

NORTHAMPTON HOUSING NEEDS ASSESSMENT

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Prepared by the Northampton Housing Partnership

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Benefits

- ◆ Substantial component of a Strategic Housing Plan
- ◆ Serves as a local resource/reference on wide range of housing issues including characteristics, trends, market conditions, resources and priority needs
- ◆ Assists the Community Preservation Committee in making funding decisions
- ◆ Assists the City in promoting affordable housing
- ◆ Provides information to non-residents, including developers, on housing needs in Northampton
- ◆ Assists City and developers in obtaining grant and loan funds for affordable housing

Guiding Principle

“Support a wide variety of housing types that increase rental and homeownership units to create and preserve a range of affordability and choice in housing options.”

Sustainable Northampton Comprehensive Plan

What is Affordable Housing?

Subsidized affordable housing:

- ◆ Deed restricted
- ◆ Affirmatively marketed
- ◆ Available to households earning at or below 80% of area median income with housing costs of no more than 30% of income.

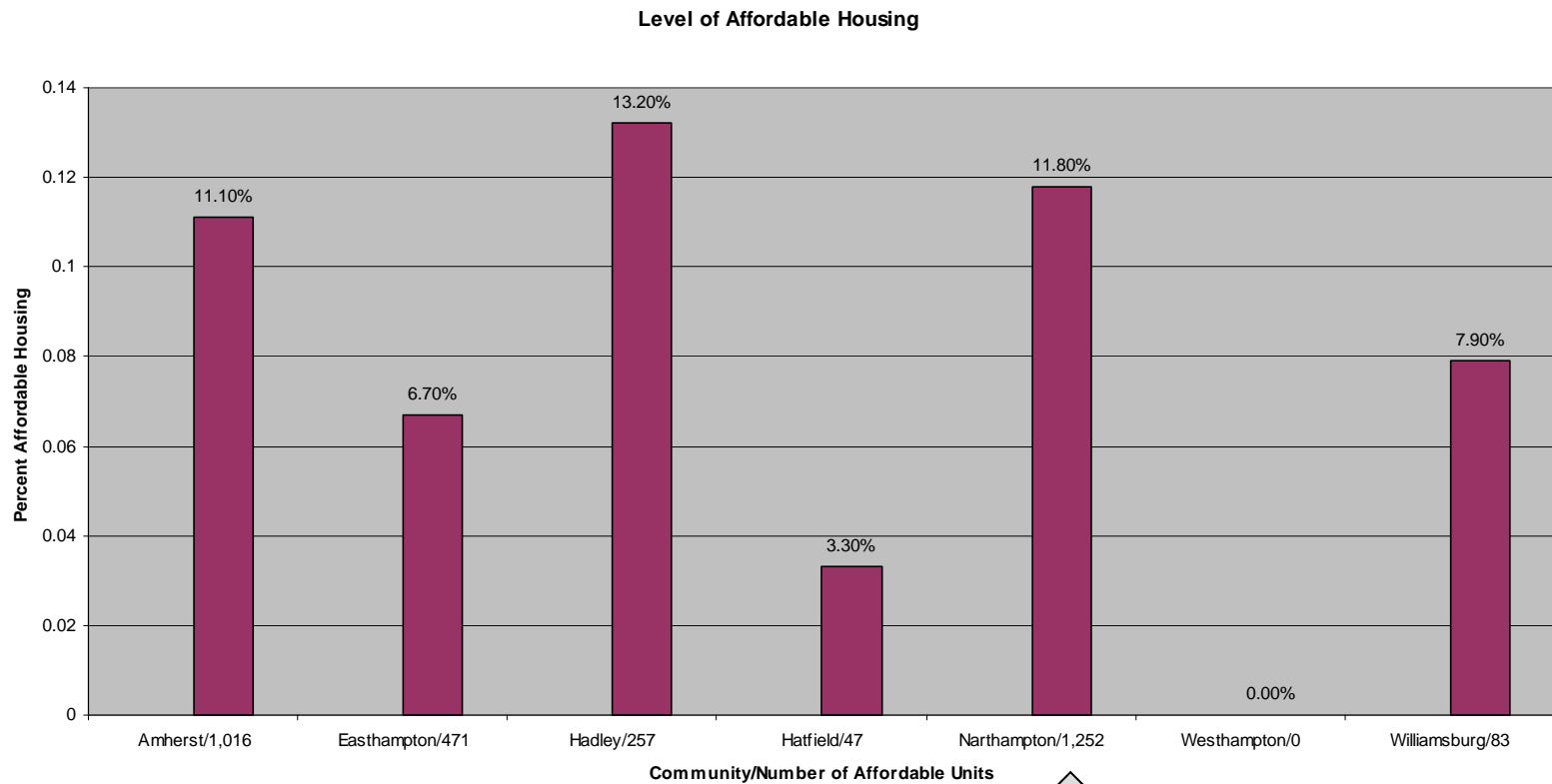
Community housing: Affordable to households earning at or below 100% of area median income.

Workforce housing: Affordable to households earning between 80% and 120% of area median income

What housing is “affordable” in Northampton?

- ◆ Of the 12,282 year-round housing units, 1,452 units or 11.8% are currently included in the state’s Subsidized Housing Inventory (SHI). Also, 93 units are eligible for inclusion, bringing the percentage to 12.7% (10.9% without Hathaway Farms).
- ◆ Planned development should push Northampton beyond 12%.
- ◆ The number of affordable units needed will increase over time based on housing growth, projected to be almost 13,000 for the next census.
- ◆ Expiring affordability restrictions threaten to eliminate some units from SHI in the future.

Level of Affordability – Northampton and Neighbors



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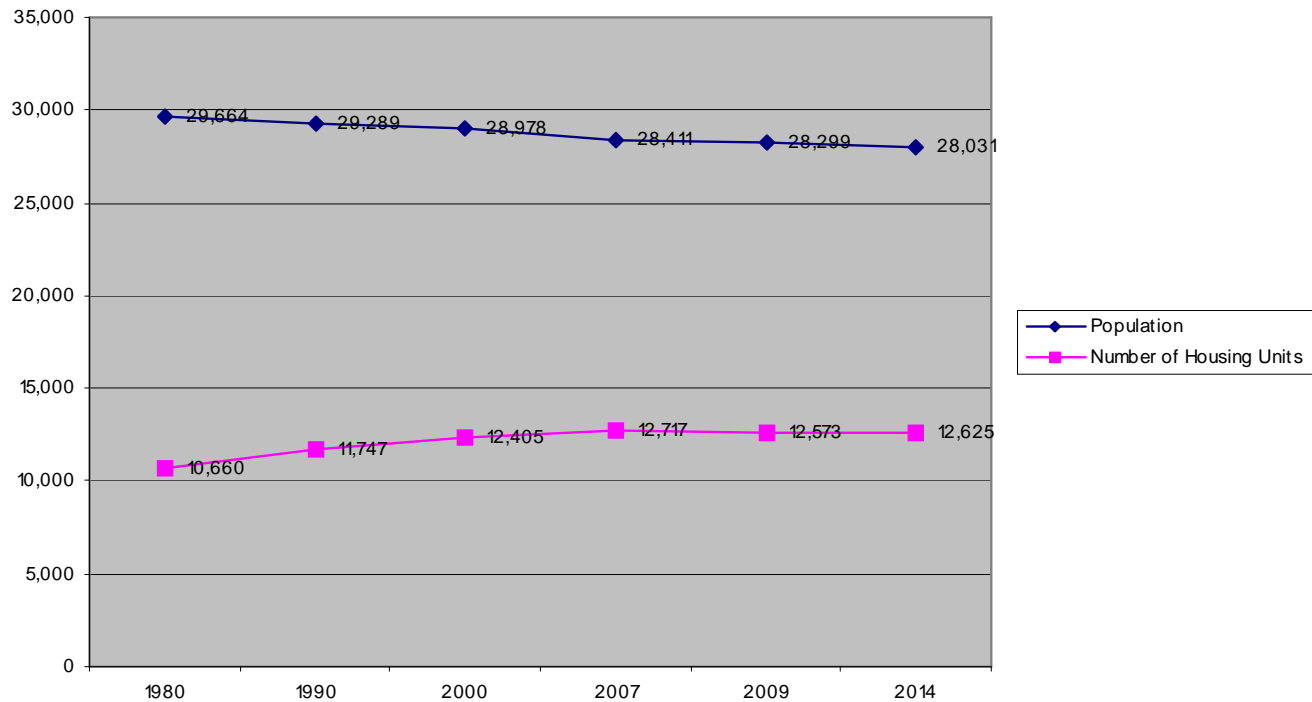


Demographic Profile

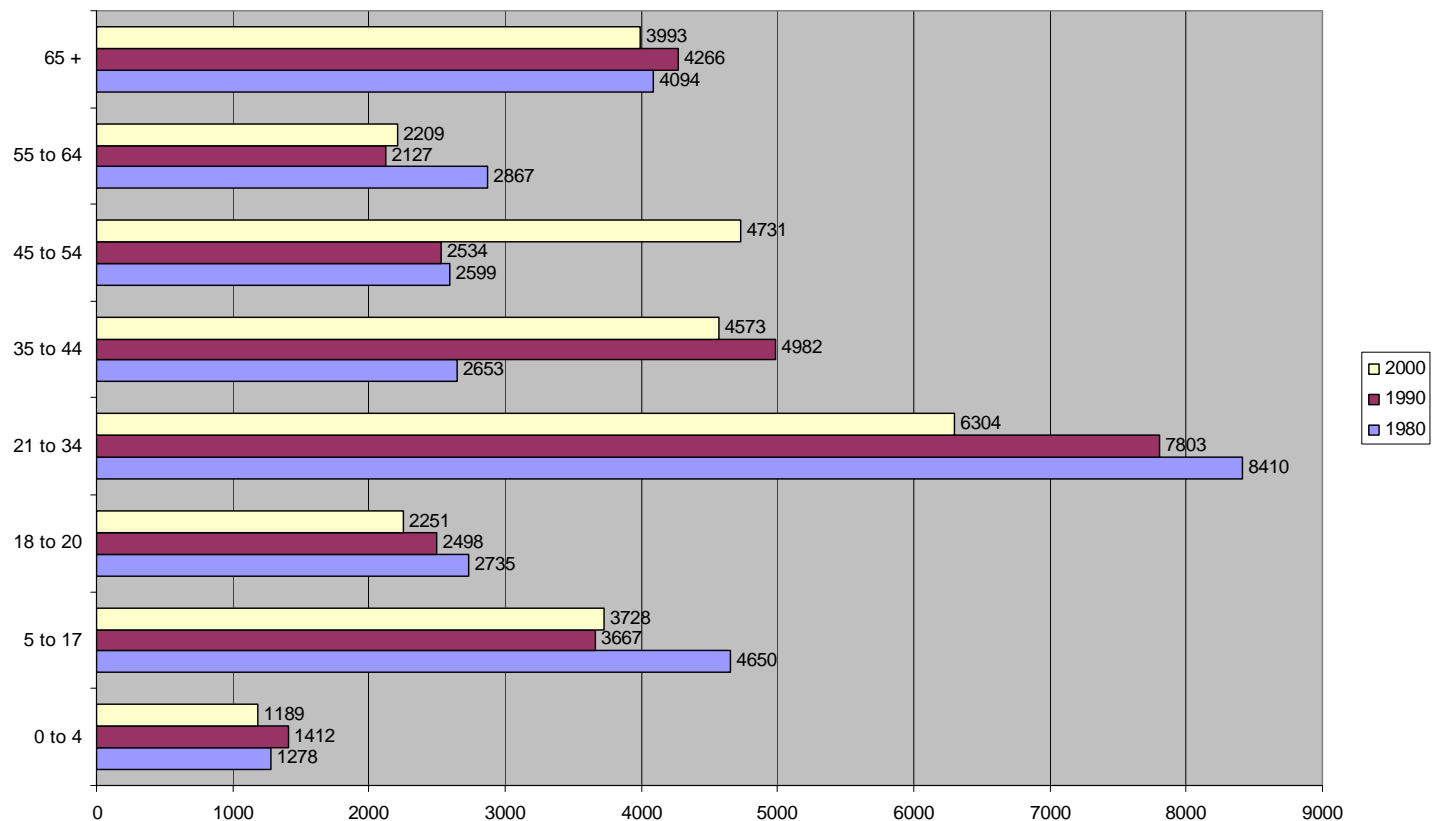
- Population stability with small recent declines in population and slow future growth
- Significant increase in median age
- Fewer children
- Substantial increase in smaller families, more non-family households and more single-person households with average household size of 2.12 persons in 2007
- Somewhat lower incomes on average in comparison to the county and state

Population/Housing Growth

Population and Housing Growth



Change in Age Distribution

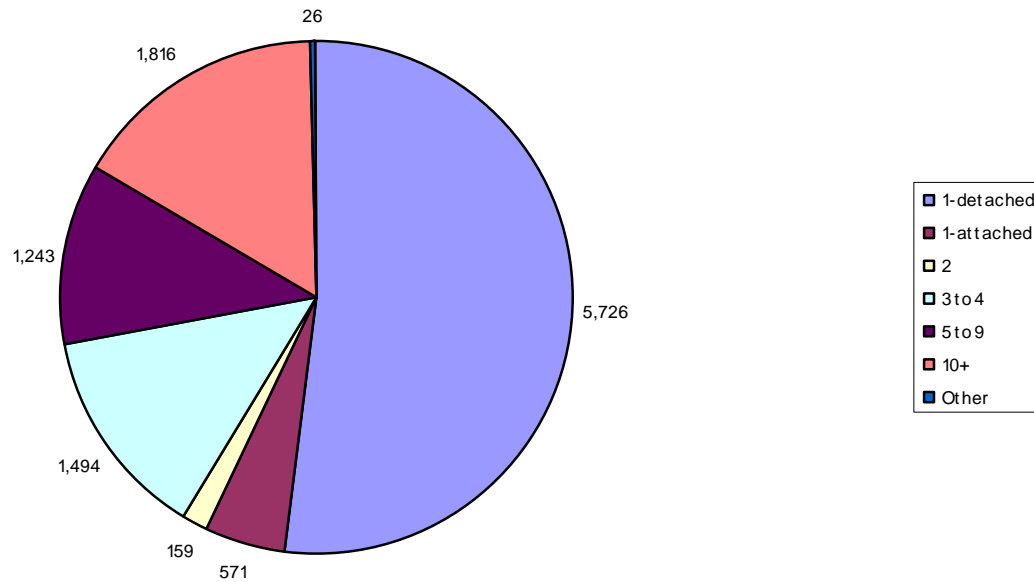


Housing Profile

- ◆ Slow but steady housing growth
- ◆ About half rental housing but limited growth in rental units
- ◆ Decrease in persons per unit
- ◆ Significant decrease in group quarters over last half century
- ◆ Tight market conditions
- ◆ More visible new development

Distribution of units / structure

Distribution of Units Per Structure



Priority Housing Needs

- ◆ Homelessness prevention
- ◆ Emergency and transitional shelter
- ◆ Producing and preserving affordable housing



Producing and Preserving Affordable Housing – Needs

- 1. Rental housing for individuals**
- 2. Housing rehabilitation**
- 3. Preservation of existing affordable rental stock**
- 4. Rental housing for small families**
- 5. First-time homeownership for small families**
- 6. Housing for at-risk and special needs populations**
- 7. Nontraditional models that meet local needs (such as artist live-work space and workforce housing)**

Need 1 – Rental Housing for Individuals

- ◆ Single person households comprised about 37% of all households and 74% of non-family households in 2000 and are projected to increase.
- ◆ About half of all residents over age 65 live alone.
- ◆ There are at least 2-year waits for seniors applying for public housing.
- ◆ A 1-bedroom unit renting for \$850 (lowest rent on Craig's List in 9/09) would require an income of \$38,000 plus large up-front cash requirements.
- ◆ Someone earning minimum wage would still only earn about \$15,080 annually.

Need 2 – Housing Rehabilitation

- ◆ 45% of housing stock was built before 1939.
- ◆ Another 30% built between 1940 and 1970.
- ◆ Likely existence of lead paint and deferred maintenance needs.
- ◆ Only 31 of the Housing Authority's 618 units are accessible to the handicapped.
- ◆ Accessibility coupled with affordability seriously erodes housing choice.

Need 3 – Preservation of the Existing Affordable Rental Stock

- ◆ Northampton's rental housing stock has diminished due to condo conversion.
- ◆ No new unsubsidized rental housing has been built with the exception of some accessory apartments and limited subsidized rental development.
- ◆ Affordability of some subsidized rental units due to expire in future.

Need 4 – Rental Housing for Small Families

- ◆ The average household size is estimated to be 2.12 persons and to decrease to 2.04 persons by 2014.
- ◆ Almost 4,000 two-person households, 1/3 of all households, yet smaller housing units are in short supply.
- ◆ Almost half of households with children are headed by 1 parent.
- ◆ The wait list for NHA's family rental developments is at least 2 years, 6 years for housing vouchers.
- ◆ Rents are high as are large up-front cash requirements.

Need 5 – First-time Homeownership/Small Families

- ◆ A 2-person household earning \$49,700 (80% AMI limit) could afford a home costing \$184,000, but less than 20 single-family homes came on the market or were sold in that range between January and September 2009, most likely requiring major repairs.
- ◆ Substantial up-front cash requirements for those not qualifying for subsidized mortgages.
- ◆ Almost all of the City's subsidized units are rentals.
- ◆ The vacancy rate for homeownership units is less than 1%.

Need 6 – Housing for At Risk or Special Needs Populations

- ◆ Scarcity of subsidized units with supportive services.
- ◆ Rapid re-housing needs of the homeless or those at risk of homelessness.
- ◆ Young adults released from the DSS system often do not have a place to live.
- ◆ About 25% of those in the shelter system are women, and about 70% do not have job histories or work skills.
- ◆ About 40% in the shelter system are likely to return within 1 year, primarily due to the lack of safe and affordable housing.

Need 7 – Look Beyond Traditional Housing Models

- ◆ Even those with incomes above the median are priced out of most housing that becomes available and challenges related to obtaining financing exacerbate the problem.
- ◆ The average household size is expected to decrease to 2.04 persons by 2014, driven by decreases in family size, children and more traditional families.
- ◆ There are substantial numbers of two-person households – 1/3 of all households – yet small units are in short supply.
- ◆ Green design and building techniques lower energy bills and help ensure long-term sustainability of affordable housing.

Challenges to Producing and Sustaining Affordable Housing

- ◆ Funding Availability
- ◆ Zoning
- ◆ Public Transportation
- ◆ Community Perceptions
- ◆ Expiring Use
- ◆ Condo Conversions



Next Steps

- ◆ Draft next section of Plan – housing strategies and production goals (Five-Year and Ten-Year goals)
- ◆ Conduct other public meetings to present draft and obtain feedback
- ◆ Adoption of Plan by Northampton Housing Partnership
- ◆ Obtain endorsements/approval from the Mayor, Planning Board and City Council
- ◆ Incorporate into Community Development Block Grant Consolidated Plan
- ◆ May submit Plan to the state at some point under Housing Production requirements

For more information, visit the City's web site at <http://www.Northamptonma.gov/housingpart/>



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