership patterns in neighborhoods make the aggregation of parcels for new, more transformative or responsive development, difficult.
- It has been hard to ‘unlock’ parcels in the downtown. Absentee landlords and those waiting for a better market have kept properties in limbo.
- Environmental concerns affect site quality and marketability.
- Small investor/landlord rehab can be done less expensively, but there are concerns about quality and sustainability.
- Leverage from subsidy programs necessary to create mixed-income housing is scarce and competitive.

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Capacity of Public, Private and Nonprofit Sectors – Improved technology and data sharing are needed to improve planning and the allocation of resources

- City departments have operated in silos with little strategic framework for interventions in the housing market. The recent reorganization will help to improve the direction, focus and coordination of key City departments on the housing situation.
- The Community Development Department has won praise for partnerships with housing service providers and producers but is working with limited and diminishing resources.
- Information technology in the City has not kept up with the latest practice in terms of tracking and monitoring properties and linking City departments together to share information.
- The process for compliance and inspections is limited by resources, staff and dated technology as well as differing interests in the City including some landlord resistance to stepped-up compliance.
- Vacant property management and tracking has overwhelmed City capacity and resources.
- The legal system of processing tax title property could benefit from focused resources and prioritization.

Development and Regulatory Processes – A shared local vision on housing needs to take hold

- Those involved in housing development, including for-profit and non-profit developers, want a clear vision and direction from City in regard to the local housing agenda.
- Zoning and permitting do not always move expeditiously because of competing interests and lack of clarity about vision and direction.
- The Tax Title process and efforts to deal with vacant and abandoned properties often falter on process and diligence issues. Developers have had problems with title entanglements that cause delays and cost increases. The City is making progress on clearing these problems but the sheer numbers overwhelm existing systems.
- Disposition strategies for City owned parcels need more transparency as well as alignment with other local objectives such as affordable housing and homeownership initiatives.

City Assets – A foundation on which to build

- Developers are attracted to Lawrence because of its proximity to Boston and New Hampshire and surrounding more affluent communities, its relative affordability, compact downtown, commuter rail, and history.
- The city's developers, both for profit and non-profits, have improved the stock, building or renovating subsidized and market rate housing. This is reflected in building permit activity that has totaled more than \$155 million in investment since 2012, involving more than 3,200 permits and municipal fees exceeding \$2 million.
- Local entrepreneurs are investing and rehabbing housing for either ownership or longer term rental, using local residents as the core of their construction team.
- A committed cadre of non-profit service providers and developers work in different neighborhoods and types of housing but welcome opportunities to work together in coalitions to improve communication among themselves and with the City.
- These important housing investments have demonstrated positive impacts in the neighborhoods, particularly in proximity to new development.
- Local public-private partnerships are emerging to spur revitalization supported by special planning studies.
- Developers suggest that the City's permitting process generally works well.

2.2 Definition of Affordable Housing

Affordable housing is generally defined by the income of the household in comparison to housing costs. For example, the federal government identifies units as affordable if gross rent (including costs of utilities borne by the tenant) is no more than 30% of a household's net or adjusted income (with a small deduction per dependent, for child care, extraordinary medical expenses, etc.) or if the carrying costs of purchasing a home (mortgage, property taxes and insurance) is not more than 30% of gross income. Lenders use this general standard – with small variations – in underwriting residential mortgages and the percentage standard is called “the front end ratio”.

Using the 30% affordability threshold, a person earning the minimum wage of \$9.00 per hour and earning about \$18,800 per year, could afford to spend \$470 on housing each month (assuming 40 hours per week every week of the year). Assuming utility costs of \$170, the actual affordable rent would be only \$300, not nearly close to market rents of more than \$1,100. A two-person household, each earning the minimum wage, could afford a rent of \$770, still well below market rents. Someone earning the average weekly wage of \$910 for jobs in Lawrence would be able to afford a rent of \$1,020, which is closer to market rent levels.

goals. Extremely low-income housing is directed to those earning at or below the U.S. Department of Housing and Urban Development and very low-income is defined as households earning between 31% and 50% of area median income. Low-income generally refers to the range between 51% and 80% of area median income.³

If households are paying more than these thresholds, they are described as experiencing housing affordability problems or cost burdens; and if they are paying 50% or more for housing, they have severe housing affordability problems. A detailed analysis of affordability is included in Section 3.5 of this Housing Study.

Affordable housing is also defined according to its availability to households at percentages of median income for the area,² and most housing subsidy programs are targeted to particular income ranges depending upon programmatic

ranges of area median income (AMI) and most housing subsidy programs are targeted to particular income ranges depending upon programmatic

Table 2-1: HUD Income Limits for the Lawrence MA-NH Metropolitan Area, 2014/2015

# Persons in Household	30% of Area Median Income	50% of Area Median Income	60% of Area Median Income	80% of Area Median Income
1	\$18,550/\$18,400	\$30,850/\$30,650	\$37,020/\$36,780	\$44,750/\$46,100
2	21,200/21,000	35,250/35,000	42,300/42,000	51,150/52,650
3	23,850/23,650	39,650/39,400	47,580/47,280	57,550/59,250
4	26,450/26,250	44,050/43,750	52,860/52,500	63,900/65,800
5	28,600/28,410	47,600/47,250	57,120/56,700	69,050/71,100
6	31,970/32,570	51,100/50,750	61,320/60,900	74,150/76,350
7	36,030/36,730	54,650/54,250	65,580/65,100	79,250/81,600
8+	40,090/40,890	58,150/57,750	69,780/69,300	84,350/86,900

² Lawrence is part of the Lawrence, MA-NH Metro Area that includes the following towns in Essex County: Andover, Boxford, Georgetown, Groveland, Haverhill, Merrimac, Methuen, North Andover, and West Newbury. The area also includes the following towns in Rockingham County, New Hampshire: Atkinson, Chester, Danville, Derry, Fremont, Hampstead, Kingston, Newton, Plaistow, Raymond, Salem, Sandown, and Windham.

³ The family of three (3) is illustrated here and is used in affordability calculations as the average household size was 2.99 persons per 2012 census estimates from the American Community Survey (ACS).

Section 2 – Introduction

In addition to using the term to define an appropriate amount to pay for housing costs, the term “affordable housing” is also used as a synonym for ‘subsidized housing.’ Since the late 1940s Federal and State governments have understood that the costs of producing and managing housing outstripped the ability of many to pay for it. As a result, a variety of ways to subsidize the cost of the housing units were created and evolved into the set of programs that governments and housing producers use today.

In general, programs that subsidize rental units, such as the federal HOME Investment Partnership Program’s rental component, Section 8 Housing Choice Vouchers and Low Income Housing Tax Credits, are targeted to

In Lawrence the very low income levels of 50% AMI are actually lower than the census estimates of median household income for Lawrence of \$30,509.

households earning within 50% or 60% AMI with some lower income requirements at the 30% AMI level that have been further supported by the state’s Affordable Housing Trust. First-time homebuyer projects and the state’s Chapter 40B Comprehensive Permit Program typically apply income limits of up to 80% AMI.

While many units in Lawrence’s private housing market are relatively affordable, there are specific housing units that the state defines as affordable based on Chapter 40B regulations and guidelines. In counting a community’s progress toward the 10% threshold, the state counts a housing unit as affordable if it is subsidized by state or federal programs that support low- and moderate-income households at or below 80% of area median income with resale or rental restrictions under Chapter 774 of the Acts of 1969, which established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B). Additionally, most state-supported housing assistance programs are targeted to households earning at or below 80% AMI, as well as some at lower income thresholds.

Of the 27,092 year-round housing units in Lawrence, 3,907 or 14.4% meet the Chapter 40B requirements and thus have been determined to be affordable by the Commonwealth of Massachusetts as part of what is called a Subsidized Housing Inventory (SHI). Lawrence, at 14.4%, has contributed much more than its fair share in providing affordable housing in the area with surrounding communities still below the 10% state affordability goal. Affordable housing production varied among these communities from a low of 0.8% in Boxford to between 9.0% and 9.6% for Andover, Methuen and Haverhill, with North Andover at 8.5%. Most Gateway Cities, like Lawrence, have considerable amounts of subsidized housing with Boston at 18.3%, Lynn at 12.5%, Lowell at 12.6% and Chelsea at 16.9% for example.

Approximately two-thirds of Lawrence’s households would likely qualify for housing assistance as their incomes are at or below 80% AMI based on income alone.

Detailed information on the units that are counted as part of Lawrence’s SHI are included in Appendix 1.

Section 3

HOUSING PROFILE

- 3.1 Housing Growth**
- 3.2 Types of Structures and Units**
- 3.3 Vacancy and Turnover Rates**
- 3.4 Housing Costs**
- 3.5 Affordability Analysis**
- 3.6 Subsidized Housing Inventory (SHI)**



3. Housing Profile

This section of the Housing Study summarizes housing characteristics and trends, analyzes the housing market from a number of different data sources and perspectives, compares what housing is available to what residents can afford, summarizes what units are defined as affordable by the state, and identifies pending development opportunities. Reports that compare Lawrence's housing characteristics to those of Essex County and the state as well as other communities (Chelsea, New Bedford, Methuen, Salem, Framingham and Lynn) are included as Appendices 3 and 4. Appendix 5 includes a breakdown of housing characteristics by Lawrence's census tracts and neighborhoods.

3.1 Housing Growth

Much of Lawrence's housing stock was built as part of the City's development in the 19th Century as housing for local mill workers and as such many units are old and in poor condition with relatively little replacement housing built in recent decades.

- *Slow recent housing growth*

The number of housing units has fluctuated somewhat but the net growth in housing was 1.9% between 1980 and 2012, representing an increase of 494 units. This rate of growth is low in comparison to the 22.4% population growth and 7.1% increase in the number of households during this same period and indicates that housing supply has not kept up with housing demand, thus driving up rent levels. City Assessor's data suggests that the total number of units was 27,556 in Fiscal Year 2015, representing a 6% increase in units since 1980.

- *Older housing stock*

As indicated in Table 3-1, 56% of Lawrence's housing growth occurred prior to World War II, reflecting the historic character of the city and the considerable age of a substantial segment of the housing stock. During this time there were fewer regulatory controls in place to guide development, and the city evolved into a very densely-developed community with 3,784 units per square mile compared to 613 and 358 for the county and state, respectively, for example. The cities of Lynn and Chelsea have even a higher level of older housing units with two-thirds of their units built before 1940.

Table 3-1: Year Structure Built, 2012

Time Period	#	%
2010 to 2012	128	0.5
2000-2009	847	3.2
1990-1999	1,292	4.9
1980-1989	2,162	8.2
1970-1979	1,791	6.8
1960-1969	1,638	6.2
1959-1959	1,854	7.0
1940-1949	1,936	7.3
1939 or earlier	14,838	56.0
Total	26,486	100.0

Source: U.S. Census Bureau, 2012 American Community Survey 1-Year Estimates

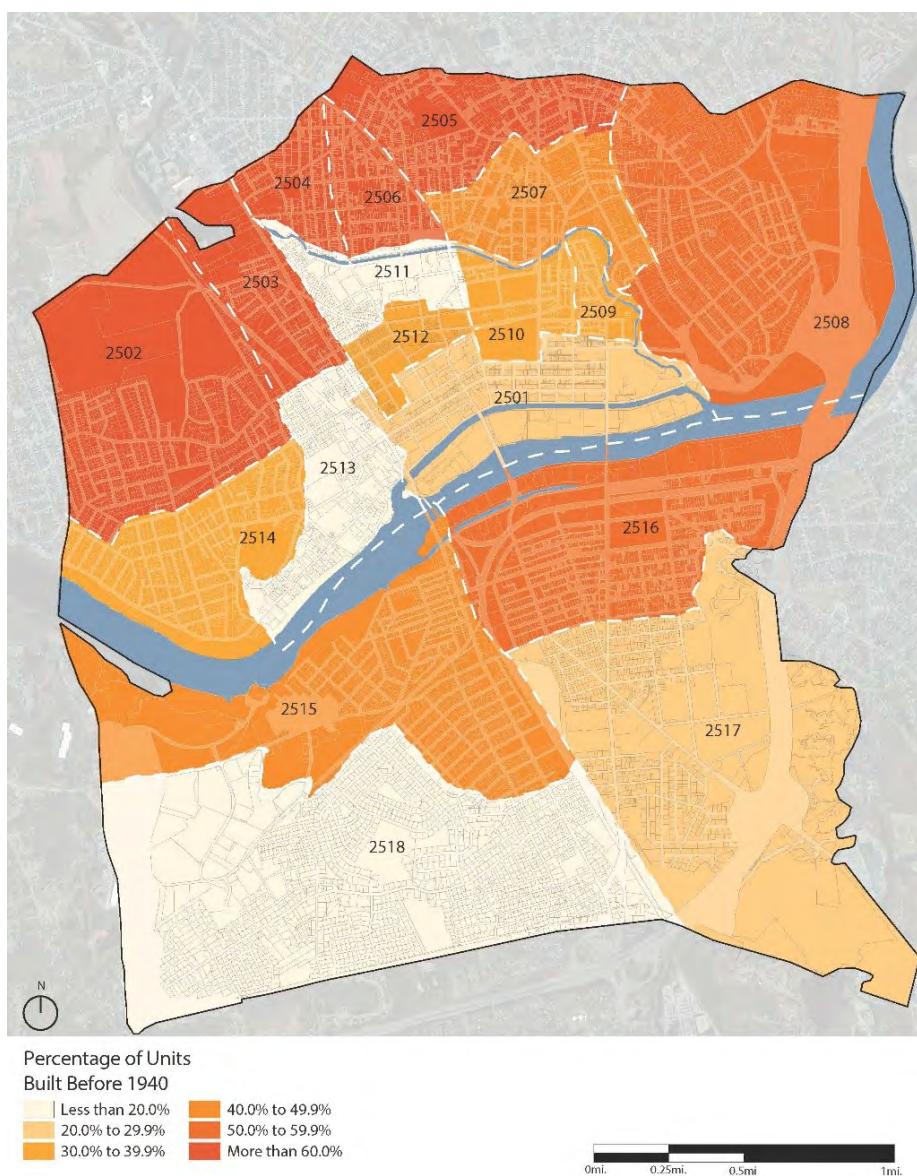
* Percentage of all housing units

** Percentage of occupied housing units

Those neighborhoods where more than half of the housing stock was built before World War II include Tower Hill, Arlington, Prospect Hill, South West and South Common as indicated in the map below. An

Section 3 – Housing Profile

aging housing stock is more likely to have outstanding structural and system defects that can lead to health and safety hazards, including house fires and lead-based paint poisoning. Also, the type of housing built in the 19th and early 20th centuries, typically small multi-family structures, while usually more affordable given the rental income, is increasingly becoming outdated and not responsive to current life style expectations. For example, seniors over a certain age and people with disabilities are less able to cope with the stairs that are customary in these dwellings and favor buildings with elevators. Young professionals are more drawn to the new lofts in converted mill buildings. Growing families with sufficient resources are looking to purchase detached single-family homes or townhouses and therefore may leave the city where there is more available inventory. Also, many of these structures were built when parking needs were not a consideration which presents further challenges to existing residents.



- *Projected increases in households and housing demands*

Recently released projections from the Metropolitan Areas Planning Council (MAPC) are presented in Table 3-2 that estimate that the number of households will increase by 30.8% from 25,181 in 2010 to 32,946 households by 2030. Projections also estimate that the number of housing units demanded will grow by 30.2% to 35,334 units for Lawrence, representing an increase of 8,197 housing units. These projections are based on their Status Quo model that assumes the continuation of existing rates of births, deaths, migration, and housing occupancy.

Table 3-2: Households and Housing Demand, 2000 to 2030

	2000	2010	2020	2030
Households	24,463	25,181	29,128	32,946
Housing Units	25,601	27,137	31,334	35,334

Source: Metropolitan Area Planning Council, January 2014

These projections suggest an average increase of 410 units per year compared to the average number of new units built per year between 2000 and 2010 of 310 units. Given that the city is increasingly approaching build out with little developable property remaining, this is a phenomenal demand number that may be showing itself in other parts of the Commonwealth as well, indicating the crisis nature of the need for greater housing production.

3.2 Types of Structures and Units

As an older industrial city, Lawrence's housing stock was largely developed for workers and maintains the following key characteristics as summarized in Table 3-3:

Table 3-3: Housing Occupancy, 1980-2012

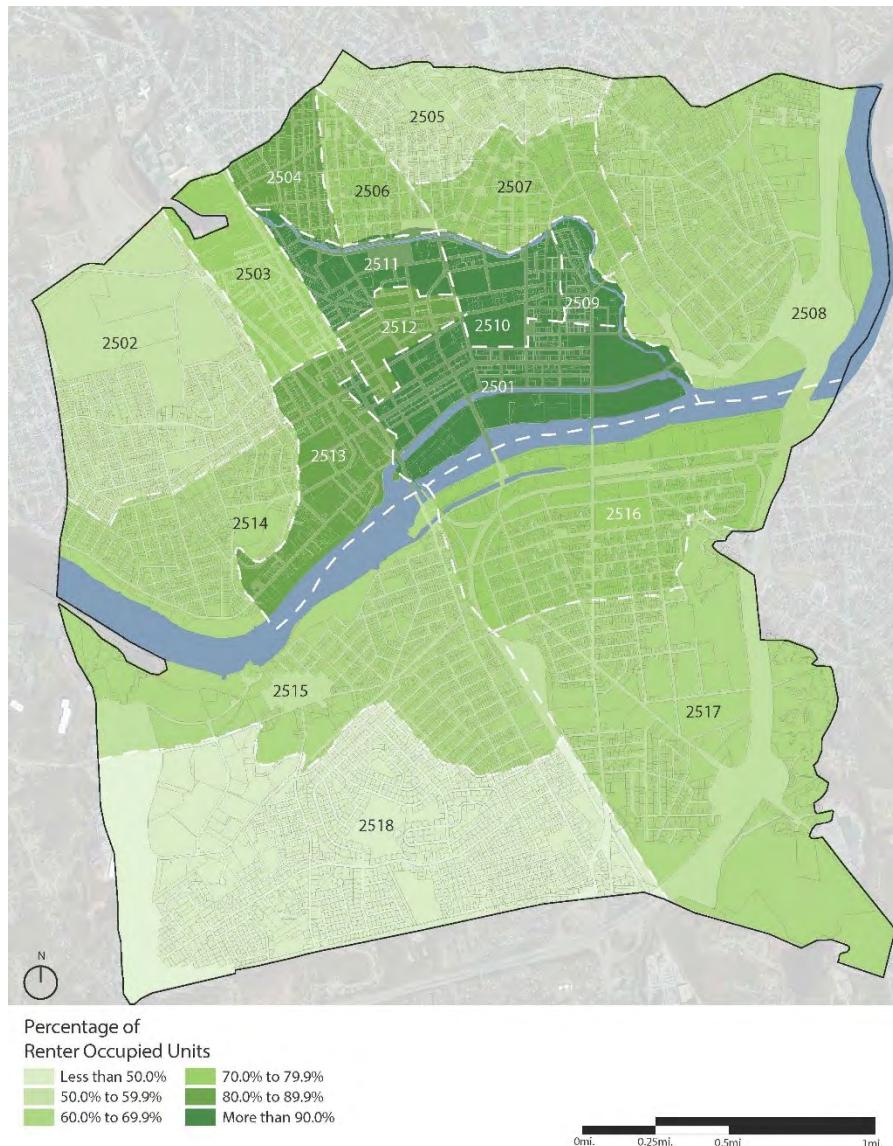
	1980		1990		2000		2012	
	#	%	#	%	#	%	#	%
Total # Units	25,992	100.0	26,915	100.0	25,601	100.0	26,486	100.0
Occupied Units *	23,798	91.6	24,270	90.2	24,463	95.6	25,489	96.2
Occupied Owner Units **	7,668	32.2	7,776	32.0	7,876	32.2	7,122	27.9
Occupied Rental Units **	16,130	67.8	16,494	68.0	16,587	67.8	18,367	72.1
Total Vacant Units*	2,194	8.4	2,645	9.8	1,138	4.4	997	3.8
Owner Vacancy Rate	1.4		1.6		1.0		0.0	
Rental Vacancy Rate	8.4		10.3		0.03		3.8	
Average Household Size of Owner-Occupied Units	2.94 persons		2.86 persons		3.02 persons		3.01 persons	
Average Household Size of Renter-Occupied Units	2.46 persons		2.81 persons		2.85 persons		2.99 persons	

Source: U.S. Census Bureau, Census 1980, 1990 and 2000 Summary File 1; 2012 American Community Survey 1-Year Estimates

Section 3 – Housing Profile

- *Predominance of rental units*

About 72% of Lawrence's housing units are rentals as opposed to approximately 38% for the county and the state. Lawrence's high level of rentals is reflective of the predominance of multi-family housing in the city. While a mix of housing types is desirable in any community to accommodate a range of housing needs, the more frequent turnover of rental units can lead to greater wear and tear on the housing stock, the need for frequent upgrading to meet health and safety hazards, and less overall neighborhood stability.



There is a high level of rental housing in many older cities with rentals comprising more than half of the housing stock in Lynn (56.5%), Salem (51.1%), New Bedford (54.7%) and Chelsea (70.5%) for example. As the map indicates, the significant majority of the housing stock included rental units in all of Lawrence's neighborhoods, ranging from about 64% to 74% in Tower Hill, Arlington, Prospect Hill, South West, South Common and Colonial Heights to over 90% in North Common and General Donovan. Only in Mt. Vernon did owner-occupied units predominate at 66.5%.

- *Loss of owner-occupied units*

After some growth in the owner-occupied housing stock between 1980 and 2000, to a high point of 32.2%, the number of owner-occupied housing units declined by 754 units or by 9.6% between 2000 and 2012 according to census estimates. This is likely due the foreclosure crisis that hit Lawrence hard and early when owners lost their homes and the properties were converted to investor-ownership.

- *Substantial housing diversity*

As shown in Table 3-4 and Figures 3-1 and 3-2, Lawrence has a diverse housing stock with a wide range of housing types including a considerable amount of multi-family housing. The 2012 census estimates indicate that almost half of all units were in the smaller two to four-unit properties with more than one-quarter of all units in larger multi-family structures of five or more units, and another quarter in single-family units (including detached and attached units).

Table 3-4: Units by Type of Structure, 1980-2012

Type of Structure	1980		1990		2000		2012	
	#	%	#	%	#	%	#	%
1 unit detached	5,216	20.1	4,722	17.5	4,771	18.6	4,413	16.7
1 unit attached	349	1.3	1,084	4.0	1,131	4.4	2,271	8.6
2 units	4,938	19.0	14,070	52.3	5,279	20.6	5,230	19.7
3-4 units	8,971	34.5			7,859	30.7	7,546	28.5
5-9 units	6,518	25.1	2,582	9.6	2,165	8.5	1,882	7.1
10+ units			4,073	15.1	4,360	17.0	5,144	19.4
Other	0	0.0	384	1.4	36	0.2	0	0.0
Total	25,992	100.0	26,915	100.0	25,601	100.0	26,486	100.0

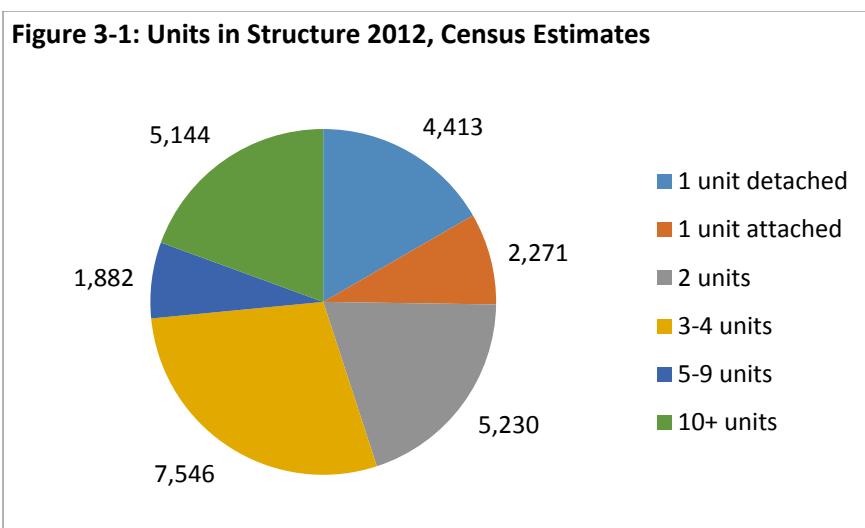
Source: U.S. Census Bureau, Census 1980, 1990 and 2000 Summary File 3; 2012 American Community Survey 1-Year Estimates

Many older industrial cities have a substantial amount of small multi-family dwellings. For example, Lawrence had almost half of its units in structures of two to four units, which is relatively comparable to New Bedford and Chelsea at 44.7% and 48.5%, respectively. These levels are considerably higher than Methuen's for example, at 16.8%, where single-family homes comprise 60% of the housing stock.

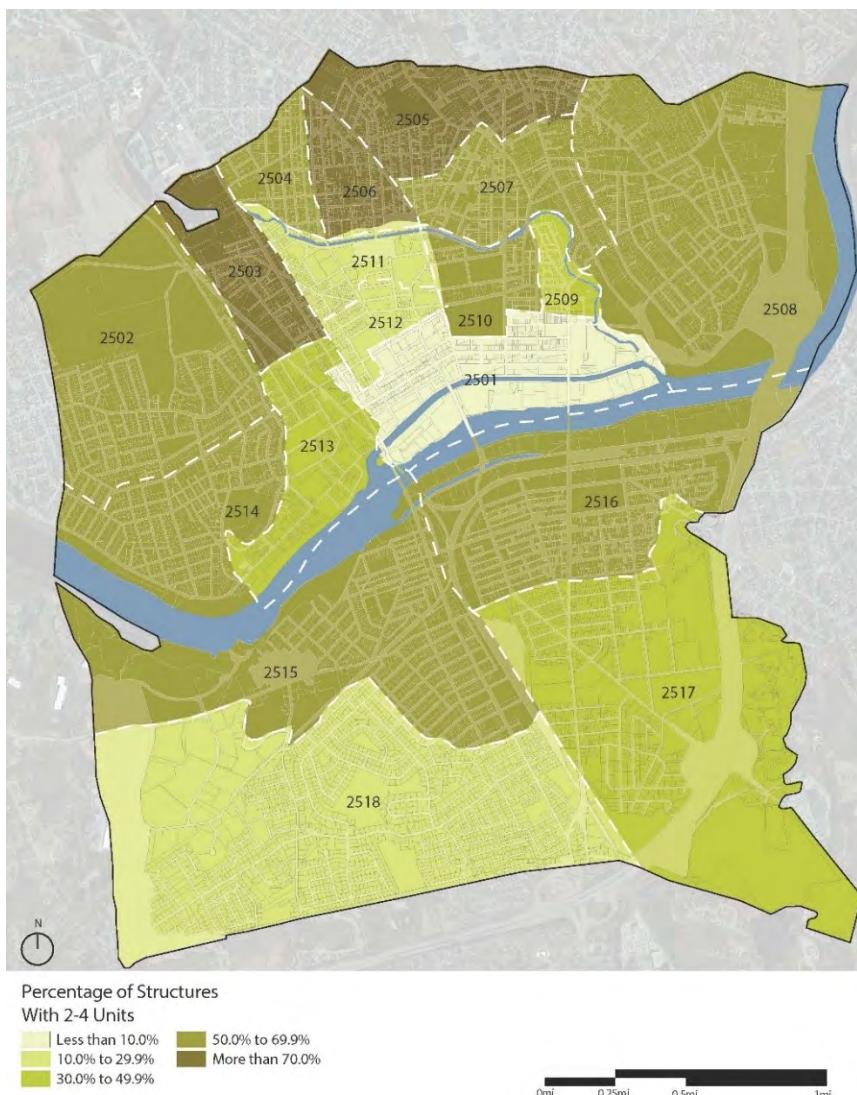
These two to four-unit dwellings involve the majority of all units in Tower Hill, Arlington, North Common, Prospect Hill, South West and South Common but included only 15.6% of all units in General Donovan where larger multi-family housing predominated, and 16.3% in Mt. Vernon where single-family homes were more the norm as shown in the map below.

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Figure 3-1: Units in Structure 2012, Census Estimates



Source: 2012 American Community Survey 1-Year Estimates



Older cities also typically include significant numbers of units in larger multi-family structures. About one-quarter of Lawrence's units were in larger multi-family structures of five (5) units or more, which is less than many other cities such as Chelsea at 37.6% and Lynn at 30.1% but higher than New Bedford and Methuen at 16.4% and 16.9%, respectively, for example.

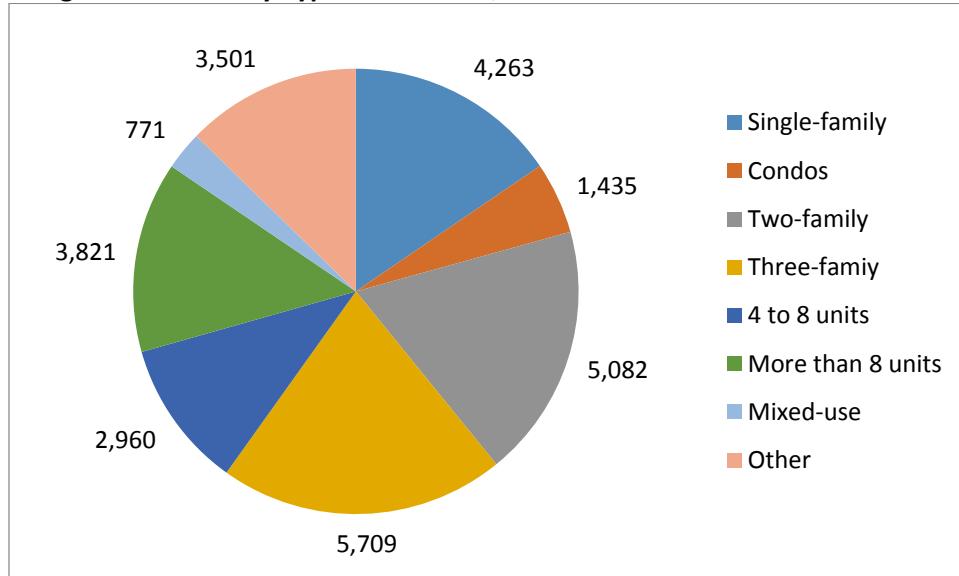
There are considerable numbers of larger multi-family structures in each neighborhood from about 13% to 16% of units in Tower Hill, Prospect Hill, South West, and South Common and Mt. Vernon, to 23% in Arlington, 32% in Colonial Heights, 39% in North Common and as high as 80% in General Donovan.

Single-family detached homes, the mainstay in most communities, are relatively less common in older cities, particularly industrial cities that required substantial amounts of workforce housing. Lawrence and Chelsea had 16.7% and 8.8% of their housing stock in single-family detached homes, respectively. These levels are lower than Salem's at 26% and Lynn's at 33% but far lower than 50% and 60% for Framingham and Methuen, for example, respectively.

Single-family homes in Lawrence range from as low as 2% and 3% of all units in General Donovan and North Common, to 9.8% in Arlington, to between 17% and 25% in Tower Hill, South Common and Colonial Heights, and as high as 55% in Mt. Vernon.

Data from the City's Assessors Department, summarized in Figure 3-2, suggests single-family homes comprise 15.4% of all units in Lawrence with condos at only about 5%. Two-family units include about 18.3% of all units, and three-family dwellings involve another 20.7%. The number of units in larger multi-family structures of four or more units represents 24.5%. Assessor's data also indicates that about 3% of all units were in structures that included both commercial and residential uses. Another 12.6% were units in tax-exempt subsidized structures, urban redevelopment units (Chapter 121A), or multiple houses on one lot.

Figure 3-2: Units by Type of Structure, Assessor's Data for Fiscal Year 2015



Source: Lawrence City Assessor, Fiscal Year 2015

Section 3 – Housing Profile

- *High investor ownership of small multi-family housing stock*

Table 3-5 provides a breakdown of the estimated 2012 distribution of units per structure according to whether the units were occupied by renters or homeowners. About 55% of owners resided in single-family detached or attached dwellings in comparison to almost 15% of renters. Significantly fewer owners lived in the larger multi-family structures of five or more units, reflective of few condominium developments in Lawrence.

A considerable portion of both renters and owners lived in small multi-family structures of two to four units, approximately 50% and 40%, respectively. Of the 12,776 units in two to four-unit properties, owners occupied only 2,831 or about 24%. About 58% of the small multi-family properties were owner-occupied and thus suggesting substantial investor ownership.

Many investor owners and property managers maintain their properties in very good condition, many likely better than lower income owner-occupants who have fewer resources and less management expertise. Some investors are even charging below market rents to keep good tenants, as is likely the case with many owner-occupants as well. Nevertheless, those owners who live in the property are probably more aware, available and invested in dealing with tenant issues as they arise.

Table 3-5: Type of Structure by Tenure, 2012

Type of Structure	Renter-occupied Units		Owner-occupied Units	
	#	%	#	%
1- unit detached	1,144	6.2	3,228	45.3
1- unit attached	1,544	8.4	727	10.2
2 units	3,537	19.3	1,394	19.6
3 to 4 units	5,599	30.5	1,437	20.2
5 to 9 units	1,747	9.5	63	0.9
10 to 19 units	1,833	10.0	161	2.3
20 to 49 units	943	5.1	30	0.4
50+ units	2,020	11.0	82	1.2
Total	18,367	100.0	7,122	100.0

Source: U.S. Census Bureau, 2012 American Community Survey

- *Smaller units on average*

The median size of housing units is 4.9 rooms compared to 5.6 rooms for both the county and state. The predominance of rental units, which tend to be smaller than owner-occupied homes, is the likely driving factor.

3.3 Vacancy and Turnover Rates

Between 1980 and 2012, Lawrence had a population growth at 22% compared to housing growth of only 2%, which created very tight market conditions. In this situation of high market demand and lower supply, it is not surprising to find very low housing vacancy rates accompanied by relatively high rents. Because rents are high in comparison to resident incomes, it is also not surprising to find significant turnover rates of existing units or residents doubled-up with friends or family leading to overcrowding.

- *Very low vacancy rates*

Housing vacancy rates are very low with census estimates indicating a 0% vacancy rate for homeownership units, a rather remarkable and perhaps questionable figure, and 3.8% for rentals. Any rate below 5% represents tight market conditions. Census estimates further indicate the Lawrence has

increasingly fewer vacant housing units, declining from 4.4% to 3.8% of the housing stock between 2000 and 2012. This is approximately the same level as Framingham but lower than Lynn and New Bedford, for example, at about 10%.

Vacancy levels were relatively low in Lawrence's neighborhoods but varied somewhat from zero in a Tower Hill census tract to as high as 9.4% in Tower Hill overall and up to 10.2% in South Common as shown in the map below.

While, census data suggests that the City has almost a thousand vacant housing units⁴ (see Table 3-3), given such extremely low housing vacancies this number is questionable. The City's database identifies 129 vacant properties with no water usage. While many of these properties included multiple units, it is difficult to imagine more than 400 units that are actually vacant and in most cases uninhabitable.

Table 3-6: Vacancy Rates by Tenure, 2000 and 2012

Tenure	2000	2012	MA 2012	Nation 2012
Rental Units	3.0%	3.8%	4.5%	6.8%
Owner-occupied Units	1.0%	0.0%	1.4%	2.0%

Source: U.S. Census Bureau, 2000 and 2012 American Community Survey

- *Significant housing turnover*

In 2012, almost 40% of Lawrence residents moved into their current unit sometime after 2010, and another 40% moved into their unit during the preceding decade. In comparison, only 22% of Chelsea residents had moved into their current unit since 2010, 19% in New Bedford. Some of this mobility is likely due to a high level of rental units, high rents which involve substantial cost burdens for lower income occupants, as well as substantial increases in the community's immigrant population.

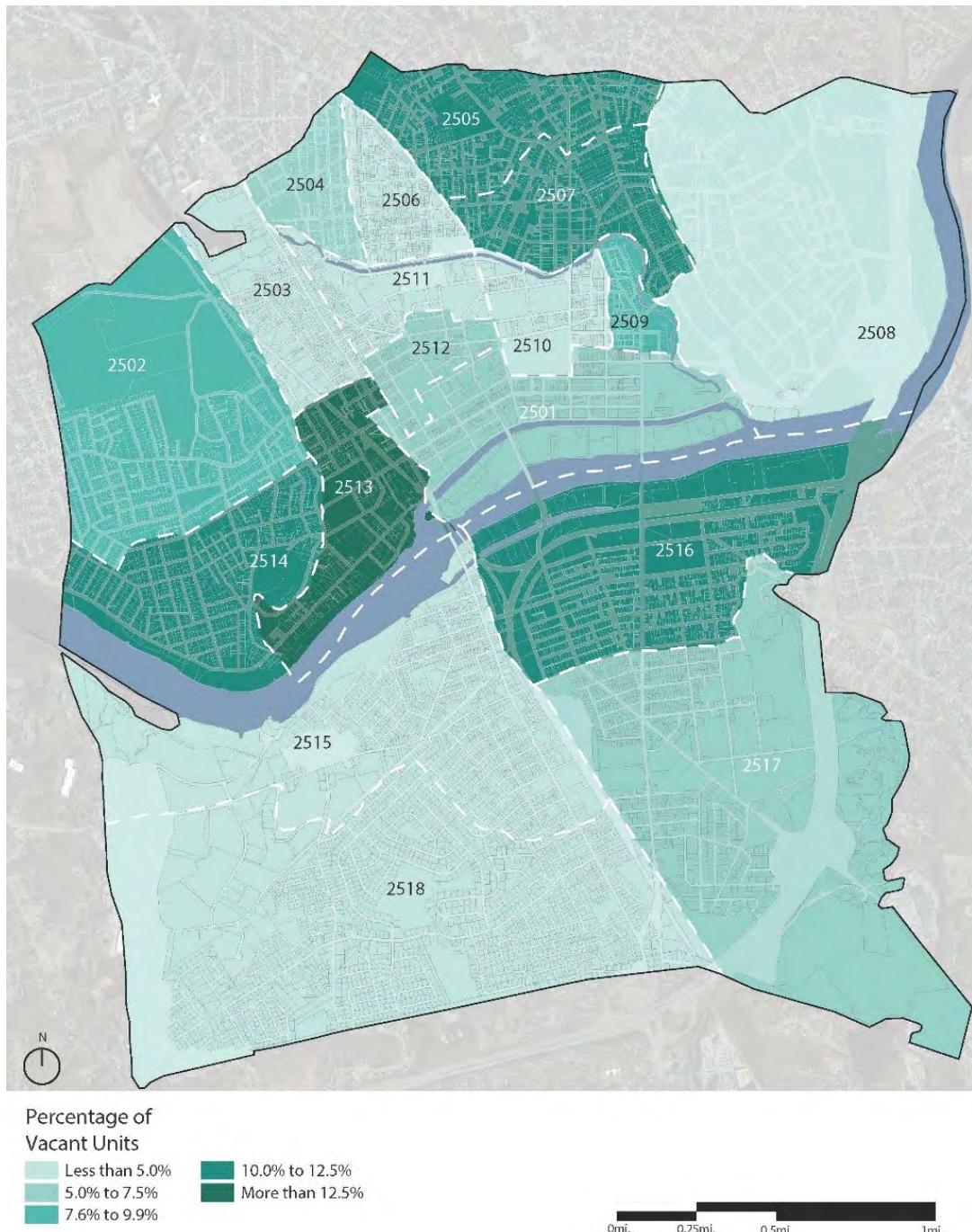
Table 3-7: Year Householder Moved into Unit, 2012

Time Period	#	%
Moved in 2010 or later	9,731	38.2
2000-2009	10,352	40.6
1990-1999	2,926	11.5
1980-1989	1,074	4.2
1970-1979	600	2.4
1969 or earlier	806	3.2
Total	25,489	100.0

Source: U.S. Census Bureau, 2012 American Community Survey 1-Year Estimates

⁴ This figure also includes the normal turnover of units upon new lease-up and resale.

Section 3 – Housing Profile



3.4 Housing Costs

The following analysis of the housing market looks at past, present and future values of homeownership and rental housing from a number of data sources including:

- The 1990, 2000 and 2010 Decennial U.S. Census figures
- The U.S. Census Bureau's 2012 American Community Survey Estimates
- HUD Fair Market Rents and HOME Rent Limits for the Lawrence Area
- The Warren Group's median sales price statistics and sales volume by year, from 1990 through 2014
- Multiple Listing Service data
- City Assessor's data
- Craigslist, other Internet rental listings and management agents (rental housing)
- Property owner/landlord information

These data sources document the following market trends:

The average weekly wage for those who work in Lawrence is \$910 which translates into about \$47,500 annually, an income that is sufficient to cover at least half of the rental units in Lawrence. Nevertheless, somewhat less than one-third of Lawrence residents work in the city and thus these living wages are not available to many households.

upfront costs to enter into the lease, credit and other reference checks, and moving expenses.

Census data suggests that there were 5,424 units that were renting within \$750. It is likely that many of these lower-rent units are subsidized (3,875 rental units on the Subsidized Housing Inventory plus an additional 1,000 Section 8 or other housing vouchers) and are in good condition. However, some of these rentals may also be basement apartments or in poor condition.

Table 3-8: Rental Costs, 1980-2012

Gross Rent	1980		1990		2000		2012	
	#	%	#	%	#	%	#	%
Under \$200	6,218	38.7	2,098	12.7	1,808	10.9	881	4.8
\$200-299	6,895	42.9	1,157	7.0	1,086	6.6	1,572	8.6
\$300-499	2,708	16.8	3,063	18.6	2,444	14.7	1,007	5.5
\$500-749			7,960	48.3	7,669	46.3	1,964	10.7
\$750-999	18	0.1	1,745	10.6	2,988	18.0	3,792	20.6
\$1,000-1,499			251	1.5	345	2.1	7,895	43.0
\$1,500 +					26	0.2	1,135	6.2
No Cash Rent	243	1.5	203	1.2	212	1.3	121	0.7
Total	16,082	100.0	16,477	100.0	16,578	100.0	18,367	100.0
Median Rent	\$222		\$559		\$607		\$995	

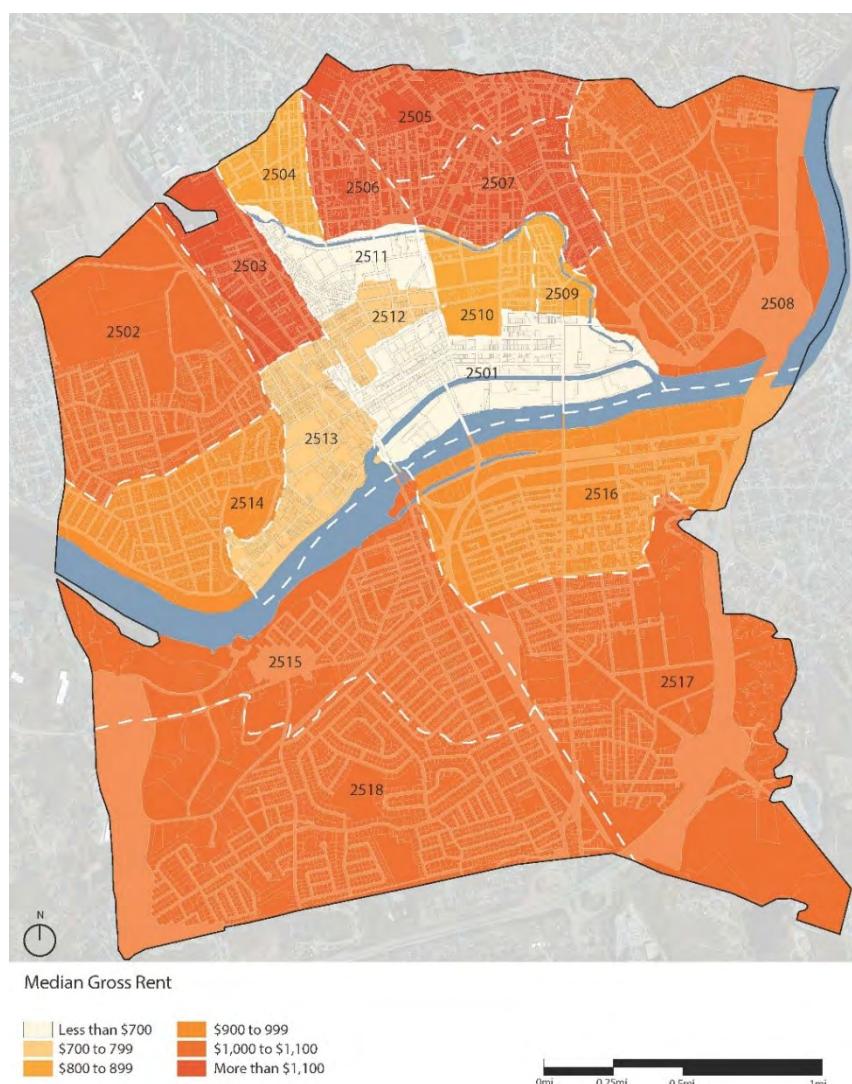
Source: U.S. Census Bureau, Census 1980, 1990 and 2000 Summary File 3; 2012 American Community Survey 1-Year Estimates

Section 3 – Housing Profile

It should also be noted that more than one-quarter of all rental units in Lawrence are subsidized and these lower rents skew the median figure downward. Consequently, market rents are higher, more likely at least \$1,100.

Despite the relatively lower incomes of Lawrence's households, the \$995 median rent is comparable to the county and state medians of \$1,040 and \$1,036, respectively. Moreover, the median rent is higher than that of Lynn, Methuen and New Bedford and not much lower than the median rents of \$1,066 in Salem, \$1,080 in Framingham, and \$1,114 in Chelsea. Consequently, it is not surprising that almost half of all households in Lawrence were spending more than 35% of their income on housing, a significantly larger proportion than 28% in Methuen and 40% in Chelsea, for example.

Rent levels were about \$1,000 and higher in all Lawrence census tracts with the exception of those where there are high concentrations of subsidized housing units such as General Donovan and tract 2511 in Arlington. Once again, the relatively high level of subsidized housing in most neighborhoods skews median rents downward and thus census figures underestimate market rent levels.



Information from apartment listings and local landlords also suggest that market rents are high, particularly for units in good condition, in preferred locations, and with amenities as shown in Table 3-9. One-bedroom units range from \$925 to \$1,885 based on the development listings in the table with two-bedroom units listed from \$995 to \$2,150. Three-bedroom units were included only in the River Point development at rents ranging from \$1,922 to \$2,363. Rents for studio apartments were also high, from a low of \$870 to \$1,500.

Several local landlords who manage and develop properties indicated that they charge what they consider below market rents to maintain good tenants. For example, their rents range from \$900 to \$1,100 as opposed to the \$1,300 to \$1,400 rents that are being charged by other landlords. They assert that most tenants cannot afford such high rents and therefore are more likely to have others living with them and/or are unlikely to stay long.

Given that Internet listings were largely limited to properties in larger apartment developments, it is likely that most owners of smaller multi-family properties do not formally list their available apartments but fill their units largely by word of mouth. A landlord of a number of such properties scattered throughout the city obtains referrals of prospective tenants from existing tenants in his buildings.

Table 3-9: Market Rents, 2014

Development/ Neighborhood	# of Units	Size of Unit	Rent	Square Footage
Museum Square*/ North Common (Downtown area)	176	1 bedroom	\$925-\$1,025	770-835
		2 bedrooms	\$1,225-\$1,325	1,116-1,136
Addison at Andover Park*/Col. Heights	240	1 bedroom	\$1,275-\$1,885	590-926
		2 bedrooms	\$1,415-\$2,150	1,038-1,271
River Point at Den Rock*/Col. Heights	174	1 bedroom	\$1,254-\$1,650	671-855
		2 bedrooms	\$1,392-\$1,867	1,072-1,101
		3 bedrooms	\$1,922-\$2,363	1,359
Princeton at Mt. Vernon/Mt. Vernon	142	Studio	\$999-\$1,500	380
		1 bedroom	\$1,080-\$1,110	600
		2 bedrooms	\$1,200-\$1,285	850-975
Saunders Crossing*/ South West	222	Studio	\$870-\$910	400
		1 bedroom	\$1,010-\$1,180	650-800
		2 bedrooms	\$1,200-\$1,285	850-975
Monarch Lofts/ South Common	204	Studio	\$1,025-\$1,250	868
		1 bedroom	\$1,250-\$1,475	947-1,201
		2 bedrooms	\$1,550-\$1,655	1,375-1,994
Washington Mill Lofts/North Common (Downtown area)	155	Studio	\$925-\$1,150	
		1 bedroom	\$1,050-\$1,500	
		2 bedrooms	\$1,400-\$1,850	
Grace Terrace Apts./ Prospect Hill	24	2 bedrooms	\$995-\$1,050	800-950

Sources: Property managers and Internet Listings. * Property amenities include a swimming pool.

Table 3-10 presents rent limits for federally supported programs, which are relatively comparable to existing market rents in Lawrence. Fair Market Rents (FMRs) are the maximum rents that are provided to landlords participating in the Section 8 Housing Choice Program where public subsidies fill the gap between the FMRs and 30% of the qualifying tenant's income. Additionally, HOME rents are used for

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rental units that are subsidized by the federal HOME Program with High HOME rents applying to tenants who earn at or below 60% AMI and Low HOME Rents for those earning within 50% AMI. The rents for developments that are financed by Low Income Housing Tax Credits (LIHTC) are also included in Table 3-10 for the maximum income level, targeted to those earning at or below 60% AMI. These rents are typically used in new subsidized development and are substantially higher than FMR's and High HOME rents for smaller units and about the same for units with at least two bedrooms, where they are comparable to market rents. There are also fixed LIHTC rents for those earning at or below 30% AMI and 50% AMI, with such units also integrated into new development projects.

Table 3-10: Subsidized Rents, 2014/2015

Number of Bedrooms	Fair Market Rents (FMRs)	High HOME Rents*	Low HOME Rents*	LIHTC Rents @ 60% AMI
Studio/efficiency	\$743/\$798	\$743/\$798	\$743/\$783	\$925/\$919
1	\$848/\$910	\$905/\$910	\$839/\$839	\$991/\$984
2	\$1,088/\$1,168	\$1,137/\$1,168	\$1,007/\$1,007	\$1,189/\$1,182
3	\$1,355/\$1,455	\$1,393/\$1,455	\$1,163/\$1,163	\$1,374/\$1,365
4	\$1,454/\$1,561	\$1,454/\$1,561	\$1,298/\$1,298	\$1,533/\$1,522

Source: U.S. Department of Housing and Urban Development (HUD) for the Lawrence MA-NH Area.

Housing providers suggest that it has become increasingly difficult for voucher holders to find units which comply with Section 8 Housing Quality Standards and are priced within existing FMRs. For example, at this point only 40% of those who receive section 8 Housing Choice Vouchers from the Lawrence Housing Authority find housing within the specified period of time whereas this level was 75% not long ago.

- *Relatively low for sale housing values*

Table 3-11 indicates that the median value of owner-occupied units in Lawrence was \$218,500 based on 2012 census estimates, almost double the 2000 values but significantly lower than county and state values of \$347,800 and \$323,800, respectively. Newly constructed units will be in the higher sales ranges above \$300,000.⁵

Table 3-11: Housing Values for Owner-occupied Units, 1990-2012

Price Range	1990		2000		2012	
	#	%	#	%	#	%
Less than \$50,000	63	1.5	133	3.1	166	2.3
\$50,000 to \$99,999	714	16.9	1,458	33.7	544	7.6
\$100,000 to \$149,999	2,321	54.9	2,043	47.3	957	13.4
\$150,000 to \$199,999	986	23.3	540	12.5	1,328	18.6
\$200,000 to \$299,999	124	2.9	93	2.2	2,905	40.8
\$300,000 to \$499,999	17	0.4	56	1.3	1,137	16.0
\$500,000 or more			0	0	85	1.2
Total	4,225	100.0	4,324	100.0	7,122	100.0
Median (dollars)	\$129,000		\$114,100		\$218,500	

Source: U.S. Census Bureau, Census 1990 (Summary File 1) and 2000 Summary File 3; 2012 American Community Survey 1-Year Estimates. Values were not included in 1980 census summary File 3 data.

⁵ Examples of some for profit development costs include duplex structures where the developer purchased the land for \$30,000, invested another \$165,000 to \$200,000 in construction costs, and sold the two-unit structure for \$300,000 to \$325,000.

Low sales prices post 2008-09 have created an important resource for a certain segment of Lawrence residents by making homeownership affordable, enabling those with steady (albeit low wage) employment and down payment funds to access a more affordable option than renting. Consequently, rising sale prices can be viewed as a double edged sword. For owners and sellers an increase in the value of one's largest asset and for many an opportunity to get out from "under water" with an existing mortgage will be most welcomed. On the other hand, the increases in value will also price more low wage earners out of the market.

Table 3-12 shows historic sales activity from 1990 through April 2015, indicating that the housing market is rebounding but remains below sales prices at the height of the housing market in 2005. As of April 2015, the median *single-family home* price was \$194,500. This median, however, was lower than the median for all sales of \$232,750 that includes a substantial segment of local housing sales activity as single-family homes comprise only about one-quarter of Lawrence's housing units. While market prices are increasing, they remain well below county and state levels with median single-family sale prices of \$355,000 and \$319,900, respectively, as of April 2015. Also, while values are rising, property values continue to remain relatively low, which continues to constrain the amount of financing that can be secured for necessary home improvements.

Table 3-12: Median Sales Prices, 1990-September 2014

Year	Months	Single-family/# Sales	Condo/# Sales	All Sales	# Sales
2015	Jan – April	\$194,055/46	\$82,000/14	\$232,750	176
2014	Jan – Dec	188,500/182	84,500/14	225,000	536
2013	Jan – Dec	180,000/181	70,250/48	204,950	570
2012	Jan – Dec	140,050/176	55,500/54	162,000	615
2011	Jan – Dec	150,000/164	62,700/68	155,000	560
2010	Jan – Dec	165,000/189	58,000/85	155,000	700
2009	Jan – Dec	161,000/183	65,747/84	145,250	786
2008	Jan – Dec	164,950/198	90,000/81	154,500	817
2007	Jan – Dec	218,500/167	150,000/95	234,950	546
2006	Jan – Dec	246,450/260	149,900/171	265,000	919
2005	Jan – Dec	247,000/313	164,900/160	280,000	1,151
2004	Jan – Dec	228,650/244	154,000/131	260,000	994
2003	Jan – Dec	209,900/263	111,000/127	235,500	990
2002	Jan – Dec	182,500/278	95,000/133	190,000	1,099
2001	Jan – Dec	152,000/261	78,500/144	149,000	1,017
2000	Jan – Dec	124,900/273	57,500/141	119,900	967
1999	Jan – Dec	106,200/274	45,500/93	102,000	1,025
1998	Jan – Dec	95,000/212	46,500/97	85,000	854
1997	Jan – Dec	84,250/222	30,450/70	72,000	847
1996	Jan – Dec	77,750/218	25,750/68	62,250	816
1995	Jan – Dec	70,750/196	27,000/85	53,000	804
1994	Jan – Dec	74,000/180	17,500/73	46,400	785
1993	Jan – Dec	77,750/154	45,250/54	56,000	647
1992	Jan – Dec	85,000/122	39,380/44	60,000	458
1991	Jan – Dec	102,500/102	60,000/49	88,000	327
1990	Jan – Dec	109,500/90	60,000/89	109,000	420

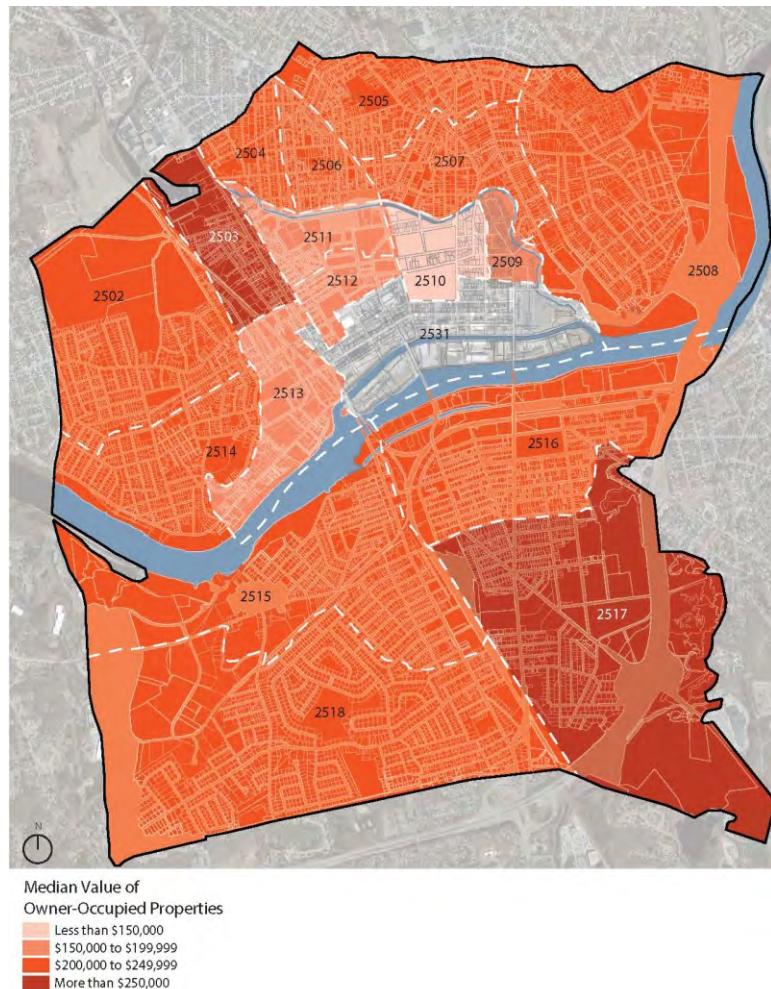
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Source: The Warren Group, *Banker & Tradesman*, June 1, 2015.

The median *condominium* price was \$82,000 as of April 2015, down from a high of \$164,900 in 2005. While condos are far more affordable in Lawrence, they also tend to be more susceptible to wide fluctuations in the housing market. Condo markets are historically slower to appreciate and faster to decline in value, and a few years ago the value of condos rose disproportionately when the price of single-family homes reached an unprecedented high at the time.

Property values, as reflected in median sales prices from *Banker & Tradesman*, were substantially lower in Lawrence at \$194,055 for a single-family house as of April 2015, compared to \$324,500 in Salem, \$245,000 in Lynn, and \$256,000 in Chelsea but higher than the median of \$180,907 in New Bedford. Additionally, median sales prices of other types of property were on average higher than that of single-family homes in Lawrence where the opposite is true for most communities including Chelsea, Salem, and New Bedford, for example, with Lynn at the same level.

The values of owner-occupied properties were relatively low, even lower than \$200,000 in five census tracts including tracts in Tower Hill and North Common. Values were more typically in the \$200,000 to \$250,000 range and highest in Colonial Heights at \$273,100.



Another analysis of housing market data is presented in Table 3-13, which breaks down sales data from the *Multiple Listing Service* as compiled by *Banker & Tradesman* of The Warren Group for single-family homes and condominiums from October 2013 through October 2014.

Table 3-13: Single-family House and Condo Sales, October 2013-October 2014

Price Range	Single-family Homes		Condominiums		Total	
	#	%	#	%	#	%
Less than \$100,000	17	8.7	27	57.4	44	18.2
\$100,000-149,999	41	21.0	15	31.9	56	23.1
\$150,000-199,999	55	28.2	3	6.4	58	24.0
\$200,000-249,999	68	34.9	1	2.1	69	28.5
\$250,000-299,999	10	5.1	1	2.1	11	4.5
\$300,000-349,999	4	2.1	0	0.0	4	1.7
Total	195	100.0	47	100.0	242	100.0
Median Price	\$189,900		\$92,000		--	

Source: *Banker & Tradesman*, November 3, 2014.

There was a total of 242 sales, 195 single-family homes and 47 condos. Units that sold below \$200,000 included 113 single-family homes and 45 condominiums for a total of 158 sales or 65.3% of all such sales during this period. About half of the sales were purchased for between \$100,000 and \$200,000 and therefore very affordable with almost one-fifth of the sales below \$100,000. The median sales price was \$189,900, which was only somewhat higher than the \$188,000 median sales price as of the end of September from *Banker & Tradesman*. The median condo sales price of \$92,000 was significantly higher than the September *Banker & Tradesman* figure of \$75,000 however.

A summary of multi-family property sales is included in Table 3-14 for the same period. About half of the two-family homes sold for less than \$250,000 with another 40% selling between \$250,000 and \$300,000. The median sales price was \$246,000, which is higher than the Assessor's median of \$200,500 (see Section 5 on the tax implications of housing including an analysis of assessed values by type of property in Tables 5-2 and 5-3).

Table 3-14: Multi-family Property Sales, October 2013-October 2014

Price Range	Two-family Homes		Three-family Homes		Four Plus Unit Structures	
	#	%	#	%	#	%
Less than \$100,000	1	1.0	1	1.5	0	0.0
\$100,000-149,999	4	4.2	2	2.9	0	0.0
\$150,000-199,999	20	20.8	9	13.2	1	3.8
\$200,000-249,999	26	27.1	8	11.8	3	11.5
\$250,000-299,999	37	40.6	23	33.8	6	23.1
\$300,000-349,999	9	9.4	25	36.8	8	30.8
\$350,000-399,999	0	0.0	0	0.0	3	11.5
More than \$400,000	0	0.0	0	0.0	5	19.2
Total	96	100.0	68	100.0	26	100.0
Median Price	\$246,000		\$285,000		\$320,100	

Source: Multiple Listing Service, November 21, 2014.

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A significant majority of the three-family homes (70.6%) sold between \$250,000 and \$350,000 with a median sales price of \$285,000, once again considerably higher than the median from Assessors data of \$225,100 (see Section 5, Table 5-3). There were 26 sales of somewhat larger multi-family properties, mostly four to six-unit structures. Only four properties that sold during this period had more than six units. Almost all of these structures sold for more than \$200,000 with 62% selling for more than \$300,000 and a median sales price of \$320,000.

- *Lower property values limit necessary improvements*

These lower property values, while more affordable to those with modest incomes, greatly constrain local investment in the housing stock as owners cannot obtain financing for property improvements beyond what equity they have in their property. Given the age and relatively poor condition of a significant segment of Lawrence's housing stock, even the correction of basic code violations can be expensive and beyond what can be financed.

3.5 Affordability Analysis

While it is useful to have a better understanding of past and current housing costs, it is also important to analyze the implications of these costs on affordability. Table 3-15 calculates what households earning at various income levels can afford with respect to types of housing. Table 3-16 examines some of the implications of the housing costs summarized above in Section 3.5, estimating what households must earn to afford these prices *based on spending no more than 30% of their income on housing expenses*, the commonly applied threshold of affordability.

In addition to showing how different types of housing are more or less affordable to households earning at various income levels, Table 3-15 also indicates that the amount of down payment has a substantial bearing on what households can afford. Only a few years ago it had been fairly easy for purchasers to limit their down payments to 5% or even less as long as they paid private mortgage insurance or qualified for a subsidized mortgage program such as the state's Soft Second Loan Program (now reconfigured as the One Mortgage Program), Massachusetts Housing mortgage programs, or other special financing such as that offered in the Lawrence Office of Neighborhood Assistance Corporation of America (NACA). Given the subsequent financial crisis, lenders are typically applying more rigid lending criteria, including the need for down payments as high as 20% of the purchase price. Such high cash requirements make homeownership more challenging. As Table 3-15 demonstrates, a household earning the same level of income can acquire a much higher priced home with more cash down as they are borrowing less.

Because median income levels are low in Lawrence, at \$30,509 based on 2012 census estimates, the amount that can be borrowed and ultimately the purchase price at this income level is relatively low. For example, a median income household may likely be able to afford a single-family home for \$109,500 and a \$69,000 condo based on 95% financing, both below median unit prices for Lawrence of \$188,000 and \$75,000, respectively. On the other hand, this same median income household could potentially afford a two-family property for \$231,000 and a three-family for \$353,000 both higher than the median prices of \$200,500 and \$225,100, respectively, based on 2014 Assessor's values.⁶

⁶ Assessor's data likely underestimates market values somewhat.

Table 3-15: Affordability Analysis I
Maximum Affordable Prices Based on Income Levels

Type of Property	Income Level	30% of Monthly Income	Estimated Max. Affordable Price 5% Down ***	Estimated Max. Affordable Price 20% Down ***
Single-family	City Med. Income = \$30,509*	\$762.72	\$109,500	\$125,000
	50% AMI = \$39,650**	\$991.25	\$146,500	\$167,500
	80% AMI = \$57,550**	\$1,438.75	\$219,500	\$250,000
Condominium	City Med. Income = \$30,509*	\$762.72	\$69,000	\$78,500
	50% AMI = \$39,650**	\$991.25	\$106,000	\$121,000
	80% AMI = \$57,550**	\$1,438.75	\$178,500	\$203,500
Two-family	City Med. Income = \$30,509*	\$762.72	\$231,000	\$263,500
	50% AMI = \$39,650**	\$991.25	\$267,500	\$306,000
	80% AMI = \$57,550**	\$1,438.75	\$340,500	\$388,500
Three-family	City Med. Income = \$30,509*	\$762.72	\$353,000	\$402,500
	50% AMI = \$39,650**	\$991.25	\$390,000	\$445,000
	80% AMI = \$57,550**	\$1,438.75	\$462,500	\$527,500
	Income Level	30% of Monthly Income	Estimated Monthly Average Utility Cost	Affordable Monthly Rental
Rental	City Med. Income = \$30,509*	\$762.72	\$170	\$592.72
	30% AMI = \$23,850**	\$596.25	\$170	\$426.25
	50% AMI = \$39,650**	\$991.25	\$170	\$821.25
	80% AMI = \$57,550**	\$1,438.75	\$170	\$1,268.75

* Based on the U.S. Census Bureau's American Community Survey estimate for 2012 for the City of Lawrence's median household income.

** HUD 2014 Income Limits for the Lawrence area for a household of three (3) (average household size for homeowners in Lawrence was 3.01 persons per 2012 census estimates and 2.99 for renter households).

*** Figures based on interest rate of 4.5%, 30-year term, annual property tax rate of \$15.61 per thousand, insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), estimated monthly condo fees of \$250, and rental income of 75% of \$1,000 or \$750. Figures do not include underwriting for PMI in calculations with a 20% down payment and assume that purchasers earning at or below 80% of AMI would qualify for the One Mortgage Program or other subsidized mortgage programs, including NACA financing, which would not require PMI. Credit problems, however, may make PMI necessary which would increase the costs of financing and ultimately the purchase price.

Table 3-15 also analyzes at what renters can afford at three (3) different income levels. For example, a three-person household earning at 50% of area median income (AMI) and earning \$39,650 annually could afford an estimated monthly rental of about \$821.25, assuming they are paying no more than 30% of their income on housing and pay utility bills that average \$170 per month. An unsubsidized rental this low is difficult to find in Lawrence, where market rentals are relatively comparable to federal income limits under the HOME Program. Rentals may also require first and last month's rent plus a security deposit. This means that any household looking to rent in the private housing market must have a considerable amount of cash available, which has a significant impact on affordability. For renter households earning at 80% AMI, a rental of \$1,268.75 is estimated, which is within the range of market rents. *Those earning at Lawrence's median income level of \$30,509 would be hard-pressed to find an unsubsidized rental unit that they could afford and thus many households are forced to pay much more than they should for their housing.*

Table 3-16 looks at affordability from another angle, going from specific housing costs to income. Taking median price levels for single-family homes, condos and two-family homes, the incomes that would be required to afford these prices are calculated, also showing the differences between 95% and 80% financing. For example,

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using the median single-family home price as of September 2014 from *Banker & Tradesman* of \$188,000, a household would have to earn approximately \$44,560 if they were able to access 95% financing. Because the median condo price is so low, at \$75,000, a household earning \$26,688 might potentially be able to afford the unit given good credit. Because of the rental income from the two-family house, a purchaser earning \$17,644 could potentially purchase the median valued two-family home in Lawrence of \$200,500 but would have to pass rigorous underwriting criteria with respect to credit history and financial assets to cover the down payment and closing costs and the condition of the property would have to support the value.

Due to relatively high rent levels in Lawrence, the required incomes are much higher. High federal HOME rents generally reflect market rent levels in Lawrence and are therefore used in the calculations in Table 3-16.

Estimates suggest that a two-bedroom apartment renting for \$1,137 and additional monthly utility bills of \$170 would require an annual income of \$52,280, much higher than the city's median income of \$30,509. In comparison, someone earning the minimum wage of \$8.00 for 40 hours per week every week during the year would still only earn a gross income of \$16,640. Households with two persons earning the minimum wage would still fall far short of the income needed to afford this rent. Once again, in Lawrence, where rental units predominant, market rents are beyond the reach of those earning at the city's median household income level using the affordability threshold of spending not more than 30% of one's income on housing.

Table 3-16: Affordability Analysis II
Income Required to Afford Median Prices or Market Rents

Type of Property Ownership	Median Price *	Estimated Mortgage		Income Required **	
		5% Down	20% Down	5% Down	20% Down
Single-family	\$188,000/9-2014	\$178,600	\$150,400	\$44,560	\$38,845
Condominium	\$75,000/9-2014	\$71,250	\$60,000	\$26,688	\$24,408
Two-family	\$200,500/2014***	\$190,475	\$160,400	\$17,644	\$11,549
Rental	Estimated Market Monthly Rental ****	Estimated Monthly Utility Costs		Income Required	
One-bedroom	\$905	\$150		\$42,200	
Two-bedroom	\$1,137	\$170		\$52,280	
Three-bedroom	\$1,393	\$190		\$63,320	

Sources: Median prices of single-family and condos provided by *Banker & Tradesman* November 15, 2014; the median two-family price was calculated using City Assessor's data for 2014; and rents based on high HOME rents for the Lawrence area (see Table 5-10) and the household paying no more than 30% of its income on housing costs.

** Figures based on interest of 4.5%, 30-year term, annual property tax rate of \$15.61 per thousand, insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), estimated monthly condo fees of \$250, and rental income of 75% of \$1,000 or \$750.

*** Based on Assessor's records for fiscal year 2014.

Through the combination of information in Tables 3-15 and 3-16, it is possible to compute the affordability gap, typically defined as the difference between what a median income household can afford and the median priced unit on the market. The affordability gap for a single-family home would then be \$78,500, the difference between \$109,500, based on what a median income household could afford (for an average household of three and 95% financing) and the median house price of \$188,000. The upfront cash requirements for the down payment and closing costs in effect add about another \$12,000 to this affordability gap in the case of 95% financing, approximately \$40,000 if the owner did not qualify for a subsidized mortgage.

For condos the affordability gap is \$6,000 (the difference between the median condo price of \$75,000 and what a median income purchaser can afford or \$69,000). There are no affordability gaps for two and three-family homes as what a median income household can afford is higher than the median prices for these dwellings.

An analysis of the cost implications for market rate housing development is included in Section 6 of this Study.

In addition to an analysis of affordability based on spending no more than 30% of a household's income on housing in relationship to the existing housing stock and financing terms, it is also useful to identify numbers of residents living beyond their means based on their housing costs. The census provides data on how much households spent on housing whether for ownership or rental.

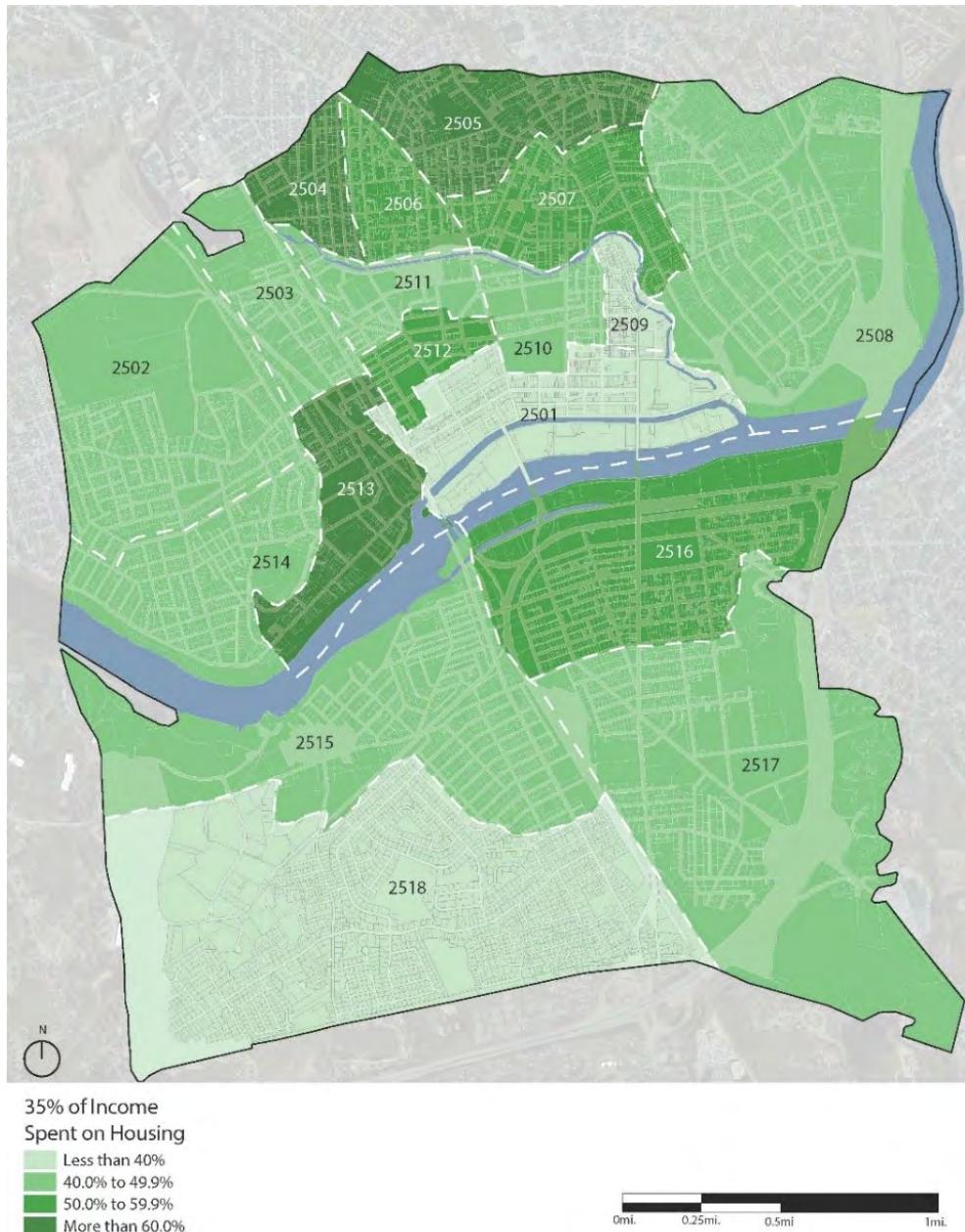
Based on 2012 estimates from the Census Bureau's American Community Survey, there were 1,227 renters or 6.7% of all renters spending between 30% and 34% of their income on housing and another 9,625 or 52% allocating 35% or more of their income for housing. This data suggests that a total of 10,852 renter households were overspending or 59% of all renters.

In regard to owner-occupants, 308 homeowners, or 4.3% of the owner-occupants in Lawrence, were spending between 30% and 34% of their income on housing and another 2,467 owners, or 35% of all such owners, spending more than 35% of their income on housing expenses. Thus about 39% of all owners were overspending on housing based on these estimates. *Altogether 13,627 households, or 53.5% of all Lawrence households, were living in housing that by common definition was unaffordable according to census estimates.*

Overspending on housing is not rare in older cities, Gateway Cities in particular. However, the more than 50% level of those overspending in Lawrence was considerably higher than 40% in Chelsea, 36.6% in Lynn and 35.3% in New Bedford.

Close to half or more household were paying more than 35% of their income on housing in most neighborhoods with somewhat lower levels in General Donovan (42.4%) and North Common (37.8%) where there are concentrations of subsidized housing and 36.5% in Mt. Vernon.

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HUD also prepares a report that summarizes cost burdens by tenure, type of household and income level. The results, based on 2007-2011 American Community Survey data (the latest report available), are summarized in Table 3-17.

Table 3-17: Cost Burdens by Tenure, Type of Household and Income Level, 2011
Income levels for Lawrence MA-NH Metropolitan Area

Type of Household	Households Earning < 30% MFI/# with cost burdens **	Households Earning > 30% to < 50% MFI/ # with cost burdens **	Households Earning > 50% to < 80% MFI/# with cost burdens **	Total Earning > 80% to 100% MFI/ # with cost burdens **	Households Earning > 100% MFI/ # with cost burdens **	Total
Elderly Renters	2040/550-620	535/140-155	260/35-0	75/20-0	120/0-0	3030/745-775
Small Family Renters	3825/235-2940	2110/1225-495	1570/435-0	490/25-0	900/0-0	8895/1920-3435
Large Family Renters	770/105-610	475/290-30	495/0-0	110/0-0	150/20-0	2000/415-640
Other Renters	1935/280-1160	765/495-100	560/285-70	365/60-0	710/0-0	4335/1120-1330
Total Renters	8570/1170-5330	3875/2150-780	2885/755-70	1040/105-0	1885/20-0	18255/4200-6180
Elderly Owners	435/135-260	430/190-90	315/55-80	80/10-25	1260/390-455	2520/780-910
Small Family Owners	410/25-385	540/70-410	610/155-410	595/280-160	2155/530-1365	4310/1060-2730
Large Family Owners	130/0-130	190/0-175	220/75-135	170/95-0	710/170-440	1420/340-880
Other Owners	185/0-185	155/10-50	190/65-65	195/125-30	725/200-330	1450/400-660
Total Owners	1160/160-960	1315/270-725	1335/350-690	1040/510-215	4850/1,290-2590	9700/2580-5180
Total	9730/1330-6290	5190/2420-1505	4220/1105-760	2080/615-215	6735/1,310-2590	27955/6780-11360

Source: U.S. Department of Housing and Urban Development (HUD), SOCDS CHAS Data, American Community Survey, 2011 (latest report available). ** **First number is total number of households in each category/second is the number of households paying between 30% and 50% of their income on housing (with cost burdens) – and third number includes those who are paying more than half of their income on housing expenses (with severe cost burdens).** Small families have four (4) or fewer family members while larger families include five (5) or more members. The “other” category, for both renters and owners, includes non-elderly and non-family households.

- Of the 27,955 total households included in this analysis, 65% were experiencing housing cost burdens as they were spending more than 30% of their income on housing expenses, including 11,360 or 40% who were spending more than half of their income on housing and thus are referred to as having severe cost burdens.⁷
- While cost burdens are high in Lawrence, a higher percentage of owners were overspending in comparison to renters overall. This may be due to the fact that few owner-occupied units in Lawrence are subsidized, however it is somewhat surprising given the relatively low housing values. Estimates suggest that 80% of owner-occupants across all of the income ranges were experiencing considerable cost burdens including:

⁷ These figures in terms of number of households and those who were overspending are higher than 2012 estimates.

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- Almost all owners earning within 30% of median income were spending too much including 83% with severe cost burdens.
- About three-quarters of owners in the 30% to 50% income range were overspending including 55% spending more than half of their income on housing.
- Three-quarters of owners in the 50% to 80% income range were overspending with about 52% spending more than half of their income on housing.
- About 70% of owners in the 80% to 100% income range also had cost burdens with 21% spending at least 50% of their income on housing.
- Almost 60% of owners earning more than 100% of area median income were spending too much and of these 53% were spending at least 50% of income on housing.
- A smaller percentage of elderly owners were overspending, 67%, in comparison to small households at 88%, large households at 86%, and other households (nonelderly and nonfamily) at 73%.
- Almost all of the large family homeowners earning below 50% of median were spending more than half of their income on housing.

- Many *renters* paid rent and utilities that were beyond what they should be paying including:
 - Of those extremely low-income households earning at or below 30% of median family income (MFI), 76% of were spending too much on their housing with 62% spending more than half of their income on housing costs.
 - Of those earning within 30% of area median income, seniors had somewhat fewer overall cost burdens at 57% in comparison to 83% of small families, 93% of large families, and 74% of nonfamily, nonelderly households.
 - About 76% of those earning between 30% and 50% of area median income were also overspending but fewer had severe cost burdens, 20%, in comparison to the extremely low-income renters.
 - Seniors in the 30% to 50% income range also had somewhat lower cost burdens at 55% compared to 82% for small families, 67% for large families and 78% for nonfamily, nonelderly households.
 - It is likely that those who were earning below 50% of area median income, as well as some within the 50% to 80% income range, and were not experiencing cost burdens were living in subsidized housing.
 - Few renters earning above 80% of median were experiencing cost burdens and only 29% of renters earning between 50% and 80% of median were overspending.

A survey of area communities that was compiled by *The Boston Globe* indicated that there was a wide range in the percentages of households struggling to pay housing costs with Lawrence taking the lead at 27% of owners spending at least half of their income on housing, down considerably from 2011 estimates. A sample of these results is included in Table 3-18. While Lawrence tops the list of communities in the survey, this information shows how prevalent high housing cost burdens are for homeowners across the region. A similar sample of cost burdens for renters would likely also show how much these households are also struggling to pay rent and utility bills, likely with even higher percentages of severe cost burdens.

Table 3-18: Cost Burdens for Lawrence and Other Municipalities, 2013

Municipality	Median Household Income	% Spending 50% or More on Housing Costs
Andover	\$112,681	10.2%
Chelsea	\$47,291	21.4%
Everett	\$49,368	21.8%
Haverhill	\$60,439	14.8%
Lawrence	\$32,581	26.7%
Lowell	\$49,452	16.3%
Lynn	\$44,849	16.9%
Methuen	\$67,556	12.6%
North Andover	\$96,002	10.8%
Revere	\$51,863	21.7%
Salem	\$55,780	13.7%

Source: *The Boston Globe North*, May 17, 2015; U.S. Census Bureau's American Community Survey, 2009-2013.

3.6 Subsidized Housing Inventory (SHI)

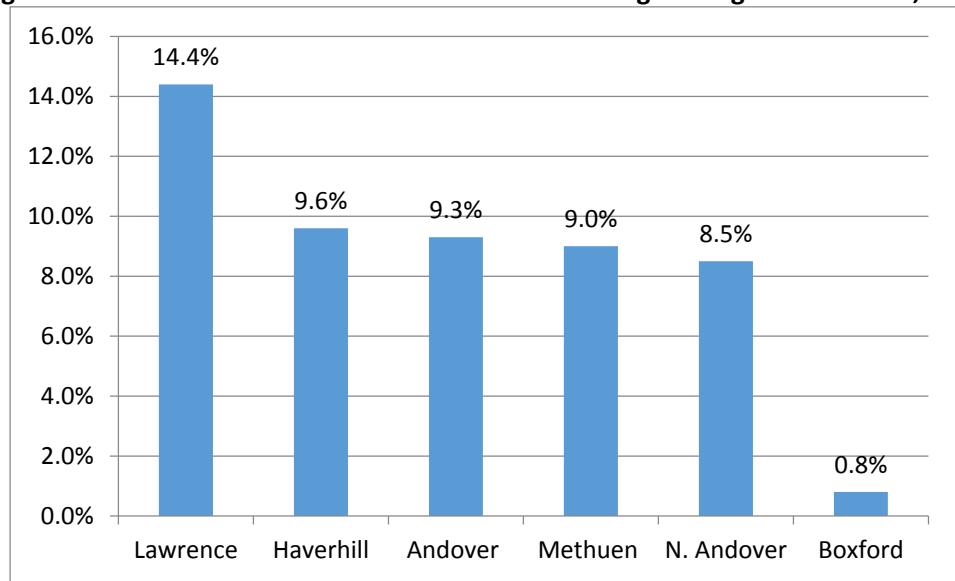
Appendix 1 includes a list of units that are included in the Subsidized Housing Inventory (SHI) and thus meet all of the state's requirements of affordability. Of the 27,092 year-round housing units in Lawrence, 3,907 or 14.4% have been determined to be affordable by the Commonwealth of Massachusetts as part of what is called a Subsidized Housing Inventory (SHI). To be counted as affordable under Chapter 40B, housing must be dedicated to long-term occupancy of income-eligible households (those earning at or below 80% of area median income) through resale or rental restrictions. Table 2-1 in the Introduction to this Study presents the income limits for the affordable units based on the 2014 HUD guidelines for the Lawrence MA-NH Metropolitan Area, adjusted by household size.

The state has ruled that if a municipality has less than 10% of its year-round housing stock set-aside for low- and moderate-income residents in its SHI, it is not meeting the regional and local need for affordable housing. Not meeting this affordability standard makes the locality vulnerable to an override of local zoning if a developer wants to build affordable housing through the comprehensive permit process.⁸ As Figure 3-3 demonstrates, Lawrence, at 14.4%, has contributed much more than its fair share in providing affordable housing in the area with surrounding communities still below the 10% state affordability goal. Affordable housing production varied among these communities from a low of 0.8% in Boxford to between and 9.0% and 9.6% for Andover, Methuen and Haverhill and with North Andover at 8.5%.

⁸ Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households – defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income – by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

Section 3 – Housing Profile

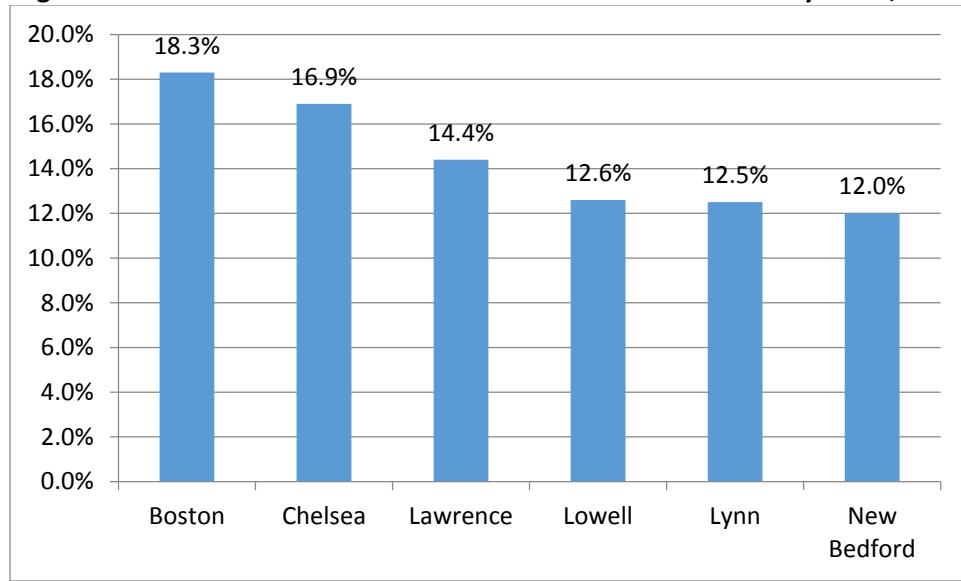
Figure 3-3: Affordable SHI Units for Lawrence and Neighboring Communities, 2014



Source: Massachusetts Department of Housing and Community Development, December 5, 2014

Most Gateway Cities, like Lawrence, have considerable amounts of subsidized housing as shown in Figure 3-4. Levels for a number of Gateway Cities ranged from a high of 18.3% in Boston to a low of 12.0% in New Bedford with Lawrence near the middle.

Figure 3-4: Affordable SHI Units for Lawrence and Other Gateway Cities, 2014



Source: Massachusetts Department of Housing and Community Development, December 5, 2014

The following features of Lawrence's SHI are particularly noteworthy:

- Almost all of the SHI units involve rentals. While rentals comprise 72% of Lawrence's housing stock, 99% of SHI units are rentals with only about 32 ownership units.
- Only one (1) development, Heritage Common, used the Chapter 40B comprehensive permit process, involving 140 units.

- There is a substantial diversity of funding sources involved in the development of Lawrence's SHI units with considerable support from both federal and state agencies.
- There are significant numbers of subsidized developments where affordability restrictions are due to expire by 2019 or sooner, referred to as "expiring use" projects, including 10 projects with a total of 736 units or 19% of all SHI units. The affordability of an additional five (5) developments and 522 units, involving another 13% of all SHI units, is listed as expiring in 2020.
- Of the 3,907 units that are considered affordable by the state, 1,750 or 45% are owned and managed by the Lawrence Housing Authority (NHA) including 1,056 federally-funded units and 522 state-assisted units.
- The Lawrence Housing Authority also manages about 1,000 Section 8 Housing Choice Vouchers that provide subsidies to landlords to fill the gap between federally-established Fair Market Rents (FMRs) and a percentage of the qualifying household's income.

Table 3-19 provides a breakdown of LHA units by number of bedrooms, including the waitlists. The LHA manages 1,056 federally-assisted units and have a waitlist of 2,818 applicants including 2,192 Lawrence residents for these units. There is an even larger waitlist for the 522 state-assisted units including almost 3,000 applicants, 2,451 who are Lawrence residents.

Table 3-19: Lawrence Housing Authority Waitlists and Unit Distribution, July 2014

Federal Waitlist								2,818
Bedroom Size	OBR/ Studios	1BR	2BR	3BR	4BR	2BR Elderly		Total
Lawrence Resident	959	205	846	53	114	15		2,192
Nonresident	207	99	187	63	68	2		626
Federal Units								1,056
Federal Move Ins							54	54
Transfers							12	12
Handicapped Unit	16	7	5	1		3		32
Family Units		111	264	139	32	36		582
Elderly Units	81	393						474
State Waitlist								2,952
Bedroom Size	Studios	1BR	2BR	3BR	4BR			
Lawrence Resident	1,042	264	862	122	161			2,451
Nonresident	202	55	188	30	26			501
State Units								522
State Move Ins							27	27
Transfers							13	13
Handicapped Unit	4	1	3	4				12
Family Units		24	247	170	10			451
Elderly Units		71						71
Total								
Bedroom Size	OBR/ Studios	1BR	2BR	3BR	4BR			Total
	81	595	547	305	42			1,570*

Source: Lawrence Housing Authority, July 2014 *Eight of the LHA units have been moved off-line.

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There are no emergency applications that take precedence over those on the waitlists for the federally-assisted units and the average waits are as follows:

Studios/efficiency Units = More than 8 years

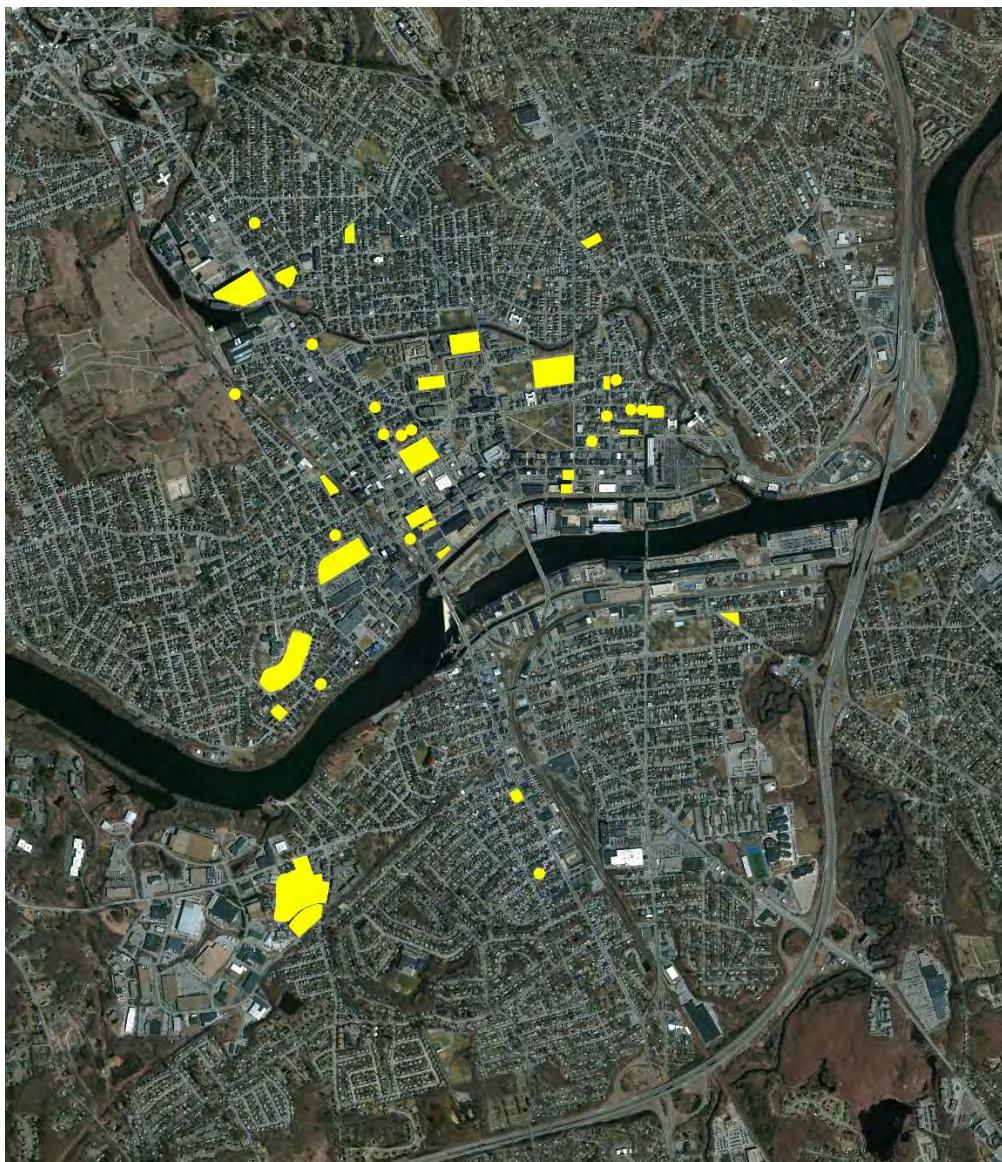
One-bedroom Units = More than 8 years

Two-bedroom Units = More than 5 years

Three-bedroom Units = More than 5 years

Four-bedroom Units = More than 5 years

The LHA accommodated 54 move-ins last year although some of the units involved tenants transferring from other units within developments to better meet their needs including medical issues and changes in family composition.



Map 3-8 SHI: Subsidized housing includes Lawrence Housing Authority properties

As to those waiting for state-assisted units, 99% of available units become occupied by those who apply as an emergency (homeless, victims of domestic violence, fires, medical emergencies, etc.), who can come from anywhere in the state. Because these emergency applicants take precedence over those on the regular waitlist, the LHA only rarely is able to house nonemergency applicants. Last year the LHA moved 27 such emergency applicants into their developments. They also utilize some of the units which become available for existing tenants due to transfers, reasonable accommodations issues (mainly medical) and changes in family composition.

Appendix 2 includes information on LHA tenants that shows higher occupancy rates by women, Hispanic households, U.S. citizens, and families.

Section 4

HOUSING NEEDS OF TARGET POPULATIONS

- 4.1 Veterans**
- 4.2 Homeless**
- 4.3 Seniors**
- 4.4 Families**
- 4.5 People with Disabilities**
- 4.6 Non-elderly Individuals**
- 4.7 Conclusions**



4. Housing Needs of Target Populations

This Housing Study suggests that there is a need for all types of housing along the full range of incomes from those who are homeless or at risk of becoming homeless, to tenants living in unsafe conditions, to property owners who are unable to properly maintain their units without some support, to those spending far too much on their housing, through to those who have sufficient resources to purchase a

home but are hard-pressed to find available units that meet their lifestyle preferences in Lawrence.

Providers of veteran services indicate that many veterans are unaware that they qualify for veteran services and are therefore uninformed about the benefits that they have earned. This, in tandem with complicated application and eligibility requirements, makes community outreach and technical assistance very important.

There are populations with special housing needs for which the City and its community partners have been particularly focused, including those who are among the most vulnerable individuals and families in Lawrence. The needs of these populations and the organizations that serve them are described below in priority order.

4.1 Veterans

Census estimates from the 2012 American Community Survey indicate that 3.1% or 1,693 of the population 18 years or older were veterans. This is down from 6.4% or 3,161 veterans in 2000. It is likely that this decline is due to the passing of older vets from World War II, the Korean War and some from the Viet Nam War.

In addition to the organizations listed in Table 4-2 that serve the needs of the homeless, including homeless veterans, the major local and regional resources that support the needs of veterans include:

- *The City's Department of Veterans Services*
The City's Department of Veterans Services works with local veterans and their families to ensure that they receive the entitlements and services authorized by federal, state and local regulations.

One of the most well utilized resources has been the state Chapter 115 Program, which provides financial and medical assistance for qualifying veterans and their dependents including funding for food, shelter, clothing, fuel, and health care. Funding is provided in accordance with a formula which takes into account the number of dependents and total income. Eligible dependents of deceased veterans are provided with the same benefits as if the veteran was still living. The Department has increased the amount of Chapter 115 benefits allocated to Lawrence residents from \$500,000 about three (3) years ago to more than \$1 million each year since.

The Office recognizes that federal benefits through the VA Supportive Housing (VASH) Treatment Program have been very limited in Lawrence, involving only several participants. Those interested in applying had to leave the city and go to either Haverhill or Bedford. To deal with this problem, the Office has arranged for a representative of the Veterans Administration in Bedford to spend a day per week in Lawrence to take applications and answer inquiries.

Section 4 – Housing Needs of Target Populations

The Office also acknowledges that there is very little housing targeted specifically for veterans in Lawrence, only eight (8) beds at the New England Veterans Liberty House and six (6) units at the Homes for Veterans project. More housing, particularly permanent supportive housing is required to serve local veterans.

- *Continuum of Care (CoC), Veterans Subcommittee*

This Subcommittee, comprised of representatives from key public and private agencies that serve veterans, meets quarterly to better coordinate services for area veterans and their families and bring new resources into Lawrence and the Merrimack Valley. The Subcommittee has identified two (2) priorities that include:

1. Develop a community resource guide for providers and veterans that will include eligibility guidelines for services.
2. Prepare an inventory of beds that are available to veterans.

- *MassVetsAdvisor.org*

The Commonwealth of Massachusetts (Department of Veterans' Services) in collaboration with the Massachusetts Broadband Institute, the Red Sox Foundation and Massachusetts General Hospital Home Base Program has created MassVetsAdvisor.org as an online resource to help veterans and their families connect with state and federal benefits as well as non-profit resources.

- *New England Veterans Liberty House (NEVLH)*

The organization assists veterans in reintegrating into communities by developing comprehensive individual programs based on the veteran's specific needs. This includes assistance with placements in NEVLH units (8 sober beds) or those sponsored by other agencies. NEVLH suggests that Lawrence veterans wish to remain in the community and if a Lawrence-based bed is not available, they will coordinate with Daybreak Shelter to make sure they have a place to stay.

- *U.S. Department of Veterans Affairs*

The U.S. Veterans Administration provides a wide range of resources to support the needs of veterans, including financing for housing development and other supportive programs. For example, the VA Supportive Housing (VASH) Treatment Program was created by both the Department of Veterans Affairs and HUD to oversee a veteran's treatment plan with a VASH Voucher that provides a rental subsidy to cover rental costs in excess of 30% to 39% of the veteran's income. Participants must have an income within 50% of the area median income and be homeless or at risk of homelessness. Priority is given to the chronically homeless (12 consecutive months of homelessness or four episodes of homelessness in three years), female veterans, and veterans with dependent children. The Veterans Affairs Office, based in Bedford for the New England region, manages 480 VASH vouchers with less than a handful of participating families living in Lawrence. They are working on outreach strategies through the Greater Lawrence Continuum of Care to help residents better identify whether they are eligible for veteran benefits and connect them to available resources.

The Bedford Office has developed a 60-unit facility for veterans on their campus, built in partnership with Caritas Communities and with services provided through the Veterans Northeast Outreach Center (VNOC). They are currently working with Peabody Properties on

Section 4 – Housing Needs of Target Populations

another development for homeless vets that is expected to open in 2016, also in Bedford. The Bedford campus is located on a major bus route that connects residents to local services and the Alewife MBTA station, however is not very accessible to Lawrence residents.

- *Veterans Northeast Outreach Center (VNOC)*

Based in Haverhill, this organization is a private, non-profit organization that was organized in 1985 to provide services to support veterans and their families. In addition to providing 95 units of housing in several facilities in Haverhill and Bedford (on the campus of the Bedford VA Medical Center), VNOC also administers the Supportive Services for Veterans Families (SSVF) program to help stabilize veterans and their families in their housing by providing a wide range of supportive services. Qualifying households must have incomes within 50% of the area median income (\$39,650 for a three-person household) and be homeless or at risk of becoming homeless in search of other permanent housing opportunities.

4.2 Homeless

The needs of the homeless are typically addressed through Continuums of Care (CoC). These Continuums of Care (CoC) are established in cities and regions to provide a range of services to serve homeless individuals and families, from emergency shelters, to transitional facilities, and then to permanent supportive housing with special HUD funding. These Continuums are composed of representatives of housing and service providers who work collaboratively to create new housing opportunities for the homeless that are linked to support services.

Several years ago the City decided to join the Balance of State Continuum of Care (CoC), joining other towns and cities including Framingham and Chelsea for example. A representative from the City's Community Development Department attends the monthly state meetings and reports back to local CoC members who decided to continue to meet to discuss local housing priorities. The City receives about \$600,000 per year in Continuum of Care funding (previously referred to as McKinney Vento funding.) Table 6-2 indicates which homeless facilities in the city have received this funding, involving 194 beds for homeless individuals and families. Lawrence has not directly received Emergency Solutions Grant (ESG) funding although Community Teamwork and Emmaus have contracted with Greater Lawrence Community Action Council (GLCAC) to provide services through this funding in Lawrence. In conjunction with Community Teamwork, GLCAC also manages state's Rental Assistance for Families in Transition (RAFT) funding.

The Point in Time (PIT) census in January 2014, which involves a count of the number of homeless in shelters or on the street, identified that all shelter beds were full with another 16 unsheltered individuals who were homeless in Lawrence. These 16 individuals included 14 men and 2 women, 12 of whom were chronically homeless.⁹ One of the individuals was between the age of 18 and 24 and the rest were 24 years of age or older. The Point in Time census conducted on February 7, 2015 indicated that besides those in shelters, there were 47 homeless families living in hotels that included 111

⁹ HUD's definition of the "chronically homeless" is an unaccompanied homeless individual with a disabling condition (diagnosable substance use disorder, serious mental illness, developmental disability, and chronic physical illness or disability including the co-occurrence of two or more of these conditions) who has either been continuously homeless for a year or more or has had at least four (4) episodes of homelessness in the past three (3) years. In order to be considered chronically homeless, a person must have been sleeping in a place not meant for human habitation (e.g., living on the streets) and/or in an emergency homeless shelter.

children, as detailed in Table 4-1. Another 17 people were found living below the Casey Bridge.

Table 4-1: Numbers of Homeless in Hotels

Location	# Families	# Family Members	# Adults	# Children	# Pregnant
Methuen Days Hotel	39	158	61	97	2
Methuen Days Hotel: only Lawrence Families	15	55	20	35	1
Lawrence Families (any hotel)	47	176	65	111	3

Source: Massachusetts Department of Housing and Community Development, January 2015

Interviews with those who serve the homeless suggest that among the most common reasons for homelessness are a lack of education, language barriers, and getting too far in arrears on rent. The huge waitlists for ESOL have been major barriers for those who are homeless or at risk of becoming homeless living independently. The “insane welfare system” was also identified as a contributing factor. It was further suggested that heads of families have been susceptible to low grade depression when they work 16 to 18 hours per day and still cannot afford the rent.

A number of local stakeholders suggest that the greatest housing need in Lawrence is for more permanent supportive housing units. Such housing is particularly important for families as almost all of the inquiries the City’s Community Development Department receives with respect to homelessness are from single moms.

A local service provider suggested that the major challenge for pulling women out of homelessness was finding subsidized and accessible day care for working mothers.

The following entities providing housing for the homeless in Lawrence, and a summary of their facilities is included in Table 4-2:

- *Casa Nueva Vida*
Casa Nueva Vida, with offices in both Lawrence and Boston, provides housing and supportive services “to help homeless families gain the education and skills needed to permanently pull themselves out of poverty and into stable affordable housing”. In Lawrence they manage transitional housing for families that includes 23 family units with 66 family beds as well as two beds for adults only. The organization also manages three (3) emergency shelters in Lawrence.
- *City of Lawrence*
In addition to staffing the Greater Lawrence Continuum of Care, the City of Lawrence has taken the lead in promoting housing for the homeless through a number of other important approaches. For example, the City conveyed the surplus Saunders School to Peabody Properties for the development of permanent supportive housing for the homeless, also providing HOME funding to help finance the development of the project and support the project’s case management costs for a year. **The conversion of the Saunders School for formerly homeless families represents an excellent model for other potential projects which address Lawrence’s most vulnerable residents.**

In addition, the City’s Community Development Department is building a coalition of organizations to address youth homelessness, particularly for those aging out of foster care.

Section 4 – Housing Needs of Target Populations

The City has also assumed the responsibility of managing a number of state and federal grants related to homeless facilities and services until another interested and capable entity can be identified.

- *Commonwealth Land Trust (CLT)*

The Commonwealth Land Trust, based in Boston, is a private, non-profit organization that was established in 1985 to preserve neighborhoods and prevent homelessness. CLT owns and manages over 350 units of housing including 69 SRO units at Windsor House in Lawrence with three (3) subsidy programs that insure that at least 27 homeless individuals are housed at any given time with appropriate supportive services. These units include 17 for the chronically homeless of which 15 are for those who have been diagnosed with HIV/AIDS.¹⁰ Funding also includes ten units for homeless adults with severe mental illness.

- *Community Teamwork Inc. (CTI)*

Community Teamwork, established in 1965, is a non-profit Community Action Agency (CAA), a regional non-profit housing agency, and a Community Development Corporation (CDC). While based in Lowell, CTI provides services in 63 communities and has nine program and service sites, including one in Lawrence. The organization provides a wide range of programs including those to support the needs of the homeless or those who are at risk of becoming homeless. For example, CTI administers a number of grant programs including the Emergency Shelter Grant

Program (ESG) and the Residential Assistance to Families in Transition (RAFT) Program which provide first and last months' rent and security deposits to help stabilize individuals and families, respectively, who are at risk of homelessness. The organization provides a staff person on site at Greater Lawrence Community Action Council (GLCAC) to process applications. CTI also

In FY15 CTI provided \$34,904 in ESG funding and served 30 individuals as well as \$316,659 in RAFT funding, serving 154 families. While there are clearly insufficient resources to meet the needs of those confronting homelessness, the organization suggested that there has been little or no capacity to help those who have no place to live after being discharged from hospitals or prisons.

administers the Merrimack Valley Regional Network to End Homelessness that convenes organizations involved in serving the homeless across the region in efforts to boost program coordination and service delivery.

- *Emmaus*

Since 1985 Emmaus Inc. has served both families and individuals who are homeless within the Merrimack Valley. Today Emmaus operates more than 10 programs serving homeless families and individuals in 13 different agency-owned properties. Emmaus' programs include transitional housing, permanent supportive housing for both families and individuals, shelter, educational services, housing search, stabilization, diversion, and case management.

¹⁰ While CLT receives funding to provide housing for 15 chronically homeless individuals who have been diagnosed with HIV/AIDS, they often house more than that number, including 19 in 2014.

Emmaus has found it difficult to find acceptable rental housing for its clients in Lawrence as landlords have been reluctant to accept its clients and lease directly to the agency while rents have typically been beyond allowable Fair Market Rent (FMR) levels and units have not met essential Housing Quality Standards.

Emmaus' programs, which specifically serve Lawrence clients, include 14 supportive housing units for chronically homeless individuals, diversion and Home Base programs for families, an emergency shelter grant for families, Housing for People with Aids (HOPWA) for both families and individuals, transitional housing for

families, a family emergency shelter and a shelter for individuals. As a Community Housing Development Organization (CHDO), Emmaus continues its mission to assist each individual in achieving their highest level of dignity.

- *Lazarus House Ministries*

Lazarus House provides a continuum of care for those who are homeless or at risk of homelessness in Lawrence. From a 5-bed shelter and a \$600,000 budget, they have grown into a \$4 million operation without any state or federal funding. They currently operate the following facilities and services:

- Preventative services that include a food pantry, three thrift stores and a soup kitchen.
- An emergency shelter at Lazarus House that accommodates 8 families with 28 beds as well as 13 beds for single men and women. The shelter takes 90% of the household income and deposits it into a savings account with the remaining 10% for incidentals. The program pays for almost all expenses including food, bag lunches, school supplies, etc. Every homeless family or individual is assigned an advocate that helps them move out of homelessness.
- A transitional shelter at Capernaum Place with 18 units for families (76 beds) with required participation in a number of workshops related to budgeting, parenting, job and housing search, etc. Child care is covered for participants during these workshops. They have recently initiated a pilot financial asset building program with individual financial goals dependent on household interests and capacity.
- Permanent supportive housing for a family (4 beds) at Bethany House and for eight (8) individuals at Corpus Christi House with another two (2) units for individuals at Capernaum House.
- They will be opening a group home with nine (9) units for single unattached women who have chronic needs but have often fallen through the cracks in the continuum of care. They are doing this by closing a group home for homeless men with HIV as they have not been able to provide the necessary medical services that are required by this population.
- They operate special work preparation programs such as a cleaning company for women to offer participants training and some income while they transition off welfare, are in school, etc. They also have a culinary program with training and kitchen experience supervised by volunteer area chefs, including a three-month internship in a local restaurant. These programs include a work adviser and ESL.

Section 4 – Housing Needs of Target Populations

- Special programs for low-income Lawrence families including Thanksgiving and Easter dinners, donated turkeys, and a special gift program for Christmas.
- *Merrimack Valley YMCA*
The YMCA owns and manages 73 units of SRO housing for formerly homeless men, also providing support services. This facility was upgraded and refinanced some years ago with tax credits, extensions of Section 8 financing for all 73 units, and some MHP financing.
- *The Psychological Center*
The Psychological Center, based in Lawrence, has focused on helping those who confront problems associated with mental health, substance or alcohol abuse, and homelessness. They have operated a number of specialized facilities and programs in Lawrence including Daybreak Shelter, an emergency shelter for 47 individuals, as well as several small transitional and permanent supportive facilities, some of which have been shifted over to management by Emmaus.
- *Vinfen Corporation*
Based in Cambridge, Vinfen operates in more than 200 locations in Massachusetts and Connecticut with over 2,700 employees. The organization provides community-based comprehensive services to adolescents and adults with disabilities including psychiatric conditions, intellectual and developmental disabilities, brain injuries, and behavioral health challenges. They operate Essex North in Lawrence, a small four-unit permanent supportive housing facility for individuals.
- *YWCA of Greater Lawrence*
The YWCA of Greater Lawrence was founded in 1892 to provide safe housing, job training and other support to women moving from rural communities and other countries to work in local mills and shops. The organization continues to provide this assistance today.

In addition to operating an emergency shelter for victims of domestic violence, the YWCA provides transitional and permanent supportive housing to aid current or former victims of domestic and or sexual violence, homeless women and homeless teen mothers. This housing includes transitional units at the OASIS Project for nine (9) mothers and up to 17 children in apartment-style units linked with skill-building activities. It also includes the Teen Parenting Program (TPP) to support eight (8) teen mothers (ages 17 to 21) and up to 10 children, enabling the young mothers to continue their education and gain parenting skills and paths to permanent jobs. Both of these programs are at Fina House. The YWCA also provides permanent supportive housing through ten (10) SRO units at their Main Building and seven (7) units at Fina House.

On a daily basis, women walk into their facilities in search of counseling or a place to live. As their units are typically full, they end up calling all over the state and even Rhode Island and Connecticut to find available shelter for women fleeing domestic violence. Some of these women and their children may have to wait up to six (6) months for a unit to free-up in one of the YWCA's facilities. The OASIS Program has a wait list and when a unit becomes available, the organization starts calling applicants from the top of the list to arrange an interview, if the woman is still interested and assuming they can even locate her.

Section 4 – Housing Needs of Target Populations

In addition to in-house services, the organization also links their residents to other supportive services including the Caritas Holy Family Safety Project in Methuen and other special supportive services for victims of domestic violence and their children, some of which are listed below.

Table 4-2: Greater Lawrence Continuum of Care Facilities, 2014

Provider Name	Facility Name	Type of Facility	Number/Type of Units or Beds	Total Beds
YWCA of Greater Lawrence	DV Emergency Shelter*	Emergency Shelter/Domestic Violence	2 family units 5 Family beds 2 adult-only beds	7
Lazarus House Ministries	Lazarus House Holly Street	Emergency Shelter	8 family units 28 family beds 13 adult-only beds	41
The Psychological Center	Daybreak Shelter	Emergency Shelter	47 adult-only beds	50 (includes 3 overflow beds)
City of Lawrence	Safe Haven*	Emergency Shelter	12 adult-only beds	12
Emmaus	Bethel Transitional Housing*	Transitional Housing/Families	6 family units 18 family beds	18
YWCA of Greater Lawrence	OASIS Project*	Transitional Housing/ Families	9 family units 26 family beds	26
YWCA of Greater Lawrence	Teen Living	Transitional Housing/Families	8 family units 18 family beds	18
Lazarus House Ministries	Capernaum Place	Transitional Housing/Families	18 family units 76 family beds	76
Casa Nueva Vida	--	Transitional Housing/Families	23 family units 66 family beds 2 adult-only beds	68
The Psychological Center	Women's View	Transitional Housing/Individuals	15 adult-only beds	15
City of Lawrence/Peabody Properties	Saunders School	Permanent Supportive Housing/Families	16 family units 42 family beds	42 (26 for chronically homeless)
Lazarus House Ministries	Bethany House	Permanent Supportive Housing/Families	1 family unit 4 family beds	4
YWCA of Greater Lawrence	Fina House*	Permanent Supportive Housing/Families	1 family unit 3 family beds 1 adult-only bed	4
YWCA of Greater Lawrence	Fina House Project-based Units	Permanent Supportive Housing/Mixed populations	3 family units 8 family beds 2 adult-only beds	10
Lazarus House Ministries	Corpus Christi	Permanent Supportive Housing/Individuals	8 adult-only beds	8 (5 for chronically homeless)
Lazarus House Ministries	Capernaum Place	Permanent Supportive Housing/Individuals	2 adult-only beds	2

Section 4 – Housing Needs of Target Populations

Merrimack Valley YMCA	YMCA SRO*	Permanent Supportive Housing/Individuals	73 adult-only beds	73
The Psychological Center/Emmaus	Home at Last*	Permanent Supportive Housing/Individuals	4 adult-only beds	4 (4 for chronically homeless)
The Psychological Center/Emmaus	Homes for Veterans*	Permanent Supportive Housing/Individuals	6 adult-only beds	6 (6 for chronically homeless veterans)
Vinfen Corporation	Essex North*	Permanent Supportive Housing/Individuals	4 adult-only beds	4 (2 for chronically homeless)
YWCA of Greater Lawrence	SRO	Permanent Supportive Housing/Individuals	10 adult-only beds	10
Commonwealth Land Trust	Windsor House	Permanent Supportive Housing/Individuals	27 adult-only beds	27 (17 for the chronically homeless)
Total				525 beds (70 for the chronically homeless)

Source: U.S. Department of Housing and Urban Development (HUD), October 28, 2014.

Family units and beds are for households with one adult and at least one child under age 18.

Asterisk (8) indicates the project received McKinney-Vento funding.

In addition to the organizations that are listed above that manage housing for the homeless and provide services, there are additional service providers in Lawrence that support homeless individuals and families as well as non-homeless residents in the city including:

- *Greater Lawrence Community Action Council, Inc. (GLCAC)*
Greater Lawrence Community Action Council is a private, non-profit agency that has provided residents of the Greater Lawrence area with a wide range of services since 1965. These services include those related to early learning, education and training, home heating and energy conservation, health and human services, and housing. GLCAC's recent Strategic Plan indicated that workforce development, affordable housing and economic development, immigrant integration services and advocacy were the organization's top priorities.

As noted above, Community Teamwork and Emmaus have contracted with Greater Lawrence Community Action Council (GLCAC) to provide services through HUD's Emergency Shelter Grants (ESG) funding to support homelessness prevention, emergency shelters and related services in Lawrence. GLCAC also manages state's Rental Assistance for Families in Transition (RAFT) funding that helps those in financial crises and at risk of homelessness. GLCAC delivers services to about 400 families who are living in area shelters or motels at risk of homelessness.

- *Lawrence Methuen Community Coalition (LMCC)*
The Lawrence Methuen Community Coalition (LMCC) was created in 1995 as a neighborhood coalition to serve residents of Lawrence and Methuen for the purpose of building safer and healthier communities. The organization manages grants related to improving the quality of life for families largely from DCF, DPH, EOHS, Executive Office of Public Services, HUD, and private

foundations. They operate a Family Resource Center that provides a wide range of services including family support and education (parent support group, play groups, ESOL, and workshops) and emergency support with basic needs (food, clothing, furniture, and referrals to other resources).

- *North East Legal Aid*

North East Legal Aid has been particularly helpful in addressing tenant-landlord issues and trying to prevent homelessness through the Tenant Prevention Program.

- *Lawrence School District*

The School District's homeless population includes about 200 students, all who have opted to maintain educational services within the Lawrence system. This has caused increases in the School Department's transportation costs as well as increases in the amount of time that these students spend commuting to and from school. While having students remain with the district has allowed for better continuity of educational services, it has also generated a greater need for coordinating various services for students due to their changing living conditions.

4.3 Seniors

Both the numbers and percentage of those age 65 years or more have declined steadily over recent decades from 9,523 residents or 15.1% of the population in 1980 to 6,789 or 8.8% by 2012. However, the Metropolitan Area Planning Council (MAPC) prepared population projections for Lawrence which suggest significant population increases in older adults as the baby boom generation ages, with those over 65 years increasing by 84.4% between 2010 and 2030. While some surge in the number and proportion of seniors is likely given trends over the past several decades towards increasing middle-aged residents and baby boomers, a more than 80% increase in those over 65 years is questionable.

Section 11 of this Study documents that *seniors are disproportionately poor in Lawrence*. The median household income of those 65 years or older was \$15,750 in 2012, almost half the median income for Lawrence households as a whole. This relatively low income suggests that many seniors are relying almost exclusively on Social Security income. Moreover, poverty among these households has doubled from 1,483 or 15.6% of elderly households in 1979 to 2,227 or 32.8% by 2012.

Additionally, many of the City's seniors are spending far too much of their income on housing. For example, 85% of all elderly households who were renters were earning at or below 50% of area median income. Of these 2,575 low-income seniors, 1,465 or 57% were spending more than 30% of their income on their housing and 775 or 30% were spending more than half of their income on housing.

This data suggests the clear need for more subsidized rental housing for local seniors. This is particularly compelling given that the relative inaccessibility of existing subsidized housing units. For example, the Lawrence Housing Authority (LHA) had 474 federally subsidized elderly units and 71 elderly units in state subsidized developments.¹¹ Based on the general good quality and affordability of these units, there is very little turnover. Waits for smaller units, including studios and one-bedrooms, are on average at least eight (8) years for the federal units.

¹¹ Many of these units were created as part of urban renewal in the 1960s and 1970s that leveled blocks with in and near the downtown and replaced them with some amount of high-rise housing for seniors.

Section 4 – Housing Needs of Target Populations

As to those waiting for the state-assisted units, 99% of available units become occupied by those who

The City should be prepared for a growing population of older adults with increasing needs for smaller units, some of which should incorporate handicapped accessibility and supportive services.

apply as an emergency (homeless, victims of domestic violence, fires, medical emergencies, etc.), who can come from anywhere in the state. Because these emergency applicants take precedence over those on the regular waitlist, the LHA only rarely is able to house nonemergency applicants.

The Beacon Communities has also developed senior housing in Lawrence at their Sacred Heart complex that includes 44 one and two-bedroom affordable rental units on Hawley Street. At least one member of the household must 55 years of age or older.

In addition to the relatively inaccessibility of subsidized rental housing for seniors, there are no assisted living units in Lawrence¹² but there has been some early interest from a developer in converting a mill building to assisted living units, incorporating affordable units. There are a number of skilled nursing facilities in Lawrence.¹³

Seniors who were homeowners were considerably more affluent on a whole with about half of such households earning more than the area median income. There were, however, 865 elderly owners who earned at or below 50% of area median income and of these 675 or 78% were spending too much on their housing, 350 or 40% spending more than half of their income on housing-related costs. As previously mentioned, the vacancy rates of homeownership units are approximating zero in Lawrence, and given such little turnover as well as market competition with investor-owners, it is likely that these cost burdened seniors have little option but to remain where they are.

Besides local providers of elderly housing, including the Lawrence Housing Authority and Beacon Communities, the following entities provide information and referrals to seniors regarding housing and other support services:

- *Council on Aging/Lawrence Senior Center*

The Lawrence Senior Center, which is operated by the City's Council on Aging, is a community facility that enables older adults to come together for essential services and activities that support their independence, health and involvement in the community. The Center operates a wide range of programs related to health and social services, information and referral, counseling, meals, recreation, education, transportation and special trips, as well as legal and housing services. They have over a hundred volunteers and serve between 500 and 600 Lawrence residents each day during the warmer months of the year. They deliver more than 220 meals on Mondays through Fridays.

¹² The nearest assisted living facilities include the Methuen Village at Riverwalk and Grace Morgan House in Methuen, Ashland Farm at North Andover, Atria Marland Place in Andover, and Greystone Farm at Salem (New Hampshire).

¹³ Skilled nursing facilities in Lawrence include German Old Folks Homes, Mi Nursing Restorative Center, Woodmill Convalescent Home, Berkeley Nursing Center, Mary Immaculate Health Care, and Fidelity House.

The Center receives more inquiries related to housing than any other issue with the exception of health insurance. Some of their observations with respect to the housing needs of seniors include:

- Most of the seniors they serve have very low incomes, relatively little education and limited English-speaking ability.
- Seniors can be vulnerable to feelings of isolation and need outlets into the community to avoid depression. This becomes a particular problem during bad weather which takes a big emotional toll on seniors.
- It is not unusual for immigrant families to bring a parent into the country to live with them, sometimes under difficult circumstances. Some families have extorted the elder's income to cover their own expenses, and with little available room have parents sleep on a couch or air mattress.
- When seniors become homeless the only shelter is Daybreak Shelter and if that is full there may be beds available in Lowell (Lowell Transitional Living Center) or Haverhill (Mitch's House). The staff is aware of seniors who have slept in cars or on park benches. One recent situation involved a women whose husband left her shortly before she became unemployed and she then lost her house to foreclosure. The Center's staff helped her move her valuables into storage, find her a temporary shelter outside of town (first in Haverhill and then in Lowell), and finally found her a permanent apartment after a year.
- Small subsidized units for seniors are greatly needed, potentially including congregate living in converted triple-deckers.
- *Elder Services of Merrimack Valley*
The state-designated Area Agency on Aging is Elder Services of Merrimack Valley that provides services for all of Essex County and is based in Lawrence. This agency provides a range of programs for older adults and those who care for them including the following:
 - Referrals to mobility assistance programs, meal plans and housing,
 - Individual counseling, support groups and caregiver training,
 - Respite care, and
 - Supplemental services on a limited basis.

4.4 Families

The number of families is growing in Lawrence, increasing by 9.4% between 1980 and 2012 compared to nonfamily households (individuals living alone or unrelated household members) which grew by only

2.2%. Proportionately, family households have comprised almost 70% of all households since 1990, and almost half of these households involved three to six members.

While median family income is significantly higher than that of nonfamilies, \$32,297 compared to \$17,347, many families are struggling to pay rent and feed their families, particularly in light of relatively high market rents.

Housing for families is needed across the full range of incomes, from subsidized rentals to first-time homeownership opportunities to adequately house the City's lower income families through to retaining and attracting more middle-income families.

Section 4 – Housing Needs of Target Populations

Section 3 of this Housing Study documents that many families not only have limited incomes but are spending too much of their income on housing. For example, of those 5,935 small families (with four or fewer household members) who were renters and earning within 50% of area median income, 3,435 or 58% were spending more than half of their income on housing. Large families (5 members or more) earning within the same income level were also experiencing serious cost burdens with 51% of these 1,245 families spending more than half of their income on housing.

Even low and moderate-income families who were homeowners were paying far too much. For example, 1,205 or 77% of the 1,560 small family homeowners earning at or below 80% of area median income were paying more than 50% of their income on housing. In regard to the larger families, 81% of the 540 such families earning within 80% of area median income were also paying more than half of their income on housing.

To exacerbate this situation, there is little turnover of subsidized housing. For example, the Lawrence Housing Authority has 582 federally-subsidized housing units and 451 state-supported units. However, average waits for two to four-bedroom family units are at least five (5) years and because of the priority status of emergency applicants in state units, few if any on the wait list obtain housing.

There are other families with greater financial resources who are encountering difficulties locating housing in Lawrence that suits their life style preferences. According to many of those who were interviewed as part of this Study, these families, many of which include two income earners, are looking to purchase their first home, preferring a single-family home or townhouse. Census data suggests little or no vacancies for homeownership units. Consequently, many of those who obtain greater financial stability are leaving the city in search of housing opportunities elsewhere.

4.5 People with Disabilities

A total of 11,993 residents claimed some type of disability according to 2012 census estimates, representing about 15% of Lawrence's population, compared to 11.3% statewide. Some of these residents will not be able to participate in the workforce because of their disability, particularly those between the ages of 18 and 64. Moreover, those who must rely on Social Security Disability funds typically have very limited financial means which in addition to their disability makes finding affordable and accessible housing more challenging.

Because more than half of the older adults claimed a disability and because this population is projected to significantly increase over the next couple of decades, more handicapped accessible housing, including housing with support services, is warranted.

Of the population under age 18, 845 or 3.7% had some type of disability, and of the population age 18 to 64, 7,827 or 16.5% claimed a disability. *In regard to those 65 years of age or older, 3,321 or more than half claimed a disability.* While the percentage of children with disabilities was lower than the state's, the levels for the other age categories were higher including an overall 15% disabled population in Lawrence compared to 11.3% for the state as a whole.

4.6 Non-elderly Individuals

There were approximately 4,335 non-elderly individuals living in Lawrence who were renters and 1,450 who were homeowners for a total of 5,785 individuals or about 7.5% of all households (see Table 6.3). This data demonstrates that three-quarters of these individuals were renters compared to 66% of families and 55% of seniors. There were also 2,115 individuals or 37% spending more than 30% of their income on housing, most of

whom were spending more than half of their income on housing (1,990 or 34%). This represents a lower level of overspending in comparison to families where 69% were spending too much and 46% were spending at least half of their income on housing. Nevertheless, without the benefit of two income earners, which is often the situation with families, individuals were disproportionately poor. For example, 37% of these individuals were earning at or below 30% of median income in comparison to 24% of families. Some of these individuals might include students of local or nearby colleges or programs, which might also explain the relatively lower income levels.

4.7 Conclusions

Table 4-3 examines the extent of housing need in Lawrence by income level, tenure and type of household. This data is based on a special HUD report, the last available one based on 2011 census estimates. Need is defined as a household that is spending more than 30% of its income on housing, which according to HUD makes the unit unaffordable.

This data suggests that of the 18,255 estimated rental units, 10,380 involve households spending too much on their housing including 6,180 spending more than half of their income on housing. In regard to ownership units, of the 9,700 total estimated units, 1,580 involved households spending more than 30% of their income on housing and 5,180 involved those spending more than half of their income on housing. **While these figures are estimates, they demonstrate the substantial need for housing along a wide range of incomes with a particular emphasis on the need for rental units for extremely low and very low income families. It will also be important to integrate supportive services into some of these units.**

Section 4 – Housing Needs of Target Populations

Table 4-3: Unmet Housing Needs in Lawrence

Income Ranges	Housing Units Available		Unmet Unit Need*		Recommended Short-term Unit Need**	
	Rental	Ownership	Rental	Ownership	Rental	Ownership
Extremely Low Income (Within 30% AMI)	8,570	1,160	1,170 + 5,330 = 6,500	160 + 960 = 1,120	325	56^^
Very Low Income (30% to 50% AMI)	3,875	1,315	2,150 + 780 = 2,930	270 + 725 = 995	146	50^^
Low to Moderate Income (50% to 80% AMI)	2,885	1,335	755 + 70 = 825	350 + 690 = 1,040	41	52
Over 80% AMI	2,925	5,890	125	1,800 + 2,805 = 4,605	6	180
Total	18,255	9,700	4,200 + 6,180 = 10,380	1,580 + 5,180 = 7,760	518	388
Types of Households	Rental	Ownership	Rental	Ownership	Rental	Ownership
Families	10,895	5,730	2,335+4,075 = 6,410	1,400 + 3,610 = 5,010	320	250
Seniors	3,030	2,520	745 + 745 = 1,490	780 + 910 = 1,690	75	85
Nonelderly Individuals	4,335	1,450	1,120 + 1,330=2,450	400 + 660 = 1,060	123	53
Total	18,260	9,700	4,200+6,180 = 10,380	2,580 + 5,180 = 7,760	518	388
People with Disabilities	Assume 5% of SHI or 193 Units^ + 16 DDS units + 31 DMH units + 525 Homeless units = 765		11,993 – 765 = 11,228		10% of all new housing units should include handicapped accessibility/adaptability and/or supportive services	
Homeless	525					

Sources: U.S. Department of Housing and Urban Development (HUD), SOCDS CHAS Data, 2011.

* Includes all those spending too much on their housing – more than 30% of income + more than 50% of income.

** Based on 5% of the unmet need. ^ Not including DDS and DMH units.

^^ Likely provide support through other interventions besides new housing creation.

Table 4-3 also calculates 5% of the unmet housing needs for the various categories of incomes, tenure and types of households to obtain short-term production goals totaling 906 units.

Section 5

TAX BASE AND BUDGETARY CONSIDERATIONS

5.1 Fiscal Challenges

5.2 Tax Base Observations and Analysis



5. Tax Base and Budgetary Considerations

5.1 Fiscal Challenges

Lawrence is an older city with many diverse and competing needs, a history of prior financial problems requiring the oversight of the state, and a limited tax base compared to the surrounding more affluent cities and towns. In the early-1990s financial problems impacting the City's revenue and budget stemmed largely from a poor economy and decreased state aid. The solution required state legislation and a Fiscal Oversight Board. Though stability returned in the mid-1990s and the City managed well, subsequent mismanagement in capital projects and municipal finances were responsible for deficits starting in 2010, requiring new special legislation and forcing the City to again issue deficit notes. The operating deficits resulted from the overstating of revenues and underestimating of costs and consequently a 'fiscal overseer' must approve now the City's annual budgets. No debt may be incurred without approval as long as the deficit note debt is outstanding.¹⁴

Lawrence has taken steps to deal with this challenging fiscal position and 'right the ship' but is still paying for past fiscal problems while continuing to deal with present day issues in a City that has struggled with poverty and high need for services. In this context, attention should to be paid to the financial implications of housing development on the local tax base. Policy conversations have engaged the potential upside of new development increasing the tax base and building economic vitality versus the potential service needs of new residents. The discussion has also included a recognition of the limited ability of the City to contribute City resources to new housing development. However, in this fiscal climate it is recognized by the key stakeholders that it is more important than ever for Lawrence to continue to leverage state, federal and private resources effectively, to maximize revenue collection and use City resources creatively where possible to advance the City's housing agenda. This will include, for example, putting tax title property back onto the taxes rolls for functioning, sustainable housing.

5.2 Tax Base Observations and Analysis

State local aid through Chapter 70 provides significant financial support with an estimated \$177,628,396 due in Fiscal Year 2016, up from about \$170 million in 2015. This amount plus about \$60 million from the local tax levy, plus fees and other charges make up the revenue portion of Lawrence's budget of almost \$250 million. Increasing the amount of revenue through new development that is exempt from Proposition 2 1/2 caps, increasing valuations through significant property improvements, and collecting more of the revenue owed through better enforcement and collections contribute to better fiscal health. Lawrence's Balance Sheet for FY 2014 is attached as Appendix 8.

While this Study is not meant to include a detailed fiscal analysis of new housing creation, some general observations may be made about the implications of tax and financial issues on housing.

First, Lawrence relies on a tax base that generates significantly less tax revenue than other cities of relatively comparable population size as shown in Table 5-1. For example, the anticipated Fiscal Year 2015 tax levy for Lawrence is about \$59 million, significantly lower than approximately \$86 million in Fall River and about half that for Somerville. Consequently, Lawrence relies substantially on Chapter 70 Local Aid, representing about 59% of the City's budget compared to 37% in Fall River and as low as 7.8% in Somerville.

¹⁴ Official Statement dated June 9, 2015 in Connection with the Issuance of General Obligation State Qualified Municipal Purpose Loan of 2015 Bonds.

Section 5 – Tax Base and Budgetary Considerations

Table 5-1: Tax and State Revenue for Lawrence and Other Cities, Fiscal Year 2015

Assessed Values By Class	Lawrence	Fall River	Framingham	Somerville
Residential	\$2,423,331,973	\$3,959,436,036	\$5,818,671,300	\$8,909,186,864
Commercial	315,604,947	714,364,926	1,299,872,350	1,055,713,836
Industrial	214,706,000	324,406,564	267,785,500	311,627,700
Personal Property	161,705,640	190,868,458	223,149,421	215,696,880
Total	3,115,348,560	5,189,075,984	7,609,478,571	10,492,225,280
Annual Tax Levy By Class				
Residential	\$36,640,779	\$51,789,423	\$103,688,723	\$89,903,138
Commercial	10,235,068	20,102,229	50,682,023	21,515,448
Industrial	6,962,916	9,128,801	10,440,957	6,350,973
Personal Property	5,244,114	5,371,038	8,700,596	4,395,902
Total	59,082,877	86,391,491	173,512,299	122,165,461
Residential Tax Rate	\$15.12	\$13.08	\$17.82	\$12.61
Total Population (2013)	77,767	88,697	70,441	78,804
Per Capita Total Tax Levy	\$760	\$974	\$2,463	\$1,550
Other Revenue Sources				
Other Local Receipts	\$29,226,609	\$55,433,520	\$65,304,662	\$70,512,381
Chapter 70 Local Aid	\$169,171,876	\$102,929,032	\$46,852,864	\$19,582,488
Total State Revenue	\$191 million	\$120 million	\$53.5 million	\$44 million
Total Budget	\$288,873,774	\$277,734,409	\$292,322,083	\$252,185,393
Total Budget Per Capita	\$3,715	\$3,131	\$4,150	\$3,200
Tax Levy % of Budget	20.5%	31.1%	59.4%	48.4%
State Aid % of Budget	58.6%	37.1%	16.0%	7.8%

Source: Massachusetts Department of Revenue

Second, the residential share of Lawrence's tax base is about 78%, somewhat higher than 76% in Fall River and Framingham but not as substantial as 85% in Somerville. On the other hand, the industrial portion of Lawrence's tax base is significantly greater than the other cities at almost 12% as opposed to 10.6% in Fall River, 3.5% in Framingham, and 5.2% in Somerville. As an older industrial city this is not surprising, but efforts to maintain a manufacturing base in Lawrence will remain important to the City's financial health.

Third, local residential property assessments are lagging somewhat behind current market values as documented in the analysis below. While assessed values typically underestimate market values in most communities, it is likely that Assessor's data still reflects market prices that were a result of the city's economic downturn and has not yet caught up with more recent market improvements.

Table 5-2 presents the assessed values of single-family homes and condominiums. This data shows that Lawrence had 4,255 *single-family properties*. About one-third of the single-family units are assessed at less than \$150,000 and another 46% are assessed between \$150,000 and \$200,000 with very few units assessed beyond \$250,000. The median assessment was \$166,000, significantly lower than the \$188,000 median sales price based on relatively recent actual sales activity.

Section 5 – Tax Base and Budgetary Considerations

There were 1,431 *condominiums* counted in Assessor's records, comprising 5.4% of all housing units based on 2012 census estimates and thus representing a very small segment of Lawrence's housing market. The condos were assessed far more affordably than single-family homes with the median value of \$76,500, less than half that of the single-family homes. This median assessment was actually very close to the median of \$75,000 quoted by *Banker & Tradesman* for 2014 (through September) based on actual sales. About three-quarters of the condos were assessed below \$100,000 and another 23% assessed between \$100,000 and \$150,000.

Table 5-2: Assessed Values of Single-family Homes and Condominiums, 2014

Assessment	Single-family Dwellings		Condominiums		Total	
	#	%	#	%	#	%
Less than \$100,000	56	1.3	1,095	76.5	1,151	20.2
\$100,000-149,999	1,434	33.7	327	22.9	1,761	31.0
\$150,000-199,999	1,973	46.4	9	0.6	1,982	34.9
\$200,000-249,999	665	15.6	0	0.0	665	11.7
\$250,000-299,999	114	2.7	0	0.0	114	2.0
\$300,000-349,999	11	0.3	0	0.0	11	0.2
\$350,000-399,999	1	0.02	0	0.0	1	0.02
\$400,000-499,999	1	0.02	0	0.0	1	0.02
Total	4,255	100.0	1,431	100.0	5,686	100.0
Median	\$166,000		\$76,500		--	

Source: Lawrence Assessor, fiscal year 2014. Note: Two of the condos included in Assessor's records were outliers assessed at \$763,300 and \$4,396,900 and not included in the table.

Assessor's data, as summarized in Table 5-3, indicated that there were 2,543 *two-family homes* (5,086 units), which is close to the 2012 census estimate of 5,280 units.¹⁵ About 80% of these units were assessed between \$150,000 and \$250,000 with a median valuation of \$200,500.

Table 5-3: Assessed Values of Multi-family Properties, 2014

Assessment	2-Unit Properties		3-Unit Properties		4 and 5 Unit Properties		6 to 8 Unit Properties	
	#	%	#	%	#	%	#	%
Less than \$100,000	9	0.4	2	0.01	1	0.2	0	0.0
\$100,000-149,999	158	6.2	27	1.4	0	0.0	0	0.0
\$150,000-199,999	1,093	43.0	324	17.0	33	7.6	2	1.1
\$200,000-249,999	961	37.8	1,124	59.1	149	34.5	13	7.3
\$250,000-299,999	276	10.9	344	18.1	145	33.6	34	19.1
\$300,000-349,999	37	1.5	75	3.9	74	17.1	63	35.4
\$350,000-399,999	8	0.3	5	0.3	22	5.1	40	22.5
\$400,000-499,999	1	0.04	0	0.0	7	1.6	25	14.0
Over \$500,000	0	0.0	0	0.0	1	0.2	1	0.6
Total	2,543 or 5,086 units	100.0	1,901 or 5,703 units	100.0	432	100.0	178	100.0
Median	\$200,500		\$225,100		\$262,500		\$327,200	

Source: Lawrence Assessor, fiscal year 2014. Figures do not include properties that are tax exempt such as those owned by the Lawrence Housing Authority, Lazarus House, GLCAC, etc.

¹⁵ It is not unusual for there to be some discrepancies between actual unit counts and census estimates as these estimates rely on survey data as opposed to actual permits.

Section 5 – Tax Base and Budgetary Considerations

There are also 1,901 *three-family properties* (5,703 units) and triple-deckers are ubiquitous in most Lawrence's neighborhoods. More than three-quarters of these properties were assessed between \$200,000 and \$300,000 with a median of \$225,100. The combination of two-family and three-family properties comprise a total of 10,789 units or 41% of the housing stock based on the total number of housing units of 26,486 from the 2012 census estimates. Given the small number of single-family units, the two- and three-family dwellings are in increasing demand by owner-occupant buyers who often find themselves in competition with investor buyers.

Table 5-3 also includes the distribution of assessed values for some larger multi-family properties. *Four and five-unit properties*, which were aggregated in the data, together comprise 432 properties, two-thirds of which are valued in the \$200,000 to \$300,000 range with a median valuation of \$262,500. There are also 178 properties with *six to eight units* with almost three-quarters assessed higher than \$300,000 (72.5%) and with a median assessed value of \$327,200.

Lawrence has other types of properties that include residential units that number and are assessed as follows:

- *Properties with more than eight (8) units*
There are 91 properties with more than eight (8) units, most of which are valued beyond \$500,000.
- *Residential units in mixed-use properties*
There were 263 properties involving a mix of residential and commercial uses with half of the properties valued between \$200,000 and \$350,000 and 16% assessed at over \$400,000.
- *Multiple houses on a single parcel*
There are 140 properties that include more than one house on the same lot with 71.4% of the properties assessed between \$150,000 and \$250,000 and 22% valued at more than \$250,000.
- *Boarding houses*
There are ten (10) identified boarding houses with values ranging from \$303,400 to \$1,560,200.

Fourth, this data suggests that there is a positive correlation between tax value and the number of units per dwelling unit. It is noteworthy that three (3) of the top ten (10) largest taxpayers in Lawrence are large housing developments. This is not always the case in communities where single-family homes are more the norm and assessed higher, largely due to age, size, location, and amenities associated with a unit. Consequently, if a parcel becomes available for new development, it would likely make more sense to develop a multi-unit property as opposed to a single-family one in consideration of local tax revenue purposes. However, development must be appropriate to the particular site and neighborhood, and the city needs a wide range of housing types to address the wide range of housing needs.

Fifth, another opportunity to expand the residential tax base includes improving housing that is in poor condition through quality housing rehabilitation or by demolishing existing unsound structures and replacing them with new units that are appropriate for the site. The market value and accompanying assessed value of new units are clearly higher for new construction but even notable housing improvements should raise housing values. Further, the ability to assemble sites and develop multiple units and structures will not only take advantage of important economies of scale but also add significantly to the local tax base. The community development paradigm is based on the spin-off effects that new development in pivotal locations can create to raise perceptions of local conditions and spur additional neighborhood investment.

Section 5 – Tax Base and Budgetary Considerations

Sixth, the ability to retain a strong middle class in Lawrence will rely on producing new housing that better reflects life style preferences. This includes not only loft-style housing but also townhouse development. This type of development will not only add significantly to the residential tax base, but also support commercial activity and thus create more jobs.

Seventh, new development and redevelopment activities will contribute to local revenues through fees and other charges.

Section 6

HOUSING INVESTMENT

- 6.1 Market Housing Development Resources**
- 6.2 Federal Housing Programs and Funding**
- 6.3 Leverage of State and Federal Programs**
- 6.4 Additional Resources**
- 6.5 Development Issues**



6. Housing Investment

Overview

This section provides a brief overview of the resource environment for developing and preserving housing in the City of Lawrence. We examine the range of resources utilized by, and available to, the City of Lawrence and the development community. This includes private investment by developers, lending by conventional banks, entitlement funding, competitively allocated state and federal resources and financing available through a wide range of community development finance institutions, quasi-public agencies and foundations.

Lawrence's investment of City funds and coordination of public infrastructure improvements has been a key resource to leverage state and federal resources as well as private capital. Banks, quasi-public lender and public development agencies like MassDevelopment, play a role in Lawrence's revitalization and provide investment capital in Lawrence. Homeownership lending which leverages private bank capital with small amounts of public funding has been an excellent platform for increasing homeownership particularly among the immigrant communities.

6.1 Market Housing Development Resources

Market rate development, or 'unassisted' housing, is housing that does not utilize capital subsidy resources to create affordability and does not impose income limits on the residents. This type of housing investment is occurring in Lawrence from very small-scale new construction or rehab, to mid-size new rental projects to larger mill redevelopment. The City encourages market development both to build a tax base and to increase the vitality and diversity of Lawrence.

Private market and affordable housing developers are attracted to Lawrence because of its proximity to major roadways and commuter rail, the surrounding more affluent communities, history, and interesting and historic structures. The value of the historic buildings in bringing in historic tax credits is critical to developers' interest in downtown and Mill District Lawrence. Proactive City engagement with development is also an asset that has helped to attract development.

There are developers who have invested in both large-scale development and small-scale unassisted, market housing in Lawrence. There are two primary types of market development occurring in Lawrence.

One, is development of historic structures in the Mill District that happens on a larger scale and utilizes state and federal historic tax credits. This 'subsidy' does not require affordability but rather a preservation of the historically significant features of a building. For example, Pacific Mills is creating 81 units of market housing utilizing historic tax credits. The state and federal historic tax credits have been an important driver of market rate or mixed-income housing particularly in the Mill District. The historic credits can cover up to 40% of the cost without rent restrictions. This has helped to drive housing in the mills but it is not necessarily enough on its own to create positive cash flow in the unsubsidized and unassisted housing in many the mill buildings. A substantial rehabilitation of a mill may generate market rents of \$1,500 for a two-bedroom apartment. Some early mill development that was unassisted is still struggling to obtain positive cash flow.

To make such development feasible, the developer relies on low cost capital, developer equity, efficient management of both construction and of operations to keep costs low and a business model that is patient and takes the long view of building and neighborhood value.

While there are examples of unassisted development like Pacific Mills, generally developers of market or mixed-income rental housing face a challenge to build or rehab housing that can be supported by the market rents obtainable in Lawrence. As has been noted in the analysis, the Lawrence market rents range from \$950- \$1,885 for one-bedroom apartments and \$995- \$2,150 for two-bedroom units with most of the rents in the middle of that range. Rent for a household at 60% in a LIHTC project is \$1,137. The rent levels achieved at many of the market developments surveyed are very similar to the rents achieved with the Low Income Housing Tax Credit (LIHTC) program at 60% AMI. Sections 3.4 and 3.5 above present this in more detail.

Developers often cannot afford to forgo the significant financial assistance the LIHTC offers (providing equity equal to as much as 70% of the total development costs) to achieve at or near the same rent in an 'unassisted' development. This will not make good financial sense until market rents support more debt for capital investment.

Market rents rise when the perceived value of the development rises. Currently, the value in the mill redevelopments is in their proximity to highways and public transportation rather than in their proximity to jobs and a stimulating urban environment. The galleries, cafes and "start-up culture" that have taken root in other formerly industrial areas in the region, and throughout the country, have yet to take hold in Lawrence. Mill development residents must leave Lawrence for the kinds of restaurants, shops and employment that they may be looking for, reducing their commitment to the city and its future.

Lawrence's urban structure is ideal for the kinds of transformations that would broaden the city's economic base. And given the vast amount of mill space available, the Mill District can support a variety of models for commercial and residential development without running the risk of displacing existing businesses or residents through "gentrification".

Cities that have successfully utilized their formerly industrial buildings for urban renewal have generally developed close working relationships with private developers, and have established clear design standards. These include not only standards for the buildings themselves, but for the urban environment in the vicinity - creating coherent, dynamic pedestrian-oriented areas that support market rate development.

The second type of development is small-scale, residential rental rehab or homeownership development. These developers invest capital and sweat equity in a project and must be patient in terms of return. The enterprise is very 'hands-on' with costs controlled through direct and intense owner involvement in all phases of the construction and management. The expectation is that the market will rise, rents will increase and the cash flow will be able to generate a profit. The cash generated provides a return on their investment and the value of the property rises as well. By managing efficiently, controlling costs and keeping turnover low, developers can hope to earn a profit and have money to invest in the next project. In many cases, these smaller scale projects are initially self-financed, though as the track record increases and the business grows, conventional lenders have stepped up to provide loans.

Lawrence has been able to nurture development entrepreneurs who have created value by investing in the city's small-scale, multi-family rental stock. This investment provides not only housing for local families and improved neighborhoods but is a source of jobs as well. The investment portfolios of these "immigrant entrepreneurs" started small but grew as profits were reinvested in additional units and as

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the cash flow from the portfolio stabilized. The portfolios are generally under 100 units, and often consist of triple-deckers or other small multi-family buildings that may be clustered together or scattered throughout the city,

This kind of development has been important in stabilizing and renewing neighborhoods and is a good platform for additional investment and potential growth. These developers generally value their independence and do not rely on the City or state for funding or guidance on planning and design. Although this is generally beneficial for Lawrence, renovated and new buildings may not always adhere to the best neighborhood design principals in terms of locating parking, developing open space, and using quality materials and careful detailing. And many small developers will follow familiar patterns of development on sites where they may not be appropriate. A developer who is familiar with duplexes and triple-deckers may not pursue denser development even on sites that can support it.

There also has been medium and large-scale market development of apartments near Route 495 off of Route 114 near the Andover town line and along Marston Street. Although this construction takes advantage of underutilized parcels, adds to the City's tax base, and provides housing, it does little to improve the center of Lawrence or the surrounding neighborhoods. Site planning for developments near highways often ignores pedestrian connections to adjacent areas, emphasizing automobile access and parking instead. And building massing may separate rather than connect new construction to adjacent communities. Developments become isolated rather than part of the urban fabric.

Cost Analysis

An analysis of the price point to develop housing that is affordable at the market range without other incentives shows a disconnection between what a unit must rent for and the market in Lawrence. For example, a unit that costs \$125,000 to acquire and rehabilitate must rent for \$1,220, a monthly rent that strains the budgets of many current Lawrence residents. The analysis assumes an owner has equity, operates the unit efficiently and receives a modest return on his investment.

Table 6-1: Market Cost Analysis

Type of Project	Cost per Unit	Unassisted Rent	Income Needed
Small-scale Owner Rehab	\$75,000	\$925	\$36,992
Modest Rehab	\$125,000	\$1,222	\$48,875
Lawrence Nonprofit Example	\$205,000	\$1,825	\$73,983
Medium/Substantial Rehab	\$250,000	\$2,453	\$110,017

Through our interviews and investigations, we have met local developers who are able to work in the lower end of this price range for rehabilitation projects. The ability to acquire deteriorated and inexpensive stock, financing that includes self- funding, forgoing development fees up front, as well as investing a considerable amount of sweat equity make this possible. The community benefits from these entrepreneurs who are skilled at working successfully within the unique Lawrence market.

We have also understood that the affordable development community, operating with a different business model that cannot benefit from upside value increases because of a continued commitment to

long-term affordability, and under more traditional assumptions about cost, return and operations have insisted that costs to do sustainable development and rehab are significantly higher.

In the modest or non-profit rehabilitation category, Bread and Roses does excellent rehab work very efficiently. The costs of a rehabbed unit in a B&R project is over \$205,000. This cost is written down with subsidy funds and fund raising to very affordable levels that lower income Lawrence families can afford. If no subsidy were available, that \$205,000 unit would need to rent for \$1,850 per month, far in excess of what most Lawrence families can afford. A family would have to make \$74,000 to afford that rent at 30% of their income. If this were a homeownership sale, the same unit with no subsidy would have to be sold to a family that earns at least \$55,000.

Except for tax credit housing development and mill development utilizing historic tax credits, the amount of new production to scale (over 50 units) has been limited. This is a function of lack of demand for a market product, perception of risk by developers, bankers and other investors, and, chiefly, lack of an income stream to pay back debt. A new rental project would have to attract rents sufficient to cover operating expenses, profit and debt repayment. Yet, the rents they could command in lower income census tracts may barely cover operating costs.

Building Permit Activity

Despite these challenges, development energy is visible in Lawrence. This includes owner and landlord repair and upgrading and some modest amount of new construction or substantial rehabilitation activity.

Table 6-2 provides a summary of building permit activity over the past several years that demonstrates a significant increase in construction activity since 2012 with 2015 likely to surpass prior year totals. Permit activity reflected a considerable amount of housing renovation work including weatherization and more minor repairs and additions. The major take away is that there is an increasing amount of investment occurring in the city that reflects improving economic conditions and positive views of the future while generating increasing municipal income in the form of fees.

Table 6-2: Building Permit Activity, 2012 to April 2015

Year	Estimated Construction Costs	Fees	# Permits
2012	\$19,157,685	\$238,366	836
2013	\$44,419,516	\$600,764	1,024
2014	\$51,197,043	\$653,972	1,121
As of April 2015	\$40,524,686	\$509,472	245
Total	\$155,298,930	\$2,002,574	3,226

Source: Lawrence Inspectional Services Department

The City's Inspectional Services Department (ISD) maintains a database on each of its permits with information on the date, address, owner and description of the building activity in addition to a few other items. Unfortunately the types of permits were not coded so it was difficult to effectively manipulate the data, such as summarizing the numbers of permits by type of permit for example (i.e., residential, commercial, minor repairs, new construction, etc.). Consequently the existing database is unwieldy but with some reasonable fine-tuning could become much more useful in tracking local investment patterns. Tied to GIS mapping, it could become of very powerful tool in support of planning work.

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Table 6-3 offers a detailed summary of permit activity involving new residential construction or substantial rehab as well as the conversion of structures to more or fewer units from July 2013 through February 2015. This data was extracted from the ISD database by going through the descriptions of each permit to identify those that likely involved the above activities. The following major findings resulted from this analysis:

- With only a couple of exceptions, this work was performed by for profit entities.
- Approximately 200 net new housing units were created between July 2013 and February 2015.
- Some of the data was inconsistent or insufficient. For example, the database shows 15 new units in the second phase of Malden Mills (Loft 550) instead of the correct 62 units. Additionally, the database did not include a unit count for the conversion of Pacific Mills to rental housing nor the conversion of commercial space to residential use at 402 S. Broadway. Also, it was frequently difficult to determine whether a particular building activity pertained to any specific use although it appeared that a great majority of the building permits involved housing.
- Almost three-quarters of the new construction activity involved mill conversion, Pacific Mills and Malden Mills specifically.
- With only one exception, conversion activity involved creating more units, not consolidating space into fewer ones, and resulting in a net increase of 13 residential units.
- Most of the new construction activity involved approvals by the Lawrence Zoning Board of Appeals.
- While many of the permits involved some type of repair work, there were few descriptions that suggested substantial rehabilitation activity including the seven (7) addresses below. Nevertheless, it is likely that some addresses were overlooked in this analysis based on how the activities were described in the database.

Table 6-3: Sample of New Residential Construction, Conversion or Substantial Rehabilitation Activity July 2013 through February 2015

Address	Type of Activity
6 Meadow Street	Construct new single-family 2½ story 728 sq. ft. house
Pacific Mills	Convert mill space to 81 residential units
158-162 Garden Street	Convert existing first floor to 5 units
1-3 Granger Street	Construct new two-family structure
118 Easton Street	Rehab fire damaged building
99 Farnham Street	Renovate interior and exterior of a single-family dwelling
50 Loring Street	Renovate single-family dwelling
23-25 Columbus Avenue	Construct new 1,472 sq. ft. two-family dwelling
12 Diamond Street	Repair fire-damaged unit
9-11 Lafayette Street	Construct new 1,040 sq. ft. single-family dwelling
90 Bryon Avenue	Construct new 26 X 28 foot single-family dwelling
78-80 Marston Street	Construct new 32 X 44 foot two-family dwelling
265 Andover Street	Convert two-family to three-family
10 Haverhill Street	Convert single-family to two-family
520 and 600 Broadway	Phase II of Malden Mills with 62 units
6 Market Street	Renovate interior
623 Andover Street	Construct new 30 X 71 foot three-family dwelling

19-25 Acton Street	Construct new 37 X 54 foot two-family dwelling (Habitat for Humanity)
37 Bennington Street	Construct 2 dwelling units on first floor
3 Crescent Street	Convert single-family to two-family (Receivership Program)
14-16 Sheridan Street	Legalize, alter and convert two-family to three-family
26-30 Woodland Court	Construct new two-family dwelling
160 Parker Street	Convert commercial space to 2 residential units
82 Dorchester Street	Convert single-family to three-family
14 Adams Street	Construct three bedrooms and a bath on the 2 nd floor
56 Hillside Avenue	Convert single-family to two-family
9 Thornton Street	Construct new two-family dwelling
226-228 Hampshire Street	Repair fire damage on 2 nd and 3 rd floors
45-47 Park Street	Renovate fire damaged six-family building
401 S. Broadway	Convert commercial building to residential
9-11 Berkeley Street	Construct new 1,288 sq. ft. two-family dwelling
5-7 Berkeley Street	Construct new 1,440 sq. ft. two-family dwelling
24 Florence Avenue	Construct new single-family dwelling
5-7 Coleman Street	Construct new 32 X 50 ft. 2-story duplex
187 Emmet Street	Construct new 26 X 28 ft. single-family dwelling
122-124 Oxford Street	Construct new 26 X 48 ft. two-family dwelling
11 Lawrence Street	Construct 3 studio apts. on 2 nd , 3 rd , and 4 th floors
74-76 Boxford Street	Convert two-family to three-family
1A Ferry Street	Construct 30 X 44 two-story duplex
126-128 Oxford Street	Construct new two-family dwelling
70 Berkeley Street	Construct new two-family dwelling

Source: Lawrence Inspectional Services Department

Homeownership and Rehabilitation Lending

Lawrence's older, multi-unit stock provides many opportunities for lower income residents to become homeowners. As Table 3-5 shows, affordability increases significantly when owners can use the rent from a second or third unit to help finance the acquisition and rehab of the property. This occurs in the private market but is also aided through a number of state and City homeownership programs.

The amount allocated to the First Time Home Buyer (FTHB) program from the City's HOME allocation has remained steady at \$200,000 a year. The City provides down payment and closing cost assistance to low and moderate income FTHBs. Most of the homebuyers are between 50-80% of area median income. In addition, NSP 2 funding has helped a number of Lawrence residents become homeowners. While 53% of the FTHB program participants bought a two-family property, 60% of the NSP 2 families purchased a single-family home. The programs have high leverage by using the homebuyer assistance for down payments and closing costs to unlock home mortgages for these families from a number of participating banks.

The primary lending institutions working in Lawrence are Enterprise, Santander, Citizens, NACA, Sage Bank (Lowell) and TD Bank North as well as mortgage brokers who specialize in FHA products and market to the large Latino community of homebuyers.

Metro Credit Union works with a number of homebuyers particularly on the purchase-rehab loan product. The City has stepped up with *At Home in Lawrence*, a partnership with MassHousing and Metro

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Credit Union, to provide purchase-rehab loans for low and moderate income eligible buyers purchasing 1-4 family properties. The City of Lawrence oversees the rehabilitation and loan requisitions. The program has made only a few loans thus far but holds promise given Lawrence's inventory that needs rehabilitation loan products.

The Federal Home Loan Bank has an *Equity Builder Program* that has been successfully leveraged by the FTHB program. It had a slow start but as the City marketed it to the banks and as the banks understood how it worked, it has been more widely available. The Equity Builder Program (EBP) offers members (banks) grants to provide households with incomes at or below 80 percent of the area median income with down-payment, closing-cost, home-buyer counseling, and rehabilitation assistance. Members can also use EBP grants to match eligible buyers' savings under an IDA-type program. The availability of Equity Builder has increased the ability of lower income families to become homeowners.

Homeownership counseling and support have been provided by Lawrence Community Works (LCW) through their Homeownership Center. The Center offers workshops, counseling and support for home buying as well as foreclosure counseling and administering the federal Emergency Homeowners Loan Program reauthorized under the Dodd-Frank legislation. Arlington Community Trabajando (ACT) also provides homeownership workshops and foreclosure counseling.

New affordable homeownership development has been less active since the DHCD homeownership subsidy programs have not been available. However, Habitat for Humanity and Bread and Roses Housing are active in the homeownership sector with their products that do not rely on DHCD subsidy. Habitat provides their own mortgages and relies on volunteers, sweat equity and fundraising to make the homes and mortgages affordable to low and moderate income families. Bread and Roses works closely with families who are interested in buying their homeownership units which rely on grants and City funding and provides pre and post purchase counseling, frequently in coordination with LCW and ACT.

Neighborhood Assistance Corporation of America (NACA) is part of the Lawrence web of support and lending for low and moderate income homeownership with low interest mortgage loans, technical assistance and support for low income homebuyers. They work with the City and with LCW on homebuyer counseling as well as provide their own support for homebuyers. They are working with the City to establish a small landlord association to provide a network of support for homebuyers and landlords of 2-4 unit family housing.

6.2 Federal Housing Programs and Funding

Lawrence is an entitlement city receiving formula-based allocations of HOME and Community Development Block Grants (CDBG). The City has also been competitive for other public funding receiving competitive Lead Hazard Control Grants, Neighborhood Stabilization Program (NSP) 1, 2 and 3 a healthy share of state-allocated federal and state bond resources as well as State Historic Credits.

With the downward trend of federal funding, the City has to 'do more with less' and struggles to maximize and leverage diminishing entitlement funding. It is very positive that the City has been able to leverage scant entitlement funding to compete very successfully for state and federal grant funding. This ability to leverage and expand the pie bodes well as the City positions itself to stabilize and improve the community.

Entitlement Funding Trends

The City's HOME funding is used for First Time Homebuyer (FTHB) programs, housing gap funding for housing created by CHDOs (15%), housing rehabilitation funding, housing development projects such as large-scale projects like Union Crossing by Lawrence Community Works (LCW) and Winn Development's Malden Mills as well as small-scale homeownership creation projects by Bread and Roses.

Table 6-4: Home Funding, City FY 2011 to 2016

	FY11	FY12	FY13	FY14	FY15	FY16
Amount	\$1,112,648	\$984,824	\$581,629	\$628,981	\$723,576	\$623,250

The FTHB program has maintained level funding over the last five years even as the allocation of HOME has drifted downward.

Table 6-5: CDBG Funding, City FY 2011 to 2015

	FY11	FY12	FY13	FY14	FY15	FY16
Amount	\$1,898,296	\$1,583,448	1,306,172	1,458,364	1,498,358	1,494,258

CDBG funds cover a large variety of public investment in programs that benefit low and moderate income individuals and families or areas where such households reside. Infrastructure improvements, parks, and community services as well as housing are eligible.

Working with Groundwork Lawrence, the City has used CDBG funding for public infrastructure and parks/open space projects and continues to leverage Groundwork's efforts and volunteer capacity to protect and enhance open space as part of a the goal of creating healthy neighborhoods. Additional leveraged grants for parks and brownfields clean-ups through signature projects like the Spicket River Greenway project are important sources of funding for community development. Executive Office of Energy and Environmental Affairs Parkland Acquisitions and Renovations for Communities (PARC) program has funded Lawrence initiatives through a number of very competitive grants.

Housing receives a relatively low portion of the CDBG grant, varying over the years between 12 and 22%. In FY2012, housing received 13% of the CDBG allocation. In contrast, Boston spends between 25-33% of the CDBG allocation on housing. Holyoke has similar ranges. Lowell, on the other hand, spends under 10% on housing.

A significant portion of the CDBG funding (\$250,000+ or 17.3%) covers a Section 108 loan repayment. Under the Section 108 program entitlement cities may borrow against their annual CDBG allocation and pledge future allocations to the repayment of the 108 loan obligations. The City guaranteed a Section 108 loan to the Merrimack Valley Transit Authority (MVTA) for the Gateway project based on projections of parking revenue that have not materialized. The Gateway project is a multimillion dollar undertaking in the historic Canal District that encompassed a number of important transportation and infrastructure redevelopments and included Brownfields clean-up, creation of affordable housing and other community improvements.

In funding for community services, the CDBG funding is diffused, consisting of small, continuing grants of around \$10,000 toward activities that leverage significant additional funding. The grants cover public service activities like learning centers, ESOL, music clubhouse, boating, and other community beneficial activities for youth and seniors, and non-native speakers of English.

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The CDBG and HOME funds are used throughout the neighborhoods but have been targeted by the City to two neighborhoods through Neighborhood Revitalization Strategy Areas (NRSA). The North Common neighborhood became a NRSA in 2006, followed by the Arlington neighborhood. LCW focuses on the North Common neighborhood and their mission aligned with the NRSA investment.

McKinney Vento and Continuum of Care (CoC) programs

Lawrence previously was a regional single city CoC but since 2013 has chosen to be part of the balance of state CoC to take advantage of the economies of scale in administration that a larger Continuum provides. Many Lawrence homeless providers and non-profits receive funding directly through the Continuum and HEARTH Act. Lawrence projects have received both new funding and renewal of previous commitments. Lawrence works closely with social service agencies and providers with the goal of transitioning to permanent housing for homeless individuals and families. Notwithstanding efforts toward implementing “housing first” models to end or prevent homelessness, Lawrence, like other parts of the Commonwealth, is seeing an increased demand for emergency shelter and a continued reliance on hotel sheltering provided by the state. In 2014 Lawrence administered \$786,430 of McKinney Vento funds. Section 6 above further details funding for homeless households and other targeted populations.

Table 6-6: McKinney Vento Funding, City FY 2011 to 2014

	FY11	FY12	FY13	FY14
Amount	\$620,045	\$624,100	\$787,444	\$786,430

EPA and Brownfields

Since 1995, Lawrence has received over \$1.7M in EPA Brownfields awards. The City has a complete inventory of Brownfields sites which it has prioritized for assessment and clean-up. MassDevelopment has been a strong partner with Lawrence providing additional Brownfields loans and grants. For example, Lawrence Community Works received \$2.6 million in Brownfields funding for Union Crossing and for assessment of other scattered sites. While not all Brownfields funding goes to housing (for example, the Oxford Paper site received over \$1 million), housing development depends on such funding to unlock key sites in urban development areas.

MassDevelopment estimates that Lawrence has received just under \$4 million in Brownfields funding or between 6% and 10% of all state Brownfields funding, since the inception of the program in 1998. Funding and capacity to mitigate Brownfields are limited. However, developers are becoming increasingly sophisticated in dealing with Brownfields issues as technology, insurance, and financing tools have emerged to help better assess and mitigate risk. For example, the Brownfields Redevelopment Access to Capital Fund (BRAC) offer subsidized insurance for Brownfields projects. The Department of Revenue (DOR) administers a Brownfields Tax Credit.

As the market strengthens, developers will be more interested in the potential of these sites, particularly those with good infrastructure, transportation access, and proximity to amenities. The City's expertise in this area and ability to attract funding can be an important asset in guiding this process.

Neighborhood Stabilization Program (NSP) and Neighborhood Stabilization Loan Fund (NSLF)

Through NSP 1 (\$1.75M), NSP 2 (\$2M) and NSP 3 (\$934,000) grants through the state, the City was able to create a number of neighborhood stabilization, homebuyer and rehabilitation programs. Lawrence was hit early and hard by the foreclosure crisis and effectively used NSP funds made available through

MHIC, DHCD and the Attorney General's office to mitigate the worst effects of foreclosure and to turn eyesores into homes and community assets. The NSP funding leveraged participating banks and mortgage lenders in homebuyer mortgages and purchase-rehab loans. In addition LCW received significant funding from the Neighborhood Housing Stabilization Fund to work on foreclosed properties that were not eligible for NSP funding. Bread and Roses, in partnership with the Lawrence Housing Authority, also participated in NSP 2 and 3 with rehab and ownership projects. And a vacant public school was redeveloped into 16 units of permanent housing for homeless families.

Lawrence participated in the Neighborhood Stabilization Loan Fund (NSLF) and received high marks from MHIC for the Community Development Department's efficient and effective use of the funding. Unfortunately the amount of funding through NSLF was limited by the capacity of non-profits working in the geographic targeted areas. LCW was an effective utilizer of the NSLF funds but limited to the North Common neighborhood.

6.3 Leverage of State and Federal Programs

Lawrence has received a healthy proportion of state bond funds and state allocated federal housing assistance funding. The amount received by Lawrence is about 8% of the total amount awarded from 2007 through 2013. This reflects the competitiveness of Lawrence developers and the perception of deep housing need in the community.

Since 2007 through 2013, Lawrence has received the following competitively allocated state housing resources

¹⁶:

Table 6-7: State and Federal Funding, 2007 to 2013

Program	Amount awarded to Lawrence Housing Projects 2007-2013
4% Low Income Housing Tax Credit (LIHTC)	\$764,500 in credits (equal to \$7,000,000+ in project costs)
9% LIHTC	\$6,077,564 in credits (equals about \$57,000,000 in project costs)
State LIHTC	\$6,041,735 in credits (equal to \$24,000,000M)
TCAP (2009) to replace LIHTC funding	\$6,166,748
Affordable Housing Trust Fund	\$7,724,747
Capital Improvement and Preservation Trust Fund (CIPF)	\$1,750,000
Community Based Housing (CBH) for people with disabilities	\$1,427,000
Facilities Consolidation Fund (FCF) for DDS and DMH clients	\$412,735
Housing Innovations Fund	1,000,000
Housing Stabilization Fund	\$5,765,255
HOME	\$3,270,274

When the equity raises based on the low income housing tax credits are valued, DHCD has infused over **\$115,000,000** in capital into Lawrence affordable housing developments. These funds created over 600 units of affordable housing of which 108 were available to extremely low income families earning less

¹⁶ Department of Housing and Community Development, Private Housing.

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than 30% of area median income. The projects were developed by non-profit developers including Lawrence Community Works and the Commonwealth Land Trust. For profit affordable housing developers included Beacon Properties, Winn Development, Peabody Supportive Housing LLC, and Omni America LLC.

Large mill projects - Union Crossing, Malden Mills Phases I and II - received significant resources as did a large preservation project, Sycamore Village, developed by Omni America LLC. Some smaller ownership, rental, supportive housing and rehab projects also received awards.

MassWorks through Executive Office of Housing and Economic Development (EOHED)

The MassWorks Infrastructure Program provides a one-stop shop for municipalities and other eligible public entities seeking public infrastructure funding to support and advance economic development or housing opportunities in Gateway Cities. Cities or other municipal agencies may apply on behalf of a project. Housing projects are eligible and Union Crossing is an example of one that has received MassWorks funding of \$3.46M. MassWorks particularly focuses on Gateway Cities and requires a portfolio benchmark of 75% for Transit Oriented (TOD) housing. Lawrence, with significant infrastructure needs and the commuter rail site in the downtown Mill/Canal District is an excellent candidate for MassWorks funding.

Quasi-public and CDFI Lenders

Massachusetts has a well-developed infrastructure of quasi-public and Community Development Finance Institution (CDFI) lenders working in the housing sector. All of the lenders below lend in the Lawrence area; some have been more active but Lawrence is an eligible recipient of loans and services from all of these agencies. The CDFI lenders offer flexible loan products and mission-aligned service to support affordable and mixed income housing production and preservation. Quasi-public and CDFI lenders include:

Table 6-8: Quasi-public and CDFI Lending

Agency	Role
MHIC	Syndicator of LIHTCs, acquisition, construction and bridge lender, NMTC allocator.
MassDevelopment	Bond issuer, 4% LIHTC, multi-family lender, Housing Main Streets loans, Transformative Development Initiative (TDI) grants for Gateway Cities, Brownfields tax credit and grants, TA to municipalities for planning and economic development. Mass D has a Lawrence office.
MassHousing	Bond issuer, 4% LIHTC, multi-family lender, home mortgages, purchase-rehab loans, Affordable Housing Trust Fund, Priority Development Fund
Mass Housing Partnership	Permanent loans for affordable housing; Community Initiatives program for TA to municipalities.
CEDAC	Predevelopment and acquisition lender and underwriter of state supportive housing program loan from DHCD
Life Initiative	Lines of Credit, bridge, acquisition and predevelopment lending to affordable and mixed income housing and economic development
Property and Casualty Initiative	Acquisition, construction and permanent financing for acquisition and rehab projects
Local Initiative Support Corporation (LISC)	Predevelopment and acquisition funder and TOD funder. LISC also has a Green Building and energy retrofit Technical Assistance program.
Boston Community Capital	Predevelopment, bridge financing, acquisition loans and NMTCs

Agency	Role
Mill City Community Investments	Home buyer and foreclosure prevention loans; Approved ‘Get the Lead Out’ lender. Based in Lowell but active in Lawrence with many Lawrence residents on the board of directors.

New Market Tax Credits (NMTC)

New Market Tax Credits are an especially useful resource in mixed-use developments which include commercial or service space as part of the housing development. NMTCs have been an effective resource for projects such as LCW’s Union Crossing and for economic development projects in the City. LISC, Boston Community Capital, and MHIC receive (or have received) allocations of NMTC as CDFI’s and make them available to qualifying projects.

Historic Tax Credits—Federal and State

Lawrence, as a city rich in history and with many historic mills, has been very competitive for, and benefited from, both the Federal Historic Tax Credit Program and the State Historic Tax Credit (SHTC) Program. The State program awards \$50 million a year in SHTCs. Lawrence projects have received over \$40M. This represents 10% of all SHTC awarded in the 8-year history of the program. While historic tax credits can be awarded for commercial and economic development projects as well as housing, housing projects have been particularly skilled at leveraging this resource. The SHTCs have recently received an increase to \$60 million a year.

Most if not all of the projects that received state historic tax credits also received federal credits representing about 20% of the total development costs (TDC) of the development. This would have leveraged an additional approximately \$40M.

6.4 Additional Resources

Lawrence has also been able to take advantage of other important resources that have bolstered City efforts to improve local housing.

Lead-based Paint and Housing Rehabilitation

The Lead Hazard Control Grants are competitive grants funded through HUD to identify and remediate lead paint hazards in properties of eligible resident renters or homebuyers. Lawrence through the Community Development Department has been very competitive, winning 3 successive 3-year grants for lead abatement and healthy homes. The Lead Program works with the Housing Rehabilitation Program to accomplish complementary repairs. Unfortunately, despite the significant needs for housing rehabilitation funds, the cuts to the HOME program have stalled the implementation of a boost to the rehab program.

The City’s efforts have leveraged additional lenders to participate in lead programs. For example, Mill City Community Investments works with the City and MassHousing on the underwriting of loans through the “Get the Lead Out” program.

Greater Lawrence Community Action Council (GLCAC) partners with the City on the Merrimack Valley Childhood Lead Poisoning Prevention Program (MVLPPP) to increase lead poisoning awareness and prevention. GLCAC also coordinates a lead abatement worker training program.

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Weatherization and Energy Retrofitting

Energy efficiency is a critical issue that is particularly important in Lawrence given the age and inefficiency of the stock and the low incomes of the population.

Greater Lawrence Community Action Council administers a number of energy, heating assistance and weatherization programs including HeartWap, a heating retrofit program of the U.S. Department of Health and Human Services and administered by DHCD. GLCAC also administers the U.S Department of Energy program, Weatherization (WAP), to provide comprehensive conservation services for low income renters and owners.

Increasing access to, and proficiency with, energy programs will be an important part of the strategy to stabilize and revitalize Lawrence's aging stock. Reducing energy costs is a very important component of the affordability equation especially with Lawrence's older, inefficient small multi-family stock.

There are market based programs with very good incentives as well as income based programs that provide deep rebates and in some cases, no cost weatherization work. A comprehensive list of Massachusetts energy programs is listed on the Department of Energy site,

<http://dsireusa.org/incentives/index.cfm?state=MA&srp=1>

Mass Save Home Energy Program for 1-4 unit family homes provides no-cost home energy assessment and energy cost saving measures such as high efficiency light bulbs and low flow showerheads. They also provide up to 75% off of the cost of insulation and 0% interest HEAT loans on qualified energy efficiency upgrades to systems.

Through NStar's (now Eversource) income eligible 1-4 family program, households can qualify for up to \$4,500 for insulation, weather stripping, and weather barrier protection. Income levels for this program are listed in Table 6-9.

Table 6-9: NStar Program Income Requirements

Number of People in Household	Gross Yearly Income Level
1	\$32,065
2	\$41,932
3	\$51,798
4	\$61,664
5	\$71,530

Tenants who are eligible for a discount rate on gas or electric bills are also generally eligible for fuel assistance through the CAP agency (GLCAC) and may be able to access weatherization assistance. GLCAC would be the primary contact for these programs. As with most resources, funding is limited and usually runs out well before all eligible households are served.

Barriers in Using Weatherization and Energy Saving Programs

The existing programs, though extremely useful, are complex and not necessarily easy to access especially for low income tenants. Experience has shown more likelihood of successful use of the programs when local non-profit, neighborhood associations, or Community Development Corporations

(CDCs) can be enlisted to be local intermediaries or guides through the process. A key to success is getting people into existing programs more effectively, but there are significant challenges including:

- A primary barrier is the lack of clarity about eligibility and access. Despite good outreach by GLCAC, many families do not know of, or do not understand the process for qualifying.
- Landlords must sign-off on the weatherization and whole building weatherization requires all tenants to agree. Requirement for repayment if the building is sold in less than 10 years has been an issue.
- Units must meet code requirements in order to qualify for weatherization and this has been a particularly difficult barrier. For example, in Lawrence, older electric systems can prevent buildings from qualifying for insulation work. Coordination with code improvement loans or grants could help here.
- Income qualifying undocumented families is often a barrier
- In some loan programs, even very low or no interest programs, credit worthiness of borrowers has been a barrier though banks who participate have found extremely low default rates on energy loans.

Participating banks in Essex County are Eastern Bank, Equitable Cooperative Bank, Metro Credit Union, Riverworks Credit Union, among others.

The Local Initiatives Support Corporation (LISC) has a **Massachusetts Green Retrofit Initiative** to help affordable housing owners complete energy retrofits on their existing buildings (over 5 units) to reduce energy consumption, lower operating costs, and improve the quality and performance of their real estate assets. This along with the Green Planning Grant and Technical Assistance Program for the sustainable rehabilitation of affordable or mixed-income housing, has helped many CDCs to upgrade their inventory.

A pilot program, Efficient Neighborhoods Plus, was designed to engage hard-to-reach customers to participate in energy improvements to 2-4 family homes. Though the program has a higher program target income than most Lawrence neighborhoods, 61-100% AMI, it nevertheless, introduced an important innovation. As long as a neighborhood as a whole qualified, individual income documentation was not necessary. The difficulty in income certifications has been noted as a barrier in other program responses.

Foundations and Other Grants

Though Lawrence does not have the strong foundation base of Greater Boston, a few foundations are active the area. Building on and expanding this network by demonstrating need and capacity may pay dividends in the future. Many of the foundations fund primarily youth and family services but Habitat, Bread and Roses and LCW have been successful in raising grant money for housing and other community building initiatives. These funders include the following:

- Lawrence is within the target area of the *Essex County Community Foundation (ECCF)* and the Merrimack Valley Fund administered by ECCF. The MVF grants are small (\$1,000-\$5,000) but very targeted to Lawrence organizations.
- The *Stevens Foundation*, based in North Andover, has contributed to Lawrence initiatives and has been a funder of Habitat among others.
- The *New Balance Foundation* is active in support of community efforts.

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- Habitat has been able to attract *corporate sponsors* from the area and more widely.
- *United Way of Massachusetts Bay and Merrimack Valley* supports a variety of programs for youth and families including funding of LCW.
- The *Cummings Foundation* works in Essex, Middlesex and Suffolk Counties and has funded Lawrence service programs, including Groundworks Lawrence and LCW.
- LCW has been able to leverage community building efforts into new foundation relationships including with the *Paul and Phyllis Fireman Foundation* which provided a \$2.7M Program Related Investment loan to Union Crossing predevelopment costs.

6.5 Development Issues

New Development Challenges

In order to sustain a healthy development environment, developers need several ingredients: land, capital, infrastructure, market and a developer-friendly regulatory environment.

In Lawrence land on a scale suitable for development is difficult to assemble, making it enormously challenging for developers to achieve the critical mass necessary for economies of scale in development. Ownership is fragmented and while there are a checkerboard of vacant properties, the ownership is quite diffuse. The high density of most neighborhoods means that parking is often a quality of life issue. For new unit development, parking requirements often dictate how many units can be supported.

A particular challenge facing Lawrence is how to attract and steer developers to neighborhoods in need of revitalization and new production. The City and developers face several requirements for development of changing neighborhoods: land size and dimension, legal availability (unencumbered land) and market. Land on an adequate scale to encourage developers within existing, more densely developed communities is hard to assemble. The barriers of parking and upgrades to mature neighborhood infrastructure contribute to the difficulty of developing many Lawrence neighborhoods.

In addition to the lack of raw land, much of the vacant property is legally encumbered usually through tax title foreclosure. And finally, the market, particularly in Arlington, North Common and Lower Tower Hill neighborhoods is not as strong as in other more stable areas of Lawrence, particularly South Lawrence. Lack of a strong market means higher risk and lower profit margins and therefore little appetite for developers to take risks and incur higher costs to develop in these neighborhoods.

Site assembly is a complex undertaking, particularly with the constraints imposed by state and municipal procurement and bid requirements. Urban land has historically fragmented ownership patterns and often has environmental issues. Legal and administrative barriers challenge even the most sophisticated bureaucrats. Yet, the government has more power to assemble sites than private developers for whom the hurdles can seem insurmountable. The newly revitalized Lawrence Redevelopment Authority (LRA) may have a role to play in setting the table and unlocking development potential for key sites and building. Cities often need to rise to the challenge and “part the waters” for developers on key sites if they hope to jump-start a market. New acquisition strategies and conveyance methods are required. Additionally, with increasing interest in ‘smart growth’, cities are poised to benefit from interest in utilizing existing infrastructure and amenities and recycling urban land.

Lawrence's limited resources have made it difficult to be proactive in targeting areas for larger scale development. Opportunities to improve fringe areas with underutilized industrial uses adjacent to

residential neighborhoods, or to cluster lots that could accommodate buildings larger than duplexes or triple-deckers have not been aggressively pursued. New building often lacks the careful site planning that can provide adequate parking while allowing appropriate density and usable open space - and that produces value for developers, residents and the surrounding neighborhood. There are also many locations along commercial streets where mixed-use development - residential above retail - would strengthen the business community while providing needed housing if the city could reach a development "tipping point".

The lack of a Master Plan and zoning that supports a shared urban vision embodied in the Plan, reduces Lawrence's ability to create the kind of housing it needs while reinforcing the character of existing neighborhoods.

Developer Friendly Environment for Zoning, Permitting, Fee and Regulatory Issues

Developers regard the City of Lawrence staff and development process as reasonably transparent with a process that is fair and increasingly efficient. As important as the new professionalism at the City is, there may be a sense that the City is struggling with the transition from the old ways of doing business to the new, more equitable and professional one. Some flexibility that had been built into the old system has been lost. And a vision of what types of housing needs to be encouraged and created has yet to emerge.

Departments are working to adjust their processes to administer new policies and guidelines suitable to the complexity of the issues presented by the neighborhoods, infrastructure and market. Department silos exist that prevent the development and permitting process from running as smoothly as possible. While larger developers have the professional ability and resources to respond to complex, technical requests in connection with the permitting process, smaller developers may feel at a competitive disadvantage and more at home with fewer 'guidelines'. Ultimately however, unpredictability is more damaging to the development process than strict, predictable regulations.

Acquisition and Rehabilitation

For investors, potential landlords or owner occupants of 1-4 family properties the valuation of property relative to the rehab needs becomes an issue for both financing and livability.

Many of the properties in Lawrence are older housing with significant rehabilitation needs. Taking the rehab needs into account in addition to the acquisition cost of the property will many times require an investment beyond what the property value can support. For example, a buyer purchases a property valued at 150,000. If repairs are an additional \$30,000 for basic systems work and perhaps another \$20,000 for improvements to meet contemporary standards, then the homebuyer is into the property for \$200,000. In Lawrence currently, there is a ceiling on value and re-sale, no matter the level of improvements that might top out beyond what the property owner needs to invest to make the property habitable and attractive. The homebuyer or investor cannot obtain financing for the amount of repairs and is not likely to have the equity to self-fund.

The way this is dealt with in the 'real world' of investors or overly optimistic homebuyers is to reduce the scope of repairs or do a 'match and patch'. While some cosmetic improvements may temporarily allow the property to rent or even sell, the repairs may not be at the level of sustainability. More costly repairs may follow and further drive down the value of the property. Without resources to keep up repairs, the property deteriorates further or falls into tax delinquency. Faced with borrowing for repairs

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or not paying taxes, unfortunately, tax delinquency may be the path of least resistance. While the cost of tax delinquency is steep—14-16% interest—you do not have to apply for a loan.

For existing homeowners, the most significant issue they confront is maintaining or making repairs to their home. In Lawrence, where most of the housing was constructed before 1950, this is a particularly important issue given the abundance of older, deteriorated housing stock. Coupled with low valuation of property in many of the more distressed areas of the City, obtaining the financial resources to pay for these improvements/repairs is even more challenging. There are few emergency home repair and home improvement grant programs available for either landlords or homebuyers. Lower-income homeowners do not have many, if any, other financial resources available to address larger home repair issues, and they have very little equity in their homes that can be accessed because of the low housing values. The amount of public funds available for lower-income homeowners to address home improvement issues is limited as federal entitlement programs like HOME and CDBG have been reduced.

There are some loan programs available, such as the *At Home in Lawrence* purchase rehab program for home improvements, but for lower income homeowners, utilization of these programs is frequently infeasible.

As with homebuyers, sub-prime and predatory lending is also a concern for homeowners. Homeowners, particularly those with lower financial literacy and substantial repair needs, may be susceptible to predatory or sub-prime refinancing schemes that ultimately only worsen their financial situation. For these homeowners, as well as those who initially purchased their homes with non-conventional mortgage products, their risk of foreclosure is greater. While Lawrence has dug out of the initial foreclosure crisis, conditions remain that could rapidly escalate to another crisis, especially if the market stops rising or if there is a financial downturn.

Lenders must adhere to responsible underwriting guidelines to create sustainable homeownership to avoid the foreclosure crisis that was driven by predatory and irresponsible products sometimes pushed by unscrupulous lenders in tight knit communities.

While predatory lending is a worry, the lack of equity in homes means that homeowners have less of a resource to borrow against for repairs or temporary income fluctuations, making these homeowners much more likely to be caught without the needed equity to sustain their homeownership through personal financial crisis.

Rehabilitation Loans for Existing Rental Housing

Many landlords pay for incremental rehab through the cash flow of the property. A combination of lack of credit and lack of good, predictable cash flow prevents many small landlords from participating in mainstream borrowing, and therefore some resort to sub-prime or predatory lenders or forgo repairs. Fannie Mae and HUD (HUD 203K loan insurance program) have programs to invest in and improve small-scale rental stock, but banks often find these programs time consuming and lacking sufficient volume to gear up an underwriting and servicing staff. Without outreach, education and credit counseling, many small landlords will not participate in these programs. *At Home in Lawrence*, a program that is administered by the City and available through MassHousing and Metro Credit Union is available for homebuyers but is underutilized. City rehab programs are underfunded and insufficient to address the volume of need.

Section 7

THE CHALLENGE OF VACANCY, FORECLOSURE AND ABANDONMENT

- 7.1 Foreclosures
- 7.2 Code Compliance and Monitoring
- 7.3 Receivership
- 7.4 Tax Title Properties
- 7.5 Disposition of Tax Title Properties
- 7.6 Overview of Process



7. The Challenges of Vacancy, Foreclosure and Abandonment

The success of any housing strategy in Lawrence will depend on the extent to which it deals with the issue of vacant and abandoned property. The blighting influence on Lawrence neighborhoods is widely noted in stakeholder conversations and impacts the impression and curb appeal of the affected streets and neighborhoods. Along with a program to address rehabilitation of the distressed stock, a persistent refrain is that a comprehensive policy and implementation plan to deal with the issues of vacancy and abandonment is needed to put Lawrence on the right foot to proactively revitalize the most affected neighborhoods.

Distressed properties whether they are foreclosed, in tax title, owned by an irresponsible investor or even a very low income elder who cannot keep up the property, threaten neighborhood stability and values, decrease revenues for the City while adding costs, and cause hardship for homeowners and tenants.

In terms of neighborhood distress, Lawrence is dealing with both vacant land and buildings. While anecdotal information suggests that there are up 1,000 vacant units and census data indicates this as well (though this number is questionable considering such very low vacancy rates), City tracking has accounted for substantially fewer such units. Tracking of problem properties crosses a number of departments and is not cross referenced consistently, scrubbed for duplicate addresses or updated on a regular basis. An analysis of vacant properties requires a cross check of ISD inspection reports, lists of properties registered as vacant and abandoned and finally a list of ‘zero water meter’ use. The City lists do not include unit numbers and only occasionally indicate if the property is a single or multi-family dwelling, so precision is difficult. Properties with zero water use add up to at least 250 units. Properties registered with the City as vacant and abandoned include 52 buildings with an unknown number of units. Some of these properties appear on the zero water use list, but many do not. Whatever the actual number of units that are vacant and abandoned, the perception is that Lawrence has a problem with vacancy and abandonment. This is confirmed visually driving through neighborhoods and on key streets as well as in interviews with stakeholders who reflect frustration with the inability of the City to curb abandonment.

Buildings that are vacant may be uninhabitable and have code violations beyond the value of the building making them economically unviable and preventing the re-use or sale of the property. The City has not had funding to carry out demolition in a number of years despite widespread agreement that a demolition strategy could eliminate the dangerous and blighting influence of abandoned buildings.

Vacant buildings are dangers and eyesores, but vacant land is also a blight and magnet for crime and trash dumping. While in some areas vacant land may represent needed reductions in density and welcome green space, in neighborhoods with declining property values, vacant land represents stagnation. Land may be vacant because no economic use exists for it, a former use is no longer economically viable, or contaminants have diminished the value of the land and created a liability. Sometimes a vacant property is in some type of “limbo” with no one apparently responsible. In these cases doing nothing is the least cost option for the owner, but yields negative results for the City. Vacant lots become dumping sites, a problem that is persistent despite new technology employed by the City to ‘catch dumpers in the act’ by having live video feed of vacant sites with instant alert systems. Maintaining vacant land – cleaning trash, mowing, and policing prostitution and drug activity – is costly. The presence of vacant and abandoned property accelerates decline and attracts more vacancy.

7.1 Foreclosure

The common (and true) analysis in Lawrence is that the foreclosure crisis hit the city ‘early and hard’ but the situation by 2014 had shown significant improvement. This is demonstrated by data showing that Lawrence is no longer among the most distressed as it had been in 2009. However positive the data, investigators need to be mindful that the legacy of foreclosure is far from behind Lawrence. Some of the uptick in prices and sales of property may be related to investor and speculator interest.

Affordability of the formerly foreclosed stock is a two-edged sword. This ‘affordability’ has been called ‘dangerously’ affordable by some informants who worry that the low threshold for home ownership and property acquisition is fueling future foreclosures. Isolation and lack of financial awareness within lower income and minority communities, combined with ‘push’ marketing of predatory products can set the table for the same further financial crisis to occur.

Consumer education, outreach, and credit counseling can help to break this pattern. The non-profit homeownership counseling and financial literacy programs run by LCW, Bread and Roses, ACT and NACA as well as community awareness of the issue have helped. Mainstream sources of capital, particularly local banks, have increasingly become more culturally and linguistically inclusive and have made a serious effort to engage the community and market appropriate loan products.

It is useful to note that there have been no foreclosures on property utilizing City homeowner assistance. This demonstrates how important careful underwriting and screening are to positive outcomes for homebuyers. The City’s attention to this has been a key element in the success of the City’s homebuyer programs.

Foreclosure Trends: Lawrence and Massachusetts

In mid-2009, among Massachusetts municipalities, Lawrence had the highest level of foreclosure distress, followed closely by Brockton and Lynn. While over the last five years, Brockton has continued to lead the state’s Gateway Cities in foreclosures, Lawrence has seen a far more dramatic decline in distress, and as of July 2014 was ranked 59th most distressed among all Massachusetts municipalities, and 11th among Gateway Communities. Distress in Lawrence peaked in 2009, at 40 units per 1,000 housing units, and distress declined 85% over the next five years, while Massachusetts peaked in 2010, and saw a 73% decline over the next four years.

Lawrence’s success in stemming decline may be the result of a number of factors including rapid action by local non-profits to deal with foreclosure through counseling, use of the Neighborhood Stabilization Loan Fund (NSLF) to acquire and stabilize troubled properties, and stronger homebuyer demand from the local community combined with stronger lender and realtor connections. Also, the Soft Second Loan Program (restructured into the current ONE Mortgage Program), run by the Massachusetts Housing Partnership (MHP), was used more frequently by new homeowners in Lawrence to purchase a home in foreclosure than in other places with similar distress situations.

Table 7-1: Foreclosure Distress, Lawrence Compared to Massachusetts

Distress Rate (per 1,000 housing units) as of...	Lawrence	Massachusetts
7/1/2009	40.3	12.8
7/1/2010	32.0	14.9
7/1/2011	23.5	11.4
7/1/2012	19.8	9.8
7/1/2013	12.0	7.1
7/1/2014	5.9	4.0
Peak Year	2009	2010
Change Since Peak	-85%	-73%

Distressed properties are those 1-3 unit properties held in REO for up to 2 years, and those properties where a petition was filed or an auction scheduled in the previous year.

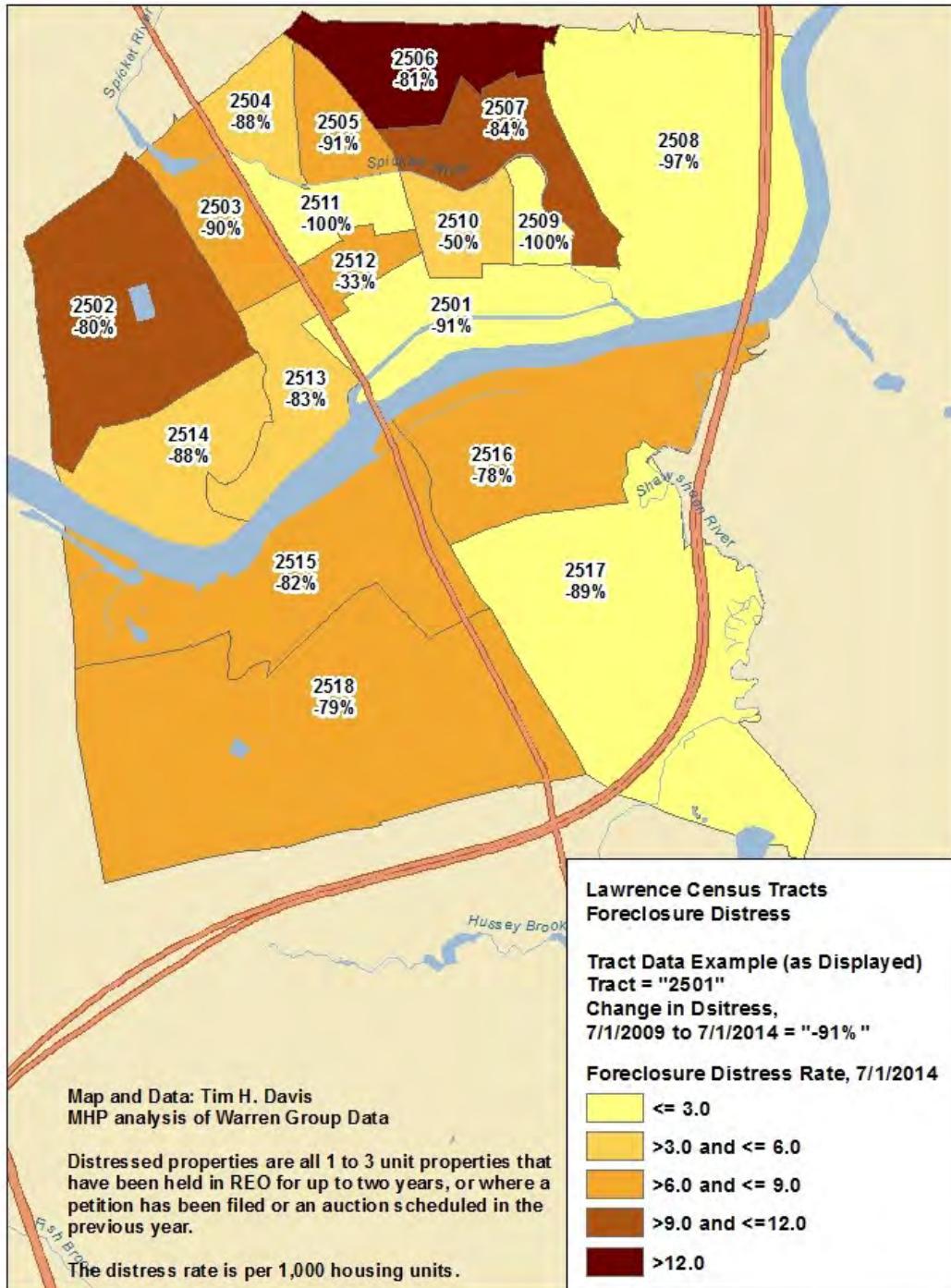
Foreclosures by Census Tract

As of July 2014, the highest rate of distress was in Census Tract 2506 (the north part of the Arlington neighborhood) as 13.2/1,000 housing units. This tract is the only tract among the 30 most distressed tracts statewide (25th). Even given this relatively high level of distress, the rate is still 81% lower than in July 2009. The tracts with the next highest levels of distress are Tract 2502 (Tower Hill) at 11.7/1,000 housing units, and Tract 2507 (Arlington) at 10.3/1,000 housing units. Two additional tracts deserve special note: Tracts 2505 and 2512. In 2009, Tract 2505 (Arlington) had the fourth highest level of distress in the state, but improved to 262nd by July 2014. Tract 2512 (General Donovan) has had only a 33% decline in distress since July 2009, but this tract has fewer properties and had a relatively low level of distress to start.

The North Common area, a location that benefited from focused LCW attention on the issue of foreclosure from both a counseling and stabilization perspective through the use of NSP and NSLF, had a significant decline in distress (100%).

As the inventory of foreclosed property stabilizes, more aggressive intervention in the prevention of delinquency, stabilization of property, and acquisition and disposition to bring the properties back into productive use will be required. Many of the tools and processes are in place. Better inventory and analytic ability, strategic vision, and greater emphasis on planning for reuse will help align the tax foreclosure process and disposition of assets with the City's redevelopment goals.

Section 7 – The Challenges of Vacancy, Foreclosure and Abandonment



Properties Currently in Foreclosure Distress

Of the 24 properties held in REO as of 7/1/2014 (and held for two years or less),¹⁷ eight (33%) were owned by Fannie Mae, three each by US Bank and Deutsche Bank, and the remaining ten by a range of investors, although many are well known players in the sub-prime market, including Wells Fargo and JP Morgan Chase. Of the 203 properties in distress as of 7/1/2014 where a foreclosure had not yet been completed,¹⁸ the plaintiffs with the most properties were: Wells Fargo (31), US Bank (23), Bank of America (22), Nationstar (17), Deutsche Bank (16), and JP Morgan Chase (11).

7.2 Code Compliance and Monitoring

The City's Inspectional Services Department (ISD) is charged with code enforcement and permitting activities. Stakeholders have expressed concern that code compliance, particularly for problem properties, relies on a complaint-based system and lacks a sense of priorities. Identifying and tracking troubled properties is not systematic though key ISD personnel have a good sense of who the better landlords are and where the trouble spots are located. The Department is currently handling about 15 to 20 citations per week, which are driven by local complaints. While this average may be in line with present limited staff capacity, in contrast, in Springfield, MA inspectors issue 9-10 citations per day per inspector based on 13-15 inspections a day in a system that is based on compliance, not only complaint.

ISD is working with the Community Development Department on a database to better identify and track vacant and abandoned properties. This needs to be elevated as a priority.

The lack of funds or strategy for demolition of unsafe, abandoned property is a problem and a worry in terms of both safety and neighborhood blight. The Department is considering ways to impose court costs and fines for boarding and making sure they are collected.

The Department juggles the need to enforce code for health and safety and to hold landlords accountable. At the same time, struggling or inexperienced owner occupant landlords may need 'some slack' as they learn the ropes of compliance and can be issued warnings. The Department was very interested in the idea of a landlord association and of education and support for owner occupant landlords. Simple changes in approach could include providing new landlords with the Secretary of State's summary of the State Sanitary Code. ISD is interested in participating with homeowner and landlord pre- and post-purchase counseling programs to get folks off on the right foot. Neighborhood Associations can be an important link to neighborhoods owners, renters, and landlords, and can help educate the public on compliance issues.

The lack of a system and lagging information technology means that enforcement is not as predictable as is needed to send a clear message that compliance is required. Fines are issued but not necessarily collected. For example, bonds are required when a bank forecloses on a property but while this is on the books, it is rarely enforced.

¹⁷ The available data from The Warren Group did not provide information on properties in REO that had been held longer than two years. In this regard, this number is not the universe of REO properties in the Lawrence, though disposition of an REO does generally take less than two years.

¹⁸ These properties had foreclosure petitions filed or auctions scheduled between 7/1/2012 and 7/1/2014. Some of these foreclosure may have been resolved by a loan modification, which may not be available to The Warren Group.

Section 7 – The Challenges of Vacancy, Foreclosure and Abandonment

The City Ordinances related to compliance and enforcement form a good basis for concerted action but enforcement on a regular, systematic basis is the missing ingredient. For example, anytime a rental unit is vacated, the landlord must obtain a new Occupancy Permit which involves inspections. But landlords do not always comply and there is little follow up in terms of consequences. The Fire Department and the Gas Company do inspections upon sale and that does help to identify issues. Additionally, Chapter 110 of the state's Building Code requires that all buildings be inspected once every 5 years which has been impossible for cities to implement given insufficient staff capacity. This is true of Lawrence as well.

Presently, owners cannot get Occupancy Permits if they are in arrears on their taxes. The City's Water Department should have this database and this information should be linked to ISD and other City databases. Looking at water use can identify where properties are abandoned and as such can be a useful tool.

While zoning enforcement is a task of the Department, the lack of staff has made this a lower priority. More staff could help enforcement and fines assessed could pay for the needed staff.

The Department feels understaffed for the enormity of the task and is doing the best with the limited resources. There is community consensus among the stakeholders interviewed that the code compliance and enforcement programs need a more proactive instead of reactive approach. There is also agreement that this requires not only more staff but better inspection and tracking technology.

There is a disconnection between the public's perception of lax enforcement and the Department's assertion that the City has taken an aggressive stance in bringing code violators to Housing Court. The City says it has processed about 60 receivership cases in the past couple of years. The City used the Attorney General's Receivership Program before the last mayoral administration and then just recently began using the program again. The new administration has indicated that it will be more aggressive in expanding the number of receivers though it appears that program has not developed traction yet.

Dumping on vacant sites is a recurring complaint and a visible sign of neighborhood neglect. The City has planted cameras in 8 locations where dumping and vandalism have been particularly prevalent. The cameras are activated by movement which is then relayed by computer to ISD cell phones. There is hope that this campaign can help to stem the tide particularly as the message gets out that enforcement and fines will be pursued aggressively.

The Department of Public Works is charged with cleaning City sites and more coordination needs to occur for this to be systematically implemented. The City is working to compile a good, reliable data base of City owned property however, silos in information gathering and sharing across departments may inhibit the utility of the database as a tool for strategic intervention.

Trash collection generates many of the enforcement actions. A relatively new trash collection program requires owners of commercial properties and structures of 4 or more units to be responsible for their own trash pick-up, which has attracted complaints that ISD must follow up on. Again, predictable enforcement can send an important message to property owners that Lawrence will not tolerate careless trash collection.

Additionally, it is important to note that ISD has regularly been sending notices of liens to banks and insurance companies involved with properties that have had fires.

7.3 Receivership

Receivership is the use of statutory power as authorized in M.G.L. Chapter 111, Section 127i, to seize buildings to ensure the enforcement of the state sanitary code. The law provides for the property to be placed under the control of a judicially supervised receiver who has the power to collect rents, make repairs, and when necessary to borrow money.

The receiver is responsible for promptly repairing the property, bringing it into compliance with the state sanitary code. The receiver has the power to collect rents if the building is occupied as well as to borrow funds to make the necessary improvements. The receiver can grant security interests or liens on the affected property. The receiver's lien has priority over all other liens or mortgages except municipal liens; a priority lien may be assigned to lenders for the purpose of securing loans for repair, operation, maintenance or management of the property.

The foreclosure crisis revived interest in receiverships as a way to gain control of problem properties when an owner is unable or unwilling to insure their compliance with health and safety obligations. Generally the City Attorney upon recommendation of the Inspectional Services Department will apply to the Housing Court for the appointment of a receiver when health and safety concerns justify it or when tenants are in jeopardy from unsafe conditions or lack of basic services. If the court deems the city's request valid, it then appoints professional property managers (receivers) to step in to stabilize and manage the distressed property. Ideally, a property owner steps back in to take control of the building but in the absence of a responsive owner, the receiver can foreclose on the property to collect any outstanding debts.

In some cases, cities have used the program to secure control of property as part of a strategic acquisition particularly when it is unlikely that the owner will redeem the lien or the value of the repairs may exceed the property value.

Worcester and Springfield have developed a Distressed Housing Program for Rapid Recovery with the goal of intervening in troubled properties via code enforcement. While receivership is primarily for properties with health and safety violations whose owners has abandoned responsibility, in this time of crisis it can be applied as a tool to stabilize properties facing foreclosure action. Code enforcement can track and target properties when a notice of intent is filed. By providing a framework, legal and administrative and management support to stabilize the property and avoid displacement of tenants, the program also helps to stabilize neighborhoods from the downward spiral caused by vacant and abandoned property. Receivership also helps to control the ultimate disposition of the properties. Careful targeting of key properties is essential.

The City of Lawrence's receivership program is undergoing an analysis and 'reboot' to make it more effective and strategic. There is now a Receivership Task Force that includes the Mayor's Chief of Staff and the Community Development Department. The first task of the task force has been to work with the Court to clean up the back log of cases. Once the pipeline is clear the Task Force will be recommending additional properties. This is an important tool and needs to be combined with careful targeting, planning, resource allocation and end use vision.

There are two major components to the assistance needed by municipalities: first funds to pay for the necessary repairs when either rents and/or a loan is not available and second, assistance with developing a pool of qualified receivers.

7.4 Tax Title Property

Some neighborhoods in Lawrence have property that is either vacant and abandoned or occupied but deteriorated. Much, though not all, of this marginal property is delinquent in taxes. This is a problem with multiple implications. Not only is the City not collecting taxes due and losing revenue, but often the property is a blight on the neighborhood without any hope of revitalization because the title cannot be cleared to allow new development or rehabilitation.

If development is to occur on any scale in Lawrence's distressed neighborhoods, availability of buildable land is critical. The developer must be able to acquire the land at a reasonable price and it must be free of legal encumbrances that could stall the development process. Tax title land represents a barrier to development that is difficult to resolve on a parcel by parcel basis. Strategic intervention to inventory, clear title and assembly parcels for development is difficult but necessary work that the City is, in most cases, in the best position to undertake.

While it is difficult to get an exact count of properties in tax title given the different phases that a property goes through before the City forecloses on the tax lien and the different parties responsible, we can observe in the neighborhoods and understand through interviews, however, that it is a problem significant enough that it not only causes blight in the neighborhoods, but is a barrier to development in that the land is not freed up for a higher and better use. It appears that only recently has a process been put into place to move properties back into productive use quickly. The City's Asset Officer estimates that there are about 555 properties in the pipeline for tax taking. About 70 small, mostly vacant parcels have cleared that process and are now owned by the City. Unfortunately, earlier processes were flawed and legal entanglements to property that should have cleared tax title continue. This has been a burden for City staff, and buyers of this property have found complex and costly entanglements that have had to be cleared before development could proceed.

The actual amount of tax title property in the pipeline in Lawrence is not immediately accessible as no clear inventory or portfolio is available. It is not tracked except manually and the updates to status require coordination across several departments. The City lacks the technology and software to track delinquencies. It would be important and useful to compile this information and to inventory the property in Lawrence by neighborhood and census tract. This will allow for a triaging of property and strategic intervention to put properties back into productive use.

In past years, Lawrence sold tax titles to a collection firm. This was unfortunate and driven by a need to raise revenues and a belief that the complex system would be better off outsourced. It has prevented strategic aggregation of parcels and has complicated current tax taking processes going forward. While the properties in tax foreclosure may be clustered in the lower income areas of the City, the scattered nature of the parcels makes it difficult to use tax-foreclosed properties routinely as part of a site assembly effort to achieve scale for development. However, smaller homeownership projects by non-profits like Bread and Roses and Habitat, could benefit from a clear path to tax title property that is disposed of at below market rate or even nominal amount for affordable housing.

Mechanisms need to be created to identify key parcels to be transferred as part of a larger project. Proactive mapping, site identification, and analysis can provide better tools for program staff to develop more strategic approaches to the tax-foreclosed properties. Strategies for the prevention of tax delinquency, reduction of absentee investor ownership, and stabilization of real estate values are key elements necessary to reduce delinquencies and keep properties in productive use.

An important component of an effective tax taking policy is a linkage with code enforcement and identification of key vacant lot and buildings. Establishing an inventory that can be sorted by a variety of factors is essential. These factors include the condition of the building, tax title situation including whether the lien exceeds the value of the property, occupancy or vacancy status, and involvement of the owner.

7.5 Disposition of Tax Title Property

Disposition is a key component of any tax taking strategy. Presently the tax title property is transferred within City Government to the Planning Department for disposition through a Request for Proposals (RFP) conducted under Chapter 30B procurement regulations or a Direct Disposition for parcels valued at less than \$35,000.00.

The City has brought integrity to the disposition process, issuing RFPs that meet the standard and dedicating an Asset Officer to track the City-owned property and disposition. However, the City is disposing of the properties at 'Fair Market Value' even when disposing to non-profit developers for affordable housing. This has driven up the cost of the affordable housing and required public subsidy to fill the gap. So, while the City collects an acquisition price, other City assets like HOME funds provide gap filler to meet the higher acquisition price. Under 30B, it is possible to have a below market value disposition when the use will be for affordable housing.

The Yard Sale program has been effective and a good mechanism to get undersized parcels into more conscientious control by neighbors and abutters.

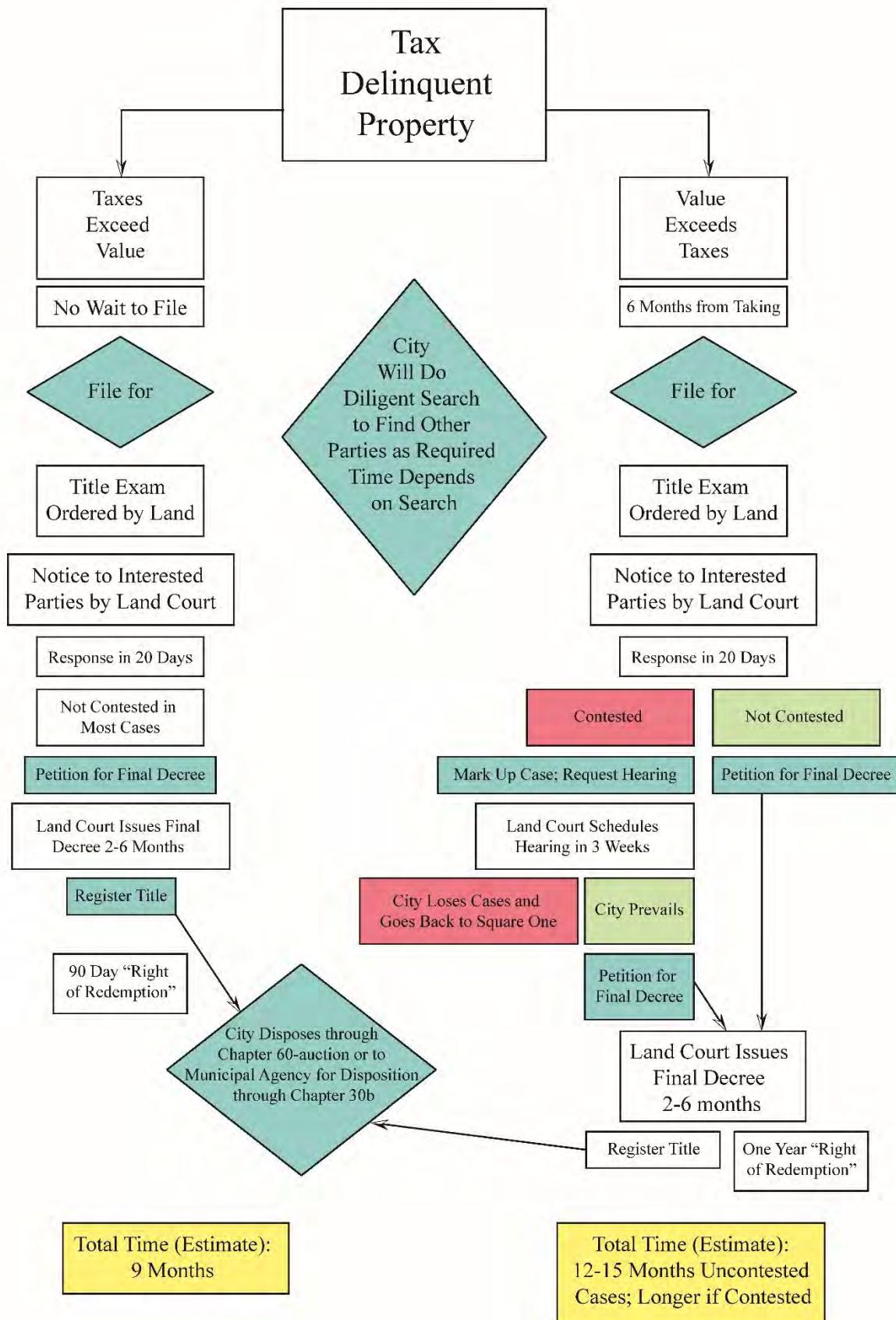
In determining disposition methods and goals, the City needs to assemble information about the parcels including size, market potential (assessment), and infrastructure and zoning issues. Much of this information is available but not easily searchable or updatable in the current technology. This information gap has prevented a more strategic and efficient disposition of tax title property.

7.6 Overview of the Process

To design an effective intervention strategy it is useful to understand the tax collection process. See the chart below for a shorthand look at the process. The tax taking process is complex but follows an internal logic that is knowable and can be followed and concluded with the application of political will, a proactive problem solving approach, and sufficient resources to gain traction against what seems to be an intractable problem.

The City has made a good decision to coordinate tax title processes through a committee, the Real Property Task Force, which includes key departments in the City including the Finance Director, Treasurer, Legal Department, Land Use Planning, Economic Development and Planning and the Mayor's Office. Appointing an Asset Officer has also critical to have one point of connection and investment in the process. This can keep things on track. However, with the existing silos and lack of tracking technology, the task is enormous and needs to be systematized to include buy-in and accountability across all departments in the process.

Section 7 – The Challenges of Vacancy, Foreclosure and Abandonment



Section 8

DEVELOPMENT PATTERNS



8. Development Patterns



Much of the city's urban structure remains- offering opportunities for adaptive house renovation and new construction.

Many Massachusetts cities and towns grew from small villages to larger urban centers over hundreds of years, responding organically to a variety of economic, geographic, political and social forces. Lawrence, however, is what one would now call a “planned community”, designed and built over a short period of time to meet a particular set of needs.

The city got its start in 1844 when the Water Power Association purchased land along the Merrimack River. Like other groups of investors throughout New England, they believed that there was money to be made in industrial development that harnessed the energy of falling water in the region’s rivers. They built the Great Stone Dam just west of the current Broadway Street Bridge, and dug canals on the Merrimack River’s north and south banks to channel water to the mills that they anticipated being built. Over the next three decades a series of massive industrial buildings were constructed to meet the market for textiles and other consumer goods, and Lawrence became a model of economic success.

Attracted to the opportunities the factories provided, workers flooded into the city. Some were from New England farms, and others were French Canadians from Quebec and New Brunswick. Most, though, were from Ireland, France, Italy, Germany, Lithuania and other European countries suffering through economic and political hardships.

Section 8 – Development Patterns



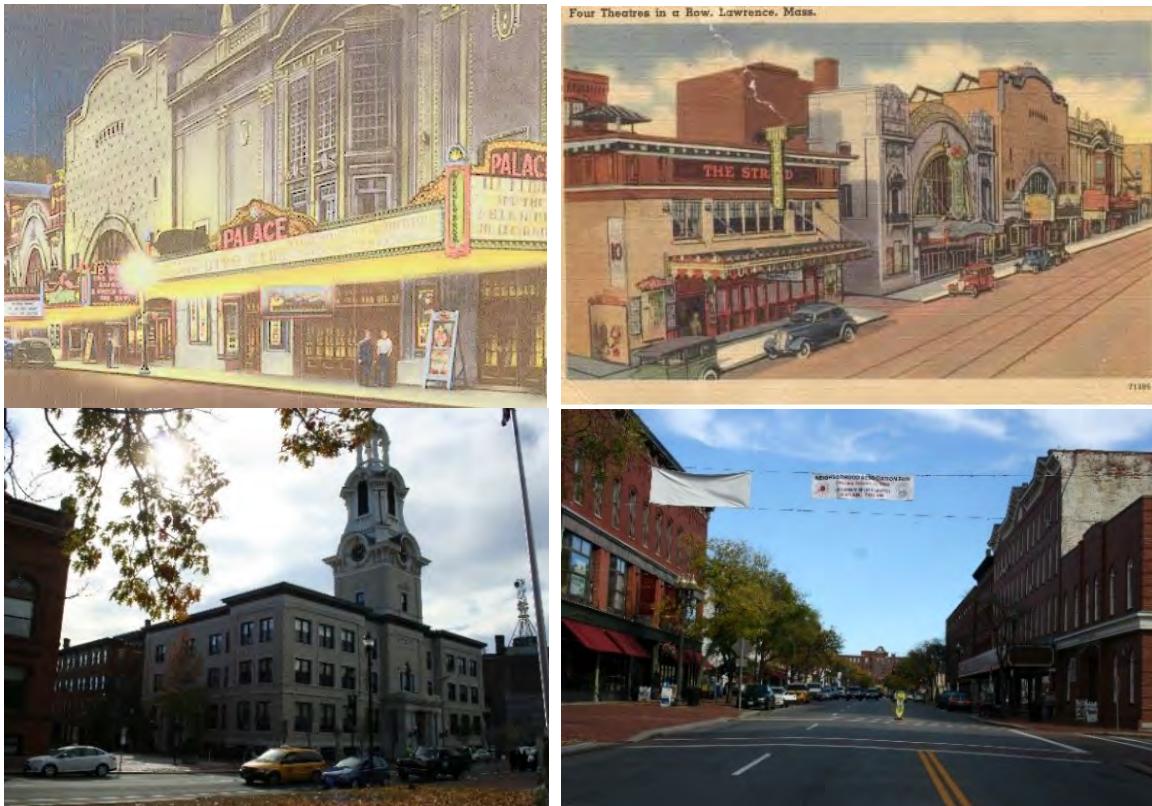
A monumental mill district anchors the center of the city surrounded by neighborhoods of varying densities.



The city that grew up around the mills offered markets, entertainment, municipal services and housing all in close proximity to the jobs in the mills. Broadway Street's Theater Row, the grand Post Office at Broadway and Essex, City Hall on Common Street, and commercial development along Essex Street created a clear and orderly structure for civic life. The grid of streets that extended out from the urban and industrial core made it easy for developers to build compact housing for workers and families who had very few options. Buildings were spaced closely together and had small rooms and cramped corridors – but they were part of a cohesive community.

Residential areas were dotted with churches, synagogues, and ethnically based social clubs, along with schools and parks. Denser housing occupied the lowlands closer to the mills and was occupied by wave after wave of immigrants. Larger houses on larger lots were built on the surrounding hills - primarily for merchants and mill managers. As cars and public transportation became available, housing was constructed further out from the urban core, although Lawrence remains dense by most standards. The physical structure of the city reflected the economic, technological and social structure of the culture that built it, with water power, industrial production, and a plentiful supply of disadvantaged workers at its core.

The mills offered opportunities for unskilled laborers looking for a new life, but working conditions were often dangerous, and wages were exploitative. A series of strikes suggest that Lawrence was hardly the ideal city depicted in engravings of the time. But desperate immigrants continued to arrive throughout the 19th and early 20th centuries insuring that there was always a fresh supply of workers.



Although many of Lawrence's grand buildings have been demolished, much of the urban core remains intact.

Section 8 – Development Patterns

Big economic and social changes, however, began to undermine Lawrence's economic viability less than 100 years after its founding. The Immigration Act of 1924 brought the influx of foreign born workers that the mills depended on to a virtual halt for the next 40 years. At the same time, advances in manufacturing, construction and transportation technology provided efficiencies that the mills could not match. New factories were powered by coal, gas or electricity that no longer depended on a riverside location. Affordable cars, buses and streetcars allowed workers to live further from their workplace. Industrial expansion in the Midwest, West, and overseas challenged New England's economic power with their sprawling one-story factories that were cheaper to build and operate.

By the 1950's Lawrence was struggling. A city centered on monumental mills and compact worker housing did not meet the needs of increasingly affluent and mobile post-war home buyers or the business owners who offered them jobs. Mills were increasingly occupied by marginal businesses looking for cheap space at a low cost, with more and more of the space remaining vacant. Houses were increasingly occupied by those without the education or skills to meet the needs of a post industrial economy. Sought-after jobs and housing were increasingly available in the expanding suburbs, and car ownership was required to reach them. Lawrence, like Lowell, Boston and so many other New England cities, began to represent failure rather than success, with increasingly outmoded building types, urban structure, and ways to live and work.

The urban renewal of the 1960's and 1970's was well meaning, but largely misguided, and continued the de-urbanization that tax policies encouraged during the depression. The top down approach led to the demolition of much of the Wood Mill, Theater Row, the Post Office, and multi-story commercial buildings, replaced by the construction of one-story buildings for chain stores, fast food outlets and an indoor shopping mall that quickly failed and has since been demolished and further replaced by a new college building. Large parking lots were created to match those of competing highway-oriented businesses.

Unfortunately the attempt to make Lawrence more automobile oriented removed some of its charm without making it more attractive to the postwar generation. Trash incinerators took over space once occupied by mill production - providing a limited number of jobs but further detracting from the appeal of the city. A wave of arson in the early 1990's destroyed a series of buildings, most of them previously abandoned, tarnishing the reputation of the city further. Lawrence became a place of last resort – for immigrants and businesses without other opportunities.

It is a familiar story – similar to that of Boston, Lowell, Holyoke, and other once-thriving cities. But other cities have been more successful than Lawrence in preserving their past while reinventing themselves for the future. Lawrence has the tightly knit neighborhoods, dramatic mill buildings, and coherent downtown that people today are increasingly looking for, suggesting that its assets could be leveraged to greater advantage.



Commercial buildings near downtown and Maldon Mills provide shopping and economic opportunities within walking distance of housing.

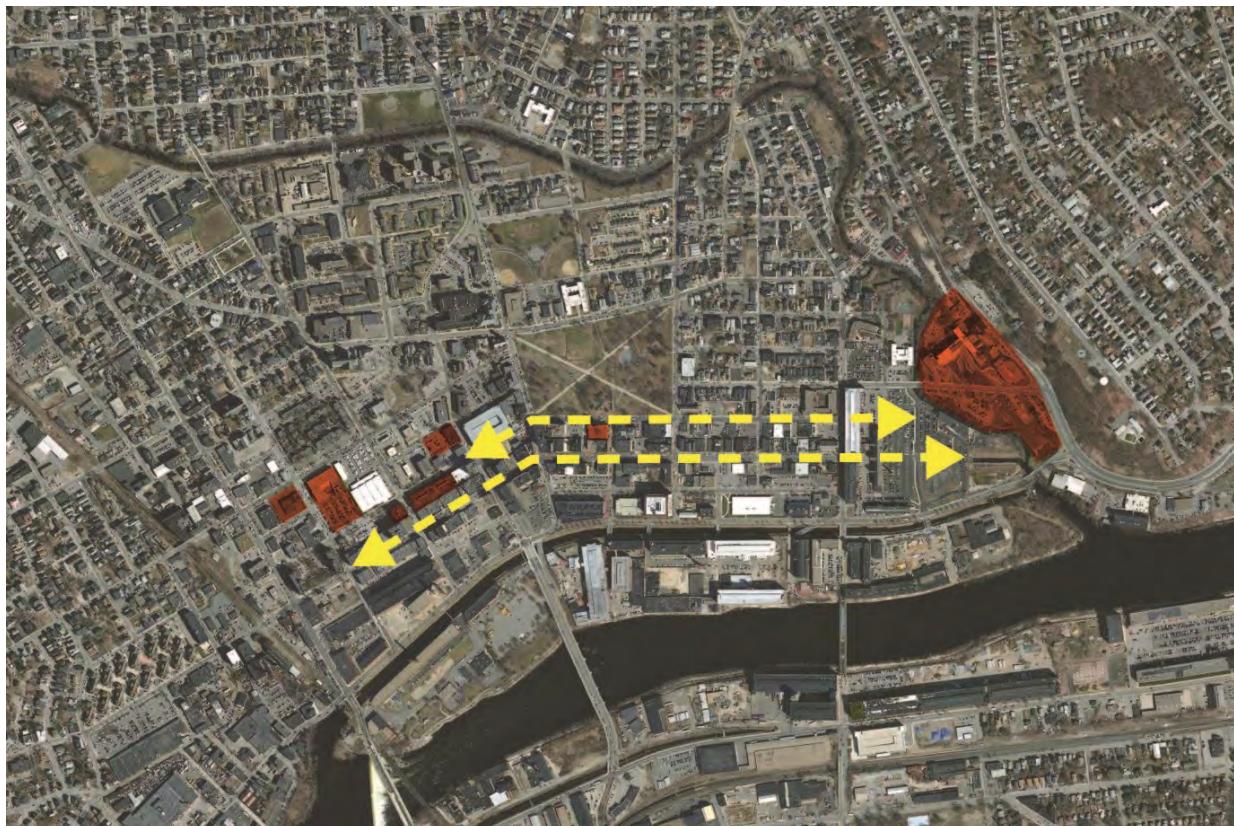
There have certainly been positive changes in Lawrence in the past two decades. The redevelopment of the mills for housing and businesses has brought some life back to the city, and new office and commercial uses occupy downtown and commercial corridor space. And new housing and businesses have been developed along the city's periphery and in its central neighborhoods. But much of this development is an extension of the highway system or commuter rail line rather than an integral part of the city's social and economic life. Interstate 495 and the commuter rail line make a connection to Boston and surrounding areas that have kept Lawrence from being isolated, but also offer easy alternatives to the downtown for shopping and dining. And people who come to Lawrence to work at well-paying jobs often live elsewhere. Lawrence is seen as a source of relatively cheap space to live or to work in an increasingly expensive regional economy, rather than a comfortable area in which to build a life.

Section 8 – Development Patterns



Lawrence is connected to Boston and a regional network via its proximity to 495 and the Haverhill Commuter rail Line.

The center of the city is showing signs of renewal that could support improvements in the city's housing stock and the overall perception of the city. Lawrence General Hospital has expanded and medical businesses have grown up around it on the east side of the city. Northern Essex Community College has established a Lawrence campus at the west end of Essex Street that offers a way forward for city residents. But vast parking lots still separate rather than connect different parts of the city, and the attractive downtown is underutilized. Living and working opportunities are not interconnected enough to create the kind of vibrancy Boston and Lowell are achieving.



Northern Essex Community College's El-Hefni Allied Health and Technology Center adorns one end of downtown and Lawrence General Hospital the other. Future development should strengthen the connection between them to reinforce the central spine of Essex Street.

Section 8 – Development Patterns

Perhaps most troubling is the state of the city's neighborhoods. Rising housing prices suggest a resurgence of interest in living in Lawrence, although the quality of much of the housing is low while still taking a large percentage of many residents' earnings. Lawrence Community Works, Bread and Roses Housing, Groundwork Lawrence and other non-profits have been very successful at building housing, providing educational services and creating parks, but many neighborhoods are still in poor physical condition. Residents are concerned about safety, crime and fire, and abandoned properties undermine confidence in the city's revival. Too many residents choose to leave the city as soon as opportunity allows. And even residents of renovated mills are disappointed that the city around them has not become the thriving urban area that they had hoped for.



New construction development and adaptive reuse on Newbury Street by Lawrence Community Works, Beacon Street by Bread and Roses Housing, and various park improvements by Groundwork Lawrence are helping to improve the image of Lawrence neighborhood.





Targeted development by a variety of organizations has brought improvements to many neighborhoods.



Section 8 – Development Patterns



Parks provide a relief from urban congestion and connect people to history and the river fronts. Many have been brought back to life in recent years.

Section 9

NEIGHBORHOOD TYPOLOGIES AND CONDITIONS

- 9.1 Mill Building Core**
- 9.2 Downtown**
- 9.3 Lowland Housing**
- 9.4 Highland Housing**
- 9.5 Highway Oriented Development**
- 9.6 Housing Authority Developments**
- 9.7 Other Housing Condition Issues**



9. Neighborhood Typologies and Conditions

Lawrence's relatively rapid development and decline have resulted in a city that has not changed substantially since it was built. This has both positive and negative implications. Its urban core is relatively intact and accessible to the surrounding neighborhoods, but its housing stock is in poor condition and does not provide many of the amenities that are preferred by today's home buyers. Lawrence has not been able to appeal to the kind of urban oriented buyer who might otherwise be attracted to its density and charm.

The city's highways and public transportation system connect it to a regional market that provides both opportunities and alternatives to those who may consider Lawrence as a place to live. Taking advantage of these opportunities should be a priority for the city. The changing economic climate and housing market will require new housing types, new kinds of land use, and offer new opportunities for rehabilitation and adaptive reuse. Lawrence will benefit if development recognizes the city's neighborhood structure and housing typologies so that it strengthens local character. Its past can help establish patterns for growth that will be beneficial moving into the future. And plans for the future, tied to the growth in education and medicine, should recognize the pedestrian oriented urban character that more and more people are looking for.

Lawrence's neighborhoods, categorized typologically and by the opportunities they offer, include:



1. Downtown: Mixed Use Development
2. Lowland Housing: Arlington, North Common, General Donovan, Southwest, South Common
3. Highland Housing: Tower Hill, Prospect Hill, Mount Vernon, Colonial Heights
4. Highway oriented Multi-Family Development
5. Mill Building Core: Adaptive Reuse and Infill

Section 9 – Neighborhood Typologies and Conditions



Housing development and typologies fall along neighborhood and geographic boundaries.

9.1 Downtown: Mixed-use Development

The city's relatively intact downtown, with attractive multi-story buildings lining Essex and adjacent streets, offers the opportunity for housing above commercial uses that has worked in other urban areas throughout the country. Center city residential development creates a sense of vitality and safety that encourages continued investment in non-residential uses. There are several downtown buildings with residential above, but there are many other opportunities for adaptive reuse or new construction that would bring more dwellings to these areas. The elderly apartments along Essex that interrupt the continuity of the streetscape are a model that should not be repeated. The recent MassDevelopment funded study of Downtown West provides recommendations for integrating housing into the fabric of the city in positive ways that should be encouraged.

Downtown mixed-use development can include the conversions of upper floors of existing buildings to housing and the construction of new infill mixed-use buildings. Existing parking lots near Northern Essex Community College and Lawrence General Hospital offer opportunities for new buildings that recognize the need for housing, commercial and institutional expansion. New construction should be carefully planned to tie the center of Lawrence together rather than dividing it into a series of separate enclaves, while recognizing the ongoing need for parking. One-story buildings can be replaced by multi-story buildings not unlike those that were torn down in the 1950's and 60's, although aggregating parcels will make development more viable financially.

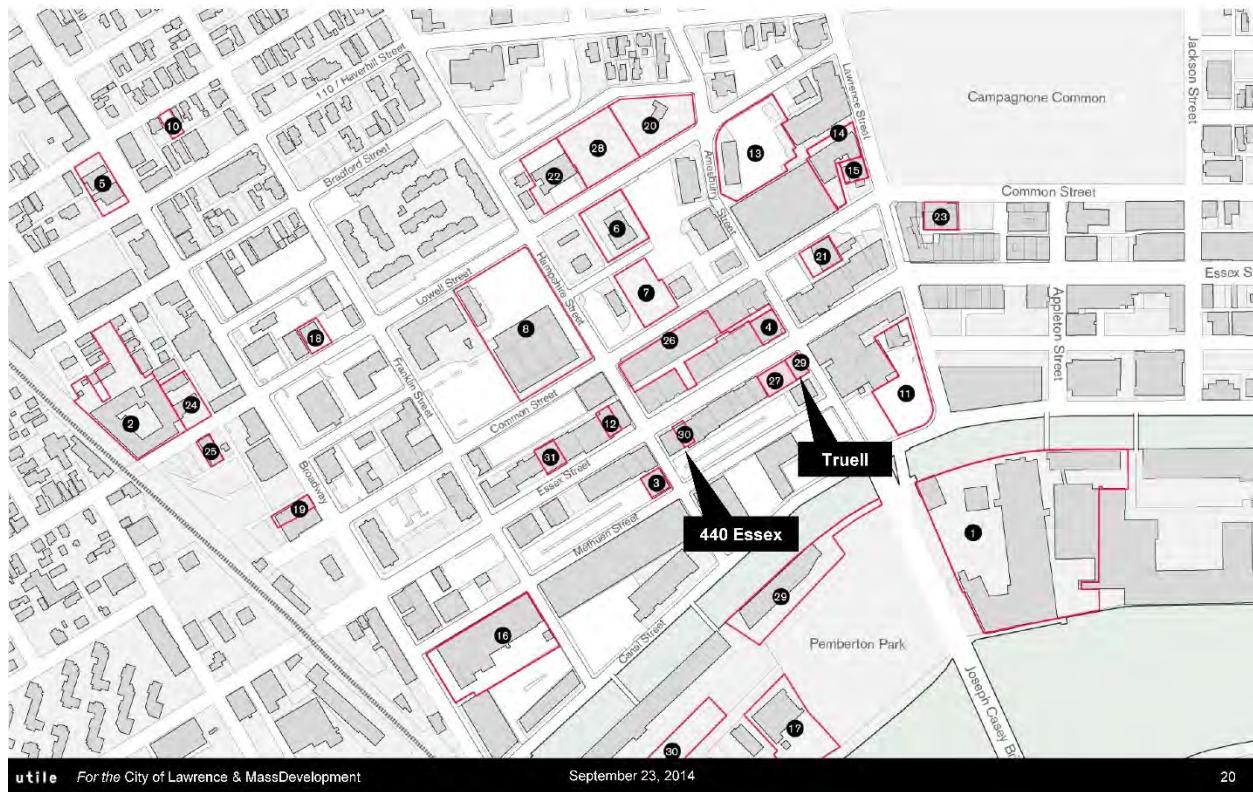


Downtown Lawrence offers opportunities for mixed-use development, with residential units above commercial storefronts.

Section 9 – Neighborhood Typologies and Conditions

Catalogue of Development Sites

Development Sites

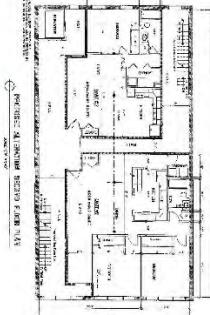


Longer-Term Strategy: 440 Essex Street

Reuse of Vacant Buildings



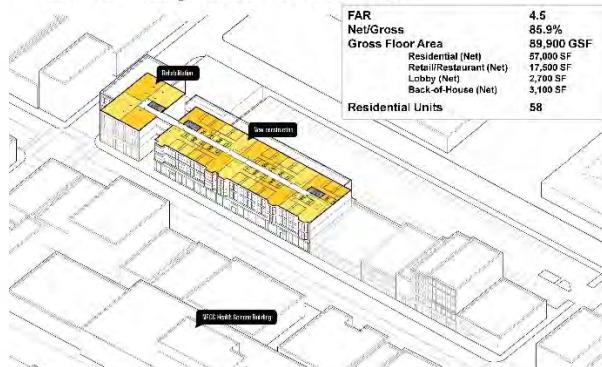
440 Essex Street = ~8,800 GSF



utile For the City of Lawrence & MassDevelopment

September 23, 2014

Test Fit - Expanded Truell Site



MassDevelopment proposals detail prototypical downtown development opportunities.

9.2 Lowland Housing: Arlington, North Common, General Donovan, Southwest, South Common

These neighborhoods were built to accommodate mill workers and their families and are clustered within walking distance of the urban core. Buildings are densely packed small-scale dwellings accommodating two to four families in two to three-story buildings. They tend to be built very close to the sidewalk with minimal open space. Most of the housing is over 60 years old and in poor condition, attracting residents who may have family connections in Lawrence and few other opportunities for living. Larger apartment

buildings and empty lots are interspersed throughout these neighborhoods. Parks, schools and neighborhood business districts provide a focus for community life, but there are ongoing concerns about safety. Parking is primarily on the street, although empty lots are used for parking as well. The lack of parking is a frequent complaint.

Most of the housing in these neighborhoods is not owner-occupied, and landlords have not made the investments necessary to maintain or improve their buildings. Many or most property owners do not have the experience or access to funding that would be necessary to do the work that needs to be done. Tenants tend to stay for short periods of time and are replaced by new tenants, so neither residents nor landlords have an incentive to make significant improvements.

Many of the buildings in these neighborhoods have front porches, bays and other architectural features that suggest a sense of graciousness, but they are often in poor condition. Renovations may stop deterioration but tend to eliminate the detailing that once gave them character. Design standards and professional guidance would help owners and contractors maintain the quality of their buildings.

Many other buildings have little to offer in defining what most people would consider an attractive place to live. They may be in poor condition and lack any sense of quality design and construction. And they may be so close to their neighbors that there is a perceived lack of privacy. Poorly maintained retaining walls and fencing further detracts from individual properties and the neighborhood as a whole.

Many triple deckers and other residential types have adequate space, but interiors may be poorly organized with bedrooms and bathrooms off of kitchens, and kitchens with too many doors to offer reasonable layouts. They are built to meet the standards of another era. Other apartments have been subdivided to maximize profits. The housing stock's substandard design, poor condition, transient residents and under-capitalized owners have created a downward spiral in these neighborhoods, reinforced by waves of fires and foreclosures in recent decades.

Inspectional Services and other departments have renewed their commitment to safety and resident services, but the City does not have a comprehensive list of abandoned properties that would help in the prioritization of development. A number of non-profit organizations have been active in these neighborhoods, providing support for property owners and home buyers, renovating and building new housing, and building and improving parks and open spaces. A number of small-scale for profit developers have also made important contributions to upgrading local housing. Nevertheless, because ownership is dispersed, the consolidation of properties has been difficult and improvements have taken place at a relatively small parcel by parcel level.

Larger scale improvements will require catalyzing private sector investment as economic opportunities improve, but the City can encourage this process by identifying key areas for revitalization.

Section 9 – Neighborhood Typologies and Conditions



Much of Lawrence's housing stock is dense, with relatively old multi-family buildings packed tightly together.

In the meantime, positive efforts by the for-profit, non-profit, and public sectors should be supported and expanded, guided by professional expertise that suggests whether renovation, demolition and replacement, or demolition for the creation of open space are most advantageous to the City. Carefully designed prototypes for infill housing can be provided, along with professional planning expertise, to insure that new construction not only provides housing but improves the character of the neighborhood.

9.3 Highland Housing: Tower Hill, Prospect Hill, Mount Vernon, Colonial Heights

The hillside neighborhoods have historically provided housing for merchants and managers. The houses have been primarily single-family and are on relatively large lots. The topography and housing typologies distinguish these neighborhoods from the ones below, and continue to reflect the class based organization of the city that has been with it from the beginning.

Tower Hill and Prospect Hill are older neighborhoods with many stately homes in various states of repair. Some have been subdivided into smaller apartments. Their size and open space meet the demands of today's market more effectively than much of the housing closer to the city core. More of them are owner-occupied than in other parts of the city, and residents tend to be more economically secure.

The Mt. Vernon area was developed after most of Lawrence, and its neighborhoods are a rarity in the city – largely single-family, suburban-style houses on larger lots. Houses have one or two floors and most have driveways. The housing stock is in relatively good condition, and many or most houses were built in the past 60 years. The Colonial Heights neighborhood contains similar attractive single-family dwellings.

Programs that support homeownership and rehabilitation will strengthen these neighborhoods. Infill on empty lots should be scaled to reinforce their character. Improvements in the perceptions of the city will attract home buyers who can contribute to the community and make necessary upgrades to their buildings and surrounding property.



Neighborhood fabric in Tower Hill and Prospect Hill (above) contrasted with neighborhood fabric in Mt. Vernon (below).

9.4 Highway oriented Multi-Family Development

Lawrence's density offers few fringe areas where substantial new construction can take place, and its economic condition does not offer large developers the kinds of opportunities they are generally looking for. But there have been recent developments adjacent to Interstate 495, which have produced several hundred apartments and condominiums. These are complexes that are technically in Lawrence, but are perceived more as extensions of the highway system than as parts of the city itself. Residents feel more of a connection to Andover than to Lawrence, and to the open space of Den Rock Park than to the mills along the Merrimack River. Most of the residents do not have children in Lawrence's schools.

There may be additional opportunities in Tower Hill, Mount Vernon and South Common, adjacent to 495, for large-scale development. The City should encourage the inclusion of subsidized housing in future developments along with participation by non-profit developers. Improvements in open spaces and the commercial character of the city will encourage residents of housing on the periphery to patronize local businesses and take advantage of Lawrence's urban core.



Addison at Andover Park and River Pointe at Den Rock Park, two peripheral developments.

Section 9 – Neighborhood Typologies and Conditions

9.5 Mill Building Core: Adaptive Reuse and Infill

The mills along the Merrimack River give the city a memorable character and a strong sense of place. The conversion of the four to eight-story masonry and wood structures to housing began in the 1980's and parallel similar developments in urban areas throughout the country. Lawrence has benefited from the architectural strength of its mills, their proximity to Interstates 495 and 93, and the adjacent commuter rail station.

But the city has lagged behind others in the region. Boston offers high paying jobs and high profile institutions, and Lowell had a strong advocate in Paul Tsongas that gave the city a more prominent profile. And both cities have developed more of the shops and restaurants that draw working professionals and affluent retirees to urban areas on the upswing, and fewer large expanses of parking and underutilized land that undermine the integrity of the urban fabric. Lawrence's mill conversion residents often hop on the highway to go to work or for shopping and dining, rather than utilizing the limited resources within walking distance. And New Balance employees take the same highways to their homes in other cities and towns. Much of the industrial core still feels abandoned, especially after dark.

Mill conversions are not economically feasible without subsidies and tax credits and a political and regulatory climate that actively supports this kind of development. Work accomplished to date along the Merrimack and at Malden Mills offers a strong base to work from, but the City's administration could do more to support ongoing efforts and to reach out to potential funders and developers. Establishing a critical mass of mill building residents will help provide the catalyst for continued economic development within and around the mills, which will in turn support improvements to the rest of city's housing stock. Mill redevelopment should be accomplished in ways that unify the historic core and connect it to adjacent commercial areas and the nearby hospital, community college, courthouse, and City Hall.

The city's mill districts have substantial areas that are underutilized and are primarily used for parking. Thoughtful infill that reinforces the area's pedestrian character and includes useful open space can provide housing and commercial space while building on the center city locations. The parking lots surrounding Stone Mill, where the Wood Mill once stood, offer an ideal opportunity to integrate critical parts of the urban fabric into the revitalization area. Malden Mills also has a substantial amount of open space associated with it where new development could reinforce the urban character of the surrounding Tower Hill and Arlington neighborhoods while making the riverfront more accessible.



Mill redevelopments are often disassociated from the surrounding urban fabric, offering convenient access from highways, but minimal brought to downtown and surrounding neighborhoods.

9.6 Housing Authority Developments

The Lawrence Housing Authority has a series of developments throughout the city which include 71 Duckett Avenue (Beacon Courts) and 179 Osgood Street (Stadium Courts) in South Lawrence and 56 Melvin Street (Merrimack Courts) and 65 Hancock Street (Hancock Courts) in North Lawrence. These are the largest of their properties and are located within or adjacent to residential neighborhoods. They are also in typically very good condition, consisting of low-rise buildings interspersed with open spaces and parking in different configurations. They make a substantial contribution to the amount of subsidized housing available in Lawrence, and there are long waiting lists for apartments. It is unlikely, given the current lack of state and federal funding available, that the LHA will be able to expand its portfolio of properties or add additional apartments within existing developments. (See more information on LHA in Section 3.6 and Appendix 1 and 2).



Low-rise housing authority developments are in high demand throughout Lawrence.

9.7 Other Information on Housing Conditions

Census data also provides some further but limited insights into housing conditions including the following:

- *Some units lack plumbing and/or kitchen facilities*
The 2012 census estimates indicate that 447 units or 1.8% of all units lacked complete plumbing facilities and 381 or 1.5% lacked kitchens.
- *Reduced overcrowding*
A common definition of overcrowding is an average of 1.5 persons per room or more. Based on this threshold, the level of overcrowding was cut by half between 2000 and 2012, from 1,024 units to 498. Given the slow rate of housing growth and increases in population, it is surprising that this data does not indicate that overcrowding increased; however, the census data typically misses households who were doubling-up with friends and families. The 2% level is still significantly higher than the 0.5% and 0.6% levels for the county and state, respectively.

Section 9 – Neighborhood Typologies and Conditions

Table 9-1: Occupants per Room, 2000 and 2012

	2000		2012	
	#		#	%
Occupied Housing Units	24,463	100.0	25,489	100.0
1.00 or less	21,778	89.0	24,289	95.3
1.01 to 1.50	1,661	6.8	702	2.8
1.51 or more	1,024	4.2	498	2.0

Source: U.S. Census Bureau, Census 2000 Summary File 3 and 2012 American Community Survey 1-Year Estimates

- *Lower incidence of fires compared to other cities*

The state manages a Fire Incidence Reporting System that tracks reports on fires by type of fire and municipality. Table 9-2 compares data on fire experience in Lawrence and other cities.

Table 9-2: Fire Incidence in Lawrence and Other Cities, 2012

Community	Total Fires	Structural Fires	Dollar Loss
Lawrence	331	152	\$2,050,288
Andover	97	40	\$758,779
Boston	5,843	4,218	\$53,600,271
Brockton	562	218	\$2,152,362
Brookline	433	379	\$1,007,000
Cambridge	934	832	\$2,466,680
Chelsea	437	311	\$1,977,286
Fall River	537	290	\$67,057,751
Fitchburg	463	324	\$1,070,100
Framingham	485	413	\$1,964,802
Lowell	572	379	\$2,508,640
Lynn	438	331	NA
New Bedford	449	200	\$4,328,270
Quincy	622	328	\$1,834,000
Revere	402	302	\$8,486,856
Springfield	1,023	557	\$4,423,972
Worcester	1,650	838	\$5,750,930

Source: Massachusetts Fire Incident Reporting System, 2012 (latest report available)

Boston was reported as having by far the most reported fires, 5843 in 2012, with Worcester, Springfield, Cambridge, Quincy and Lowell rounding off the top six communities. The 331 total fires reported in Lawrence was half that of Quincy's and 58% of Lowell's.

In regard to structural fires, Boston and Cambridge had the highest reported cases with Worcester, Springfield, Framingham and Brookline in the top six communities. Lawrence at 152 such fires had a much lower incidence, 37% of Framingham's level and 40% of Brookline's for example.

While perceptions persist that Lawrence is among the communities with the highest incidence of fires, data does not support this claim. Nevertheless, Lawrence has experienced some devastating fires that have attracted significant media attention and have displaced significant numbers of lower income families with some resulting deaths as well. Continued efforts to promote code enforcement in support of important health and safety standards needs to be a high priority for City officials.

Looking at data for residential fires per 10,000 population by community, Lawrence was in the 26-50 range as opposed to Boston, Brookline, Cambridge, Chelsea, and Framingham in the 71 to 126 range according to 2012 reports.

Section 10

DEMOGRAPHIC PROFILE

- 10.1 Population Growth**
- 10.2 Foreign Born Population**
- 10.3 Age Distribution**
- 10.4 Household Composition**



10. Demographic Profile

It is important to closely examine demographic characteristics, particularly past and future trends, in order to understand the composition of the population and how it relates to current and future housing needs. Key questions to be addressed include the following:

- What have been the historical growth trends in Lawrence?
- As a city that has been a welcoming haven for immigrant groups, known as the Immigrant City, what are the historic patterns of growth in Lawrence's foreign-born residents?
- What are the variations in household size and types of households that suggest unmet or greater housing needs?
- What are the ramifications of increases and decreases of various age groups in regard to housing needs?

These and other issues are discussed in the following section. In essence, major findings indicate that over the past several decades Lawrence has experienced significant recent growth particularly among new immigrants, children, and family households. Reports that compare Lawrence's demographic characteristics to those of Essex County and the state as well as other communities (Chelsea, New Bedford, Methuen, Salem, Framingham and Lynn) are included as Appendices 3 and 4. Appendix 5 includes a breakdown of demographic characteristics by Lawrence's census tracts and neighborhoods.

10.1 Population Growth

As an immigrant city, Lawrence's growth has fluctuated with the ebbs and flow of immigration and the wool industry as follows:

- *Lawrence's population was at its height in the 1920s*
The City's population was 8,358 in 1850 when the mill development began and immigrants started flooding into the city and increased to 62,559 residents by 1900. The population continued to grow, reaching 94,270 residents by 1920 as indicated in Table 10-1. Given the typical undercounting of population in immigrant cities, it is not unlikely that the population reached 100,000 residents during this period. With the passage of the Immigration Act of 1924, foreign-born immigration virtually stopped and the population decreased over the next few decades, particularly after the decline of the woolen industry in the 1950s.

Given the current trend towards continuing population growth in a context of limited developable property, it will be likely that growth will be primarily accommodated by redevelopment efforts in the downtown, mills or possible opportunities to assemble property in neighborhoods. It will be important for the City to guide growth to appropriate locations through strategic planning, new zoning, and leveraged investment.

- *Rebounding population growth after declines prior to 1980*
As indicated in Figure 10-1, while Essex County's population has steadily increased since 1940, with a small decline between 1970 and 1980, Lawrence's population decreased between 1930 and 1980, from 85,068 to 63,175 residents. It has rebounded since then to a population of 76,327 in 2010 and 77,321 by 2012. Moreover, as mentioned above, census estimates notoriously underestimate population counts in cities as they do not adequately capture residents who are doubled-up with families and friends, have significant language barriers, and are reluctant to

interface with government representatives. While the U.S. Census Bureau estimates a population of 77,321 in 2012, some City officials suggest that the total number of residents is closer to 80,000.

- *Very high population density*

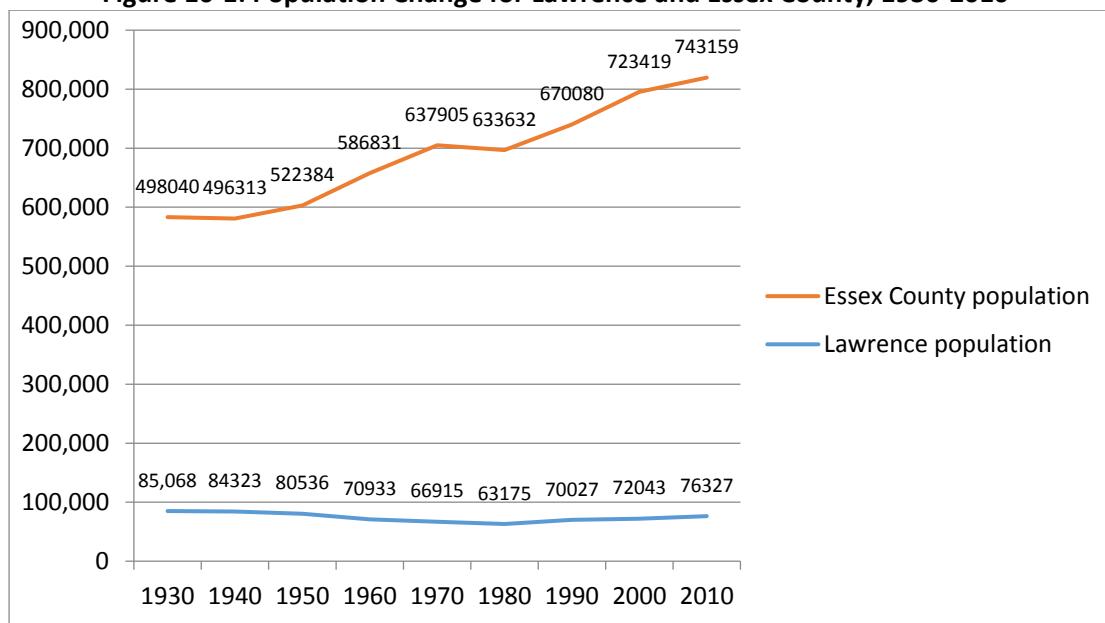
Lawrence, as an older city and former manufacturing center, had a high population density of 11,046 residents per square mile in 2012, based on its seven (7) square miles in area.

¹⁹ This density is surpassed by Chelsea at 14,598 residents per square mile but significantly higher than Methuen at 2,069 and even Lynn at 6,759.

- *Likely continuing population growth*

Metropolitan Area Planning Council (MAPC) projections suggest further population increases to 89,029 residents by 2030, however the Merrimack Valley Planning Commission (MVPC) projections estimate little population growth with 78,000 residents by 2035.

Figure 10-1: Population Change for Lawrence and Essex County, 1930-2010*



Source: U.S. Census Bureau

- *Most new residents came from within Essex County*

An estimated 13,288 residents moved between 2011 and 2012, representing 17% of the population compared to 11% for Essex County and 12% statewide. Of these Lawrence residents who moved within the United States, 76% came from Essex County, many if not most likely from within Lawrence itself. Almost 14% came from a different county and about 2% of all residents came from abroad during this short time period.

Census estimates also indicated that most of Lawrence's resident mobility is between Methuen and Haverhill while on a county to county basis most of the movement is within Massachusetts – Middlesex, Suffolk, Norfolk, Worcester and Bristol Counties in particular. In-migration data

¹⁹ Subtract the city's rivers, canals, and public spaces and Lawrence would be even smaller at less than four (4) miles square.

Interviews suggest that there is a concern that the age and quality of Lawrence's housing stock and other quality of life issues result in residents choosing to live elsewhere once they have sufficient resources. This data indicates that this is the case to some extent. While there is a substantial flow in and out of Lawrence and nearby Gateway Cities, as well as more suburban-oriented neighbors, on a whole the City is losing population to many of these communities on a net basis.

suggests that the greatest number of new Lawrence residents are coming primarily from other cities including Boston, Haverhill, Lynn, Methuen and even Brooklyn, New York. The other major origin of new immigrants was the Caribbean. Considerable out-migration is also occurring among these same cities with net negative migration for Haverhill and Methuen. Out-migration to surrounding more affluent towns and a number of other Gateway Cities, including Lowell, Leominster and Springfield, is also occurring. See Appendix 6 for more detailed information on migration patterns.

10.2 Foreign Born Population²⁰

Lawrence's early population growth was driven by waves of immigrants who moved to the city to work in the burgeoning mill industry, typically fleeing difficult conditions in their homelands. As shown in Table 10-1, the city experienced the following immigrant growth patterns:

Table 10-1: Growth in Foreign Born Residents, 1845-1950

Year	Tot. Pop.	For. Born	% For Born	Ireland	England	Scot-land	Can.	Germ.	Rus.	France	Italy	Turkey
1845	104											
1848	6,000	2,250	37.8	2,139								
1850	8,358											
1855	16,114	6,725	41.6	4,783	1,132	405	206	169				
1860	17,639											
1865	21,698	9,217	42.5	6,047	1,892	522	583	151				
1870	28,921	12,717	43.9	7,457	2,456	691	1,037	467				
1875	34,916	15,546	44.5	8,232	3,353	882	1,924	963				
1880	39,151	17,266	44.1	7,951	3,579	909	3,067	1,117				
1885	38,862	17,097	44.0	7,643	3,928	832	2,451	1,499	60		2	
1890	44,654	20,518	46.0	7,697	4,955	1,097	4,459	1,830	60		46	5
1895	52,164	24,302	46.6	7,487	5,486	1,203	5,665	2,402	426	68	263	213
1900	62,559	28,577	45.7	7,058	5,131	1,198	8,682	2,465	780	147	936	277
1905	70,050	32,279	46.1	6,557	5,153	1,168	7,597	2,388	1,297	435	2,804	1,332
1910	85,892	41,319	48.1	5,943	5,659	1,336	9,498	2,301	4,366	788	6,693	2,077
1915	90,259	41,339	45.8									
1920	94,270	39,122	41.5									
1950	80,536											

Source: Cole, Donald B., *The Immigrant City - Lawrence, Massachusetts 1845-1920*, The University of North Carolina Press, 1963.

²⁰ The U.S. Census Bureau uses the term foreign born to refer to anyone who is not a U.S. citizen at birth. The term does not include anyone born in the United States, Puerto Rico, a U.S. Island Area (American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, or the U.S. Virgin Islands), or abroad of a U.S. citizen parent or parents.

- *Foreign born residents have always been a substantial segment of the city's population*
Since the founding of the city, those residents who were born outside of the United States included about 38% of all residents in 1848 to 48% by 1910 and up to 50% by 2012.²¹
- *The Irish were the earliest immigrants*
The founding of the city occurred at about the same time as the Irish Potato Famine and drew considerable numbers of Irish immigrants into the city who outnumbered the other immigrant groups until 1900 when the French Canadians surpassed the Irish population.
- *Yankee farmers*
Not all immigrants to Lawrence were foreign born as city jobs also attracted existing U.S. residents, particularly farmers in the region who were unable to compete with those in the Midwest when it was linked to the East by rail.
- *Declines after 1920*
With the passage of restrictive national immigrant policies in the 1920s, immigration virtually stopped and the city's population began to decline. With the decline of the woolen industry in the mid-20th century, the city's population further decreased from about 80,500 residents in 1950 to a low of 63,175 by 1980.
- *Dramatic increases in relatively recent immigrant populations*
Table 10-2 documents that those who were born outside of the United States more than quadrupled in number over the past several decades, from 14.8% of the population in 1980 to 50.6% by 2012.
Therefore the percentage of foreign born residents in 2012 was actually somewhat higher than during the early 20th century when Lawrence's population reached its peak.

Table 10-2: Immigrant and Racial/Ethnic Information, 1980–2012

Population Characteristics	1980		1990		2000		2012	
	#	%	#	%	#	%	#	%
Latino/Hispanic of any race **	10,296	16.3	29,237	41.6	43,019	59.7	59,117	76.5
Born outside U.S.	9,352	14.8	14,673	20.9	22,011	30.6	39,123	50.6
White population	54,787	86.7	45,514	65.0	39,328	48.6	28,797	37.2
Non-White Population *	8,388	13.3	24,583	35.0	36,999	51.4	48,524	62.8
Black	1,362	2.2	4,496	6.4	3,516	4.9	10,446	13.5
Asian	281	0.4	1,358	1.9	1,910	2.7	1,988	2.6

Source: U.S. Census Bureau, Census 1980, 1990 and 2000 Summary File 3; 2012 American Community Survey 1-Year Estimates

* All non-White classifications

** Latino or Hispanic of any race.

²¹ This figure represents all residents who were born outside of the United States which includes Puerto Rico, a U.S. Island Area (American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, or the U.S. Virgin Islands). A total of 9,221 residents were born in these areas and therefore the total number of foreign-born residents based on the census definition is 29,902 residents. Those American residents born outside of the United States may still experience language barriers that can have an effect on their earning potential.

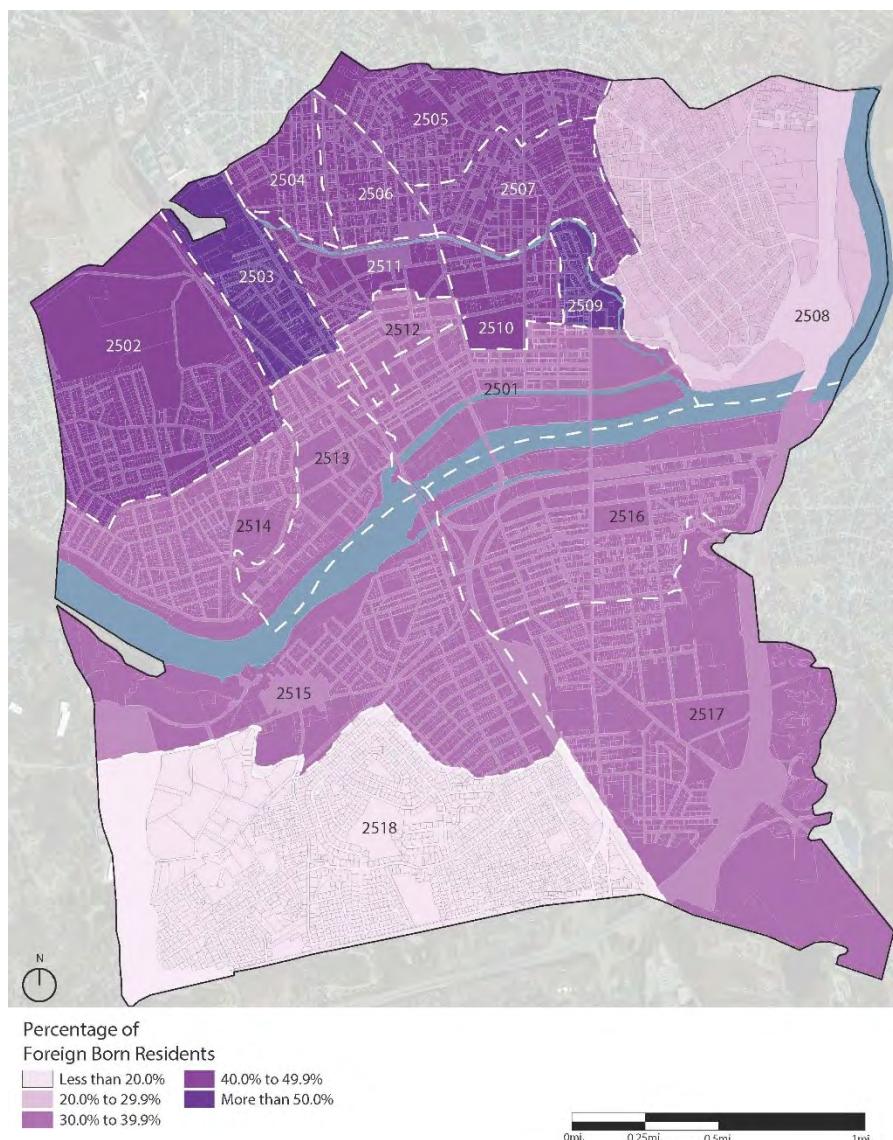
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- *High Hispanic representation*

Relatively recent immigrant groups have included those from Cuba, Puerto Rico, the Dominican Republic and other Latin American countries as well as some from Southeast Asia, Vietnam in particular. More recent settlers have come from Central America including Guatemala and Honduras. More than three-quarters of residents identified themselves as Hispanic with 70.6% speaking Spanish at home of whom 36% indicated that they spoke English less than “very well”. Many of these residents, including residents from other countries that speak English as their second language, experience challenges, particularly in regard to employment, that further may limit income and access to housing.

- *Significant population of new immigrants, most without citizenship as of yet*

A total of 4,254 residents who were born outside of the United States arrived after 2010, including 768 who were native born as they came from Puerto Rico or other American Island area. Of the 29,902 residents who were born outside the U.S., Puerto Rico, etc., half had not yet obtained U.S. citizenship as of 2012.



- *Significant variation of foreign-born residency among neighborhoods*

The map above shows that those born outside of the United States typically comprised less than 40% of all residents in most neighborhoods but represented only 16% in Mt. Vernon, at least 40% for Tower Hill and Arlington, and more than half of the population in North Common.

- *High immigrant population in comparison to other cities*

Most Gateway Cities have substantial immigrant populations but Lawrence's percentage at 50% is considerably higher than New Bedford's at 21%, Salem's at 17%, and even higher than the 45% and 32% levels for Chelsea and Lynn, respectively.

- *Racial minority populations are the new majority*

The non-White population of Lawrence has grown spectacularly from 8,388 residents in 1980, representing 13.3% of the population, to 48,524 residents by 2012 or 62.8% of all residents.

10.3 Age Distribution

Table 10-3 and Figure 10-2 track changes in the age distribution over the past several decades. The city continues to have a high proportion of children and young adults but population projections suggest significant gains in older residents through 2030.

Table 10-3: Age Distribution, 1980 to 2012

Age Range	1980		1990		2000		2012	
	#	%	#	%	#	%	#	%
Under 5 Years	5,284	8.4	6,948	9.9	6,451	9.0	6,339	8.2
5 – 17 Years	12,943	20.5	15,339	21.8	16,568	23.0	16,430	21.2
18 – 24 Years	8,153	12.9	7,711	11.0	8,031	11.1	10,015	13.0
25 – 34 Years	9,860	15.6	12,943	18.4	11,348	15.8	10,078	13.0
35 – 44 Years	5,347	8.5	8,857	12.6	10,512	14.6	10,475	13.5
45 – 54 Years	4,995	7.9	5,267	7.5	7,583	10.5	9,753	12.6
55 – 64 Years	7,070	11.2	4,408	6.3	4,475	6.2	7,442	9.6
65 – 74 Years	5,422	8.6	4,779	6.8	3,190	4.4	3,900	5.0
75 – 84 Years	3,099	4.9	3,955	5.6	2,738	3.8	1,589	2.1
85+ Years	1,002	15.9			1,147	1.6	1,300	1.7
Total	63,175	100.0	70,207	100.0	72,043	100.0	77,321	100.0
Under 18	18,227	28.9	22,287	31.7	23,019	32.0	22,769	29.4
Age 65+	9,523	15.1	8,734	12.4	7,075	9.8	6,789	8.8
Median Age	29.6 years		28.8 years		29.5 years		30.1 years	

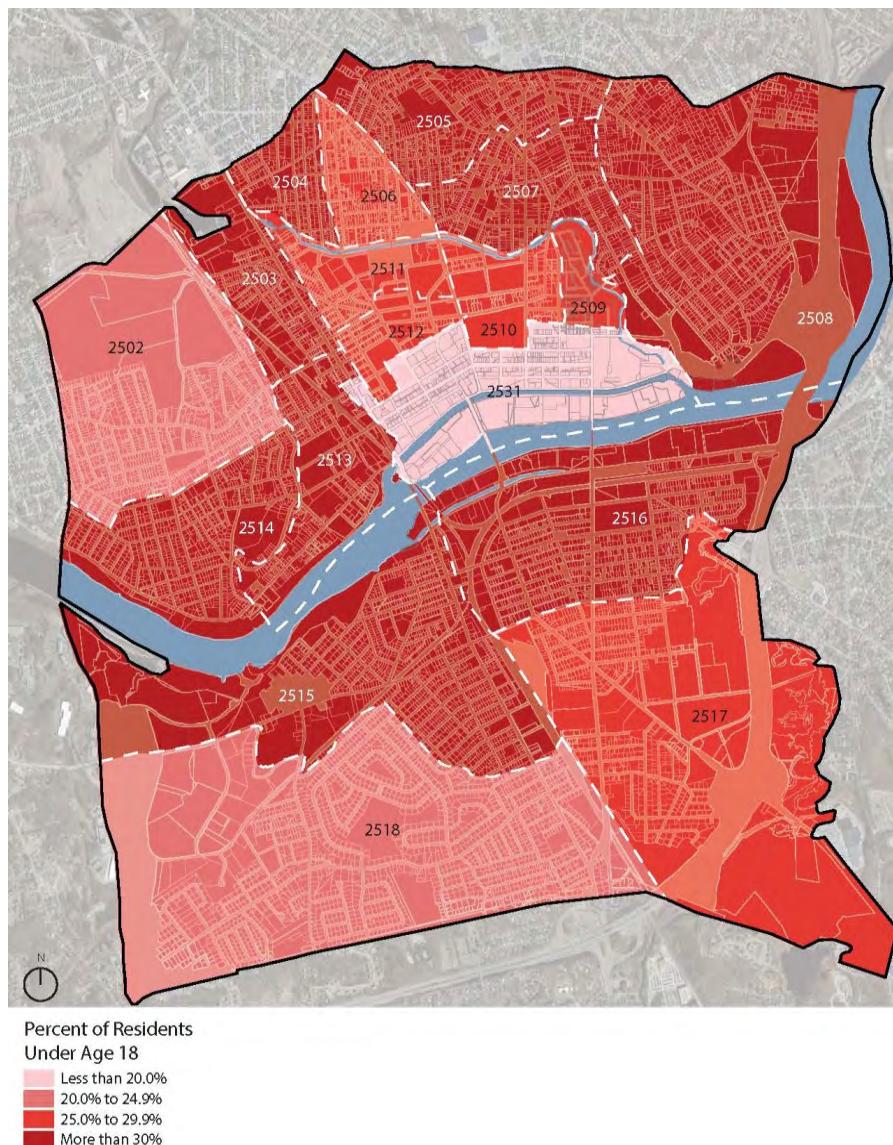
Source: U.S. Census Bureau, 1980, *1990, and 2000; 2012 American Community Survey 1-Year Estimates

- *High levels of children but some decreases over the past decade*

Lawrence's population of children under age 18 is high at almost 30% as opposed to approximately 22% and 21% for the county and state, respectively, and only 17.5% in Salem, 21.6% in New Bedford, 25.9% in Chelsea and 27.0% in Lynn for example. Nevertheless, the number of children was about the same in 2012 as it was in 1990, but the percentage of children decreased from about 32% in 1990 and 2000 to 29.4% by 2012. Increased public school enrollment and trends towards larger households do not support this trend however, suggesting the Census may be undercounting children.

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The percentage of children in most neighborhoods is largely reflective of city levels with the exception of General Donovan and Mt. Vernon neighborhoods at considerably lower levels of 20.7% and 22.9%, respectively, as demonstrated in the following map.



- *Increase in very young adults*

Very young adults ages 18 to 24 grew in number from 8,153 residents in 1980 to 10,015 by 2012, but remained about 13% of the population.

- *Decline of young adults*

Residents between the ages of 25 and 34 increased between 1980 and 1990 and then declined after that to 10,078 residents or 13%, almost the same level as those 18 to 24 years of age.

- *Increases in middle-aged residents*

Lawrence experienced an increase in the number and percentage of those middle-aged residents between the ages of 35 and 54, from 10,342 or 16.4% of the population in 1980 to 20,228 or 26.2% by 2012, almost doubling in number. Most of this increase occurred in the 45 to 54 age range.

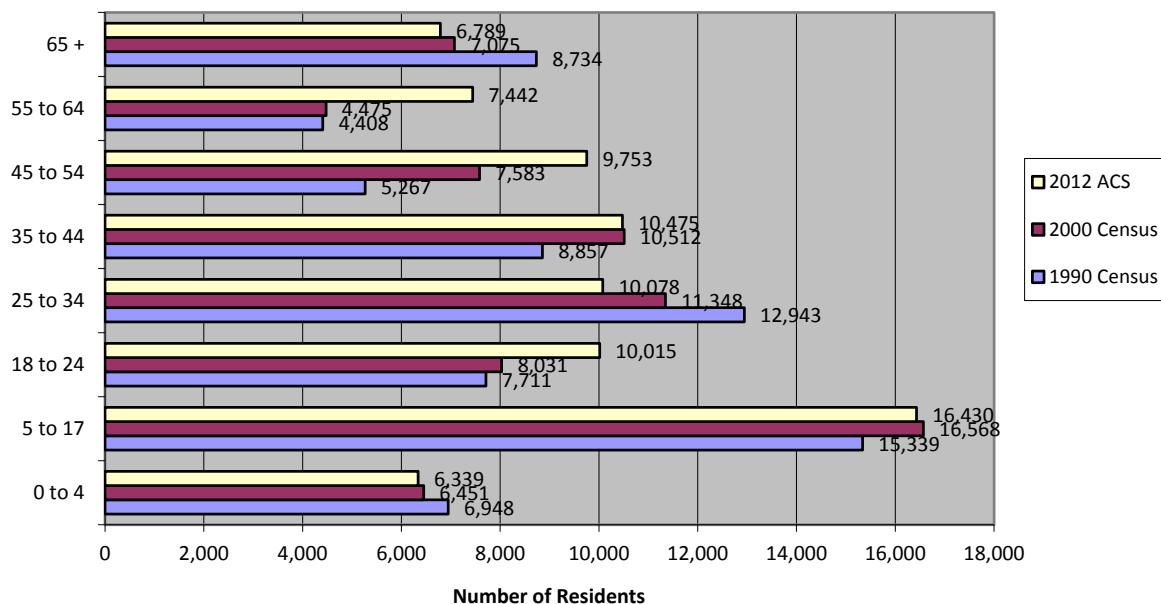
- *Rebounding population of baby boomers*

Those age 55 to 64 that comprise a significant segment of the baby boom generation, declined between 1980 and 2000 but rebounded after that to above 7,000 residents and 9.6% of the population. County and state levels are higher for this age group at 13.4% and 12.8%, respectively.

- *Declining population of older adults*

Both the numbers and percentage of those age 65 years or more declined steadily over recent decades from 9,523 residents or 15.1% of the population in 1980 to 6,789 or 8.8% by 2012. This level is low in comparison to the county and state at about 15% and significantly lower than New Bedford at 17.1%. Chelsea at 9.0% and Lynn at 10.9% have relatively comparable levels of seniors.

Figure 10-2: Changes in Age Distribution: 1990 to 2012



- *Projected population decreases in children and young adults and significant increases in seniors*

The Metropolitan Area Planning Council (MAPC) recently released projections that suggest a 16.6% population increase between 2010 and 2030 for the City of Lawrence. Projections also estimate almost no growth in the number of children under age 15 during this timeframe despite considerable population growth. MAPC projects significant population increases in older adults as the baby boom generation ages with those over 65 years increasing by 84.4% between 2010 and 2030. These projections are presented in Table 10-4.

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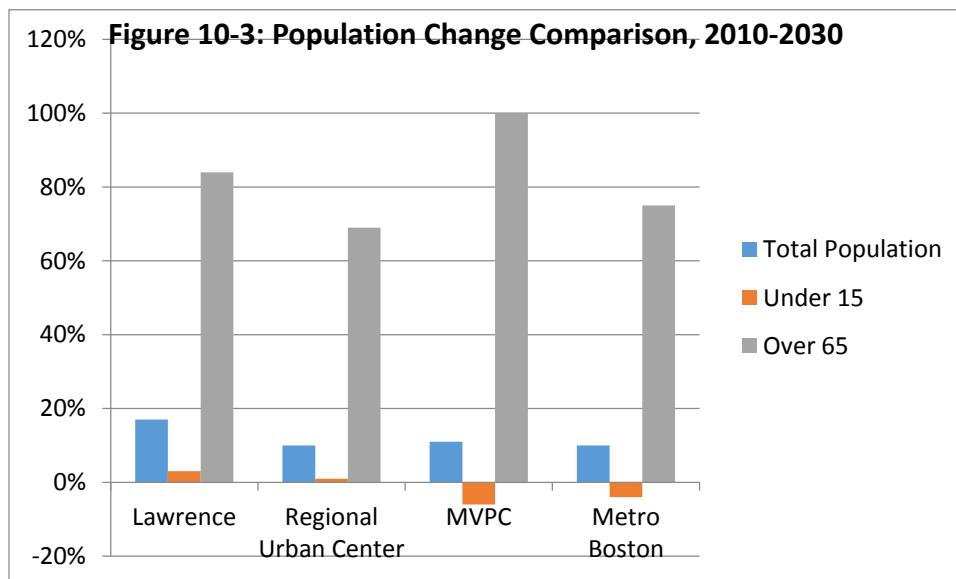
Table 10-4: Population Projections to 2030

Age Range	2010 (Actual)	2020 Estimates	2030 Estimates
Under 15 Years	18,184	18,658	18,741
Over 65 Years	6,557	8,583	12,090
Total	76,377	82,767	89,029

Source: Metropolitan Area Planning Council, Metro Boston 2030 Population/Housing Demand Projections, 1/14

These projections are also charted in Figure 10-3, comparing projections for Lawrence to other regional urban centers in the state, the Merrimack Valley Planning Commission (MVPC) area and Metro Boston from 2010 to 2030. Estimates suggest that Lawrence will experience greater total population growth and a bit higher growth in children under 15 years of age with the highest growth in seniors next to the Merrimack Valley region.

Because demographic trends have involved increasingly larger households and more children as reflected in the Lawrence School District's growing enrollment of about 300 new students per year, and further because new immigrants tend to be younger adults with children or entering the child formation phase of their lives, the projected decline in children may not be as significant as predicted. Nevertheless, like other Gateway Cities, demographic trends suggest that with greater earning power some families with children relocate to more suburban locations although this too may decrease given continued improvements in local schools.



Moreover, while some surge in the number and proportion of seniors is likely given trends over the past several decades towards increasing middle-aged residents and baby boomers, a more than 80% increase in those over 65 years is questionable.

10.4 Household Composition

The high level of families in Lawrence and some growth in larger families suggest that the City incorporate larger sized units in new development where possible.

Table 10-5 presents information on household changes between 1980 and 2012. While the population increased by 22.4% between 1980 and 2012, household growth was only 7.1%. Some of this discrepancy relates to the increasing size of households, averaging 2.62 persons in 1980 to 2.99 by 2012. MAPC projections estimate a 30.8% increase in the number of households to 32,946 by 2030. While less likely given current influxes of new residents, MVPC projections indicate significantly less growth to only 26,000 households by 2030, not much more than the 2012 level of 25,489 households.

Table 10-5: Household Characteristics, 1980-2012

	1980		1990		2000		2012	
	#	%	#	%	#	%	#	%
Population	63,175	100.0	70,207	100.0	72,043	00.0	77,321	100.0
Households	23,798	100.0	24,270	100.0	24,463	100.0	25,489	100.0
Families***	16,180	68.0	16,894	69.6	16,905	69.1	17,703	69.5
Non-families***	7,618	32.0	7,376	30.4	7,558	0.9	7,786	30.5
Female Headed Families with Children <18 ***	4,050	17.0	5,879	24.2	6,281	25.7	6,241	24.5
Average Household Size	2.62 persons		2.83 persons		2.90 persons		2.99 persons	

Source: U.S. Census Bureau, Census 1980, 1990 and 2000 Summary File 1; 2012 American Community Survey 1-Year Estimates * Percent of total population ** 1990 data for those 20 years and under and percent of total population

*** Percent of all households

- *Greater growth in families*

Family households increased by 9.4% between 1980 and 2012 while nonfamily households (individuals living alone or unrelated household members) grew by only 2.2%. Proportionately, family households have comprised almost 70% of all households since 1990.

Table 10-6 examines the types of households by household size. Single-person households comprised a substantial portion of the population, about one-quarter of all households in 2000 but decreased somewhat to 23.7% by 2012. The proportion of families to non-families remained the same at 69% to almost 31% during this period with a higher percentage of families than the county and state at 67% and 63%, respectively. Almost half of all households involved families with three to six members.

In comparison to the county and state, Lawrence has a greater proportion of families and on average increasingly larger households with the following major trends:

- *Higher population growth than household growth with increasingly larger families*

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Table 10-6: Types of Households by Size, 2000 Census and 2012 Estimates

Households by Type and Size	2000		2012 Estimates	
	#	%	#	%
Family Households	16,968	69.3	17,703	69.5
2-person household	4,622	18.9	5,291	20.8
3-person household	4,109	16.8	4,242	16.6
4-person household	3,845	15.7	4,706	18.5
5-person household	2,536	10.4	2,284	9.0
6-person household	1,038	4.2	958	3.8
7 or more person household	818	3.3	222	0.9
Non-family Households	7,509	30.7	7,786	30.5
1-person household	6,215	25.4	6,041	23.7
2-person household	1,044	4.3	1,211	4.8
3-person household	164	0.7	270	1.1
4-person household	56	0.2	264	1.0
5-person household	23	0.09	0	0.0
6-person household	7	0.03	0	0.0
7 or more person household	0	0.0	0	0.0
Total	24,477	100.0	25,489	100.0

Source: U.S. Census Bureau, 2000 Census, Summary File 3, and 2012 American Community Survey.

Section 11

ECONOMIC PROFILE

- 11.1 Incomes**
- 11.2 Employment Patterns**
- 11.3 Educational Issues**



11. Economic Profile

This section examines income, employment and educational data to address the following questions:

- What changes in income levels have occurred and how does this relate to housing affordability?
- Are there growing income disparities among residents?
- How has Lawrence been affected by shifts in employment patterns?
- How many residents work in the community?
- What proportion of the population is disabled or has other special needs that limit their employment options and income?
- What are the trends toward educational attainment that can affect employment opportunities, income and ultimately housing affordability?

As was the case of demographic data, reports that compare Lawrence's economic characteristics to those of Essex County and the state as well as other communities (Chelsea, New Bedford, Methuen, Salem, Framingham and Lynn) are included as Appendices 3 and 4. Appendix 5 includes a breakdown of economic characteristics by Lawrence's census tracts and neighborhoods.

11.1 Incomes

Lower incomes challenge residents' ability to afford decent and safe housing in Lawrence and adequately support their families, particularly in the context of rising rent levels.

- *Relatively low income levels for most residents*

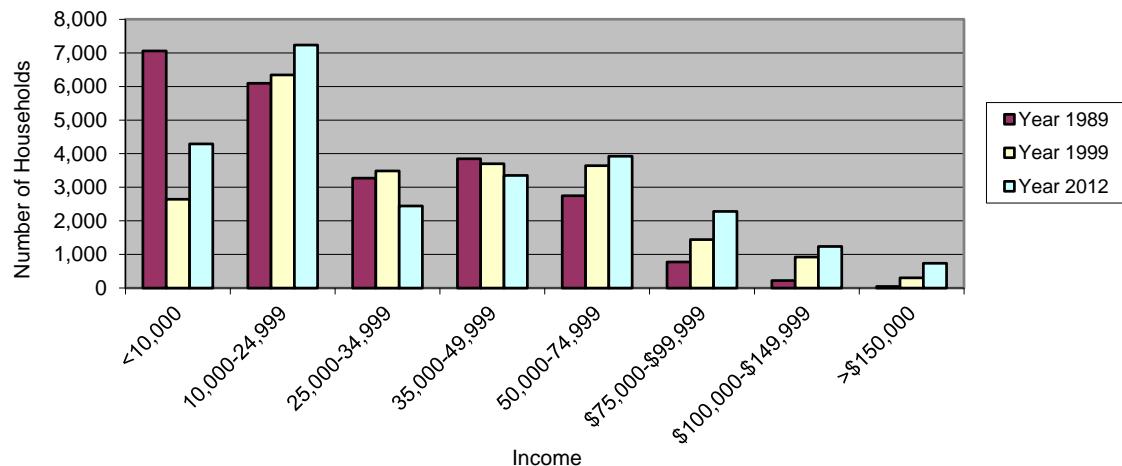
The median household income was \$30,509 according to 2012 census estimates, low in comparison to \$67,888 for the county, \$65,339 for the state as well as \$66,670 for Methuen and \$43,319 for Chelsea for example. Additionally 45% of all Lawrence residents earned less than \$25,000 while on the other end of the income range only about 8% had incomes of more than \$100,000 compared to almost one-third of all households in the county and state. Table 11-1 and Figure 11-1 present income data over the past several decades, documenting the high level of those earning in the lower income ranges as opposed to the higher ones.

Table 11-1: Household Income Distribution, 1979-2012

Income Range	1979		1989		1999		2012	
	#	%	#	%	#	%	#	%
Under \$10,000	10,236	43.1	7,056	29.3	2,643	19.0	4,288	16.8
10,000-24,999	9,748	41.0	6,096	25.3	6,346	25.9	7,233	28.4
25,000-34,999	2,615	11.0	3,272	13.6	3,485	14.2	2,441	9.6
35,000-49,999	946	4.0	3,847	16.0	3,699	15.1	3,350	13.1
50,000-74,999	171	0.7	2,745	11.4	3,640	14.9	3,924	15.4
75,000-99,999			773	3.2	1,439	5.9	2,282	9.0
100,000-149,999	50	0.2	223	0.9	923	3.8	1,234	4.8
150,000 +			45	0.2	302	1.2	737	2.9
Total	23,766	100.0	24,057	100.0	24,477	100.0	25,489	100.0
Median income	\$11,980		\$22,183		\$27,983		\$30,509	

Source: U.S. Census Bureau, Census 1980, 1990 and 2000 Summary File 3; 2012 American Community Survey 1-Year Estimates

Figure 11-1: Income Distribution by Census



- *Substantial income disparities*

As presented in Table 11-2, there are considerable income disparities based on the type of household with significantly higher median income levels for families, homeowners, households with middle-aged heads, male workers, and White or Asian households, a pattern that is typical in most cities.

Table 11-2: Median Income by Household Type, 2012

Type of Household/Householder	Median Income
Individual/Per capita	\$15,483
Households	\$30,509
Families	\$32,297
Nonfamilies*	\$17,347
Renters	\$20,989
Homeowners	\$63,819
Householder less than age 25	\$17,360
Householder age 25 to 44	\$30,477
Householder age 45 to 64	\$36,978
Householder age 65 or more	\$15,750
Male full-time, year-round worker	\$36,866
Female full-time, year-round worker	\$26,439
Household with White head of household	\$33,189
Household with Black/African-American head	\$28,795
Household with Asian head of household	\$36,125
Household with Hispanic/Latino head of household	\$24,684
Household with head of household of some other race	\$24,667

*Includes persons living alone and unrelated households members.

Source: U.S. Census Bureau, 2012 American Community Survey 1-Year Estimates

Table 11-3 documents the significant income disparities between owner-occupants and renters indicating that 12.5% of homeowners earned less than \$25,000 compared to 57.9% of renters in 2012. Additionally, the percentage of owners earning within \$25,000 decreased by 53.5% between 2000 and 2012 but increased by 15.5% for renters. On the other end of the income range, 37.1% of the homeowners earned \$75,000 or more in 2012, in comparison to 8.8% of renters.

Table 11-3: Income Distribution by Tenure, 2000 and 2012

Income Range	Renters				Homeowners			
	2000		2012		2000		2012	
	#	%	#	%	#	%	#	%
Under \$10,000	4,110	24.8	4,032	22.0	612	7.8	256	3.6
10,000-24,999	5,091	30.7	6,599	35.9	1,292	16.4	634	8.9
25,000-34,999	2,544	15.3	1,675	9.1	1,010	12.8	766	10.8
35,000-49,999	2,340	14.1	2,339	12.7	1,352	17.2	1,011	14.2
50,000-74,999	1,637	9.9	2,113	11.5	1,864	23.7	1,811	25.4
75,000-99,999	489	2.9	1,020	5.6	937	11.9	1,262	17.7
100,000-149,999	228	1.4	436	2.4	656	8.3	798	11.2
150,000 +	155	0.9	153	0.8	146	1.9	584	8.2
Total	16,594	100.0	18,367	100	7,869	100.0	7,122	100.0

Source: U.S. Census Bureau, 2000 Census and 2012 American Community Survey

- *Significant reliance on public assistance*

Only 7.5% of households received cash public assistance income but 47.3% used Food Stamps/SNAP benefits. These levels are high in comparison to the state and county at 3.2% and 12.9%, respectively. They are also high in comparison to other cities with 32.2% of households receiving SNAP benefits in Chelsea, 31.7% in Lynn, and 8.9% in Methuen.

- *Increasing poverty*

Table 11-4 indicates that poverty levels have increased over recent decades, from 19% of all individuals living below the poverty line in 1979 to 31.2% by 2012.

²² Poverty has also increased for families, particularly female-headed families where half of such households were living in poverty. Additionally, almost 40% of all children were also estimated to be living in poverty in 2012. Moreover, the poverty rate among seniors doubled between 1979 and 2012.

Table 11-4: Poverty Status, 1979-2012

	1979		1989		1999		2012	
	#	%	#	%	#	%	#	%
Individuals *	12,010	19.0	18,946	27.5	17,217	23.9	24,124	31.2
Families **	2,769	17.1	4,339	25.6	3,592	21.2	5,293	29.9
Female Headed Families ***	529	13.1	2,905	49.4	2,384	38.0	3,208	51.4
Related Children Under 18 Years ****	5,500	30.2	9,218	41.4	7,070	30.7	9,039	39.7
Individuals 65 and Over*****	1,483	15.6	1,268	14.3	1,286	18.2	2,227	32.8

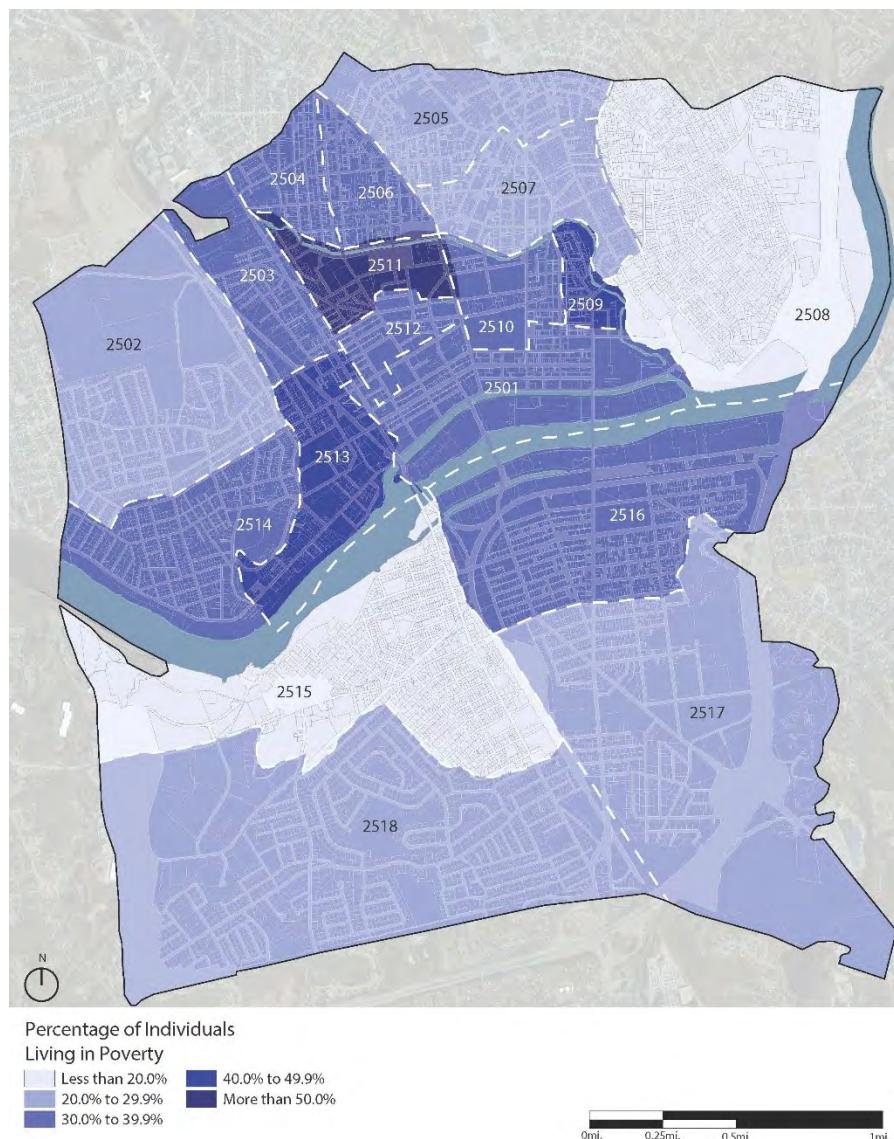
Source: U.S. Census Bureau, Census 1980, 1990 and 2000 Summary File 3; 2012 American Community Survey 1-Year Estimates. * Percentage of total population ** Percentage of all families *** Percentage of all female-headed families with children under 18 **** Percentage of all related children under 18 years ***** Percentage of all individuals age 65+

Lawrence's poverty level of 31.2% is high in comparison to other cities at 10.1% in Methuen, 22.6% in New Bedford, and 23.8% in Chelsea or example. Statewide the rate is 11.9%.

²² The 2012 federal poverty level from the U.S. Department of Health and Human Services was \$11,170 for an individual and \$19,090 for a three-person household.

In some Lawrence neighborhoods poverty levels are particularly high with between 32% and 37% of all residents living in poverty in the Tower Hill, General Donovan, North Common, Arlington and South Common areas. Given such low incomes, these individuals and families are significantly at risk of homelessness given a job or health crisis or increases in rent and other major expenses.

Based on the immigration trend of more households from the poorer, rural areas of Central America, it is likely that poverty rates will not significantly decline without substantial infusions of federal and state funding for anti-poverty efforts, an unlikely prospect.



11.2 Employment Patterns

Built as a planned city to harness the Merrimack River and manufacture wool into cloth, Lawrence grew into one of the largest textile manufacturing cities in the world, attracting waves of European

immigrants to work in the mills. By the turn of the 20th century, Lawrence's mills employed more than 40,000 workers, almost half of the 85,000 residents over age 14 at the time. Estimates suggest that more than 12 million sheep were clipped annually throughout the world to provide the necessary wool. A decade later 100,000 sheep per week were needed in the Wood Mill alone.²³

Following major business surges during both World Wars based largely on government contracts, local mill activity fell into a considerable decline. Business activity moved from labor intensive work to semi-automated and capital intensive activities. While previous workers learned on the job, new employment opportunities demanded better educated and skilled workers. More technologically advanced companies, such as Polartec, were able to survive substantial competition from domestic rivals and foreign competition, including some flourishing shoe businesses such as New Balance.²⁴

Despite the decline of textile manufacturing, employment trends indicate some positive signs towards more job opportunities and significantly declining unemployment.

- *Expanding workforce*
Of those 57,772 Lawrence residents over the age of 16 in 2012, 37,707 or 65.3% were in the labor market according to the U.S. Census Bureau's American Community Survey. This represents a significantly expanded workforce from 27,721 workers in 1980 and 28,148 in 2000.
- *High but decreasing unemployment*
The unemployment rate was 12.3% as of September 2014 according to state labor force data, which is significantly higher than most communities in the state and about twice Boston and North Andover's rates of 6.4% and 5.9%, respectively. Lawrence's unemployment rate was also high in comparison to 7.6% in Methuen, 7.8% in Lowell, and 6.7% in Haverhill. Nevertheless, unemployment has been decreasing in Lawrence from a high of 15.9% in 2010 and 2011, 15% in 2013, 14% in April of 2014, and **down to 9.6% as of March 2015**.
- *Average weekly wage of \$910*
Detailed labor and workforce data from the state on employment patterns in Lawrence is presented in Table 11-5. This information shows an average employment of 25,964 workers who were employed in Lawrence with an average weekly wage of \$910 which is well below levels in Boston (\$1,603), Lowell (\$1,003), and North Andover (\$1,068) for example but higher than Methuen (\$851) and Haverhill (\$801). Lawrence's average weekly wage translates into an annual salary of about \$47,500 which is considerably higher than the city's median household income of \$30,509. As 31% of Lawrence residents work in the city, most of these jobs are held by those who live elsewhere and spend most of their disposable income in other communities.
- *Concentrations of manufacturing, health care and social assistance jobs*
Those Lawrence-based industries that had an average of more than 2,000 jobs included manufacturing (4,803 jobs), administrative and waste services (2,641), and health care and social assistance (8,402). There were also concentrations of jobs in retail businesses (1,595 jobs), educational services (1,749) and public administration (1,392). It is expected that employment trends towards declining manufacturing jobs and more service-related employment will continue, on average reducing wages and hence workers' ability to afford housing.

²³ Schinto, Jean, Huddle Fever: Living in the Immigrant City, Alfred A. Knopf, 1995.

²⁴ Ibid.

Section 11 – Economic Profile

- *Most residents were in services or sales occupations*
About 55% of employed Lawrence residents were working in service occupations or sales and office jobs. Another 24.7% were in production, transportation and material moving occupations with about 11% in management and business jobs and the remaining 9.3% in natural resources, construction or maintenance jobs.
- *Limited use of public transportation for commuting to work*
Census estimates indicate that 64% of workers drove alone to work, another 18.7% carpooled and only 3.4% used public transportation despite the proximity to MBTA commuter rail services. The average commuting time was 21.8 minutes, suggesting employment opportunities were more typically located outside of Lawrence or at its fringes.
- *Most families involved two working parents*
About 75% of households with children under 18 included both parents in the labor force thus increasing total household income.
- *Almost all working residents are private wage and salaried employees*
Almost 91% of Lawrence's labor force received private wages or salaries, another 6% were government workers, and only 3% were self-employed.

Table 11-5: Average Employment and Wages by Industry, 2013

Industry	# Establishments/ Businesses	Total Wages (\$)	Average Employment (# of Jobs)	Average Weekly Wage (\$)
Construction	62	\$40,864,112	645	\$1,218
Manufacturing	95	287,211,090	4,803	1,150
Wholesale trade	60	40,169,825	643	1,201
Retail trade	188	52,957,996	1,595	639
Transportation/warehousing	35	19,996,158	412	933
Information	23	24,616,380	302	1,568
Finance/insurance	37	10,964,069	252	837
Real estate/rental/leasing	44	8,883,906	235	727
Professional/technical services	74	32,072,509	438	1,408
Management of companies/enterprises	8	13,358,802	214	1,200
Administrative/waste services	64	60,053,099	2,641	437
Health care/social assistance	1,161	366,240,278	8,402	838
Educational services	16	113,366,673	1,749	1,246
Arts/entertainment/recreation	8	925,939	60	297
Accommodation/food services	107	16,780,117	1,024	315
Other services	143	29,203,855	1,082	519
Public Administration	47	104,037,203	1,392	1,437
Total	2,175	\$1,228,193,142	25,964	\$910

Source: Massachusetts Executive Office of Labor and Workforce Development, November 11, 2014

- *15% of residents claimed a disability*
A total of 11,993 residents claimed some type of disability according to 2012 census estimates, representing about 15% of Lawrence's population, higher than 10% in Chelsea but lower than 17% in

New Bedford. Some of these residents will not be able to participate in the workforce because of their disability, particularly those between the ages of 18 and 64. Moreover, those who must rely on Social Security Disability funds typically have very limited financial means which in addition to their disability makes finding affordable and accessible housing more challenging.

As shown in Table 11-6, of the population under age 18, 845 or 3.7% had some type of disability, and of the population age 18 to 64, 7,827 or 16.5% claimed a disability.

These significant special needs suggest that greater handicapped accessibility and supportive services should be integrated into new housing as well as more pedestrian-friendly “common streets” and improved bus service.

In regard to those 65 years of age or older, 3,321 or more than half claimed a disability. While the percentage of children with disabilities was lower than the state's, the levels for the other age categories were higher including an overall 15% disabled population in Lawrence compared to 11.3% for the state as a whole.

Table 11-6: Population Five Years and Over with Disabilities for Lawrence and the State, 2012

Age Range	Lawrence		Massachusetts	
	#	%	#	%
Under 18	845	3.7	64,411	4.6
18 to 64 years	7,827	16.5	377,194	8.9
65 years and over	3,321	51.2	310,718	33.7
Total	11,993	100.0	752,323	100.0

Source: U.S. Census Bureau, American Community Survey, 2012 estimates

11.3 Educational Challenges

The Lawrence School District has been through a number of changes over recent years and despite challenges many improvements have been achieved under the new receiver. Community-wide educational issues are summarized below that relate to housing in that the amount of education one receives affects earning potential and housing affordability while new housing creation affects school enrollment and capacity.

- *Some improvement in educational attainment*
In 2012, 64.8% of those 25 years and older had a high school diploma or higher, up from 58.2% in 2000. There was some decline in the percentage of those with a college degree or higher however, going from 10% in 2000 to 9.7% by 2012. These levels are significantly lower than the state where 89.7% had at least a high school degree and 39.3% had a college degree or higher in 2012. This lower level of educational attainment is reflected in Lawrence's relatively lower income and wage levels.
- *Increasing enrollments*
Those residents enrolled in public and private schools (nursery through graduate school) totaled 25,014 in 2012, up 10.3% from 22,677 students in 2000. There were 19,516 students enrolled in nursery school through high school in 2012, representing an increase of 296 students since 2000.

Enrollment in the Lawrence Public School district has increased substantially over the last five years due to improved academic performance in retaining students, more families moving to the city, a younger population and more families choosing the public schools instead of private and parochial options. In

2009 total enrollment in the district was 12,284. As of October 1, 2014 enrollment had increased by 13% to 13,889. The Lawrence Public Schools projects this trend to continue and anticipates a 10% growth in enrollment over the next five years.

- *Increasing building capacity issues that relate to housing*

The combination of aging facilities and an expanding student body is creating capacity problems with the school system. The Lawrence Public Schools has contracted with an architectural firm to support the creation of a facilities master plan that will outline better utilization of existing space and facility and maintenance needs of existing buildings (e.g. roofing, boiler replacements, electrical capacity, etc.).

- *High student participation in free or reduced breakfast and lunch programs*

The Lawrence Public Schools provides universal free breakfast and lunch to all of its students due to the high percentage of students that qualify for free or reduced meals.

- *Challenges in addressing the needs of homeless students*

School districts must provide the option of maintaining services to students who become homeless during the year and are placed in temporary housing outside the community in which they live. The school district must transport these students back to their school if the family elects to remain in the school. For the Lawrence Public Schools, this population has increased by over 100% in the last four years, increasing from 77 students requiring transportation to 159 students in 2014. The annual cost for these services has grown from \$59,717 in 2010 to \$269,196 in 2014. From an academic perspective, having students remain with the district has allowed for better continuity of educational services, however, there is a greater need for coordinating various services for students due to their changing living conditions.

- *Need to address language barriers*

English is not their first language for 70% of the students that attend the Lawrence Public Schools. Thirty percent of the students in the Lawrence Public Schools (LPS) are English language learners and Spanish is the dominant second language. LPS has trained a majority of staff to strengthen instruction for limited English-proficient students and expects that over 90% of educators will be trained by the end of the 2015/16 school year. As part of the planned Lawrence High School campus, a Newcomers Academy will ensure that students receive critical transition support and are prepared to integrate into a general classroom setting as soon as they are able.

- *Increasing per pupil spending*

Over the past decade, from 2004 to 2014, per pupil spending by the School District has increased from \$6,189 to \$14,012, representing a 126% per pupil increase. Over 95% of funding is from state aid and federal grants.

- *Increasing school performance and graduation rates*

Over the last three years more students have become proficient on state assessments and graduation rates have increased while dropout rates have decreased. Proficiency in English language arts has increased by three percentage points to 44% of students testing proficient while math proficiency has grown 13 percentage points to 41%. LPS has tripled the number of Level 1 schools to 6, the state's highest accountability status indicating that schools are meeting state-established performance targets for student progress.

The four year graduation rate is at a historic level, increasing by 15 points since 2011, while dropout rates has almost been cut in half during the same period, from 8.6% in 2011 to 4.6% in 2014.

Section 12

RECOMMENDED STRATEGIES

- 12.1 Capacity Building Strategies**
- 12.2 Regulatory Strategies**
- 12.3 Development Strategies**
- 12.4 Preservation Strategies**



12. Recommended Strategies

This Comprehensive Housing Study provides the factual framework for new strategic approaches to meeting Lawrence's challenges and the recommendations included in this section. These recommendations are based on both vision and pragmatism and provide a platform for making critical decisions that can guide the City's housing policy. They are designed to spark discussion and provide a basis for evaluating progress. The goal of the recommendations is to assist the City in positioning itself and its systems to reinvigorate the housing market, build confidence in the private market, stabilize neighborhoods and maximize the use and impact of public and private resources.

The recommendations respond to the key challenges outlined in the body of the study and are aggregated and identified as the four (4) critical issue areas:

1. Capacity Building Strategies
2. Regulatory Strategies
3. Development Strategies
4. Preservation Strategies

Within each issue area are included the broader visions and the more specific recommendations broken into shorter and longer term strategies. The broader recommendations represent a vision and direction to guide implementation. The more specific recommendations are a roadmap to interventions, sometimes small in scale, that when linked to a comprehensive vision can make a difference in the life of the city. The objective is to provide a broader context within which strategies, vetted and adopted in the field by stakeholders, can be implemented.

The strategies recommended represent a range of inter-related activities that cut across many of the issue areas. These need to be adopted in the context of continued commitment to community building and stakeholder engagement to insure that there is accountability and relevance in the implementation process.

Successful implementation requires the City to adopt a plan and an accountability structure to provide oversight and outcome measurements. This will include a timetable for progress and identification and assignment of responsibility. The successful implementation of the Housing Study will require buy-in from all departments, a commitment to oversight by key officials, and a process for public reporting on progress in implementation. The implementation strategy should include a meaningful engagement with the community, a willingness to challenge the status quo and a flexible approach that allows the parties to double down on successful efforts or eliminate failing programs when circumstances change.

12.1 Capacity Building Strategies

In order to effectively address the needs articulated in this Housing Study and to implement the housing initiatives recommended in this Section, it will be important for the City to build its capacity, including the following important measures:

- Invest in training and technology to improve Lawrence's ability to plan, monitor and steer strategic interventions more effectively.
- Review and set departmental goals related to housing production and rehabilitation with standards to enforce accountability.

- Use existing resources more effectively to put vacant property and underutilized land back into productive use and ultimately increase tax revenue.
- Attract new resources to better leverage limited local funds and assets and introduce new initiatives.
- Support capacity-building and expansion of private and non-profit sectors to tackle neighborhood-based housing improvements including assisted housing for special populations.
- Exert greater local and regional leadership in the planning and funding of housing.

12.1.1 Issue: Information Technology and Planning

Goals: Boost the capacity of local government to better track, regulate and plan for housing and community development efforts. Link housing strategies to more comprehensive planning and design guidelines that support downtown and neighborhood revitalization efforts.

Key Recommendation: Invest in training and technology to improve Lawrence's ability to better plan, monitor and steer strategic interventions more effectively.

Strategies:

Shorter Term Strategies

- Invest in information technology systems to improve the identification and tracking of distressed properties that can be available for use across departments. Support the Community Development Department's work improving their database to meet these goals.
- Undertake a citywide and neighborhood-specific visioning process that engages local leaders, stakeholders and residents in determining Lawrence's future, guiding new development. Develop a Master Plan for downtown and high priority neighborhoods that targets areas for rehabilitation and redevelopment, streetscape and open space improvements, infrastructure improvements and potential changes to zoning (see also strategy 12.3.1). The Master Plan should target specific properties for development while improving the overall urban character of the community.

Longer Term Strategies

- Develop accessible mapping capacity including the use of GIS as a neighborhood planning tool.
- Enhance public and developer access to information through websites that are easy to access and transparent. Such systems can track ISD permitting, violation tickets and payments, and the status of development proposals under review. Silo busting systems for information

REHABILITATION DESIGN STANDARDS & SUPPORT



Lawrence's dense triple decker neighborhoods provide cost effective housing within walking distance of schools, parks and downtown. But many are in poor condition. Streets fronts appear rundown and interior layouts may not meet contemporary needs. Repairs and rehabilitation often remove the historic details that gave these communities their charm. The City of Boston's 3D program provides assistance for property owners that has helped revitalize triple decker neighborhoods like those pictured below.

Design standards help owners choose details and colors that maintain the original character and animate the streetscape. Boston Building Resources Co-Op offers materials, some recycled, at reduced cost along with educational programs. The programs could be a

Section 12 – Recommended Strategies

- sharing and accountability will inform the most effective public policy interventions.
- Bolster public information on housing issues and new initiatives that enhance opportunities for community input.

12.1.2 Issue: City Coordination

Goal: Boost the capacity of local government to better track, regulate and plan for housing and community development efforts.

Key Recommendation: Further review and set departmental goals related to housing production and rehabilitation with standards to enforce accountability.

Strategies:

Shorter Term Strategies

- Provide staff training and technical assistance on processes including tax title, code enforcement, land assembly and property disposition. Funding from the Massachusetts Housing Partnership (MHP), Department of Housing and Community Development (DHCD) and other agencies can be used to support these efforts. Some work is already underway through a student intern from Harvard's Kennedy School.
- Evaluate and encourage rehabilitation and redevelopment in line with a new Lawrence Master Plan and design standards.
- Update job descriptions to designate responsibilities for key areas of focus so employees 'own' outcomes.
- Establish clear lines of accountability and focus on outcomes.
- Establish a Mayor's Housing Advisors Task Force. Convene heads or senior staff of key City Departments related to housing and neighborhood development on at least a quarterly basis to discuss the resolution of issues as they arise and to implement recommendations outlined in this Housing Study. Such a group could be also instrumental in establishing a local housing vision with supportive Housing and Design Guidelines (see strategy 12.1.1).
- Coordinate these efforts with those of community groups, non-profit organizations and private developers to help realize City priorities.

Longer Term Strategies

- Create special task forces across departments with concrete goals. Have a regular reporting schedule and outcomes measurement.
- Develop a process and a system of checklists for staff to effectively and efficiently fulfill their job responsibilities and be held accountable.
- Conduct focus groups and quality circles for staff to tackle tough issues such as abandoned property, tax title, property disposition, etc.
- Better utilize Neighborhood Associations. In previous decades, similar associations identified block captains who participated in Neighborhood Watches and immediately reported any housing vacancies or other problems to the authorities. A similar set-up in Lawrence should be considered with block captains reporting to a central authority such as ISD or the Fire Department, accompanied by the City boarding-up properties ASAP to avoid vandalism and improve safety.
- Work with Neighborhood Associations to provide welcome packages to new owners that provide a wide range of information on City services and begin to engage new residents in community life.

12.1.3 Issue: Existing Resources

Goal: Leverage and expand existing public and private resources and attract new resources.

Key Recommendation: Use existing resources more effectively to put vacant property and underutilized land back into productive use and ultimately increase tax revenue.

Strategies:

Shorter Term Strategies

- Develop a more transparent and deliberate process for funding development based on better data and meeting the needs outlined in this Study.
- Sustain existing efforts in leveraging other state resources. The City has a good record in attracting state funding but needs to continue to look at quasi-public agencies and CDFIs for investment, technical assistance, and best practices.
- Explore the targeting of Community Development Block Grant (CDBG) funding with the potential for allocating more funds for housing. Generally CDBG has been used for lead abatement in housing but very little CDBG (about 15%) goes to housing. This is a discussion that should engage all stakeholders in setting new priorities for the use of CDBG.
- Explore ways to improve performance of the CDBG 108 Gateway investment so that less current CDBG funding is used to make up for poor performance of this investment.
- Build on progress to date for making the federal Section 203(k) Program or similar purchase/rehab products available to homeowners in Lawrence to make important home improvements. The City’s Community Development Department is building its capacity to administer these funds. The availability of a streamlined funding source for purchase/rehab that can be more widely applied would be a significant advantage in addressing Lawrence’s housing stock. While it does not address the income gap for taking on debt, it may allow more stable earners to invest in Lawrence and create housing that best serves their needs.
- Use City land proactively to advance the affordable housing agenda. Establish a policy for conveying City property for a nominal amount to support the feasibility of new development or substantial rehab in line with City design standards and a Master Plan. Provide support for small developers who may not have the expertise to take on more ambitious projects that aggregate several parcels.

Longer Term Strategies

- Encourage greater use of the 4% Low Income Housing Tax Credit (LIHTC).
- Work with equity investors to design products that use 4% LIHTC on scattered site projects to take advantage of Lawrence’s particular development patterns and stock. This may require some additional guarantees or soft subsidy from the City or State but a useable model would jump start investment in the neighborhood stock. The National Equity Fund (NEF) has products that work for scattered site projects and NEF and MHIC as well as other syndicators should be engaged in discussions with DHCD regarding Massachusetts Gateway Cities in general and Lawrence in particular.
- Work with the Gateway City caucus to improve Housing Development Incentive Program (HDIP) eligibility and funding to increase and simplify use. Lobby to make project size requirements more flexible and allow rent setting requirements to take local and developer knowledge into consideration.

Section 12 – Recommended Strategies

- Lobby to increase and streamline the state allocation process for Historic Tax Credits and clearly define the City's expectations in relation to adaptive reuse for housing. Work with developers to structure proposals that the city and state can support.
- Build greater linkages with the City's Department of Public Works (DPW) to leverage infrastructure investments that can steer and enhance the feasibility of housing development.

12.1.4 Issue: New Resources

Goal: Leverage and attract new public and private resources.

Key Recommendation: Attract new resources to better leverage limited local funds and assets and introduce new initiatives.

Strategies:

Shorter Term Strategies

- Obtain state set-asides for Gateway Cities (see below—Brownfields, HTC, and HDIP) and path to streamlined public resource allocation.
- Seed a Revolving Loan Fund (RLF) with area banks to step-up housing rehabilitation efforts. Consider City or other guarantees to incentivize lenders to participate.

Longer Term Strategies

- Consider New Market Tax Credit financing strategy for homeownership Revolving Fund.
- Consider tax increment financing (TIF) for larger-scale development. Be sure that City has technical capacity to understand the nuances of program requirements and a Master Plan to steer resources in the most effective directions.
- Identify sources of 'soft' patient equity to increase market feasibility including the Massachusetts Housing Investment Corporation's (MHIC) Healthy Neighborhoods Equity Fund (HNEF), other institutional funding, foundations, and corporations.
- Foster joint investments leveraged by targeted City incentives to promote innovative models for new development. For example, consider City incentives to bring the hospital, NECC, and other institutions into partnership with the City to create employee housing. Identify sites, clear barriers to their use, identify sources of funding as needed and establish standards for development that work for the institutions while reinforcing the character and identity of the City.
- Encourage banks and corporations to fund more neighborhood projects. Scale-up and brand new efforts that build on those of the past. Engage funders and lenders in Advisory Groups to inform and steer investments.
- Define transit-oriented development (TOD) sites with help from DOT, EOHED, Brownfields, LISC TOD Fund, MHIC HNEF, and Chapter 40R. Encourage development in these areas through master planning, zoning incentives, access to funding, and streamlined permitting or fee reductions.

- Consider a program of limited tax relief for new production or substantial rehabilitation projects to encourage and help make market housing feasible.

USING NEW MARKET TAX CREDITS FOR HOMEOWNERSHIP

New Markets Tax Credit (NMTC) Program has been used innovatively to facilitate the purchase of foreclosed residential properties for rehabilitation and resale to low- and moderate-income families. While the jury is still out about the ultimate success of some of these first innovators, organizations like the Columbus Housing Partnership (with Enterprise) and The Community Builders (TCB) and others are testing this creative financing.

NMTCs are used to finance acquisition, rehabilitation of foreclosed homes at prices that are affordable to lower-income buyers. The availability of this new source of capital—NMTCs—allows community-based organizations to attract capital at a scale that is needed to stem disinvestment in troubled neighborhoods.

The NMTC program is intended to encourage commercial investment activity in low-income neighborhoods. The program requires that at least 20 percent of the income from such projects come from commercial real estate. To make this work for housing development has been a challenge. However, under this innovation, lenders use the equity generated from the NMTCs to make a loan to a developer under the provision in the NMTCs that allows the use of the credits to make loans to businesses located in low-income census tracts.

Developers located in a qualifying census tract can borrow through the NMTC program just like any other business. They can then use the loan proceeds to build housing without having to meet the 20-percent commercial-income requirement. As the units are sold, the loan can be repaid. Because the NMTC program requires the money from the loans to remain invested in qualifying projects continuously for the full seven-year compliance period of the tax credits or risk recapture means that the developer needs scale and continuity to keep building and rehabbing homes.

<http://www.frbsf.org/community-development/files/steiger.pdf>

http://www.housingfinance.com/policy-legislation/for-sale-housing-from-nmtcs_o

12.1.5 Issue: Development Capacity

Goal: Promote civic collaborations and partnerships that support public, private and non-profit entities to invest in the City's housing stock and stabilize neighborhoods.

Key Recommendation: Support capacity-building and expansion of private and non-profit sectors to tackle neighborhood-based housing improvements including assisted housing for special populations.

Strategies:

Shorter Term Strategies

- Establish development priorities and work with for profit and non-profit developers on the implementation of these strategies.
- Help expand existing development capacity beyond geographic boundaries through coalition-building and organizational support. Seek or provide seed or incentive money to facilitate the expansion. Encourage Lawrence Community Works to work outside of North Common and Bread and Roses beyond Arlington. Convene for profit and non-profit developers with experience to target expertise beyond neighborhood boundaries.
- Support non-profit service providers' expansion into housing development where appropriate, such as Greater Lawrence Community Action Council's (GLCAC) interest in doing housing development in response to a growing need among their population for targeted special needs housing for extremely low-income (earning within 30% of area median income) and homeless families. Partnerships with existing housing organizations can prevent duplicative effort and expand both organization's territory and mission. Other service providers that own and manage service enriched housing are also interested in undertaking new development including the YMCA, YWCA and Lazarus House.

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- Encourage the development of greater expertise and focus in neighborhood-based housing rehabilitation efforts. Use targeted City resources to invest in staff and training to support the rehabilitation of smaller properties at scale. Provide technical and design expertise that establishes a high level of quality.
- Support the strengthening of small landlords to improve and better maintain their properties. Many who are looking to move from rentals to ownership gravitate to small multi-family structures because of the rental income without fully understanding the responsibilities of being a landlord. Education programs for landlords and potential homeowners on how to purchase and maintain properties have been successful and should be expanded. Landlords need to be educated about tenant/landlord law, bookkeeping, financing, property management, property improvements, available programs (deleading for example), etc.

The City's Department of Community Development and the Lawrence Office of Neighborhood Assistance Corporation of America (NACA), among others, should continue to support the Lawrence Landlords Association which provides opportunities to network, obtain information on best practices, and potentially receive discounts on various goods and services.

Longer Term Strategies

- Continue to work with non-profit organizations and neighborhood groups on cooperative ventures that create a sense of safety in support of community renewal efforts. Lighting, security cameras, police patrols and physical improvements to the community's urban infrastructure will help restore confidence in the city.
- Help small community oriented private developers move beyond duplex and triple decker development to construct denser housing in appropriate areas. Coordinate this effort with City master planning, zoning and design guideline efforts so that both private and public interests are served.

BUNGALOW NEIGHBORHOOD



Clustered bungalows are appropriate for areas of Lawrence with lower densities. By keeping houses small and yards minimal they provide single family living while supporting compact, walkable neighborhoods. With front porches and projecting bays they create a sense of community. Shared driveways allow houses to be close together, and simple plans keep construction cost low. On larger parcels the clustering of houses can allow space for shared green areas on the street, and parking behind. Bungalow planning and design is explored in detail as a case study done by the Northeast Ohio First Suburbs Consortium in a 2002 Housing Initiative. http://www.cudc.kent.edu/projects_research/projects/Bungalows%20FSC%20Housing%20Initiative.pdf

SUSTAINABLE COMMUNITIES MODEL

LISC Sustainable Communities is an approach to community building that focuses on grass roots engagement to tackle tough community issues like housing, jobs and education. Led by a CDC or other non-profit, LISC funds this community process and works with the community, city and state to link key resources toward achieving goals identified as critical by the community. It is a comprehensive effort to bring together the elements in a community that will work together to create a platform for healthy development of families and of communities.

After an initial period of outreach, interviews, and meetings the community and lead partner develop a ‘contract’ with the City and other funding and social service partners to build toward the future. This contract is the outcome of more than a year of hard work towards that end – one that engages hundreds of residents, community groups, businesses, government agencies and other stakeholders to explore in depth a community’s promise and its challenges. The contract provides the framework to identify the strategies that can improve housing, education, economic opportunity, safety and environmental health. The key elements of a Sustainable Communities process are:

- Expanding Investment in Housing and Other Real Estate
- Increasing Family Income and Wealth
- Stimulating Economic Development
- Improving Access to Quality Education
- Supporting Healthy Environments and Lifestyles

<http://www.lisc.org/section/ourwork/sc>

12.1.6 Issue: City Leadership

Goal: Position Lawrence to lead a transformative effort to improve neighborhoods and attract investment.

Key Recommendation: Exert greater local and regional leadership in the area of housing.

Strategies:

Shorter Term Strategies

- Consider embarking on a confidence building campaign that is both internal to the city and external to attract regional and statewide attention. This could be accomplished through a public relations campaign, including new branding, to highlight Lawrence’s affordability, energy and accessibility to highways, commuter rail. The river and monumental mill buildings give Lawrence a memorable identity which should be preserved – and transformed – in creative ways. Lawrence should aggressively market these assets to businesses, new residents, developers, investors, funders and foundations, as well as the community at large.
- Engage the Governor, EOHD and DHCD in a campaign to position Lawrence as a pilot for housing initiatives in other Gateway Cities. Show that Lawrence has the capacity, will and platform to lead.

Longer Term Strategies

- Assume a key role in the development of new policies and resources for Gateway Cities. Continue exerting influence and leadership in the Gateway Cities coalition to lobby for housing resources targeted to, and aligned with, the needs of Gateway Cities. Better promote HDP, Brownfields, set-asides, and homeownership funding that meets the particular needs of Gateway communities particularly around deed restrictions and subsidy amounts.
- Strengthen regional planning efforts by attracting support from more affluent communities for planning and scaling initiatives.

Section 12 – Recommended Strategies

- Engage the legislative caucus, including Lawrence legislators and other Gateway Cities legislators, in crafting bills to improve tools to deal with distress and more resources to attract market investment. (ex. Boston tax legislation)
- Attract attention and promote quality development through design competitions.
- Invite the Urban Land Institute, Boston Society of Architects or other organizations to set-up an Urban Design Workshop to explore planning and design opportunities.

12.2 Regulatory Strategies

The City's regulatory systems can be powerful tools to not only remove the blighting and safety issues associated with distressed properties but to also attract support from the development community based on the City's vision and priorities. This section makes recommendations on how to improve local regulations with the following key recommendations:

- Enhance inter-departmental coordination to reduce property vacancy and abandonment.
- Set a clear vision as well as processes and incentives to attract and support developers where appropriate.
- Establish a clear regulatory process with incentives where appropriate based on the City's vision for the future and development and design guidelines for implementing it. Revise Lawrence's zoning ordinance based on a reevaluation of the types of development desired.
- Have departments work together to reduce vacancy and abandonment, increase curb appeal and assemble sites for development.

12.2.1 Issue: City Coordination on Reducing Blight

Goal: Boost the capacity of local government to better track, regulate and plan for housing and community development efforts.

Key Recommendation: Enhance inter-departmental coordination to reduce property vacancy and abandonment.

Strategies:

Shorter Term Strategies

- Prepare a comprehensive and easily updated inventory of City owned property.
- Use data-driven analysis to develop a toolkit of interventions that fit Lawrence's particular circumstances.
- Focus more attention and resources on tax title property and returning it to productive use.
- Triage and prioritize tax title and vacant and abandoned property to maximize impact on neighborhood stability.
- Set-up a process for determining when demolition is the best option.
- Provide resources for demolition to remove neighborhood eyesores, better protect the health and safety of residents, and free-up space for development or open space based on a professional planning review of the highest and best use of the property.
- Adopt the proposed Rental Inspection Ordinance to enhance code inspection capacity to better protect the health and safety of residents. This new ordinance would require inspections every 3 years for properties with 4 or more units that are not owner occupied. This would require an increase in staff but money raised through fees would be available to more than cover the increased staffing costs.

- Assemble parcels for development based on a coordinated Master Planning approach that establishes design guidelines for the properties. Assemble larger parcels but do not ignore smaller infill opportunities.
- Obtain greater support and resources for clearing title problems.
- Provide greater oversight on providing occupancy permits upon rental unit turnover. It is generally recognized that many landlords are not meeting City requirements to obtain occupancy permits when their units turnover. Obtain support from a utility company, such as National Grid or Comcast, to notify the City of such changes in occupancy to better monitor housing conditions.

Longer Term Strategies

- Introduce new consequences for tax delinquency. Greater accountability signals to tax scofflaws that the City means business. This is a best practice to reduce tax delinquency from increasing.
- Identify all Brownfield sites and assess their relative potential for redevelopment. Explore funding options for remediation.
- More strictly enforce the upkeep of properties, including City owned lots and buildings, and focus even more intently on the elimination of dumping on vacant lots. The City should do more to keep the neighborhoods clean and charge owners who are in violation of local requirements.
- Establish a planning consultation and Design Review process to insure compliance with established design guidelines or possible alternatives for proposals that have benefits for the city. (see strategy 12.1.2)

12.2.2 Issue: Attract and Support Developers

Goal: Support developers to promote quality and sustainable housing development and redevelopment opportunities.

Key Recommendation: Set a clear vision as well as processes and incentives to attract and support developers where appropriate.

Strategies:

Shorter Term Strategies

- Market Lawrence as a City that is open to working with developers, with a clear vision for the future that can be implemented with a minimum of regulatory hurdles if certain requirements are met (see strategy 12.1.1). Devote staff to marketing Lawrence and keeping the pipeline full and moving.
- Package incentives to increase interest in developing in Lawrence and provide timely support required to meet funding regulatory requirements and approvals.

Section 12 – Recommended Strategies

- Enhance the City's website with respect to each department's responsibilities and permitting requirements so that there is a clearer pathway through the approvals process. Support small developers who may have limited experience and expertise.
- Provide Housing and Design Guidelines professionally prepared by planners/architects that define new development and rehabilitation design principles. Include development prototypes that address new urban realities and expectations and that balance the need for density, open space, parking space and high quality construction and design. These Guidelines could be coordinated by the proposed Mayor's Housing Advisers (see strategy 12.1.2) and reflect the City's vision for new development (see strategy 12.1.1) that integrates new construction into the fabric of the City.

Longer Term Strategies

- Provide written materials on the permitting process.
- Offer tax abatements for market development and other incentives to encourage workforce and market development.



TAX INCENTIVES TO ENCOURAGE MIDDLE AND MARKET RATE DEVELOPMENT

Property tax incentives or abatements have been used successfully, though controversially, in a number of communities to spur more middle and market development. New York City and Philadelphia are good examples of using 10 year tax relief to bridge the feasibility gap in new construction of market housing.

Recently, Boston has proposed a similar approach in order to jump start more middle income housing.

While the tax base issues are challenging, an analysis of how much additional economic growth accrues to the city with new market development, should provide a basis for informed judgement about adopting this in Lawrence. This would encourage developers on the fence about which Gateway City to invest in, to more strongly consider Lawrence.

From Boston 2030.

"Provide property tax incentives that will encourage the construction of housing affordable to the middle class. These tax incentives will be targeted to developments located in areas of the city that are more affordable and can accommodate growth. In order to help reduce development costs, these tax benefits will eliminate property taxes during construction and reduce property taxes during the first three years of property stabilization. "

http://www.cityofboston.gov/dnd/pdfs/boston2030/Housing_A_Changing_City-Boston_2030_full_plan.pdf

12.2.3 Issue: Zoning Changes

Goal: Position Lawrence to lead a transformative effort to improve neighborhoods and attract investment. **Key Recommendations:** Establish a clear regulatory process with incentives where appropriate based on the City's vision for the future and development and design guidelines for implementing it. Revise Lawrence's Zoning Ordinance based on a reevaluation of the types of development desired.

Strategies:*Shorter Term Strategies*

- Remove barriers to the adaptive reuse of mill buildings and other nonresidential properties while maintaining space for job producing commercial uses. The barriers include Brownfields contamination, lack of financing, concerns about the market, the need for parking, and soft subsidy. We suggest mixed-use developments, combining housing and commercial where possible. Maximize use of the Historic Tax Credit and work with developers to create a plan that includes all appropriate uses in the Mill District, particularly mixed-income and mixed-use development.
- Promote mixed-use development in the downtown and other commercial areas to balance the need for housing and retail/commercial space.
- Consider live+work space zoning to encourage more downtown and mill development as a catalyst to more downtown neighborhood building. Continue to attract artists and small start-ups that can support each other and local businesses.

Longer Term Strategies

- Establish incentive districts (or corridors) to connect and steer development including the use of Chapter 40R Smart Growth Overlay Districts.
- Use the "friendly" Chapter 40B comprehensive permit process through the state's Local Initiative Program (LIP) when development involves substantial zoning waivers.
- Adopt a sign ordinance and facade improvement program in the downtown and along commercial corridors to improve the appearance of local businesses.
- Encourage development to the front lot line with parking behind in downtown and commercial corridor to make these areas pedestrian friendly.

Section 12 – Recommended Strategies

12.2.4 Issue: Property Disposition

Goal: Remove barriers to development that improves neighborhoods, attracts investment and raises the quality of life for residents.

Key Recommendation: Have departments work together to reduce vacancy and abandonment, increase curb appeal and assemble sites for development.

Strategies:

Shorter Term Strategies

- Convey City owned property for affordable housing development through Requests for Proposals (RFP) at nominal costs for greater affordability and development feasibility. State procurement allows for this flexibility on pricing. Target disposition based on the City's vision and strategies, not the highest price. Provide design prototypes and professional planning and design guidance.
- Link City disposition and investment to highest priority, visible parcels with the potential to jumpstart private investment
- Land bank property if necessary to assemble parcels for larger scale development.
- Evaluate and fine-tune the Receivership Program to both stabilize and move key troubled properties towards responsible ownership.

Longer Term Strategies

- Consider the expansion of yard sales where possible to include more parking in denser neighborhoods, for community open space or for housing development. Combine these efforts where space permits.
- Integrate urban agriculture into neighborhoods. Such urban gardening efforts could be implemented on a short-term basis to help stabilize the market in the area and can be coordinated with schools and other local organizations.

12.3 Development Strategies

Given the wide range of local housing needs, the City needs to look to all areas of the community for possible new residential development opportunities including both the downtown and neighborhoods through new construction and redevelopment initiatives. Lawrence must be welcoming to new residents from the region, country and world while retaining those with greater economic resources who could choose to live elsewhere but want to stay in the community.

The following key recommendations are proposed:

- Reinforce the character of the City's urban fabric in the downtown and mills areas, encourage appropriate development including housing in the context of economic development priorities, and connect the center of the City to the surrounding neighborhoods.
- Guide new neighborhood development based on a clear process and urban vision and provide incentives where appropriate.

12.3.1 Issue: Downtown Development

Goals: Link housing strategies to more comprehensive planning and design guidelines that direct downtown and neighborhood revitalization efforts while promoting an economically diverse community.

Key Recommendation: Reinforce the character of the City's urban fabric in the downtown and mill areas, encourage appropriate development including housing in the context of economic development priorities, and connect the center of the City to the surrounding neighborhoods.

Strategies:

Shorter Term Strategies

- Use the regulatory and financial resources and expertise of the reinvigorated Lawrence Redevelopment Authority to steer and set the vision for downtown development.
- Consider some continued redevelopment of mill buildings for housing or mixed commercial and residential uses. While the City's priority is to promote business development in mill buildings in order to create more jobs and economic vitality, some new mill housing development is continuing to occur, including both market and subsidized units. Both business and housing uses contribute to the City's economic base as well as a thriving city when residents support local businesses and jobs attract new residents and improve the lives of existing residents.
- Reinforce the connection between repurposed mill buildings and downtown commercial buildings through streetscape improvements and new amenities such as cafes and shops to promote a more vibrant pedestrian-oriented character, attract new residents, and reduce turnover in mill housing developments.
- Establish priority development areas for first floor retail with residential above such as retail space existing along Essex and other commercial streets as well as areas in close proximity to the commuter rail station. Such development can support area businesses and offer attractive places to live. While not all existing commercial buildings are conducive to this type of development, design guidelines and incentives (taxes, remediation, other) can be offered to help developers of the 'unassisted' portion of the project. Refer to the MassDevelopment Downtown West Planning Study prepared in 2014.
- Develop a Master Plan for the downtown that establishes priority pedestrian connections, street front retail zones, parking areas that do not interfere with the pedestrian character of the area and open space. This Master Plan can define a strong urban core connecting Northern Essex Community College to the medical district to increase the coherence and connectivity of the city.
- Utilize the Master Plan to revise zoning bylaws and other regulatory and review requirements to encourage the type of development desired, and discourage development that undermines other Lawrence goals.
- Increase accessibility to persons with disabilities across the board. Be a City that adopts Universal Design standards and puts out the welcome mat for people with physical challenges from frail elders, to people with disabilities, to young parents wielding strollers.

Longer Term Strategies

- Insure that adaptive reuse and infill development is carefully planned and connects to the rest of the city rather than becoming an isolated enclave that is more suburban rather than urban in character.
- Continue to build on Groundworks pioneering open space improvements along the Merrimack and Spicket River waterfronts. Improvements and maintenance of existing parks should continue, focusing on areas where they can have the most impact.
- Develop investment corridors—links.

Section 12 – Recommended Strategies

12.3.2 Issue: New Neighborhood Development

Goals: Position Lawrence to lead a transformative effort to improve neighborhoods and attract investment. Provide housing for residents along the full range of incomes with particular attention to the most financially vulnerable individuals and families.

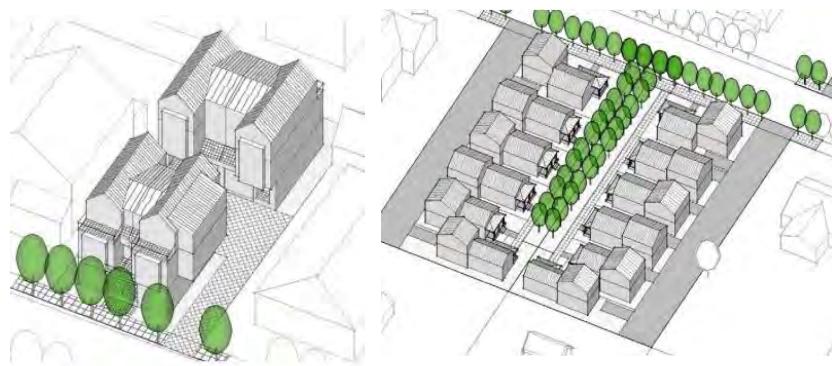
Key Recommendation: Guide new neighborhood development based on a clear process and incentives where appropriate.

Strategies:

Shorter Term Strategies

- Identify priority development sites and areas that can help meet housing needs while improving the character of neighborhoods. Encourage development in these locations.
- Build a City pipeline of developable parcels to spur interest from developers
- Develop design standards for new construction that establish appropriate density levels, ways of accommodating parking, and high quality materials and details.
- Promote neighborhood revitalization by focusing on the demolition of housing that is in poor condition or too poorly planned to meet current needs. The City should support the replacement of housing beyond repair, infill on vacant lots, and the reuse of underutilized commercial properties to reverse the downward spiral of recent decades and reinforce the good work that has already taken place in the neighborhoods.
- Planning and design guidelines prepared by professionals should be established to insure high quality development (see strategy 12.2.2) and critical parcels should be targeted for redevelopment to change perceptions of the city.
- Link new development to housing needs across sectors and the full range of incomes, from housing for the homeless, to new units for an increasing population of seniors and people with disabilities, to families currently living in unsafe housing, to those with more resources who want to remain in the city but cannot find housing that meets their lifestyle preferences, for example. Continue finding opportunities to combine new housing development with supportive

PLANNING PROTOTYPES



Vacant lots offer the opportunity for infill housing that can help meet the city's needs. By aggregating lots larger developments can take place that use land more effectively. Portland, Oregon's Infill Design Toolkit offers a broad range of planning and design resources that can help city officials, property owners, builders and designers re-imagine how housing can be laid out, parking accommodated, and landscape and openspace designed. Professional planning and design support can help owners and developers apply the ideas to specific sites. Lawrence could adapt Portland's design approaches to meet the specific needs of its neighborhoods.

services for the homeless, special needs populations transitioning to permanent housing, and seniors.

- Continue to provide City subsidies for new developments that will leverage other public and private funding in support of new neighborhood development.
- Formalize linkages to DPW for street cleaning, planting, spruce up, etc. Some of these improvements can be planned and coordinated with neighborhood organizations and associations (LCW example).
- Use selective demolition and parcel aggregation with clustering to create open spaces that allow housing density while providing green areas and parking. Supplement open space creation with streetscape improvements that improve the pedestrian experience.
- Tackle quality of life issues in neighborhoods to increase value and investment while attracting new residents. Engage residents and Neighborhood Associations in this effort.
- These issues include -
 - Parking
 - Crime
 - Curb appeal
 - Dumping

SITE AGGREGATION



Lawrence is filled with small lots that can accommodate infill housing. But meeting Lawrence's housing needs, and using new housing to improve the character and quality of its neighborhoods, requires a thoughtful examination of residential typologies and careful design and detailing. Boston's Department of Neighborhood Development provides owners and developers with a series of housing prototypes that include site layouts, floor plans and elevations. Many accommodate cars while providing for landscaped yards, and some offer owner and renter units that make redevelopment financing work. Façade design and details provide a traditional sense of detail with a contemporary sensibility.

- Transportation linkages. Link more transit options to housing including shuttles to train station from housing developments.

Longer Term Strategies

- Land bank parcels to hold responsibly as they await development.
- Engage in continuous, flexible rethinking of neighborhood planning objectives by monitoring changes in demographics, housing choice models, and availability of resources.
- Promote immigrant entrepreneurs and incumbent (owner) upgrading with program, technical and financial support.
- Develop partnerships with service providers to insure vulnerable populations and people with disabilities are integrated into the neighborhoods.

Section 12 – Recommended Strategies

LAND BANK MODEL

Getting enough units to develop a reasonably-sized project can be a challenge for smaller non-profits. In Rhode Island the Housing Finance Agency runs a Land Bank that buys and holds the property for the community developer. This, combined with RIH resources, allows developers to aggregate enough buildings in a target area to make a significant impact. The ability of RIH to move quickly to acquire the properties has helped in transactions with banks or on foreclosed properties.

“The Rhode Island Housing Land Bank acquires and retains properties on behalf of nonprofit developers and municipalities while they obtain the funds to develop the properties as affordable homes. Land banked properties are held up to 12 months after which the property may be sold or transferred to another nonprofit through an RFP. All costs incurred by Rhode Island Housing and a 6% holding fee are due upon take out from the Land Bank. Occupied properties and those requiring demolition are generally financed with a 6% bridge loan to the applicant.”

<http://www.rhodeislandhousing.org/sp.cfm?pageid=551>

12.4 Preservation Strategies

More than 20% of the City’s rental housing stock is subsidized and considered to be some of the most desirable housing in the City. Efforts are required to not only promote the sustainability of these subsidized units, but to also improve conditions in the City’s other housing units, particularly the small multi-family properties that are more likely to have high rents, high housing turnover, and more housing code violations. This Housing Study proposes the following key recommendations for preserving existing housing:

- Insure the long-term affordability of existing subsidized units.
- Provide financial and technical support to improve existing neighborhood housing.

12.4.1 Issue: Stabilize and Improve Existing Subsidized Housing Assets

Goal: Promote the health and safety of housing in Lawrence, working with property owners to make necessary improvements.

Key Recommendation: Insure the long-term sustainability of existing subsidized units.

Strategies:

Shorter Term Strategies

- Work with existing owners of expiring use properties to maintain affordability into the long-term. There are significant numbers of subsidized developments where affordability restrictions are due to expire by 2019 or sooner, referred to as “expiring use” projects, including 10 projects with a total of 736 units or 19% of all SHI units. The affordability of an additional five (5) developments and 522 units, involving another 13% of all SHI units, is listed as expiring in 2020. It will be important to identify strategies and options for refinancing these properties before use restrictions expire. Work with 13a coalition and preservation policy folks to develop a strong regulatory and incentive structure to keep properties affordable.
- Secure more resources to help improve and sustain Lawrence Housing Authority (LHA) developments including RAD, HILAPP, and mixed finance. Project-base some vouchers in support of mixed-income development.

Longer Term Strategies

- Partner with developers to build more housing and utilize LHA land more effectively. Explore more stable platforms for sustainability like HUD’s new Rental Assistance Demonstration

(RAD) for the federal inventory and consider pilot programs like High Leverage Asset Production Program (HILAPP) for state-aided housing.

12.4.2 Issue: Housing Rehabilitation

Goal: Promote the health and safety of housing in Lawrence, working with property owners to make necessary improvements. Stabilize homeowners, protecting them from predatory lending practices.

Key Recommendation: Provide financial and technical support to improve existing neighborhood housing.

Strategies:

Shorter Term Strategies

- Develop design standards for renovations that preserve the character of buildings and neighborhoods.
- Link programmatic approaches to small-scale, owner occupant/landlords to help invest in housing, stabilize existing housing and support owner-occupants landlords to sustain their housing.
- Make necessary changes to the City's Receivership Program. Develop a strong list of receivers and set up accountability process for moving properties through. Seek MHP and AGO's assistance in receivership training. This Program has made some limited progress in putting problem properties back into productive use but the City needs to tweak the existing program and identify other options for dealing with vacant and abandoned buildings.
- Work with Massachusetts Housing Investment Corporation (MHIC) to fund a receivership loan fund to enable receivers to have the capital to make needed repairs.
- Develop loan products that work for small landlords and are not cumbersome, bureaucratic or incorporate counter-productive eligibility restrictions. The Revolving Loan Fund model that was funded in many cities of the country is worth revisiting, potential seeded by CDBG funds and a pool of bank funding. An alternative would be the Housing Rehabilitation Loan Programs that are operating in many communities, largely with CDBG funding, that involve no or low interest deferred loans. Seek assistance from LISC, quasi-public agencies, banks and CDFIs to jump start with some capital or technical assistance.
- It is important to find resources to upgrade existing neighborhood housing and the Section 203(k) program, while it has challenges, can a good model for financing such improvements.
- Develop new programs that developers can use to acquire and rehab small multi-family properties.
- Work with utilities, corporations and other potential funders to ramp-up energy efficiency/weatherization capacity. Expand existing efforts where possible and market them more effectively utilizing non-profit organizations and Neighborhood Associations to reach into all neighborhoods. City can work with GLCAC on permitting (barrier is non-payment of water or taxes) and on repair to knob and tube wiring.
- Promote the Lawrence Landlord Association to provide small landlords with discounts, information on best practices, access to good tenants (gold star landlord and tenant program to match good landlords and good tenants), etc.
- Continue to promote deleading programs such as the state's Get the Lead Out Program. There are significant exterior renovations that are funded through this program. Establish design guidelines for materials and details so that deleading improves the character of buildings and neighborhoods in addition to remediating the lead.
- Review Boston's triple-decker rehabilitation programs and other strategies pursued by other cities with challenges and opportunities similar to Lawrence's.

Section 12 – Recommended Strategies

- Continue to work against predatory lenders by funding and publicizing homeownership counseling programs and responsible lending institutions.
- Carefully monitor lending and foreclosure activity to develop early warning system against new wave of predatory lenders and foreclosures.

Longer Term Strategies

- Link existing owner-occupants of small multi-family properties with the LHA for demonstration project-based programs and other vouchers.
- Promote the idea of professional management services with local employees and job training to help small landlords and owner-occupants. Get larger for-profit developers with management companies to seed training, start-up, and technical assistance.
- Reimagine how to use obsolete building types. Many triple-deckers have plans that do not meet current expectations: undersized kitchens with too many doors, bedrooms and bathrooms opening on to the kitchen, and awkward arrangement of living spaces. Many two-story, single-family houses have bathrooms on the first floor and no bathroom on the bedroom level above. Create templates for renovations that can be cost-effectively accomplished, and a list of contractors with experience doing the work. Expedite the building permit process to support upgrades to Lawrence's housing stock inside and outside.
- Work with local organizations, such as the Lawrence Methuen Community Coalition, to sponsor Neighborhood Resource Fairs that provide residents with information on a wide range of local programs and services. For example, the Metro Credit Union and Eastern Bank have participated in such fairs to discuss housing finance issues, and GLCAC has provided important information on Fuel Assistance, Get the Lead Out, HeartWap and other important programs.

APPENDIX

RECOMMENDED STRATEGIES

1. Subsidized Housing Inventory (SHI)
2. LHA Tenant Statistical Report
3. Comparison of Lawrence to County and State Data
4. Comparison of Lawrence to Other Communities
5. Comparison of Lawrence's Census Tract and Neighborhood Data
6. Migration Data
7. RFP Primary Housing Study Questions
8. FY 2014 Balance Sheet for City of Lawrence

Appendix 1

Lawrence Subsidized Housing Inventory (SHI)

Table 1: State-approved Units in the Subsidized Housing Inventory (SHI)

Project Name	# SHI Units	Project Type/ Subsidizing Agency	Use of a Comp Permit	Affordability Expiration Date
Beacon Court*	208	Rental/HUD	No	Perpetuity
Elm Towers*	101	Rental/HUD	No	Perpetuity
Exchange Street*	36	Rental/HUD	No	Perpetuity
Father O'Reilly Homes*	137	Rental/HUD	No	Perpetuity
Loring and Market*	46	Rental/HUD	No	Perpetuity
Merrimac Court*	292	Rental/HUD	No	Perpetuity
Morton Street*	160	Rental/HUD	No	Perpetuity
Union Street*	76	Rental/HUD	No	Perpetuity
Hancock Courts*	195	Rental/DHCD	No	Perpetuity
Stadium Courts*	256	Rental/DHCD	No	Perpetuity
Brunswick House*	71	Rental/DHCD	No	Perpetuity
Amesbury Gardens	160	Rental/DHCD and HUD	No	Perpetuity
Arlington Park	130	Rental/MassHousing	No	2019!!
Bedford and Oxford Streets	2	Ownership/DHCD	No	2027
Berkeley Place	38	Rental/MassHousing	No	2024
Sycamore Apartments	101	Rental/HUD	No	2013!!
Corpus Christi House	12	Rental/HUD	No	2016!!
Covenant House	12	Rental/DHCD	No	2022
Diamond Spring Gardens	97	Rental/HUD	No	2019!!
Essex Towers	198	Rental/MassHousing	No	2020
Fidelity House	14	Rental/HUD	No	2022
Garden Street Apartments	10	Rental/HUD	No	2037
Habitat for Humanity	2	Ownership/FHLBB	No	2015!!
Heritage Common	140	Rental/DHCD and MassHousing	Yes	2021
Hope in Action	71	Rental/MassHousing	No	2013!!
Lawrence YMCA SRO	73	Rental/DHCD and MHP	No	Perpetuity
Museum Square	176	Rental/DHCD and MassHousing	No	2032
Orange Wheeler One	13	Rental/DHCD	No	2054
Orange Wheeler Four	10	Rental/DHCD	No	2054
Orange Wheeler	4	Ownership/DHCD	No	2026
Parker Street Residence	8	Rental/EOHHS and FHLBB	No	2028
Parkside Apartments West	146	Rental/HUD	No	2015!!
Reviviendo! Summer Street	8	Mix/DHCD and FHLBB	No	2017!!
Rita Hall Apartments	90	Rental/MassHousing	No	2016!!
Riverside Condominiums	11	Ownership/DHCD	No	2031
The Protectory I	111	Rental/HUD	No	2020
The Protectory II	106	Rental/HUD	No	2020
The Protectory III	88	Rental/HUD	No	2020
Valebrook Apartments	150	Rental/MassHousing	No	2015!!
Water/Holt Streets	22	Rental/MHP	No	2028
Youthbuild Lawrence Cross St.	1		No	Perpetuity

YWCA of Greater Lawrence Self Sufficiency Program	10	Rental/DHCD	No	2029
Reviviendo Family Housing	17	Rental/DHCD	No	2033
Essex Street	20	Rental/MHP	No	2021
May Street	9	Rental/MHP	No	2021
Garden Street	19	Rental/MHP	No	2020
Saunders School Apartments	16	Rental/DHCD	No	2051
Union Crossing	60	Rental/DHCD	No	2042
Sacred Heart	44	Rental/DHCD	No	2060
Newbury and Garden	8	Ownership/DHCD	No	2062
Loft 550/Malden Mills	75	Rental/MassHousing and DHCD	No	2062
DDS Group Homes	16	Rental/Special Needs	No	NA
DMH Group Homes	31	Rental/Special Needs	No	NA
Total	3,907		140 B un	

Source: Massachusetts Department of Housing and Community Development, August 27, 2014

*Lawrence Housing Authority Developments

NA = Not applicable HUD = U.S. Department of Housing and Urban Development

DHCD = Massachusetts Department of Housing and Community Development

MassHousing = formerly referred to as the Massachusetts Housing Finance Agency/MHFA

MHP = Massachusetts Housing Partnership

FHLBB = Federal Home Loan Bank Board

EOHHS = Massachusetts Executive Office of Health and Human Services

DDS = Massachusetts Department of Developmental Services

DMH = Massachusetts Department of Mental Health

Table 2: Lawrence Housing Authority Units in SHI

Project Name	# SHI Units= 1,578	Project Type/ Subsidizing Agency	Use of a Comp Permit	Affordability Expiration Date
Beacon Court	208	Rental/HUD/ FAMILY	No	Perpetuity
Elm Towers	101	Rental/HUD/ ELDERLY	No	Perpetuity
Exchange Street	36	Rental/HUD/ ELDERLY	No	Perpetuity
Hampshire St & Park St	12	Rental / HUD/ FAMILY	No	Perpetuity
Loring and Market	34	Rental/HUD/ FAMILY	No	Perpetuity
Merrimac Court	292	Rental/HUD/ FAMILY	No	Perpetuity
Morton Street	32	Rental/HUD/ ELDERLY	No	Perpetuity
Union Street	76	Rental/HUD/ ELDERLY	No	Perpetuity
Hancock Courts	195	Rental/HUD/ FAMILY	No	Perpetuity
Stadium Courts	256	Rental/HUD/ FAMILY	No	Perpetuity
Brunswick House	71	Rental/HUD/ ELDERLY	No	Perpetuity
Auburn St, Lebanon St & Hampshire St	83	Rental/HUD/ ELDERLY	No	Perpetuity
So. Union & Andover St	24	Rental/HUD/ ELDERLY	No	Perpetuity
Atkinson St	30	Rental/HUD/ ELDERLY	No	Perpetuity
Farnham St & Salem St	16	Rental/HUD/ ELDERLY	No	Perpetuity
Burke St & Blanchard St	80	Rental/HUD/ ELDERLY	No	Perpetuity
Bailey St	32	Rental/HUD/ ELDERLY	No	Perpetuity

Notes on Table:

The Hampshire Street and Park Street units are counted by the state as part of the Loring and Market development.

The Auburn Street, Lebanon Street and Hampshire Street units, South Union and Andover Street units, and Atkinson Street units are counted by the state as part of the Father O'Reilly Homes development. The Farnham Street and Salem Street units, Burke Street and Blanchard Street units, and Bailey Street units are counted by the state as part of the Morton Street development.

Appendix 3

City of Lawrence Comprehensive Housing Study Summary of Significant Demographic, Economic and Housing Characteristics and Trends in Comparison to Essex County and State

Table 1 summarizes major demographic and economic characteristics in Lawrence and compares this information to that of Essex County and the state. Data from the 2000 and 2010 census is included as well as other 2000 and 2010 sample data when the actual counts are not available. The 2012 1-Year American Community Survey Estimates, the latest figures available, provide an updated comparison to the 2000 and 2010 information. This data indicates the following notable similarities and differences between county and state figures:

- *Somewhat higher population growth* – Lawrence has had higher recent population growth than the county and state with a 7.3% growth rate between 2000 and 2012 compared to 4.5% and 4.7% for the county and state, respectively. In fact, Lawrence's population has been rebounding over the past several decades from 63,175 residents in 1980 to 77,321 by 2012 after a decline from 85,068 residents in 1930.
- *Much higher population density* – Lawrence, as an older city and former manufacturing center, had a dramatically higher population density of 11,046 residents per square mile in 2012 compared to 1,509 for the county and 848 for the state.
- *Substantially higher non-White population* – Lawrence's non-White population has been growing dramatically, up to 62.8% according to 2012 census estimates, compared to about one-fifth of all residents in the county and state.
- *Dominating Hispanic population* – More than three-quarters of Lawrence's residents claimed to be of Hispanic or Latino origin while only 17.4% and 10.1% indicated such a connection in the county and state, respectively.
- *High level of foreign born residents* – About half of Lawrence's residents were born outside of the United States. Eliminating those born in Puerto Rico, U.S. Island areas, and to U.S. citizens abroad, the percentage decreases to 38.7% in comparison to only about 15% of the county and state's total population.
- *Many more children* – Almost 30% of Lawrence's population included children under age 18 compared to about 22% and 21% for the county and state, respectively.
- *More young adults* – Those between the ages of 18 and 34 comprised about 26% of Lawrence's population compared to 20.7% for the county and 23.6% for the state in 2012.
- *Relatively comparable percentages of middle-aged residents*
 - Lawrence, Essex County and the state all had from 26% to 29% of their residents between the ages of 35 and 54.

Table 1: Summary of Demographic and Economic Characteristics for Lawrence, Essex County and Massachusetts, 2000, 2010 and 2012

Demographic/Economic Characteristics	Lawrence			Essex County			Massachusetts		
	2000	2010	2012	2000	2010	2012	2000	2010	2012
Total population	72,043	76,377	77,321	723,419	743,159	755,618	6,349,097	6,547,629	6,646,144
Population growth 2000-2012			7.3%			4.5%			4.7%
Population density (per square mile of land area)	10,292	10,911	11,046	1,445	1,484	1,509	810	835	848
% Minority (Non-White) Residents	51.4%	57.2%	62.8%	13.6%	18.1%	20.1%	15.5%	19.6%	19.9%
% Hispanic residents	59.7%	78.8%	76.5%	11.0%	16.5%	17.4%	6.8%	9.6%	10.1%
% Foreign born residents	30.6%	41.5%	38.7%**	11.3%	14.8%	15.2%	12.2%	15.0%	15.0%
% Under 18 years	32.0%	29.0%	29.4%	25.2%	23.2%	22.5%	23.6%	21.7%	21.1%
% 18 to 20 years	4.7%	5.5%	5.9%	3.4%	3.9%	4.2%	4.1%	4.6%	4.9%
% 21 to 34 years	22.2%	21.8%	20.2%	17.1%	16.1%	16.5%	16.5%	18.6%	18.7%
% 35 to 44 years	14.6%	13.6%	13.5%	17.3%	13.5%	12.8%	16.7%	13.6%	12.9%
% 45 to 54 years	10.5%	12.6%	12.6%	14.4%	16.3%	15.8%	13.8%	15.5%	15.1%
% 55 to 64 years	6.2%	8.9%	9.6%	8.7%	12.9%	13.4%	8.6%	12.3%	12.8%
% 65 years or more	9.8%	8.6%	8.8%	13.9%	14.1%	14.8%	13.5%	13.8%	14.5%
Median age	29.5 years	30.5 years	30.1 years	37.5 years	40.4 years	40.7 years	36.5 years	39.1 years	39.5 years
% Family households	69.1%	77.0%	69.5%	67.2%	65.7%	66.6%	64.5%	63.0%	63.4%
% Nonfamily households	30.9%	33.0%	30.5%	32.8%	34.3%	33.4%	35.5%	37.0%	36.6%
% Single-person households	25.5%	29.2%	23.7%	27.1%	28.1%	27.4%	28.0%	28.7%	28.9%
Average household size	2.9 persons	2.8 persons	2.99 persons	2.57 persons	2.54 person	2.60 persons	2.51 persons	2.48 persons	2.54 persons
Median household income*	\$27,983	\$31,459	\$30,509	\$51,576	\$63,341	\$67,888	\$50,502	\$63,961	\$65,339
% Earning less than \$25,000/ \$35,000*	44.9%/ 59.1%	42.5%/ 53.3%	45.2%/ 54.8%	24.1%/ 34.1%	20.9%/ 29.4%	20.6%/ 28.1%	24.6%/ 35.0%	20.6%/ 28.5%	20.9%/ 28.6%
% Earning more than \$100,000*	5.0%	10.5%	7.7%	19.0%	30.5%	32.6%	17.7%	29.9%	31.6%
% Households with Food Stamp/SNAP benefits*	NA	32.8%	47.3%	NA	11.5%	14.5%	NA	11.5%	12.9%
% Individuals in poverty*	23.9%	27.3%	31.2%	8.9%	10.4%	12.2%	9.3%	10.8%	11.9%

Sources: US Census Bureau 2000 and 2010 and American Community Survey, 1-Year Estimates for 2010 and 2012. Asterisk (*) notes use of US Census Bureau's American Community Survey for 2010.

**50.6% of residents were born outside of the U.S. with 11.9% born in Puerto Rico, U.S. Island areas, or born abroad to American parent(s).

- *Fewer baby boomers* – Lawrence had a somewhat lower percentage of residents between the ages of 55 and 64, which includes a significant segment of the baby boom generation, at 9.6% compared to 13.4% for the county and 12.8% for the state.
- *Fewer seniors* – Lawrence also had fewer residents age 65 and older at 8.8% of the population compared to almost 15% for the county and state. While this age group has been increasing somewhat at the county and state levels since 2000, it has been declining in Lawrence.
- *Younger residents on average* – The median age was considerably lower for Lawrence at 30.1 years as opposed to 40.7 and 39.5 years for the county and state, respectively.
- *More families* – Almost 70% of all households in Lawrence involved families compared to 66.6% for the county and 63.4% for the state.
- *Somewhat lower level of people living alone* – Proportionately there are somewhat fewer persons living alone in Lawrence, at almost one-quarter of all households, in comparison to county and state levels of 27.4% and 28.9%, respectively.
- *Larger households* – Correlated to having relatively more families living in Lawrence is the higher average household size of 2.99 persons compared to 2.60 and 2.54 persons for the county and state, respectively.
- *Significantly lower incomes* – The median household income of \$30,509 is less than half that of Essex County at \$67,888 and the state at \$65,339. About 45% of households earned within \$25,000 in Lawrence compared to only about 21% for the county and state. Additionally, 47.3% of Lawrence households were accessing food stamps through the SNAP Program while the percentages for the county and state were less than 15%. At the other end of the income range, only 8% of Lawrence's households earned more than \$100,000 as opposed to almost one-third of all households in the county and state.
- *Substantially higher levels of poverty* – Lower income levels are also reflected in higher levels of poverty with 31.2% of all Lawrence residents living below the poverty level versus 12% for the county and state.¹

Table 2 presents data on housing characteristics that suggest the following comparisons between county and state trends:

¹The 2012 federal poverty level from the U.S. Department of Health and Human Services was \$11,170 for an individual and \$19,090 for a three-person household.

Table 2: Summary of Housing Characteristics for Lawrence, Essex County and Massachusetts, 2000, 2010 and 2012

Housing Characteristics	Lawrence			Essex County			Massachusetts		
	2000	2010	2012	2000	2010	2012	20000	2010	2012
Total housing units	25,601	27,137	26,486	287,144	306,754	306,601	2,621,989	2,808,254	2,810,394
Housing growth 2000-2012		3.5%		6.8%					7.2%
Housing density (per square mile of land area)	3,657	4,101	3,784	537	574	613	312	334	358
% Units built before 1940*	39.9%	44.1%	56.0%	38.2%	39.6%	41.0%	34.5%	35.3%	34.4%
% Units built between 1940 and 1980*	47.8%	35.0%	27.3%	43.3%	36.1%	34.9%	45.9%	39.3%	39.6%
% Units built between 1980 and 2010*	12.4%***	20.8%	16.3%	18.4%***	24.2%	23.8%	19.5%***	25.4%	25.5%
% Occupied units	95.6%	93.5%	96.2%	95.9%	93.2%	92.5%	93.2%	90.7%	89.8%
% Vacant units	4.4%	6.5%	3.8%	4.1%	6.8%	7.5%	6.8%	9.3%	10.2%
% Renter-occupied	67.8%	69.7%	72.1%	36.5%	36.2%	37.9%	38.3%	37.7%	37.8%
% Owner-occupied	32.2%	30.3%	27.9%	63.5%	63.8%	62.1%	61.7%	62.3%	62.2%
% Single-family, detached structures*	18.6%	15.5%	16.7%	52.1%	50.0%	50.2%	52.4%	51.7%	52.3%
% Units in structures with 2-4 units*	51.3%	50.0%	48.2%	24.4%	22.5%	22.5%	23.0%	21.4%	21.2%
% Units in 5+ units*	25.5%	28.3%	26.5	18.0%	20.9%	20.2%	19.6%	20.9%	20.4%
Median monthly gross rent*	\$607	\$876	\$995	\$665	\$970	\$1,040	\$684	\$1,008	\$1,036
Median single-family sales price/all sales (Banker & Tradesman)	\$124,900/ \$119,000	\$165,000/ \$155,000	\$190,000/ \$220,500	\$253,000/ \$209,000	\$320,000/ \$269,000	\$361,000/ \$320,000	\$215,000/ \$188,000	\$295,000/ \$275,000	\$335,000/ \$325,000
% Paying more than 35% of income on housing*	27.2%	49.8%**	47.4%	19.1%	32.4%	30.2%	18.8%	30.8%	29.1%
Median number of rooms*	4.8 rooms	4.9 rooms	5.6 rooms	5.5 rooms	5.6 rooms	5.5 rooms	5.5 rooms	5.5 rooms	5.6 rooms
% Units with 1.51 occupants per room or more*	4.2%	0.8%	2.0%	1.0%	0.5%	1.1%	0.5%	0.5%	0.6%

Sources: US Census Bureau 2000 and 2010 and American Community Survey, 1-Year Estimates for 2010 and 2012. Asterisk (*) notes use of US Census Bureau's American Community Survey for 2010. ** Indicates from 3-Year Estimates of the 2008-2010 American Community Survey as no data was provided in the 1-Year Estimates given an insufficient sample size. ***indicates numbers of units built between 1980 and 2000.

- *Limited housing growth* – Housing growth has fluctuated somewhat over the last several decades but increased to 26,486 units in 2012, representing a 3.5% rate of growth that was about half that of the county and state. City Assessor's data shows that the total number of units was higher in Fiscal Year 2015, at 27,556 units.

- *Very high housing density* – Related to Lawrence's high population density is an extremely high housing density with 3,784 housing units per square mile according to 2012 census estimates, while only 613 and 358 for the county and state, respectively.

- *Older housing stock* – More than half of Lawrence's housing stock was built before World War II compared to 41% and 34% for the county and state, respectively.

- *Relatively fewer vacant units* – Census estimates suggest that Lawrence had considerably fewer vacant housing units, declining from 6.5% to 3.8% of the housing stock between 2010 and 2012 and not far off from 4.4% in 2000. Higher population growth in comparison to housing growth is likely driving low vacancy rates.

- *Predominance of rental units* – The rental housing stock is proportionately almost twice that of the county and state at 72% in 2012 opposed to about 38%.

- *Much greater housing diversity* – While county and state figures suggest that at least half of the housing stock was comprised of single-family detached units, Lawrence had 16.7% of such units with almost half of the units in small multi-family structures of two to four units and a quarter in larger multi-family structures of five units or more.

- *Relatively comparable median rents* – Despite the relatively lower incomes of Lawrence's households, the \$995 median rent in Lawrence was comparable to the county and state medians of \$1,040 and \$1,036, respectively. Consequently, it is not surprising that almost half of all households in Lawrence were spending more than 35% of their income on housing compared to about 30% for the county and state.

- *Lower property values* – Property values, as reflected in sales prices, are substantially lower in Lawrence with the median sales price for a single-family house of \$190,000 as of July 2014, compared to \$361,000 for the county and \$325,000 for the state. Single-family homes in Lawrence represent from a quarter to one-third of all sales while single-family homes dominate overall sales activity at the county and state levels. Additionally, sales prices of other types of property are on average higher than that of single-family homes in Lawrence where the opposite is true for the county and state and most municipalities.
- *Relatively smaller units* – The median number of rooms per housing unit in Lawrence was 4.9 rooms compared to 5.6 rooms for both the county and state. The predominance of rental units, which tend to be smaller than owner-occupied homes, is the likely driving factor.
- *Somewhat greater overcrowding* – An estimate of more than 1.5 persons per room is a common definition of overcrowded housing. The 2012 census estimates suggest that overcrowding is occurring in 2% of Lawrence's units, versus 0.5% and 0.6% for the county and state, although census estimates typically underestimate overcrowding when residents are doubled-up with family and friends, particularly in Gateway Cities.

Appendix 4

City of Lawrence Comprehensive Housing Study

Summary of Significant Demographic, Economic and Housing Characteristics and Trends in Comparison to Other Cities

The following tables compare major demographic, economic and housing characteristics and trends in Lawrence to other cities including New Bedford, Chelsea, Lynn, Methuen and Salem and the town of Framingham. Data, with some exceptions, focuses on 2000 census figures as well as estimates from the Census Bureau's 2012 American Community Survey.

- communities had minority populations of less than 25% with the exception of Chelsea at 52.2% and Lynn at 49.1%.
- *Dominating Hispanic population* – More than three-quarters of Lawrence's residents claimed to be of Hispanic or Latino origin which is higher than all of the other communities with the next highest percentage of Hispanic residents in Chelsea at 62.4%.

Tables 1A and 2A summarize demographic and economic data with the following key comparisons between Lawrence and the other communities:

- *Relatively high population growth* – Lawrence, with a population of 77,321 in 2012, had fewer residents than New Bedford with a population of 91,247 but higher than the other cities studied. It also had a population growth rate of 7.3% between 2000 and 2012, higher than all of the other communities with the exception of Methuen at 8.9%.
- *High population density* – Lawrence, as an older city and former manufacturing center, had a high population density of 11,046 residents per square mile in 2012, only surpassed by Chelsea at 14,598 residents per square mile.
- *Substantially higher non-White population* – Lawrence's non-White population has been growing dramatically, up to 62.8% according to 2012 census estimates. All of the other
- *High level of foreign born residents* – About half of Lawrence's residents were born outside of the United States. Eliminating those born in Puerto Rico, U.S. Island areas, and to U.S. citizens abroad, the percentage decreases to 38.7%, which is lower than Chelsea at 46.1%, but higher than Lynn at 31.7%, with the remaining communities at significantly lower levels.
- *More children* – Almost 30% of Lawrence's population were children under age 18, higher than the other communities which ranged from 17.5% in Salem to 27% for Lynn.
- *More young adults* – Those between the ages of 18 and 34 comprised about 26% of Lawrence's population which was relatively similar to levels in Lynn and Salem but lower than Chelsea at 31.7%.
- *Somewhat lower percentage of middle-aged residents* – Lawrence, Lynn, New Bedford, and Chelsea had about 26%

Table 1-A: Summary of Demographic and Economic Characteristics for Lawrence and Other Cities, 2000 and 2012

	Lawrence		New Bedford		Chelsea		Framingham	
	2000	2012	2000	2012	2000	2012	2000	2012
Total population	72,043	77,321	93,768	94,929	35,080	36,057	66,910	69,409
Population growth 2000-2012	7.3%		1.4%		2.8%		3.7%	
Population density (per square mile of land area)	10,292	11,046	3,886	3,934	14,202	14,598	2,534	2,629
% Minority (Non-White) residents	51.4%	62.8%	21.1%	22.3%	42.1%	52.2%	20.2%	24.4%
% Hispanic residents	59.7%	76.5%	10.2%	16.9%	48.4%	62.4%	10.9%	12.3%
% Foreign born residents	30.6%	50.6%	19.6%	20.6%	36.1%	46.1%	21.1%	25.4%
% Under 18 years	32.0%	29.4%	24.9%	21.6%	27.3%	25.9%	21.4%	21.1%
% 18 to 20 years	4.7%	5.9%	3.9%	2.8%	4.1%	3.8%	3.8%	4.2%
% 21 to 34 years	22.2%	20.2%	20.0%	19.8%	25.5%	27.9%	22.6%	20.8%
% 35 to 44 years	14.6%	13.5%	14.4%	14.8%	15.6%	14.7%	17.1%	14.0%
% 45 to 54 years	10.5%	12.6%	11.9%	11.5%	9.8%	11.3%	13.5%	15.0%
% 55 to 64 years	6.2%	9.6%	8.2%	12.4%	6.5%	7.4%	8.6%	11.5%
% 65 years or more	9.8%	8.8%	16.7%	17.1%	11.2%	9.0%	13.0%	13.4%
Median age	29.5 years	30.1 years	35.9 years	37.8 years	31.3 years	31.1 years	36.2 years	37.7 years
% Family households	69.1%	69.5%	63.1%	57.4%	64.0%	60.3%	63.4%	62.8%
% Nonfamily households	30.9%	30.5%	36.9%	42.6%	36.0%	39.7%	36.6%	37.2%
% Single-person households	25.5%	23.7%	31.6%	34.8%	28.8%	32.8%	28.7%	30.4%
Average household size	2.9 persons	2.99 persons	2.4 persons	2.34 person	2.87 persons	2.96 persons	2.43 persons	2.46 persons
Median household income	\$27,983	\$30,509	\$27,569	\$35,555	\$30,161	\$43,319	\$54,288	\$69,221
% Earning less than \$25,000/ \$35,000	44.9%/ 59.1%	45.2%/ 54.8%	46.2%/ 58.2%	35.7%/ 49.3%	42.1%/ 55.7%	31.0%/ 41.5%	22.2%/ 31.8%	19.9%/ 28.5%
% Earning more than \$100,000	5.0%	7.7%	4.2%	9.6%	6.6%	15.8%	20.2%	34.8%
% Households with Food Stamp/SNAP benefits	NA	47.3%	NA	26.5%	NA	32.2%	NA	10.8%
% Individuals in poverty	23.9%	31.2%	19.8%	21.2%	22.6%	23.8%	7.7%	9.5%
Unemployment rate	5.6%	11.9%*	5.5%	10.5%*	3.7%	7.0%*	2.2%	4.5%*
% Completed high school	58.2%	64.8%	57.6%	70.4%	59.5%	62.7%	87.1%	90.2%
% Completed college	10.0%	9.7%	10.7%	13.3%	10.0%	15.2%	42.3%	46.0%

Table 1-B: Summary of Demographic and Economic Characteristics for Lawrence and Other Cities, 2000 and 2012

Demographic/Economic Characteristics	Lawrence	Lynn	Methuen	Salem	
2000	2012	2000	2012	2000	
Total population	72,043	77,321	89,050	91,247	43,789
Population growth 2000-2012		7.3%		2.5%	
Population density (per square mile of land area)	10,292	11,046	6,596	6,759	1,890
% Minority (Non-White) residents	51.4%	62.8%	32.1%	49.1%	10.6%
% Hispanic residents	59.7%	76.5%	18.4%	35.3%	9.6%
% Foreign born residents	30.6%	50.6%	22.8%	31.7%	11.2%
% Under 18 years	32.0%	29.4%	27.0%	24.7%	22.7%
% 18 to 20 years	4.7%	5.9%	4.0%	3.0%	3.2%
% 21 to 34 years	22.2%	20.2%	20.3%	24.6%	17.8%
% 35 to 44 years	14.6%	13.5%	15.9%	11.8%	17.4%
% 45 to 54 years	10.5%	12.6%	12.4%	13.5%	13.5%
% 55 to 64 years	6.2%	9.6%	7.6%	9.2%	8.1%
% 65 years or more	9.8%	8.8%	12.8%	10.9%	15.3%
Median age	29.5 years	30.1 years	34.2 years	33.1 years	37.5 years
% Family households	69.1%	69.5%	62.8%	65.1%	69.8%
% Nonfamily households	30.9%	30.5%	37.2%	34.9%	30.2%
% Single-person households	25.5%	23.7%	31.0%	28.6%	25.3%
Average household size	2.9 persons	2.99 persons	2.62 persons	2.81 person	2.62 persons
Median household income	\$27,983	\$30,509	\$37,364	\$41,286	\$49,627
% Earning less than \$25,000/\$35,000	44.9%/ 59.1%	45.2%/ 54.8%	35.1%/ 47.3%	31.4%/ 44.3%	23.7%/ 34.2%
% Earning more than \$100,000	5.0%	7.7%	8.1%	18.3%	13.5%
% Households with Food Stamp/SNAP benefits	NA	47.3%	NA	31.7%	NA
% Individuals in poverty	23.9%	31.2%	16.3%	24.7%	7.4%
Unemployment rate	5.6%	11.9%*	3.2%	7.4%*	3.3%
% Completed high school	58.2%	64.8%	74.2%	79.2%	81.8%
% Completed college	10.0%	9.7%	16.4%	19.6%	23.0%

4.0%

2,322

18.0%

15.1%

16.7%

17.5%

6.7%

21.6%

12.6%

16.9%

13.7%

12.3%

12.4%

53.1%

46.9%

37.7%

2.22 persons

\$57,644

\$44,033

38.3 years

36.4 years

10.1%

9.4%

13.9%

6.0%*

2.5%

89.2%

37.6%

- *Fewer baby boomers* – Lawrence had a somewhat lower percentage of residents between the ages of 55 and 64, which includes a significant segment of the baby boom generation, at 9.6%. Only Chelsea at 7.4% and Lynn at 9.2% had lower levels while this age group comprised about 12% of the population in the other communities.
- *Fewer seniors* – Lawrence also had fewer residents age 65 and older, at 8.8% of the population, in comparison to all of the other communities. New Bedford had the highest level at 17.1%.
- *Younger residents on average* – The median age was lower for Lawrence, at 30.1 years, with Chelsea at 31.1 years, and ranging to as high as 40.4 years in Methuen.
- *More families* – Almost 70% of all households in Lawrence were categorized as families, a higher percentage than all of the other communities, with the next highest at 68.4% for Methuen and lowest at 53.1% in Salem.¹
- *Lower level of people living alone* – Proportionately there were somewhat fewer persons living alone in Lawrence, at about 24% of all households, with all of the other communities above 28%, 37% in Salem.
- *Larger households* – Correlated to having relatively more families living in Lawrence was the higher average household size of 2.99 persons with Chelsea only somewhat lower at 2.96 persons and ranging as low as 2.22 persons in Salem.
- *Significantly lower incomes* – The median household income of \$30,509 was less than half that of Framingham and Methuen. Also, about 45% of households earned within \$25,000 in Lawrence compared to less than 36% for the other communities. Additionally, 47.3% of Lawrence households were accessing food stamps through the SNAP Program while the percentages for the other areas ranged from 10.8% in Framingham to 32.2% in Chelsea. At the other end of the income range, only 8% of Lawrence's households earned more than \$100,000, ranging from 9.7% in New Bedford to as high as 29% and 35% in Methuen and Framingham, respectively.
- *Substantially higher levels of poverty* – Lower incomes were also reflected in higher levels of poverty with 31.2% of all Lawrence residents living below the poverty level with most of the other communities well below 25% and as low as 9.5% and 10.1% in Framingham and Methuen, respectively.¹
- *High unemployment* – Lawrence's unemployment rate as of July 2014 was 11.9%, higher than the other communities, but down considerably from prior years.
- *Lower educational attainment* – About 65% of Lawrence's residents had a high school degree or higher, which was higher than Chelsea at almost 63% but significantly lower than Methuen, Salem and Framingham at about 90%. Less

¹ The 2012 federal poverty level from the U.S. Department of Health and Human Services was \$11,170 for an individual and \$19,090 for a three-person household.

than 10% of Lawrence residents had a college degree or higher, lower than all of the other communities.

Tables 2A and 2B present data on housing characteristics that suggest the following comparisons between Lawrence and the other communities:

Table 2-A: Summary of Housing Characteristics for Lawrence and Other Cities, 2000 and 2012

Housing Characteristics	Lawrence		New Bedford		Chelsea		Framingham	
	2000	2012	2000	2012	2000	2012	2000	2012
Total housing units	25,601	26,486	41,511	44,115	12,337	12,930	26,734	27,546
Housing growth 2000-2012		3.5%		6.3%		5.2%		3.0%
Housing density (per square mile of land area)	3,657	3,784	1,720	1,828	4,994	5,255	1,013	1,043
% Units built before 1940	39.9%	56.0%	49.9%	50.5%	42.3%	66.5%	18.6%	23.2%
% Units built between 1940 and 1980	47.8%	27.3%	41.8%	36.6%	43.8%	14.7%	68.8%	62.7%
% Units built between 1980 and 2010	12.4%	16.3%	8.4%	13.0%	14.0	18.7%	12.6%	14.0%
% Occupied units	95.6%	96.2%	92.0%	90.0%	98.4%	91.9%	97.8%	96.9%
% Vacant units	4.4%	3.8%	8.0%	10.0%	1.6%	8.1%	2.2%	3.1%
% Renter-occupied	67.8%	72.1%	56.2%	54.7%	71.1%	70.5%	44.5%	44.5%
% Owner-occupied	32.2%	27.9%	43.8%	45.3%	28.9%	29.5%	55.5%	55.5%
% Single-family, detached structures	18.6%	16.7%	30.2%	36.5%	7.8%	8.8%	50.0%	50.2%
% Units in structures with 2-4 units	51.3%	48.2%	47.6%	44.7%	54.8%	48.5%	15.0%	14.9%
% Units in 5+ units	25.5%	26.5%	19.1%	16.4%	32.8%	37.6%	32.3%	30.2%
Median monthly gross rent	\$607	\$995	\$455	\$731	\$695	\$1,114	\$835	\$1,080
Median single-family sales price/all sales (Banker & Tradesman)	\$124,900/ \$119,000	\$190,000/ \$220,500	\$119,995/ \$110,000	\$171,750/ \$161,750	\$159,000/ \$171,442	\$262,000/ \$250,000	\$250,000/ \$220,250	\$339,950/ \$315,000
% Paying more than 35% of income on housing	27.2%	47.4%	21.7%	35.3%	25.4%	40.5%	20.0%	29.6%
Median number of rooms	4.8 rooms	4.9 rooms	5.0 rooms	5.2 rooms	4.4 rooms	4.5 rooms	5.4 rooms	5.5 rooms
% Units with 1.51 occupants per room or more	4.2%	2.0%	0.9%	0.75	6.3%	5.1%	2.5%	1.0%

Table 2-B: Summary of Housing Characteristics for Lawrence and Other Cities, 2000 and 2012

Housing Characteristics	Lawrence		Lynn		Methuen		Salem	
	2000	2012	2000	2012	2000	2012	2000	2012
Total housing units	25,601	26,486	34,637	35,819	16,885	18,782	18,175	19,708
Housing growth 2000-2012		3.5%		3.4%		11.2%		8.4%
Housing density (per square mile of land area)	3,657	3,784	2,566	2,653	733	815	1,004	1,089
% Units built before 1940	39.9%	56.0%	50.2%	66.8%	27.1%	25.7%	54.1%	56.6%
% Units built between 1940 and 1980	47.8%	27.3%	39.9%	23.5%	49.2%	43.0%	33.1%	21.8%
% Units built between 1980 and 2010	12.4%***	16.3%	9.8%	9.7%	23.8%	31.2%	12.8%	21.6%
% Occupied units	95.6%	96.2%	96.7%	90.1%	97.9%	95.2%	96.2%	92.1%
% Vacant units	4.4%	3.8%	3.3%	9.9%	2.1%	4.8%	3.8%	7.9%
% Renter-occupied	67.8%	72.1%	54.4%	56.5%	28.1%	28.2%	50.9%	51.1%
% Owner-occupied	32.2%	27.9%	45.6%	43.5%	71.9%	71.8%	49.1%	48.9%
% Single-family, detached structures	18.6%	16.7%	33.6%	33.0%	61.0%	59.8%	27.0%	26.2%
% Units in structures with 2-4 units	51.3%	48.2%	34.4%	41.7%	21.4%	16.8%	40.6%	36.1%
% Units in 5+ units	25.5%	26.5%	29.1%	30.1%	13.9%	16.9%	26.2%	28.7%
Median monthly gross rent	\$607	\$995	\$608	\$906	\$645	\$919	\$705	\$1,066
Median single-family sales price/all sales (<i>Banker & Tradesman</i>)	\$124,900/ \$119,000	\$190,000/ \$220,500	\$155,000/ \$160,000	\$235,000/ \$235,000	\$185,000/ \$169,900	\$275,000/ \$270,000	\$213,750/ \$197,750	\$318,500/ \$290,000
% Paying more than 35% of income on housing	27.2%	47.4%	23.2%	36.6%	17.1%	28.2%	19.5%	34.5%
Median number of rooms	4.8 rooms	4.9 rooms	4.9 rooms	5.8 rooms	5.7 rooms	4.9 rooms	4.8 rooms	
% Units with 1.51 occupants per room or more	4.2%	2.0%	2.8%	0.9%	0.6%	0.7%	1.0%	0.6%

- *Lower housing growth* – Housing growth of 3.5% between 2000 and 2012 was about half the population growth rate in Lawrence but lower than the housing growth rates for the other communities with the exceptions of Lynn and Framingham. It should be noted that between 1980 and 2012 population growth was 22% compared to housing growth of 1.9%.
- *Proportionately fewer single-family units* – Lawrence and Chelsea had 16.7% and 8.8% of their housing stock comprised of single-family detached units, respectively, while the other communities ranged from 26.2% in Salem to as high as 50% and 60% in Framingham and Methuen, respectively.
- *Prevalence of small multi-family dwellings* – Lawrence had almost half of its units in small multi-family structures of two to four units, relatively comparable to New Bedford and Chelsea but much higher than 15% in Framingham and 17% in Methuen.
- *Less large multi-family development* – About a quarter of Lawrence's units were in larger multi-family structures of five units or more, which was less than the other communities with the exception of New Bedford and Methuen at 16.4% and 16.9%, respectively.
- *Relatively high median rents* – Despite the relatively lower incomes of Lawrence's households, the \$995 median rent in Lawrence was higher than Lynn, Methuen and New Bedford and not much lower than the median rents of \$1,066 in Salem, \$1,080 in Framingham and \$1,114 in Chelsea. Consequently, it is not surprising that almost half of all households in Lawrence were spending more than 35% of their income on housing, a larger proportion than all of the other communities, ranging from 28% in Methuen to 40% in Chelsea, and most at about one-third of all households.
- *Relatively fewer vacant units* – Census estimates suggest that Lawrence had considerably fewer vacant housing units, declining from 4.4% to 3.8% of the housing stock between 2000 and 2012. This was about the same level as Framingham but lower than the other communities with Lynn and New Bedford at about 10%.
- *Predominance of rental units* – About 72% of Lawrence's housing involves rentals, which is proportionately about the same level as Chelsea but significantly higher than the other communities with levels of about 50% and with Methuen at about 28%.
- *Lower property values* – Property values, as reflected in sales prices, were substantially lower in Lawrence with the median sales price for a single-family house of \$190,000 as of July 2014, compared to \$318,500 in Salem and \$339,950

in Framingham. Only New Bedford had a lower median at \$171,750. Additionally, median sales prices of other types of property were on average higher than that of single-family homes in Lawrence where the opposite is true for the other communities with the exception of Lynn where the median of \$235,000 was the same for single-family home sales and total property sales.

- *Somewhat greater overcrowding* – An estimate of more than 1.5 persons per room is a common definition of overcrowded housing. The 2012 census estimates suggest that overcrowding was occurring in 2% of Lawrence's units, which was higher than the other communities but significantly lower than Chelsea at 5.1%. It should be noted that the census typically underestimates overcrowding when residents are doubled-up with family and friends or where there are language barriers, particularly in Gateway cities.
- *Relatively small unit sizes* – The median number of rooms per housing unit in Lawrence was 4.9 rooms, which was comparable to Lynn and Salem but higher than Chelsea with a median of 4.5 rooms per dwelling unit. The predominance of rental units, which tend to be smaller than owner-occupied homes, is the likely driving factor.

Sources: US Census Bureau 2000 and American Community Survey, 1-Year Estimates for 2012 for Lawrence, and New Bedford and 3-Year Estimates for Chelsea and Framingham. * Indicates data as of July 2014. NA = Not available.

Appendix 5

City of Lawrence Comprehensive Housing Study Summary of Significant Demographic, Economic and Housing Characteristics for Census Tracts and Neighborhoods

The following tables summarize major demographic, economic and housing characteristics for Lawrence's 18 census tracts and aggregates them, when appropriate, by the City's nine (9) neighborhood designations. The data is from the U.S. Census Bureau's 5-Year Estimates through its American Community Survey (ACS) for 2008-2012, the latest information available at the time.

The data suggests several important overall considerations in the analysis and comparison of neighborhoods:

1. When two or more census tracts are involved, the aggregation of neighborhood data is approximate as the census tracts do not accurately align to neighborhood boundaries.
2. Several census tracts might be referred to as "outliers" as their characteristics are outside of the normal range and thus skew neighborhood figures. For example, both census tracts 2501 and 2511 involve concentrations of public housing, particularly for seniors, that result in significantly higher elderly populations, lower income levels, more residents living alone, higher percentages of rental housing units and units in larger multi-family structures, lower rent levels, more units built between 1940 and 1980, etc.
3. Another "outlier" census tract is 2518 which includes the Mt. Vernon neighborhood whose characteristics more closely resemble neighborhoods in surrounding

communities rather than those in Lawrence given significantly higher income levels, higher median age, fewer foreign born residents, higher educational attainment, and much higher levels of owner-occupancy and single-family units, for example.

4. There is considerable variability of characteristics within neighborhoods. For example, the median household income in the Arlington neighborhood ranged from \$20,689 in census tract 2504 to \$50,092 in tract 2506 without consideration of tract 2511 mentioned earlier with \$16,512. Also, median gross rent levels in the Arlington neighborhood ranged significantly from \$819 in tract 2504 to \$1,120 and \$1,124 in tracts 2507 and 2505, respectively. Clearly neighborhoods are not homogeneous places but possess varying development and residency patterns.

Tables 1A, 1B and 1C summarize **demographic and economic data** with the following key findings:

- *Significant differences in neighborhood size* – The smallest neighborhoods with respect to population size were General Donovan and North Common with 3,795 and 3,865 residents, respectively. On the other end of the range, the largest included Tower Hill and Arlington with 15,560 and 21,524 residents, respectively, together comprising almost half of the City's population and housing stock.

about 55% of residents were so identified in Prospect Hill and Colonial Heights and 42% in Mt. Vernon.

- *Significant variation and general predominance of the Hispanic population* – Those of Hispanic origin comprised 80% to 90% of all residents in the Tower Hill, General Donovan, North Common and Arlington neighborhoods, less than 71% in the other neighborhoods, but as low as 43.4% in Mt. Vernon.
- *Significant variability in the size of the immigrant population*
 - Foreign born residents typically comprised 28% to 36% of all residents in many neighborhoods but represented only 16.2% in Mt. Vernon, more than 40% for Tower Hill and Arlington, and more than half of the population in North Common.
- *Substantial differences in the distribution of ages* –
 - The percentage of children in most neighborhoods largely reflected City levels of about 30% of residents under 18 years of age with the General Donovan and Mt. Vernon neighborhoods lower at 20.7% and 22.9%, respectively.
 - Those younger adults between ages 18 and 34 ranged considerably from as low as 21.4% in Mt. Vernon to as high as 32% in Prospect Hill and with the other communities between 23% and 30%.
 - The population of middle-aged residents between the ages of 35 and 54 comprised about 27% of all residents in most neighborhoods but involved higher levels of 29% to 31% of the populations in South Common, Mt. Vernon and Prospect Hill.
 - About 10% of the neighborhood populations were part of the baby boom generation between the
- *High level of family households in most neighborhoods* –
 - The South Common and Prospect Hill neighborhoods had the highest level of family households, at about 78% of all households, while only 42% of households in General Donovan involved families, largely due to the significant amount of senior housing.
 - Correlated with a higher proportion of families were fewer individuals living alone.
 - Also, those census tracts with more than 75% of all households living in families had higher average household sizes of at least three (3) persons although census tract 2509 in North Common had only 62.4% of its households in families but the highest average household size of 3.54 persons.

ages of 55 and 64 with Tower Hill at the low end of the range at 7.8% and General Donovan at the high end at 13.6%.

- There was wide variation in the senior populations as those 65 years of age or older comprised less than 7% of all residents in Tower Hill, Prospect Hill, South West, and South Common but more than 14% in General Donovan and Mt. Vernon.
- There was considerable variability in the median age among census tracts, ranging from as low as 26.6 years in tract 2506 in the Arlington neighborhood to 38.2 years in Mt. Vernon and 39.9 years and 40.8 years in the “outlier” tracts of 2501 and 2511, respectively, largely due to concentrations of senior housing.

- *Large differences in income levels –*
 - There was a wide range of median household income levels among the census tracts, ranging from lows of \$16,512 and \$16,875 in the “outlier” tracts of 2511 and 2501, respectively, to Mt. Vernon at \$67,321 (close to the statewide median).
 - Median incomes were below the City-wide median of \$30,509 in North Common, census tract 2513 and 2514 in Tower Hill, in both General Donovan tracts, tracts 2504 and 2511 of the Arlington neighborhood, and in South Common. Next to Mt. Vernon the highest median incomes were in Colonial Heights at \$41,278, tract 2502 in Tower Hill at \$47,938, and tract 2506 in Arlington at \$50,092.
 - About 73% of those living in General Donovan earned less than \$35,000 compared to 64% in North Common, 60% in Arlington, 55% in both Tower Hill and South Common, and with the remaining neighborhoods below 50%.
 - Those qualifying for Food Stamps typically involved between 35% and 45% of all households but ranged as high as 52.8% in North Common and as low as 12.2% in Mt. Vernon, and comprised about 29% of households in Prospect Hill and South West, and 33% in Colonial Heights.
 - Between 30% and 37% of all residents lived in poverty in the Tower Hill, General Donovan, North Common, Arlington and South Common neighborhoods with the others below that level but still comprising a significant segment of neighborhood households.
 - At the other end of the income range, those earning more than \$100,000 included less than 10% of all households in most neighborhoods with the
- *exception of 11% in South West, 15.2% in Colonial Heights and 21% in Mt. Vernon.*
- *Relatively high unemployment –*The unemployment rate was lowest in Mt. Vernon, at 3.6%, which corresponded to having the highest income levels in the City. It was also low in General Donovan, at 6.3%, where there were concentrations of seniors who were no longer part of the workforce. More typically the rate in the neighborhoods was about double the Massachusetts level of 6.8% in 2012 and as high as 14.8% in Colonial Height and 15.2% in North Common.
- *Relatively low but varying educational attainment –* About two-thirds or more of residents completed high school in most of the neighborhoods (Tower Hill, Prospect Hill, South West, South Common, Colonial Heights and Mt. Vernon) while the remaining neighborhoods had lower levels between approximately 53% to 58%. Also, 10% or less of neighborhood residents had completed college with the exception of 16.9% in Colonial Heights and 19.2% in Mt. Vernon.

Table 1-A: Summary of Demographic and Economic Characteristics for Tower Hill and General Donovan Neighborhoods, 2012

Demographic/Economic Data	2502	2503	2513	2514	Tower Hill	2512	2501	General Donovan
Total population	5,520	2,389	2,982	4,669	15,560	1,435	2,360	3,795
% Total City population	7.1%	3.1%	3.9%	6.0%	20.1%	1.9%	3.1%	4.9%
% Non-White residents	61.7%	76.3%	82.3%	67.1%	69.5%	68.6%	66.9%	67.5%
% Hispanic residents	71.5%	91.8%	87.5%	78.9%	79.9%	81.7%	79.6%	80.4%
% Foreign born residents	40.2%	53.3%	38.8%	36.4%	40.8%	34.3%	33.3%	33.7%
% Under 18 years	24.5%	34.1%	30.5%	32.1%	29.4%	25.2%	17.9%	20.7%
% 18 to 20 years	6.6%	5.5%	8.8%	6.1%	6.7%	5.5%	3.9%	4.5%
% 21 to 34 years	24.4%	21.2%	21.2%	24.0%	23.2%	22.3%	20.0%	20.9%
% 35 to 44 years	14.3%	13.9%	10.3%	11.8%	12.7%	6.6%	14.3%	12.0%
% 45 to 54 years	13.9%	16.8%	13.3%	12.0%	13.6%	18.3%	12.5%	14.7%
% 55 to 64 years	7.5%	6.6%	10.8%	7.0%	7.8%	12.4%	14.4%	13.6%
% 65 years or more	8.9%	1.9%	5.1%	7.0%	6.5%	9.7%	17.0%	14.3%
Median age/years	32.2	28.5	28.4	27.7	-	34.1	39.9	-
Total households	1,790	724	1,118	1,447	5,079	575	1,280	1,855
% Family households	75.3	72.7%	62.9%	73.5%	71.7%	58.1%	34.8%	42.0%
% Nonfamily households	24.7	27.3%	37.1%	26.5%	28.3%	41.9%	65.2%	58.0%
% Single-person households	16.1	21.8%	28.1%	16.5%	19.7%	30.6%	61.6%	52.0%
Ave. household size/persons	3.07	3.30	2.67	3.18	-	2.49	1.80	-
Median household income	\$47,938	\$38,571	\$19,364	\$29,753	-	\$20,039	\$16,875	-
% Earning less than \$25,000/ \$35,000	30.7%/ 38.0%	35.0%/ 48.7%	61.7%/ 76.0%	42.9%/ 61.0%	41.6%/ 54.5%	59.7%/ 71.2%	64.8%/ 80.5%	63.2%/ 73.3%
% Earning more than \$100,000	14.4%	7.5%	0.6%	9.4%	9.0%	5.4%	7.2%	6.3%
% Households with Food Stamp/SNAP benefits	23.4%	37.3%	55.7%	46.2%	39.0%	41.9%	47.3%	45.6%
% Individuals in poverty	20.3%	33.7%	46.9%	34.2%	31.6%	35.1%	36.1%	35.8%
Unemployment rate	9.7%	15.3%	17.3%	16.5%	13.9%	9.9%	4.5%	6.5%
% Completed high school	72.7%	63.2%	57.0%	66.7%	57.7%	55.5%	56.3%	-
% Completed college	17.0%	7.5%	1.6%	8.2%	10.3%	11.2%	10.3%	10.6%

Table 1-B: Summary of Demographic and

Economic Characteristics for North Common and Arlington Neighborhoods, 2012

Demographic/Economic Data	2509	2510	North Common	2504	2505	2506	2507	2511	Arlington
Total population	2,267	1,598	3,865	3,650	4,064	5,820	4,823	3,167	21,524
% Total City population	2.9%	2.1%	5.0%	4.7%	5.3%	7.5%	6.2%	4.1%	27.8%
% Non-White residents	73.7%	81.0%	76.7%	81.5%	85.2%	69.9%	74.8%	68.1%	75.6%
% Hispanic residents	91.3%	89.3%	90.5%	92.6%	92.4%	82.5%	82.4%	80.0%	85.7%
% Foreign born residents	58.4%	42.5%	51.8%	47.7%	48.4%	40.6%	41.2%	47.6%	44.4%
% Under 18 years	28.7%	27.8%	28.3%	32.4%	27.6%	31.6%	31.1%	27.0%	30.2%
% 18 to 20 years	4.7%	2.8%	3.9%	6.9%	7.8%	7.7%	6.9%	2.5%	6.6%
% 21 to 34 years	21.0%	21.5%	21.2%	18.1%	22.6%	20.8%	19.7%	11.0%	19.0%
% 35 to 44 years	16.0%	14.3%	15.3%	14.6%	17.1%	12.9%	13.3%	13.7%	14.2%
% 45 to 54 years	11.4%	12.1%	11.7%	8.8%	12.8%	14.0%	14.1%	10.0%	12.3%
% 55 to 64 years	9.2%	11.4%	10.1%	11.8%	8.8%	6.2%	10.2%	11.1%	9.3%
% 65 years or more	9.0%	10.1%	9.4%	7.4%	3.3%	6.8%	4.7%	24.7%	8.4%
Median age/years	30.7	34.3	-	30.0	28.1	26.6	29.6	40.8	-
Total households	809	553	1,362	1,270	1,177	1,672	1,547	1,281	6,947
% Family households	62.4%	68.9%	65.1%	70.1%	76.1%	79.2%	80.9%	46.1%	71.3%
% Nonfamily households	37.6%	31.1%	34.9%	29.9%	23.9%	20.8%	19.1%	53.9%	28.7%
% Single-person households	33.6%	29.5%	31.9%	29.6%	14.2%	16.1%	16.3%	48.2%	24.2%
Ave. household size/persons	3.54	2.82	-	2.87	3.45	3.46	3.11	2.29	-
Median household income	\$25,457	\$27,228	-	\$20,689	\$35,129	\$50,092	\$31,085	\$16,512	-
% Earning less than \$25,000/ \$35,000	49.1%/ 64.9%	46.3%/ 63.1%	46.1%/ 64.2%	60.4%/ 68.9%	38.4%/ 50.0%	29.0%/ 42.2%	39.0%/ 58.1%	70.4%/ 80.8%	46.2%/ 59.1%
% Earning more than \$100,000	7.0%	5.1%	6.2%	1.7%	14.3%	11.2%	7.2%	5.3%	8.2%
% Households with Food Stamp/SNAP benefits	52.9%	52.6%	52.8%	53.1%	41.0%	27.3%	35.9%	51.0%	40.6%
% Individuals in poverty	40.8%	30.8%	36.7%	37.0%	34.7%	24.1%	29.7%	51.6%	33.6%
Unemployment rate	13.7%	17.3%	15.2%	13.1%	17.3%	9.7%	12.1%	13.6%	12.9%
% Completed high school	54.4%	51.9%	53.4%	49.6%	52.7%	63.9%	64.0%	56.9%	58.2%
% Completed college	10.1%	3.6%	7.5%	3.4%	5.8%	13.9%	7.2%	6.2%	7.8%

Table 1-C: Summary of Demographic and Economic Characteristics for Prospect Hill, Southwest, South Common, Colonial Heights and Mt. Vernon Neighborhoods, 2012

Demographic/Economic Data	2508/ Prospect Hill	2515/ South West	2516/ South Common	2517/ Colonial Heights	2518/Mt. Vernon
Total population	7,296	6,219	5,512	5,206	7,354
% Total City population	9.4%	8.0%	7.1%	6.7%	9.5%
% Non-White residents	54.7%	63.0%	67.3%	55.1%	41.9%
% Hispanic residents	63.0%	71.1%	70.5%	60.3%	43.4%
% Foreign born residents	27.7%	30.5%	35.9%	31.3%	16.2%
% Under 18 years	30.1%	30.4%	33.4%	28.8%	22.9%
% 18 to 20 years	5.1%	5.2%	5.1%	3.2%	3.7%
% 21 to 34 years	27.0%	22.8%	18.2%	23.4%	17.7%
% 35 to 44 years	12.2%	13.5%	16.1%	15.0%	15.4%
% 45 to 54 years	9.2%	13.5%	12.8%	9.6%	14.7%
% 55 to 64 years	9.7%	9.0%	8.8%	10.8%	10.3%
% 65 years or more	6.7%	5.6%	5.6%	9.2%	15.3%
Median age/years	28.8	29.1	30.4	30.2	38.2
Total households	2,417	2,271	1,882	1,842	2,954
% Family households	78.0%	70.4%	77.8%	70.7%	66.6%
% Nonfamily households	22.0%	29.6%	22.2%	29.3%	33.4%
% Single person households	14.6%	25.3%	20.5%	25.6%	29.2%
Ave. household size/persons	2.89	2.73	2.93	2.76	2.49
Median household income	\$36,726	\$37,120	\$28,861	\$41,278	\$67,321
% Earning less than \$25,000/ \$35,000	28.7%/ 48.2%	35.4%/ 47.4%	44.1%/ 55.7%	33.4%/ 46.0%	23.3%/ 29.8%
% Earning more than \$100,000	9.3%	11.0%	4.9%	15.2%	21.1%
% Households with Food Stamp/SNAP benefits	28.6%	28.4%	35.2%	33.1%	12.2%
% Individuals in poverty	16.9%	19.4%	32.2%	26.3%	18.7%
Unemployment rate	11.9%	11.1%	8.0%	14.8%	3.6%
% Completed high school	69.6%	70.6%	65.7%	73.0%	85.1%
% Completed college	10.0%	10.9%	7.7%	16.9%	19.2%

Tables 2A, 2B and 2C summarize **housing characteristics** for each census tract and neighborhood with the following major findings:

- *Older housing stock but housing growth rates varied considerably by neighborhood –*
 - Those older neighborhoods where more than half of the housing stock was built before World War II included Tower Hill, Arlington, Prospect Hill, South West and South Common.
 - Between 25% and 35% of all housing units were developed between 1940 and 1980 in all neighborhoods with the exception of Mt. Vernon when two-thirds of its housing stock was built and with General Donovan at 40.4% during this period.
 - There has been considerably less recent housing development, with 13% or less of all units built between 1980 and 2010, in about half of the neighborhoods including Arlington, Prospect Hill, South West, South Common and Mt. Vernon. Those neighborhoods with higher levels of growth during this period included Tower Hill (17.4%), General Donovan (28.3%), North Common (28.7%), and Colonial Heights (37.3%).
- *Relatively low but varying vacancy levels –* The percentage of vacant units ranged from zero in census tract 2503, an unusual finding in census figures, to as high as 9.4% in Tower Hill and 10.2% in South Common. Vacancy rates were in the 5.8% to 7.1% range except for 2.7% in Prospect Hill, 3.7% in South West and as low as 1.5% in Mt. Vernon.
- *Prevalence of multi-family housing in all neighborhoods except Mt. Vernon –*
 - Single-family detached homes, the mainstay in most communities, are relatively less common in Lawrence neighborhoods, ranging in 2012 from as low as 2% and 3% in General Donovan and North Common, to 9.8% in Arlington, to about 17% to 25% in Tower Hill, South Common and Colonial Heights, and as high as 55% in Mt. Vernon.
 - The two-family house and triple decker are ubiquitous dwellings in most Lawrence neighborhoods and two to four-unit structures comprise a majority of all units in Tower Hill, North Common, Arlington, Prospect Hill, South West and South Common. They include only 15.6% of all units in General Donovan, 16.3% in Mt. Vernon, and 43.1% in Colonial Heights.
 - There are considerable numbers of larger multi-family structures in each neighborhood from about 13% to 16% in Tower Hill, Prospect Hill, South West, South Common and Mt. Vernon to 23.2% in Arlington, 32.2% in Colonial Heights, 38.9% in North Common and as high as 80.2% in General Donovan.
 - Lawrence had a small number of mobile homes including 31 such units in Arlington, 12 in Tower Hill, 22 in South Common and 45 in Mt. Vernon according to 2012 census estimates.
- *Predominance of rental units except for Mt. Vernon –* The significant majority of the housing stock included rental units in all neighborhoods, ranging from about 64% to 74% in Tower Hill, Arlington, Prospect Hill, South West, South Common and Colonial Heights to over 90% in North Common and General Donovan. Only in the Mt. Vernon neighborhood did owner-occupied units predominate at 66.5%.

Table 2-A: Summary of Housing Characteristics for Tower Hill and General Donovan Neighborhoods, 2012

Housing Data	2502	2503	2513	2514	Tower Hill	2512	2501	General Donovan
Total housing units	1,965	724	1,292	1,626	5,607	619	1,350	1,969
% Total City housing units	7.4%	2.7%	4.9%	6.1%	21.2%	2.3%	5.1%	7.4%
% Units built before 1940	64.6%	69.3%	19.0%	49.2%	50.2%	38.0%	28.4%	31.4%
% Units built 1940 to 1980	25.5%	17.0%	56.3%	28.2%	32.3%	41.0%	40.1%	40.4%
% Units built 1980 to 2010	9.8%	13.7%	24.7%	22.6%	17.4%	21.0%	31.6%	28.3%
% Occupied units	91.1%	100.0%	86.5%	89.0%	90.6%	92.9%	94.8%	94.2%
% Vacant units	8.9%	0.0%	13.5%	11.0%	9.4%	7.1%	7.0%	5.8%
% Renter-occupied	52.1%	79.6%	80.0%	67.8%	66.6%	88.7%	99.2%	96.0%
% Owner-occupied	47.9%	20.4%	20.0%	32.2%	33.4%	11.3%	0.8%	4.0%
% Single-family, detached structures	22.0%	5.9%	9.3%	21.5%	16.7%	6.3%	0.0%	2.0%
% Single-family attached	8.5%	4.4%	9.6%	8.4%	8.2%	5.9%	0.0%	1.8%
% Units in structures with 2-4 units	65.8%	74.4%	43.6%	57.0%	59.2%	22.9%	12.2%	15.6%
% Units in 5+ units	3.7%	15.3%	36.6%	13.1%	15.5%	64.9%	87.8%	80.6%
% Mobile homes	0.0%	0.0%	0.9%	0.0%	0.2%	0.0%	0.0%	0.0%
Median number of rooms	5.4	5.2	4.7	5.1	-	3.9	3.2	-
% Units with 1.51 occupants per room or more	4.6%	1.9%	5.0%	0.0%	3.0%	6.6%	1.9%	3.3%
Median gross rent	\$1,048	\$1,106	\$747	\$954	-	\$742	\$651	-
Median value of owner-occupied properties	\$245,700	\$282,000	\$166,900	\$200,000	-	\$170,200	Not Available	-
% Paying more than 35% of income on housing	48.3%	45.2%	84.1%	48.3%	55.7%	50.6%	38.5%	42.3%

Table 2-B: Summary of Housing Characteristics for the North Common and Arlington Neighborhoods, 2012

Housing Data	2509	2510	North Common	2504	2505	2506	2507	2511	Arlington
Total housing units	876	580	1,456	1,368	1,199	1,871	1,729	1,314	7,481
% Total City housing units	3.3%	2.2%	5.5%	5.2%	4.5%	7.1%	6.5%	5.0%	28.2%
% Units built before 1940	43.7%	40.9%	42.6%	64.3%	61.2%	73.8%	54.0%	15.8%	55.3%
% Units built 1940 to 1980	33.8%	21.0%	28.7%	23.3%	17.9%	15.7%	33.2%	72.5%	31.5%
% Units built 1980 to 2010	22.5%	38.1%	28.7%	12.6%	20.8%	9.3%	12.8%	11.7%	13.0%
% Occupied units	92.4%	95.3%	93.5%	92.8%	98.2%	89.4%	89.5%	97.5%	92.9%
% Vacant units	7.6%	4.7%	6.5%	7.2%	1.8%	10.6%	10.5%	2.5%	7.1%
% Renter-occupied	90.1%	91.3%	90.6%	82.4%	73.5%	53.8%	72.1%	96.6%	73.9%
% Owner-occupied	9.9%	8.7%	9.4%	17.6%	26.5%	46.2%	27.9%	3.4%	26.1%
% Single-family, detached structures	1.5%	5.5%	3.1%	3.4%	11.0%	15.0%	12.6%	4.0%	9.8%
% Single-family attached	7.3%	9.6%	8.2%	12.0%	3.7%	1.9%	12.5%	4.4%	6.9%
% Units in structures with 2-4 units	43.7%	58.8%	49.7%	65.1%	75.8%	75.0%	52.4%	27.0%	59.7%
% Units in 5+ units	47.5%	26.1%	38.9%	19.5%	9.5%	8.1%	22.5%	62.2%	23.2%
% Mobile homes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.4%	0.4%
Median number of rooms	4.3	4.6	-	4.5	5.1	5.6	5.0	3.5	-
% Units with 1.51 occupants per room or more	0.0%	0.0%	0.0%	3.7%	1.7%	0.8%	3.2%	0.5%	2.0%
Median gross rent	\$839	\$864	-	\$819	\$1,124	\$1,103	\$1,120	\$586	-
Median value of owner-occupied properties	\$182,500	\$135,700	-	\$228,000	\$244,300	\$234,700	\$231,000	\$157,800	-
% Paying more than 35% of income on housing	31.5%	47.0%	37.8%	62.4%	52.2%	60.8%	59.0%	45.1%	56.3%

Table 2-C: Summary of Housing Characteristics for Prospect Hill, Southwest, South Common, Colonial Heights and Mt. Vernon Neighborhoods, 2012

Housing Data	2508/ Prospect Hill	2515/ South West	2516/ South Common	2517/ Colonial Heights	2518/Mt. Vernon
Total housing units	2,485	2,359	2,095	1,970	3,000
% Total City housing units	9.4%	8.9%	7.9%	7.4%	11.3%
% Units built before 1940	54.6%	54.6%	60.8%	26.9%	19.9%
% Units built 1940 to 1980	32.4%	33.5%	28.1%	35.8%	67.1%
% Units built 1980 to 2010	12.9%	11.9%	11.1%	37.3%	13.0%
% Occupied units	97.3%	96.3%	89.8%	93.5%	98.5%
% Vacant units	2.7%	3.7%	10.2%	6.5%	1.5%
% Renter-occupied	63.8%	63.7%	70.6%	69.7%	33.5%
% Owner-occupied	36.2%	36.3%	29.4%	30.3%	66.5%
% Single-family, detached structures	24.5%	20.6%	13.7%	18.3%	55.2%
% Single-family attached units	5.7%	6.8%	6.3%	6.4%	10.7%
% Units in structures with 2-4 units	54.0%	59.5%	64.1%	43.1%	16.3%
% Units in 5+ units	15.8%	13.1%	14.9%	32.2%	16.3%
% Mobile homes	0.0%	0.0%	1.1%	0.0%	1.5%
Median number of rooms	4.8	4.8	5.0	4.9	5.7
% Units with 1.51 occupants per room or more	2.7%	0.4%	2.2%	0.0%	0.0%
Median gross rent	\$1,084	\$1,028	\$998	\$1,100	\$1,059
Median value of owner-occupied properties	\$227,600	\$217,400	\$203,400	\$273,100	\$238,900
% Paying more than 35% of income on housing	48.2%	48.0%	58.0%	47.0%	36.5%

- *Size of units correlated with predominance of rental housing in most neighborhoods* – For the most part, the median number of rooms was correlated to the general proportion of rental housing within neighborhoods where areas with the highest level of rental housing had the lowest median number of rooms. For example, the neighborhoods of General Donovan and North Common, where close to or more than 90% of all units were rentals, had median number of rooms per unit below 4.6. In the case of General Donovan this was below 3.6 rooms. This also includes census tract 2511 in Arlington. Additionally, Mt. Vernon, where only one-third of all units were rentals, had a higher median of 5.7 rooms per unit.
- *Evidence of overcrowding varies* – A common definition of overcrowding is having more than 1.5 occupants per room in any dwelling unit. There were a number of census tracts where the census identified little or no overcrowding including those in North Common, Colonial Heights and Mt. Vernon. Overcrowding was identified as 3% or more in Tower Hill and General Donovan. Census figures tend to underrepresent overcrowding however, as it is often difficult to count those who are doubled-up with friends or families, particularly in Gateway Cities.
- *High rents and low homeownership values in most neighborhoods* –
 - Rent levels were high at about \$1,000 or higher in all census tracts with the exception of those

- where there are high concentrations of subsidized units such as General Donovan and tract 2511 in Arlington. Moreover, the relatively high level of subsidized housing and rental vouchers in most neighborhoods skews rents downward and thus census figures underestimate market rent levels.
 - Values of owner-occupied properties were relatively low, ranging from less than \$200,000 in five (5) census tracts including tracts in Tower Hill and North Common. Values were more typically in the \$200,000 to \$250,000 range and highest in Colonial Heights at \$273,100. It is surprising that the median of \$238,900 in Mt. Vernon was not significantly higher given the other demographic, economic and housing indicators related to greater neighborhood stability, although most homes are relatively modest in size.
 - Given relatively high rents and lower incomes, it is not surprising that many households have been paying too much for their housing. Close to half or more of households were paying more than 35% of their income on housing in most neighborhoods with somewhat lower levels in General Donovan (42.3%), North Common (37.8%) and Mt. Vernon (36.5%).

Appendix 6

Migration Data

The U.S. Census Bureau provides data on migration patterns through its American Community Survey, the latest information available for 2012. This information, summarized in Tables 1 and 2 for both Lawrence and Essex County, respectively, suggests that most of Lawrence's resident mobility is between Methuen and Haverhill while on a county to county basis most of the movement is within Massachusetts – Middlesex, Suffolk, Norfolk, Worcester and Bristol Counties in particular.

Table 1: Lawrence In-migration and Out-migration, 2012
For 75 or more persons per Place

Place	# In-migration	# Out-migration	Net Migration
Andover, MA	85	82	3
Beverly, MA	92	42	50
Boston, MA	184	167	17
Bronx, NY	96	20	76
Brooklyn, NY	237	0	237
Dracut, MA	45	139	-94
Haverhill, MA	490	1,029	-539
Leominster, MA	3	127	-124
Lowell, MA	93	253	-160
Lynn, MA	214	6	208
Methuen, MA	751	912	-161
Middleton, MA	5	211	-206
North Andover, MA	53	160	-107
Peabody, MA	104	10	94
Salem, MA	98	54	44
Salem, NH	92	0	92
Springfield, MA	0	86	-86
Tewksbury, MA	16	98	-82
Outside New England and New York*			
Caribbean	655	NA	NA
Gwinnett County, GA	0	78	-78
Juana Diaz Municipio, PR	0	76	-76
Lane County, OR	0	78	-78
Miami-Dade County, FL	102	0	102
New Castle, DE	0	150	-150
Orange County, FL	80	0	80

Source: U.S. Census Bureau, American Community Survey, Migration estimates, 2008-2012.

*Indicates that the place within the county is not available.

NA = Not available

Table 1 includes information on in and out-migration between Lawrence and other places where there was some significant mobility of at least 75 residents demonstrating the following trends:

- In-migration data suggests that the greatest number of new Lawrence residents are coming primarily from other cities including Boston, Haverhill, Lynn, Methuen and even Brooklyn, New York. The other major origin of new immigrants was the Caribbean.
- Considerable out-migration is also occurring among these same cities with net negative migration for Haverhill and Methuen. Out-migration to surrounding more affluent towns and a number of other Gateway Cities, including Lowell, Leominster and Springfield, is also occurring.
- Salem was the only community in New Hampshire that involved significant mobility into Lawrence with out-migration as the norm for most of the other nearby New Hampshire municipalities, but involving less than 50 residents.

Interviews suggest that there is a concern that the age and quality of Lawrence's housing stock and other quality of life issues result in residents choosing to live elsewhere once they have sufficient resources. This data indicates that this is the case to some extent. While there is a substantial flow in and out of Lawrence and nearby Gateway Cities and more suburban-oriented neighbors, on a whole the City is losing population to these communities on a net basis.

but positive net migration with 20,369 residents moving into Essex County from elsewhere and a loss of 19,923 residents for a net gain of 446 residents. These figures only include counties for which there was some significant movement, involving at least 100 residents, and consequently do not reflect actual totals.

- Most of the resident mobility from and into Essex County is within Massachusetts, involving Middlesex, Suffolk, Norfolk, Worcester and Bristol Counties in particular. The only county with a substantial positive net migration was Suffolk County that includes Boston, Chelsea, Revere and Winthrop.
- There was considerable movement of residents between New Hampshire, especially Rockingham County, which is not surprising given that it is the neighboring county to the north. Nevertheless, almost 500 more residents moved out of Essex County to Rockingham County than in.
- Most residents moving into Essex County came from Middlesex and Suffolk Counties in Massachusetts and Rockingham County in New Hampshire. Other significant immigration, involving at least 400 residents, was from Norfolk, Worcester and Bristol Counties in Massachusetts, Hillsborough County in New Hampshire, and Kings County, New York (the borough of Brooklyn).
- Most residents moving out of Essex County moved to Middlesex, Suffolk and Rockingham Counties with other significant movement, ranging from 400 to 1,000 residents, involved Hillsborough and Strafford Counties in New Hampshire, Norfolk, Worcester, Bristol, Hampden,

Table 2 summarizes migration information, including population flows both in and out of Essex County for 2012, based on five-year estimates from the U.S. Census Bureau's American Community Survey, the latest data available. While this information is for Essex County as a whole and not specific to Lawrence, it does indicate where residents in the area are moving and from where new residents are arriving, demonstrating the following:

- The data shows relatively small

Plymouth and Hampshire Counties in Massachusetts, York County in Maine, Providence County in Rhode Island and Hillsborough County, Florida.

Table 2: Essex County In-migration and Out-migration, 2012
For 100 or more persons per County

County	# In-migration	# Out-migration	Net Migration
Middlesex, MA	6,055	6,540	-485
Suffolk, MA	3,877	2,359	1,518
Rockingham, NH	1,528	2,018	-490
Norfolk, MA	680	615	65
Worcester, MA	558	774	-216
Hillsborough, NH	532	930	-398
Bristol, MA	504	606	-102
Kings, NY	417		417
York, ME	368	441	-73
Plymouth, MA	332		332
Los Angeles, CA	331		331
Hampshire, MA	315	639	-324
Brevard, FL	289		289
Union, NC	268		268
Cook, IL	263		263
Berkshire, MA	261		261
Bergen, NJ	227		227
Cumberland, MD	214	193	21
Merrimack, NH	206		206
Lee, FL	192		292
San Juan, PR	187		187
Orange, FL	178		178
Miami-Dade, FL	175		175
Hartford, CT	174		174
Palm Beach, FL	174		174
Arlington, VA	153		153
Barnstable, MA	153	178	-25
New York, NY	140	171	-31
Bronx, NY	134		134
New Haven, CT	132		132
Solano, CA	126		126
Hampden, MA	122	604	-482
Nassau, NY	120		120
Fairfield, CT	118		118
Providence, RI	118	363	-245
Seminole, FL	114		114
Lake, IL	112		112
Lynchburg, VA	108		108
Duval, FL	107		107
Westchester, NY	103		103
Travis, TX	102		102
Orange, CA	102	166	-64
Strafford, NH		394	-394

Plymouth, MA		351	-351
Hillsborough, FL		253	-253
Henry, GA		206	-206
Pinellas, FL		195	-195
King, WA		189	-189
New Castle, DE		172	-172
Chittenden, VT		164	-164
Litchfield, CT		162	-162
Oxford, ME		162	-162
Dallas, TX		121	-121
Newport, RI		120	-120
Honolulu, HI		109	-109
Snohomish, WA		108	-108
Broward, FL		107	-107
Hartford, CT		105	-105
Clark, NV		103	-103
Jackson, MS		103	-103
Prince George, MD		102	-102
Brown, WS		100	-100
Total	20,369	19,923	446

Source: U.S. Census Bureau, American Community Survey, County to County Migration estimates, 2008-2012.

Table 3 includes information on the status of applications for citizenship from the U.S. Citizenship and Immigration Services for the Lawrence area. This information suggests that a total of 720 applications were received between April 2012 and June 2013, with 654 approvals during this period and another 1,728 pending applications. This data is for the entire Lawrence area as defined by the federal government and therefore includes, but is not limited to, applications for Lawrence residents.

²⁵ There was no indication on the origin of these residents, but information from Table 2 suggests that most came from the Caribbean, the Dominican Republic most likely.

Table 3: Status of Applications for Citizenship for the Lawrence Area, April 2012 to June 2013

Time Period	Receipts	Approvals	Pending
April-June 2013	159	187	230
January-March 2013	162	115	311
October-December 2012	134	137	714
July-September 2012	97	43	255
April-June 2012	168	172	218
Total	720	654	1,728

Source: U.S. Department of Homeland Security, U.S. Citizenship and Immigration Services, December 2014.

²⁵ Lawrence is part of the Lawrence, MA-NH Metro Area that includes the following towns in Essex County: Andover, Boxford, Georgetown, Groveland, Haverhill, Merrimac, Methuen, North Andover, and West Newbury. The area also includes the following towns in Rockingham County, New Hampshire: Atkinson, Chester, Danville, Derry, Fremont, Hampstead, Kingston, Newton, Plaistow, Raymond, Salem, Sandown, and Windham.

Appendix 7

RFP Primary Housing Study Questions

The Request for Proposals (RFP) for this Housing Study included a list of eight (8) primary questions in the Scope of Work that to be answered through the Study. These questions, including specific references to the sections of the Housing Study that address them, are provided below as well as an additional question that was raised during the planning process:

1. *What are the demographic and economic characteristics of households living in our community?*
Section 10 (Demographic Profile) and Section 11 (Economic Profile) detail these characteristics and trends.
2. *What can Lawrence expect with respect to economic, employment and population growth that will impact housing planning and policy decisions?*
Population growth trends are discussed in Section 10.1, income trends in Section 11.1, and employment trends in Section 11.2.
3. *Based on market information, what is the nature and extent of short-to-mid-term housing need in our community? Price range? Affordable? New construction or rehab? Rental or homeownership? Seniors? Families? Specials Needs? Students? Young Professionals? New Immigrants?*
As mentioned in sections throughout this Housing Study, Lawrence needs all types of housing along the full range of incomes from those who are homeless or at risk of becoming homeless, to tenants living in unsafe conditions, to property owners who are unable to properly maintain their units without some support, to those spending far too much on their housing, through to those who have sufficient resources to purchase a home but are hard-pressed to find available units that meet their lifestyle preferences in Lawrence.
4. *Based on analysis of age and quality of current housing stock, what are the strategies for sustainability of older housing stock and the viability and cost effectiveness of rehabilitating older structures?*
See Section 12.4.2.
5. *Is there a market for unsubsidized, market rate housing, and what are the City's strategic options for promoting or attracting market rate homeowners and renters?*
See Section 6.4 on the economics of market-rate housing and Section 12.3.
6. *What strategies and programs, existing or to be created, should Lawrence pursue to provide for the development and/or redevelopment of necessary housing within the City?*
See Sections 2.1.3 and 12.1.4.

7. *How should the City maximize the use of public funds to support the potential housing market, and improve housing for all income levels and stability neighborhoods?*

See Section 12.1.3.

8. *How does housing fit into Lawrence's economic growth; i.e. as a walk to work community; as a commuter community, etc.?*

See Sections 8, 9 and 12.3.

9. *If we project out future housing construction based on recent activity, will we have sufficient housing to meet demand over the next ten (10) years?*

See Section 3.1.

Appendix 8

LFY 2014 Balance Sheet for City of Lawrence

CITY OF LAWRENCE, MASSACHUSETTS

Governmental Funds

Balance Sheet June 30, 2014 (1)

	General	Capital Reserve Fund	Nonmajor Governmental Funds	Total
				Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 35,734,686	\$ 1,296,682	\$ 12,431,784	\$ 49,463,152
Investments	-	-	776,697	776,697
Receivables, net of uncollectibles:				
Real estate and personal property taxes	2,359,178	-	-	2,359,178
Motor vehicle and other excise taxes	971,924	-	-	971,924
Departmental and other	1,763	-	-	1,763
Special assessments	14,770	-	-	14,770
Intergovernmental	26,764,000	-	1,669,138	28,433,138
Loans	-	-	350,606	350,606
TOTAL ASSETS	\$ 65,846,321	\$ 1,296,682	\$ 15,228,225	\$ 82,371,228
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Warrants payable	\$ 2,593,103	\$ 9,553	\$ 771,157	\$ 3,373,813
Accrued payroll	1,456,141	-	-	1,456,141
Liabilities due depositors	-	-	760,659	760,659
Payroll withholdings	4,604,916	-	-	4,604,916
Other liabilities	626,643	-	-	626,643
Notes Payable	-	-	3,500,000	3,500,000
Total Liabilities	9,280,803	9,553	5,031,816	14,322,172
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenues	29,847,888	-	1,440,192	31,288,080
FUND BALANCES:				
Nonspendable	-	-	1,650,578	1,650,578
Restricted	3,997,278	1,287,129	9,261,888	14,546,295
Assigned	10,971,178	-	-	10,971,178
Unassigned	11,749,174	-	(2,156,249)	9,592,925
TOTAL FUND BALANCES	26,717,630	1,287,129	8,756,217	36,760,976
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 65,846,321	\$ 1,296,682	\$ 15,228,225	\$ 82,371,228

(1) Extracted from the audited financial statements of the City.