



# HOUSING LYNN

*A Plan for Inclusive Growth*

## Frequently Asked Questions



January 2021 | [www.mapc.org/housing-lynn](http://www.mapc.org/housing-lynn)

# KEY AFFORDABLE HOUSING TERMS

- **Affordable Housing:** Housing that is deed restricted to cost no more than 30% of income for households meeting specific income thresholds. Typically, Affordable Housing is for low-income households at or below 80% of the area median income (AMI). In Lynn, that's \$86,650 for a 3-person household according to federal standards (US Department of Housing & Urban Development). But Affordable Housing can be reserved for those with lower or higher incomes.
- **Area Median Income (AMI):** A measure of income set by the federal government and used by housing programs to determine eligibility for deed-restricted Affordable Housing based on income and household size. The AMI for the geographic area that includes Lynn is \$119,000 (US Department of Housing & Urban Development).
- **Cost Burden:** Paying more than 30% of income on housing. Paying more than 50% of income on housing is called severe cost burden. In Lynn, 25% of households are cost burdened and 21% are severely cost burdened (ACS, 2013-17).
- **Local Median Income:** The median income (the figure where half the households earn less and half the households earn more) in a municipality. The City of Lynn's median income is \$53,513. For homeowners, the median is \$85,892; for renters, it is \$34,096 (ACS, 2013-17).
- **Market-Rate Housing:** Housing that sells or leases at the "going rate" on the free market.
- **Naturally Occurring Affordable Housing (NOAH):** Housing that tends to be less expensive due to size, age, or other characteristics. NOAH is not protected by deed restrictions or other mechanisms, so these homes may become unaffordable at any time, depending on investment, the market, and other factors.
- **Subsidy:** A form of financial aid given by the government to reduce the costs of a service or good, like housing.

## FY 2020 HUD INCOME LIMITS

| Household Size | Extremely Low Income<br>30% AMI | Very Low Income<br>50% AMI | Low Income<br>80% AMI |
|----------------|---------------------------------|----------------------------|-----------------------|
| 1              | \$26,850                        | \$44,800                   | \$67,400              |
| 2              | \$30,700                        | \$51,200                   | \$77,000              |
| 3              | \$34,550                        | \$57,600                   | \$86,650              |
| 4              | \$38,350                        | \$63,950                   | \$96,250              |
| 5              | \$41,450                        | \$69,100                   | \$103,950             |
| 6              | \$44,500                        | \$74,200                   | \$111,650             |
| 7              | \$47,600                        | \$79,300                   | \$119,350             |
| 8              | \$50,650                        | \$84,450                   | \$127,050             |

Source: US Department of Housing and Urban Development

# Doesn't Lynn have too much Affordable Housing already? Why do we need more?



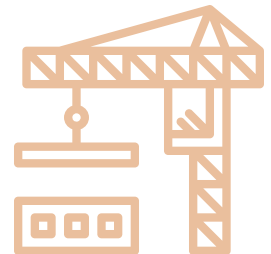
**There is fewer than one deed-restricted Affordable Housing unit for every four local eligible households in Lynn! The city is home to an estimated 19,840 low-income households (62% of all households).<sup>1</sup>** These households earn less than 80% of the Greater Boston region Area Median Income (AMI), or \$67,400 or less per year for a one-person household and \$96,250 or less for a four-person household. Low-income households are eligible for housing assistance, such as deed-restricted Affordable Housing and housing vouchers.<sup>2</sup>

Meanwhile, Lynn had 4,435 units as of 2017, or 12.4% of its housing, on the state's subsidized housing inventory, the best record of deed-restricted Affordable Housing, though it also includes market-rate rental units.<sup>3</sup> Since then, Lynn has added units at Gateway North. While Lynn has exceeded the state's minimum threshold of 10%, the City needs 15,405 more Affordable Housing units just to meet the needs of current residents.

Low-income households who do not have a deed-restricted home in Lynn, must find housing on the private market, making them more vulnerable to cost increases and displacement. These households pay more than they can afford on housing: 68% of low-income households in Lynn are cost-burdened, meaning they pay 30% or more of income on housing.<sup>4</sup> This often means they have to forego other important costs, like food or healthcare.

**That's why the City is committing to facilitate development of new Affordable Housing in accordance with the recommendations of Housing Lynn.** A goal of the plan is to produce more housing that is deed-restricted to be affordable to residents with incomes below the local median of \$53,500. This requires significant public support and resources, such as land and subsidy, as well as partnerships with non-profit developers whose missions are aligned with this goal.

1 HUD Comprehensive Housing Affordability Strategy, 2012-2016  
2 US Department of Housing & Urban Development  
3 DHCD Subsidized Housing Inventory, 2017  
4 American Community Survey, 2013-2017 5-year estimates



# Will new Affordable Housing actually be affordable to Lynners?



**Lynn's local median income is approximately \$53,500, but most Affordable Housing is for households with relatively higher incomes.**<sup>5</sup> Affordable Housing is deed-restricted to households with certain income levels according to household size based on the Metropolitan Area Median Income (AMI) calculated by the U.S Department of Housing & Urban Development (HUD). The 2020 AMI for the Greater Boston region, which includes Lynn, is \$119,000. Typically, eligible household have no higher than 80% of AMI, or \$67,400 for a household of one and \$96,250 for a household of four.

But most Lynnners need Affordable Housing for households with incomes up to 50% or even 30% of AMI. In Lynn, 15% of households have incomes at 51-80% of AMI (no more than \$86,650 for a household of three), 17% have incomes at 31-50% of AMI (no more than \$57,600 for a household of three), and 29% have incomes at or below 30% of AMI (no more than \$34,550 for a household of three).

**Some Affordable Housing programs serve households with lower incomes, but more deeply Affordable Housing is incredibly costly and difficult to produce. In most cases, it requires expert mission-based developers and access to significant public resources.** Though not common, there are great examples of these developments in Greater Boston, including Lynn's Gateway North. This development includes Affordable Housing units at 30%, 60%, and 70% of AMI, as well as market-rate units. To make this possible, Gateway North received considerable state support, including \$21 million from MassHousing. Additional financing came from the MA Department of Housing and Community Development,

which provided state and federal tax credits that generated \$12.7 million in equity, as well as \$3.6 million in Affordable Housing subsidies. Finally, the City of Lynn contributed more than \$900,000 in local HOME funds. These resources created a fantastic project, but not one that is easily or frequently replicable, simply because these resources are limited and competitive.

**Creating more deeply Affordable Housing in Lynn will require public support on this scale to achieve financial viability.** Housing Lynn recommends the City work with non-profit developers like Neighborhood Development Associates and local community development corporations such as North Shore Community Development Corporation or Harborlight Community Partners. The City should help them produce this kind of housing by contributing local land and state and federal funding. Combined with a local preference policy, these units will be affordable and available to Lynnners.

Even so, this kind of housing will not make up the majority of new homes in Lynn. There simply aren't enough public resources to build that many units within the next five years. Therefore, the City should also require the private sector to develop housing that's affordable at 60% or 80% of AMI, depending on financial feasibility. This housing would be deed-restricted to be affordable in perpetuity, meaning these units will remain affordable to households at the higher end of the low-income spectrum even as housing costs rise in Lynn. The City is considering development of an inclusionary zoning policy to negotiate such units in future development.

**Won't new housing just bring more people from Boston and Somerville? How can we ensure it helps Lynners?**





Lynn is part of a region with a lot to offer. Lynn residents benefit from a regional transit system, job market, and access to amenities and services outside the city. And residents of other communities are attracted to Lynn's vibrancy and relative affordability. **Between 1990 and 2018, Lynn's population grew by 13,409 people, or 16.5%.<sup>6</sup> But Lynn has not been able to keep up with growing housing demand. During this same period, the city increased its housing supply by 1,524 new units, or a 4.4% increase.<sup>7</sup>**

The housing shortage and increased demand has led housing prices to soar. Between 2000 and 2019, the median price for a single-family unit in Lynn rose 136% from \$148,500 to \$350,000. Data on median asking rent does not go back as far, but it increased 25% from \$1,435 in the fourth quarter of 2015 to \$1,790 in the fourth quarter of 2018.<sup>8</sup> The lack of housing options and affordability has led to significant overcrowding, meaning more than one person per room. An estimated 2,043 homes (6.2% of homes) are overcrowded, up from 4% in 2010.

As the real estate market continues to grow stronger in Lynn, residential development is increasing. The City anticipates private and public sector activity to result in the development of 2,000 to 3,500 new residential units over the next 5 years. While new homes will help meet regional demand for housing,

current Lynn residents will also benefit from more housing options and new deed-restricted Affordable Housing. Based on the vision of Housing Lynn, new development will be guided to different areas of the city and include a variety of housing types and different price points to bring community benefits, foster integration, and benefit a range of households.

**To ensure current Lynn residents have access to new housing development, Housing Lynn recommends the City use local preference policies.** These policies effectively offer Lynn residents preferred access to a certain portion of new Affordable Housing in a given development. Typically in Massachusetts, no more than 70% of any one development can be reserved for local preference, and the remaining 30% must be made more widely available. All of the housing is subject to affirmative marketing requirements under Fair Housing Laws. This plan recommends providing local preference for development on City-owned land, development resulting from City support of community-based development corporations or other non-profit developers, and for occupancy of expiring Affordable Housing units that are preserved with City funds (such as CDBG or HOME funds).



<sup>6</sup> US Decennial Census, 1990; US Census Population Estimates Program, 2018

<sup>7</sup> Lynn Assessor, FY2010-FY2019

<sup>8</sup> MAPC Rental Listing Database, 2015-2018 fourth quarter data

<sup>9</sup> American Community Survey, 2013-2017 5-year estimates

# Don't we need market-rate housing to build our tax base, not more Affordable Housing?



**To help address Lynn's ongoing financial difficulties, the City has adopted a residential development strategy.** The fiscal benefits associated with housing development include population growth and an increased tax base; increases in property taxes due to rising home values associated with new investment; and job creation, during construction and through new consumer spending once the homes are built and occupied, to name a few.

**But a residential development strategy without an affordability component can exacerbate financial difficulties.** A lack of Affordable Housing is associated with higher rates of cost burden, or paying more than 30% of household income on housing. Cost-burdened residents have less spending power to support local businesses and less income to meet basic needs, such as food and medical attention. Those who ultimately cannot afford their housing may lose their homes and wind up living on the streets or in overcrowded conditions with family or friends. This leads to increased costs associated with public health and services.

Ultimately, a lack of affordability leads to gentrification and displacement, or a forced move due to reasons the household cannot control, such as soaring housing costs or more direct actions like eviction and foreclosure. Displacement poses negative fiscal consequences to communities. It often means a loss of residents who work at restaurants, institutions, community organizations, and other businesses, which negatively impacts local economies. Local businesses without a workforce will close, resulting in vacant buildings and deferred maintenance.

In addition, the state's school funding formula considers the local income distribution, with wealthier communities receiving less state funding for schools. Municipalities that have dramatically increased their supply of high-end housing see a real shift in income distribution toward the higher end of the spectrum. The corresponding increases in taxes typically do not amount to the loss in state funding for schools, and these cities and towns are left with less overall school funding.

If the city's lower-income residents are displaced, Lynn will not only experience these economic impacts, but also political backlash and, ultimately, a loss of the vibrancy and diversity that makes it such a strong and attractive community.

**But the City does not have to choose between market-rate housing development and new Affordable Housing.** Most new Affordable Housing is built through mixed-income development via inclusionary zoning. This policy requires private developers to include Affordable Housing in their developments. It produces market-rate units—typically, at least 80% of a project—but also creates opportunities for lower-income residents. The result is integrated buildings and neighborhoods, an expanded tax base, and greater housing stability for those vulnerable to displacement.

# Why should we help developers make a profit?



**Housing Lynn recommends City resources be used to offset the cost of Affordable Housing so projects remain financially feasible, not to increase developer profit.** The cost of developing Affordable Housing is not that different from market-rate housing—the price of concrete or electricity doesn't change—but the below-market rents mean that the building generates less income and a lower rate of return.

**But banks and real estate investors who lend money for development require a minimum anticipated return.** This provides a cushion so that the developer can repay its loans even if the project makes less money than expected. This is especially true in Lynn, where banks still feel there is some risk associated with investment. If a project's profit margins are too low, banks will simply invest elsewhere, and the project won't be funded.

**To ensure financial viability, many Affordable Housing projects require subsidy or other cost offsets. City support in these forms doesn't typically increase a developer's profit; it just makes the project possible.** The more affordability in a project—either more units or deeper affordability—the greater likelihood a project will not earn enough to cover costs on its own.

Mission-driven developers like Neighborhood Development Associates, the North Shore Community Development Coalition, and Harborlight Community Partners can take a lower return on investment in order to produce Affordable Housing, but they rely on many local, state, and federal subsidies to do so. These resources are scarce and are not enough to develop the amount of Affordable Housing needed in Lynn. The City must also rely on private developers to build Affordable Housing, and that may necessitate the use of tax incentives and other forms of support to make projects with community benefits like Affordable Housing feasible.



# How can Lynn provide public services for all the people who come because we build more housing?



Lynn continues to struggle with financial difficulties. The City has faced budget deficits and underfunding of the school system, requiring a loan from the state in order to meet its funding obligations. In fiscal year 2020, Lynn adopted a balanced budget, but the economic impacts of COVID-19 may bring new challenges.

**Be that as it may, restricting development is not likely to positively affect the city's budget because it's not the reason population or demand for public services is increasing.** Between 1990 and 2018, 13,409 people came to Lynn, a 16.5% increase in population, but the housing supply increased by only 1,524 new units, or 4.4%.<sup>10</sup> Lynn's population is growing and will likely continue to grow regardless of new housing development. In fact, residential development can actually help grow the tax base and increase revenue, which in turn can be invested into public infrastructure and services. Moreover, connections between housing development and demand on local public services are complicated and rarely a one-for-one correlation.

**One of the most significant services the City offers is education, but housing development does not drive school enrollment increases in the city.** Rather, most people, with or without school-aged children, move into Lynn's existing housing. So costs associated with increased school enrollment, though considerable, cannot be curtailed by controlling residential development (see p. 17 of this FAQ). To ensure the City continues to receive considerable school funding from

the state—\$211 million in Lynn's 2020 budget (58% of the total)—the supply of Affordable Housing must increase with new market-rate housing, since state support is based in part on the locality's income distribution.

**More generally, increased Affordable Housing could mean low-income residents actually rely less on public services.**

Research shows that a lack of stable housing increases the risk of poor health outcomes, which creates pressure on public services. Housing insecurity could mean being behind on mortgage or rent, making multiple moves, living in a shelter, or experiencing homelessness.

Currently, 63% of low-income households in Lynn are cost burdened, meaning they pay 30% of household income or more on housing.<sup>11</sup> They often have to make tough choices between this necessary cost and others, like childcare, groceries, or healthcare. When housing becomes altogether unaffordable, residents must find alternatives. In some cases, households combine, resulting in overcrowding, meaning more than one person per room. An estimated 2,043 homes (6.2% of homes) in Lynn are overcrowded, though this is almost certainly an underestimate.<sup>12</sup> Overcrowding poses health risks, particularly during the pandemic as it facilitates the efficient spread of COVID-19. In other cases, residents wind up on the street. There were 1,035 persons experiencing homelessness in Lynn during a point-in-time count in 2019.<sup>13</sup> Homelessness is typically associated with health issues and coincides with calls to public services like police and ambulance.

10 US Decennial Census, 1990; US Census Population Estimates Program, 2018; Lynn Assessor, FY2010-FY2019

11 Comprehensive Housing Affordability Strategy data, 2011-2015 5-year estimates

12 American Community Survey, 2006-2010 5-year estimates

13 Lynn Continuum of Care, Point-in-Time Count, 2019

# Won't more housing bring more school children?





**Over the past 15 years, multiple studies have found housing developments to have little impact on school enrollment.**

MAPC examined housing permit and enrollment trends across 234 public school districts from 2010 to 2016 and found there to be no meaningful correlation between housing production rates and enrollment growth at the district level. While it is true that schoolchildren occupying new housing units may cause a marginal change in enrollment, they are one small factor among many. In cities and towns with the most rapid housing production, enrollment barely increased; and most districts with the largest student increases saw very little housing unit change. The rate of housing unit growth is not a useful predictor of overall enrollment change, nor is rapid housing development a precondition to sudden enrollment increases. Rather, broad demographic trends, parental preferences, and housing availability (not production) play a much larger role in enrollment patterns.

In Lynn, school enrollment is up—21% since 2008. The primary cause is an increase in the number of babies born in Lynn who go on to kindergarten; they are responsible for about 54% of the observed enrollment increase of 2,700 students. Other factors include the growing number of children who continue through the school system from grade to grade (25% of the enrollment increase) and the increasing number of births in Lynn (14% of the enrollment increase).

**This period of increased school enrollment in Lynn, there was very little housing production. Between 2008 and 2017, there were only 40 new units built a year, so we know that the dramatic increase in school enrollment did not correspond to significant new development.** Instead, the vast majority of people moving to a new home in Lynn occupied existing units. Each year, a population equivalent to approximately 4,500 renter households moved into a new (to them) apartment in the city. This figure includes people moving from outside of Lynn into the city, those changing apartments within the city, and it includes people moving into existing units as well as newly constructed ones (though we know the latter to be few in number). Meanwhile, there were about 1,100 single-family homes and condominiums sold a year during this period. Compared to turnover of existing rental or ownership units, newly built units comprised just 0.7% of available units in an average year.

**These findings make clear that turnover of existing units is the principal mechanism through which people, including those who may or may not be parents of school children, come to Lynn.** To control population growth and the associated increases in school enrollment, the City would need to prevent turnover of 5,600 units a year. Since that isn't possible or advisable, the City must continue to plan to expand school capacity to meet growing demand, just as it's planning to expand housing opportunity to meet need.

<sup>14</sup> [Housing the Commonwealth's School-Age Children: The Implications of Multi-Family Housing Development for Municipal and School Expenditures](#), 2003, Community Opportunities Group, Inc. & Connery Associates; Citizens Planning and Housing Association; [The Costs And Hidden Benefits Of New Housing Development In Massachusetts](#), Michael Goodman, Elise Korejwa, and Jason Wright, PPC Working Paper No. 02 March, 2016

<sup>15</sup> [The Waning Influence of Housing Production on Public School Enrollment](#), MAPC, October 2017

# Doesn't multifamily housing lead to higher rates of COVID-19?



### **Lynn, along with many other lower-income communities and communities of color, was hit hard by COVID-19.**

Research indicates reasons for this include the fact that Lynners and members of similar communities are more likely to work in service jobs that put them in frequent close proximity with others, to lack options to take paid time off from work, and to lack access to personal protective equipment while they work. Households with lower incomes are also more likely to have pre-existing health conditions, increasing potential for deleterious health effects from the virus. Additionally, these households disproportionately live in areas with higher levels of air pollution, a factor linked with increased risk of death from COVID-19.

### **But there is no evidence to suggest that residential population density and multifamily housing play key roles in higher rates of infection and death from the virus.**

Neighborhoods with multifamily housing tend to have higher rates of residential density, or the average number of people living per square mile, than areas with single-family homes. Both in the United States and abroad, there are places with high residential densities and low rates of COVID-19 and low-density places with high rates. In fact, many of the areas in the US that have suffered the most from COVID-19 are rural places with fewer than 100 residents per square mile. Moreover, there are many examples of multifamily housing developments, and Affordable Housing developments, with no cases of COVID-19 whatsoever. The significant disparities between how high-residential density areas were impacted by the virus suggests this factor is not a key determinant in the spread of COVID-19.

<sup>16</sup> American Community Survey, 2006-2010 5-year estimates

<sup>17</sup> Comprehensive Housing Affordability Strategy data, 2012-2016 5-year estimates

**Data does indicate, however, that overcrowding is a major factor in the spread of the virus.** Analyses have repeatedly found that overcrowding, or the state of homes with more than one occupant per room (typically excluding the kitchen and bathroom), is associated with higher infection rates and death rates. Overcrowding makes social distancing impossible and facilitates the efficient spread of the virus. Overcrowding is typically the result of a lack of affordable, stable housing opportunities. When lower incomes and/or loss of income make housing payments infeasible, residents may have no choice but to move in with family or friends, lest they become unhoused.

Data indicates an estimated 2,043 homes (6.2% of homes) in Lynn are overcrowded.<sup>16</sup> This is almost certainly an underestimate, given that most overcrowding happens without official acknowledgement by landlords or tenants. Instances of overcrowding in Lynn are probably much more frequent, given that the city is home to 19,840 lower-income households, who are more likely to live in housing with overcrowded conditions.<sup>17</sup> This challenge was repeatedly raised by residents throughout the Housing Lynn process.

**To control the spread of the virus, Lynn needs more well managed, maintained, and Affordable Housing to allow households living in overcrowded conditions to secure their own homes.** Rather than stop multifamily housing development, the City should facilitate production of mixed-income and Affordable Housing to stabilize residents and foster public health.

# Won't new housing make traffic worse? And what about parking?

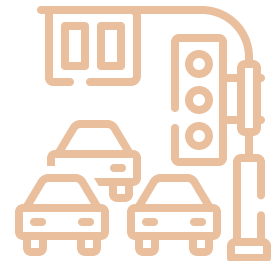


Traffic is a concern for any city in the Greater Boston region. Before the COVID-19 crisis changed commuting patterns, the Boston region had some of the longest commutes in the country. **But most of the traffic on Lynn's major roadways neither begins nor ends in Lynn, so the City's local housing policy is unlikely to change traffic patterns.**

Generally speaking, new housing in any community is not the main contributor to traffic congestion. Factors with as much if not more impact on traffic generation include a lack of transit options, slow drivers looking for parking, and inefficient roadway design. Moreover, the scale of development and parking requirements in an area are rarely high enough to impact traffic flows.

**But Lynn can mitigate the marginal impact any new development may have on traffic by continuing to prioritize development at locations with transit access, co-located businesses, and accessible pedestrian and bicycle infrastructure.** In areas with transit proximity, there's typically less demand for residential parking so the City's zoning has no parking requirements. Elsewhere, housing development can be paired with strategies to promote alternatives to single-occupancy vehicles. Transportation Demand Management requires developers of certain projects to provide residents with incentives that curb parking demand, such as a transit subsidy, car share, free shuttle bus, or bicycle parking.

**Affordable Housing is also key to mitigating traffic. Studies show that Affordable Housing residents own fewer cars and drive less often than others.** Residents of Affordable Housing are more reliant on public transit. If transit-oriented development is too high cost, its residents are less likely to use the transit and more likely to own cars. Rental housing is also occupied by residents with a lower average number of motor vehicles per unit than homeowners, according to the US Census Bureau. Finally, Affordable Housing means those who work in Lynn can also live here, rather than commuting in from outside the community, which increases traffic and parking pressures, as well as greenhouse gas emissions.



**If we support this plan, does that mean we automatically have to implement all the recommendations?**



**Supporting Housing Lynn means supporting inclusive growth and the plan's other big ideas.** It means understanding that a lack of housing and Affordable Housing have created serious challenges for the City of Lynn, including segregation, displacement, and public health issues. It means supporting the plan vision: "Lynn's housing will be safe, affordable, and accessible. New housing will meet the needs of Lynn residents and increase the strength and vibrancy of neighborhoods. Housing will enable everyone to thrive in a community that is inclusive to all." It means supporting the five plan goals of greater Affordable Housing; protections against displacement; building maintenance and safety; residential development that advances integration and prevention of discrimination in tenant practices; and market-rate and mixed-income residential development that meets a range of housing needs, provides community benefits, and supports economic development. And it means considering the recommendations, including which should be advanced, when, and how best to do so.

**There are no requirements to implement the plan as written. Rather, city staff and leadership will determine which recommendations are to be further vetted for implementation based on need, cost, and other factors. Implementation of each recommended action will be preceded by analysis and public process to determine the details of the new policy or program, and in most cases requires action by the Mayor's Office, City Council, state legislature, or other government entities.**

For example, the City will seek to partner with MAPC on two of the recommendations to start: (1) Adopt an Inclusionary Development Policy to facilitate mixed-income development and (2) Use public land to incentivize Affordable Housing production. The former effort would entail a public process to share findings from a financial feasibility analysis, establish priorities for the policy based on desired community benefits and acceptable development incentives, and draft the zoning for City Council consideration. The inclusionary zoning would need to be adopted by City Council with a two-thirds vote. The latter effort would bring City staff, officials, and the community together to reimagine a municipal parking lot on School Street as housing and reposition the site for redevelopment.

**Of course, the specifics of any recommendation will determine how well it advances plan goals, so community engagement and transparency are very important as recommended actions are developed.** A strong community discussion will help guide City interest and focus, and determine the details of each recommendation. Via Housing Lynn, the City has committed to undertake an annual review of this plan's goals and implementation actions to assess progress and determine next steps.

# What is inclusionary zoning?





**An Inclusionary Development Policy (IDP) or inclusionary zoning requires a certain portion of units within new housing developments of a certain scale to be deed-restricted Affordable Housing for low-income households.**

It relies on the private market to generate Affordable Housing by tying its production to that of market-rate housing. Because of this, inclusionary zoning requirements are often paired with bonus measures, such as increased density or reduced parking, to offset the cost of the Affordable Housing units and minimize the risk of dampening development. Inclusionary zoning rules are found in large cities across the US and have been common in the Greater Boston region for decades.

IDP is not a replacement for nonprofit, subsidized Affordable Housing development, but it is a good way to ensure new market-rate development benefits residents with lower incomes. It also creates mixed-income housing that integrates residents of different backgrounds within the building and common areas. And inclusionary zoning expands the overall supply of deed-restricted Affordable Housing without relying on limited government subsidy, facilitating the creation of more Affordable Housing overall.

The Housing Lynn process included analysis of what sort of IDP would meet need and work financially in Lynn, including what depth of affordability can be required, what amount of housing can be set aside as affordable, what incentives should be offered to offset costs, and other features. This work establishes what the policy can reasonably require given different development incentives, and vice versa. It found

that a range of possible inclusionary policy approaches could work in Lynn. While most policy options are not net neutral, meaning that they would reduce a developer's profit margin, they are not prohibitively burdensome and are not expected to deter development.

**The goal of this plan and many community members is to achieve affordability for a typical Lynn household with an income well below the conventional baseline inclusionary requirement of 80% of AMI.**

While providing Affordable Housing units at the lowest income levels (30% of AMI or less) is simply not feasible through any inclusionary policy (and instead should be pursued through other plan recommendations), there are mechanisms to advance this goal through a policy that requires affordability at 50-60% of AMI. This requires additional tools beyond inclusionary zoning to ensure projects remain financially viable, such as tax increment financing (TIF) or the Housing Development Incentive Program (HDIP).

The findings of the analysis done for Housing Lynn should be used as a foundation for a community engagement process to determine priorities and features of the zoning, select a preferred zoning scenario, and then draft the zoning. To implement IDP, the City must pass a zoning amendment with a two-thirds majority of City Council.

# Aren't tax incentives just developer handouts?



**Not if they're used to build Affordable Housing! Tax incentives are a generic method of funding a public benefit that is provided by the private sector.** Two incentive programs, Tax Increment Financing (TIF) and the Housing Development Incentive Program (HDIP), are available in Massachusetts for housing development. Under these programs, property owners pay reduced local property taxes for a specified period of time, which helps lower the cost of operating a building. Historically, tax incentives were used in disinvested communities like Lynn to attract reinvestment in market-rate real estate. But subsidies for market-rate development are becoming less necessary as the Lynn market strengthens.

**Instead, those tax incentive programs can be used to help produce Affordable Housing by partially offsetting the cost of development.** If the City asks for too much affordability without providing subsidy or cost offsets, a development project will not earn enough to cover its costs and will not be built (see p. 7 for more details). Tax incentives are a powerful tool to ensure that inclusion of Affordable Housing in a project does not make it financially infeasible.

**This plan has the specific goal of creating more housing that is affordable to typical Lynn residents, which requires local support and subsidy.** While many Affordable Housing programs and inclusionary zoning rules require new housing to be affordable to households making 80% of AMI (more than \$90,000 for a family of four), Lynn's median income of \$53,500 is closer to 50% of AMI. This kind of housing is much more costly to produce, but can be achieved through greater subsidy, like tax incentives. In this way, HDIP, for example, can help make projects with greater depths of affordability (e.g., available to households earning 50% of AMI, rather than 80%) pencil out.



# How can the City afford to implement all these plan recommendations?



One of the real limiting factors for implementation of plan recommendations is the direct fiscal cost to the City of Lynn and related public agencies like LHAND. **Lynn recently began to emerge from a state of fiscal crisis, and its capacity to spend money on new programs is currently very constrained. Considering this constraint, Housing Lynn rates each recommendation on its direct costs to the City.**

- High-cost actions require at least one new full-time-equivalent employee (FTE) or new spending on the capital budget.
- Medium-cost actions require ongoing staff time to implement, but less than one FTE.
- Low-cost actions require some initial staff time to implement, but otherwise carry no ongoing direct costs. Most legislation and regulations fall into this category.

**Most Housing Lynn recommendations are low cost to implement.** The plan includes a total of 23 recommendations, but only 12 of them are priority actions intended for the City to advance over the next five years. Six are largely low-cost enabling actions that will facilitate implementation of priority actions, and five are follow-up actions that cannot easily be advanced without first making progress on the priority actions or without current circumstances changing (such as greater fiscal strength). Of the priority actions, 8 are low cost, 2 are medium cost, and only 2 are high cost.

While this plan's recommendations represent an ambitious but narrow list of actions, the City will need to prioritize which are implemented first to most effectively leverage its capacity and resources to respond to Lynn's strongest unmet housing needs. These decision-making processes should bring together City staff, leadership, and the community.



# How can our development approvals processes be improved?



**Housing Lynn recommends amending development approvals processes as a low-cost, high-impact way to enable greater transparency, opportunities for community input, and negotiation of community benefits.** Lynn's development approvals processes were designed to encourage market-rate development at a time when there was little of it happening in the city. That means, many developments are allowed "by right" rather than via special permit. The City also conducts a limited Site Plan Review that does not involve public process or a mechanism to negotiate community benefits. Consequently, there is limited opportunity for community input on development and have been many missed opportunities to negotiate community benefits like Affordable Housing.

**Lynn can create more opportunities for public comment, professional oversight, and negotiations, while ensuring reformed development approvals processes are not so burdensome as to limit production of housing accessible at all incomes.** Potential reforms could include a formal notice and comment process for all projects, expanding Site Plan Review to include public input and allow the review to cover more topics, expanding the role of the Planning Board in Special Permit processes, and/or requiring formal review by planners and designers as part of the existing City Council process. By reforming these processes, including amending the special permit process to afford greater discretion to City officials, the City can both create occasions for public hearings and comment on development, as well as produce more Affordable Housing and other benefits through development.

