

Gloucester
Housing Compass

2025 - 2030 *A policy guide for a more affordable community today and tomorrow*

Prepared for:
The City of Gloucester
Gloucester, Massachusetts

Office of the Mayor
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Glossary of Terms

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, those at or below 80% of the area median income (AMI), but it can be reserved for those with lower or higher incomes. (See definitions for "low income," "very low income," and "extremely low income.") For the purposes of this plan, Affordable Housing refers to housing for low-income households, defined below, unless otherwise specified. For owners, housing costs include principal, interest, property taxes, and hazard insurance. For renters, costs include rent and tenant-paid utilities (except telephone and cable).
- **"Attainable" housing:** Housing that tends to be less expensive due to size, age, or other characteristics. This type of housing 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.
- **Chapter 40B:** Under the Massachusetts Comprehensive Permit law, enacted in 1969, in municipalities where less than 10% of the year-round housing is Affordable Housing, developers of low- and moderate-income housing can pursue expedited local review under the comprehensive permit process and request a limited waiver of local zoning. If their application is denied or approved with conditions that render it uneconomic, developers can appeal to the state to overturn the local decision if it is found unreasonable. (Chapter 774 of the Acts of 1969; M.G.L.c.40B§20-23)
- **Deed Restriction or Deed Rider:** A legal mechanism that limits how a home can be used, who can live there, housing costs, and how the home can be transferred. This is the mechanism to ensure Affordable Housing is reserved for specific income groups at a price they can afford over a specified time period.
- **Housing Choice Vouchers (Section 8 Voucher Program):** The primary federal rental assistance program, administered by local public housing agencies, provides vouchers to very-low-income households that cover a certain amount of rent for privately-owned rental units. The maximum value of a Housing Choice Voucher is the cost of the area's moderate-priced unit standard minus 30% of the household's income.
- **Massachusetts Rental Voucher Program (MRVP):** A state-funded rental assistance program begun in 1992 that provides one of two kinds of vouchers: (1) The tenant-based voucher, known as mobile vouchers, can be used by income-eligible households to supplement the rent for any housing unit that meets the standards of the state sanitary code; (2) the project-based voucher is assigned to a specific housing unit or development in exchange for the owner renting these units to income-eligible tenants.
- **Subsidy:** A form of financial aid given by the government to reduce the costs of a service or good, like housing.
- **Subsidized Housing Inventory (SHI)**: In Massachusetts, the SHI is maintained by the MA Executive Office of Housing and Livable Communities (EOHLC) and used to measure each municipality's supply of Affordable Housing for the purposes of Chapter 40B. The SHI includes all housing developed under Chapter 40B, including both Affordable Housing and market-rate units in rental developments, and other deed-restricted Affordable Housing, such as public housing, project-based vouchers, federal Low-Income Housing Tax Credit (LIHTC) projects, and many others.

Income Terms

- **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 Gloucester is $164,600 (US Department of Housing & Urban Development, 2026).
- **Cost Burden:** Paying more than 30% of income on housing. Paying more than 50% of income on housing is called a severe cost burden. In Gloucester, 41% of all households pay at least 30% of their income on housing. 20% of all households are cost burdened, and 21% are severely cost burdened (ACS, 2019-23).
- **Extremely-low-income Household:** A household with income below 30% of AMI.
- **Household:** The people living together in the same house. A household can be a family, roommates, or a person living alone.
- **Income:** Money earned from doing work or received from investments.
- **Income-Eligible Household:** A household that meets the income requirements of a housing program; these are typically low-income households defined as having incomes at or below 80% of AMI. In Gloucester, that's $96,000 for a household of one and $137,100 for a 4-person household (US Department of Housing & Urban Development, 2026).
- **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 Gloucester's median income is $87,898. For homeowners, the median is about $121,500; for renters, it is about $43,500 (ACS, 2019-2023).
- **Low-Income Household:** Generally speaking, a household with income below 80% of AMI, including very low-income and extremely low-income households (also defined here). More specifically, in the context of other income thresholds, such as very-low income and extremely-low income, low-income refers to households with income between 50% and 80% of AMI.
- **Moderate-Income Household:** A household with income between 80% and 110% of AMI, sometimes as high as 120% of AMI. Unlike low-income thresholds, defined by federal housing programs, the term "moderate income" can vary depending on the local housing program.
- **Very-low Income Household:** A household with income between 30% and 50% of AMI.

Development Terms

- **Accessory Dwelling Unit (ADU):** A small, independent residential living space located on the same property as a primary single-family home. Also known as an "accessory apartment", "granny flat", or "in-law apartment".
- **Inclusionary Zoning:** A local zoning policy that requires or encourages developers of residential developments over a certain scale to include Affordable Housing or to make payments to the locality for development of such housing elsewhere. The policy typically offers incentives such as increased density, reduced parking requirements, or expedited permitting to offset the financial impacts of providing Affordable Housing.
- **Market-Rate Housing:** Housing that sells or leases at the "going rate" on the free market.
- **Mixed-Income Housing Development:** Development that includes housing affordable to households with different incomes, typically including market-rate housing and deed-restricted Affordable Housing for lower-income households.
- **Mixed-Use Development:** Development that combines residential with commercial, office, industrial, institutional, or other uses.

- **Multifamily Housing:** Buildings with more than one unit, such as apartment buildings, condominiums, townhouses, or duplexes. There is a wide range of multifamily housing that differs in scale and design.
- **Single-Family Housing:** A structure maintained and used as a single dwelling unit. Single-family housing is owned by a single owner, has no shared property or common walls, has private access to the street from the structure, and has only one set of utilities.
- **Starter Home Zoning District (40Y):** A locally adopted, state-approved zoning district that allows smaller, more attainable owner-occupied homes by right, subject to local dimensional and design standards. Communities with approved districts may be eligible for state incentive payments when the zoning is adopted and when qualifying starter homes are permitted.
- **Smart Growth Overlay District (40R):** A Smart Growth Overlay District is a locally written and locally adopted zoning district that meets state smart-growth standards for housing, affordability, density, and location as set forth by State Law Chapter 40R. The City retains control over the district's boundaries and can establish dimensional requirements such as building height, setbacks, density, parking, and lot coverage, along with design guidelines addressing building form, streetscape, public space, and neighborhood compatibility.

  The overlay works alongside the underlying zoning, giving property owners the option to develop under either the existing regulations or the smart growth overlay district. Qualifying projects are allowed by right, through a streamlined local plan-review process while remaining subject to the district's requirements.

  Because the locally controlled zoning meets state standards and creates additional housing capacity, the City may receive an initial state zoning incentive payment to the City's general fund and additional payments as new homes are permitted. Through Chapter 40S, the City may also receive annual state reimbursement if housing developed under the district results in additional public school enrollment and net education costs.

Introduction

Gloucester, Massachusetts is a historic coastal city located about 31 miles northeast of Boston on Cape Ann and the North Shore. Once occupied by the Pawtucket tribe of the Algonquian people, the land now called Gloucester is home to nearly 30,000 people. The city is split by the Annisquam River, connecting Ipswich Bay to the north and Gloucester Harbor and Massachusetts Bay to the south. Gloucester's identity has long been shaped by the sea. From its foundations as America's oldest seaport, Gloucester built a proud tradition of hard work and resilience. Home to the Rocky Neck Art Colony, the longest continuously operating art colony in the country, the city also boasts a vibrant arts and cultural community.

Building upon the City's 2025 Comprehensive Plan, the Housing Compass aims to knit together the city's rich past with a vision for the future. Expanding housing choices is vital to the continuation of a thriving Gloucester community. Gloucester residents know and feel the weight of increasing housing costs in the city. Access to safe, healthy, and affordable homes for residents at all stages of life is imperative to ensure that Gloucester residents can remain in the community and the city remains vibrant for generations to come.

The Places that make up Gloucester

Gloucester consists of five wards and many neighborhoods. For the purposes of this plan, areas of the city are loosely categorized as shown in the map below. While these generalized areas cannot capture all the nuance that makes up a place, this framework allows us to talk about the ways that land uses, zoning, and the built fabric vary across the city.

Downtown & Railroad Ave

Densely built mixed-use neighborhoods are clustered around Gloucester's historic civic center, home to City Hall, the Downtown Gloucester Commuter Rail station, and the Sawyer Free Library. Gloucester's Main Street commercial district is home to a variety of businesses and restaurants, multifamily apartment buildings, as well as many of the City's social service providers. To the south, the working waterfront is a historic and current commercial fishing hub.

East Gloucester & Rocky Neck

Home to the working waterfront on the south coast of the Inner Harbor, as well as the Rocky Neck Art colony, and Eastern Point. The residential neighborhoods of East Gloucester are characterized by large single-family homes that wrap around protected open spaces. North of Eastern Ave, this area also encompasses industrial and business districts, helping to shape future industry in the city.

Wheeler's Point

Separated from the Downtown area by the Yankee Division Highway, Wheeler's Point is a developed residential neighborhood, including many closely clustered single-family and two-family homes. Wheeler's Point is also home to the Riverdale property operated by the Gloucester Housing Authority and the Addison Gilbert Hospital. Though largely built out, this area has some access to infrastructure that could support infill development and conversion of existing single-family homes.

North Gloucester & Lanesville

North of Dogtown and the Annisquam Woods, North Gloucester and Lanesville are characterized by closely built residential and small mixed-use neighborhoods along the Washington Street corridor from Folly Cove at the Rockport line, south to the Annisquam River.

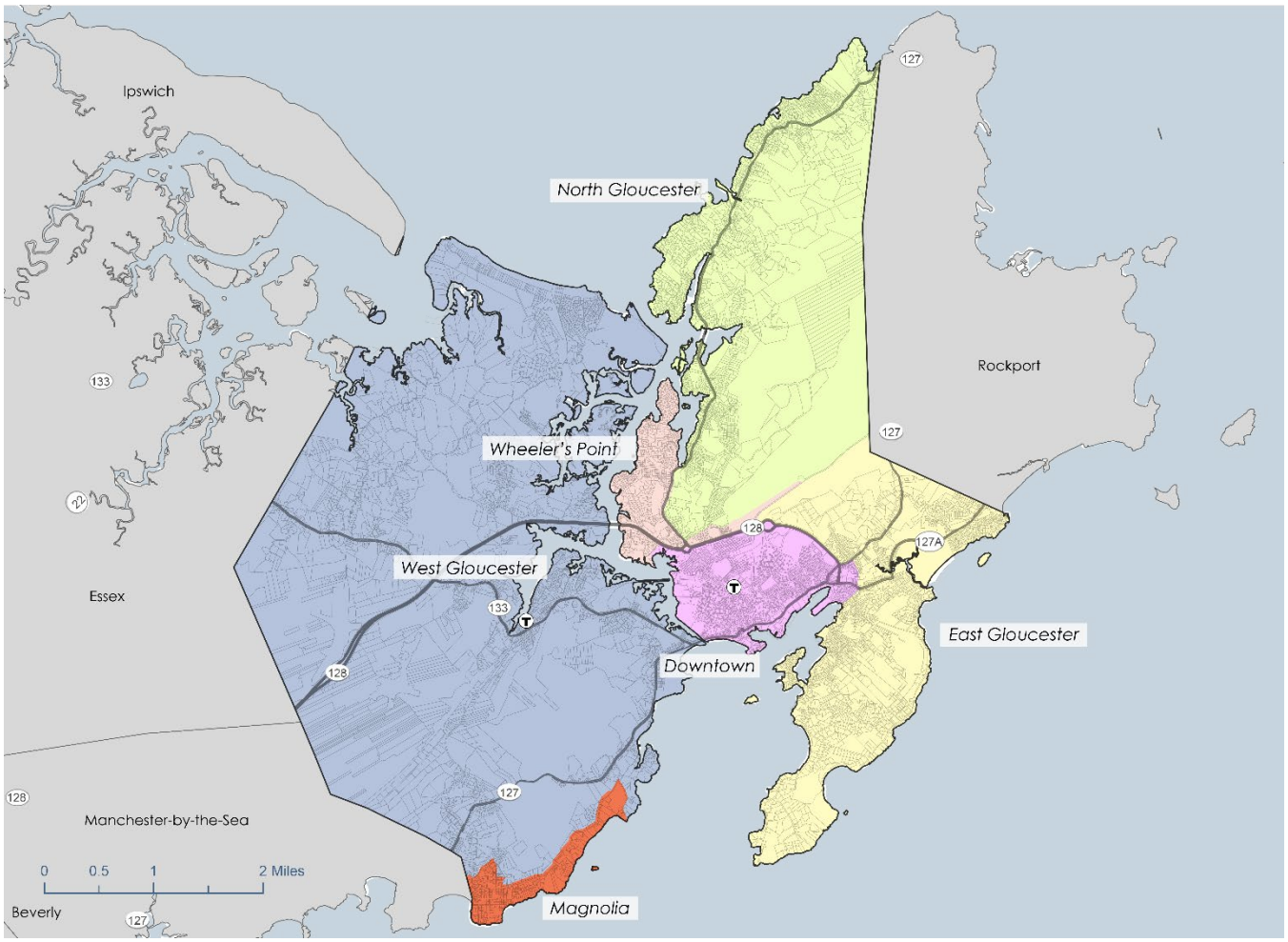
West Gloucester

Areas west of the Annisquam River, including neighborhoods near Wingaersheek Beach and residential and commercial areas clustered around Essex Avenue. Much of this area is rural in character, predominantly open space, much of which is protected, and scattered single-family properties. West Gloucester also hosts the West Gloucester Commuter Rail flag stop.

Magnolia

Located on the southwest coastline, the Magnolia neighborhood was once home to many hotels and continues to host some small multifamily and small commercial areas. The neighborhood is somewhat disconnected from the rest of the city's more developed neighborhoods and has limited infrastructure to support redevelopment.

Figure 1 Reference Areas in Gloucester used in this plan



Housing Affordability

What is Affordable Housing?

We know the importance of housing affordability to people and communities. For individuals and families, affordability means increased housing stability, reduced risk of experiencing homelessness, improved health and educational outcomes, and greater economic opportunity and mobility. For the community, it means diversity, a local workforce, and a residential base with greater purchasing power to support the local economy. But what do we mean by "affordable"? When most people talk about housing affordability, they simply mean housing that works within their budget. A good rule of thumb is that housing that's affordable to a household should cost no more than 30% of its income. Some older market-rate housing that lacks modern features may be less expensive than other market-rate options. This kind of housing is sometimes referred to as naturally occurring affordable housing (NOAH), or "attainable" housing, though it is not universally affordable. As housing demand increases and the market for housing becomes more competitive, as it has in Gloucester, this kind of housing rises in cost and becomes less affordable.

Housing planners use a more specific definition of "Affordable Housing" when discussing housing policy and development. The government considers a home to be "Affordable Housing" when it costs 30% or less of a household's income and is deed-restricted to income-eligible low- or moderate-income households. Affordable Housing has restrictions to preserve affordability for decades or in perpetuity, providing options for households with lower incomes to stay in their communities. Without deed restrictions, housing costs can go up as markets rise, making homes that were once inexpensive now costly. Deed-restricted Affordable Housing protects communities from escalating costs and displacement risks.

Eligibility to occupy deed-restricted Affordable Housing is based on household income and the number of people in the household, which is usually compared to the Metropolitan Area Median Income (AMI) calculated by the U.S. Department of Housing & Urban Development (HUD). The 2025 AMI for the Greater Boston region, which includes Gloucester, is $164,600. For comparison, Gloucester's local median income is approximately $87,898, which means that Affordable Housing based on the regional definition is not affordable to many Gloucester residents. Under many Affordable Housing programs, households eligible for deed-restricted Affordable Housing must be at or below 80% of AMI, or $96,000 for a household of one and $137,100 for a household of four. Some Affordable Housing programs serve households with lower incomes than those, such as households at or below 50% or 30% of AMI. The table below translates AMI levels to incomes for different household sizes.

Table 1 FY 2026 HUD Income Limits by AMI and household size

Household Size	Extremely Low Income 30% AMI	Very Low Income 50% AMI	Low Income 80% AMI
1	$36,000	$60,000	$96,000
2	$41,150	$68,600	$109,700
3	$46,300	$77,150	$123,400
4	$51,400	$85,700	$137,100
5	$55,550	$92,600	$148,100
6	$59,650	$99,450	$159,050
7	$63,750	$106,300	$170,050
8	$67,850	$113,150	$181,000

Source: U.S. Department of Housing & Urban Development

Gloucester Housing Compass

What is Gloucester Housing Compass?

Gloucester Housing Compass is a plan to help the city better understand and meet local housing needs, create targeted strategies to improve access to affordable housing, and proactively guide new development in line with community housing needs and goals. The City of Gloucester, through the Department of Community Development, worked with the Metropolitan Area Planning Council (MAPC) to facilitate a community-driven process, beginning in August 2025 and extending into the Fall of 2026.is

This plan meets the requirements for an update to the City's existing Housing Production Plan in accordance with M.G.L. Chapter 40B.

Plan Background

The City of Gloucester updated its Housing Production Plan to build on recent progress and establish new policies, programs, and strategies to meet local housing needs. Since the 2017 Housing Production Plan was adopted, most of its recommendations have been implemented, including updates to the inclusionary housing ordinance and the creation of a streamlined process for permitting accessory dwelling units. Most housing opportunity sites identified in the 2017 plan have also been developed. In addition, Gloucester adopted MBTA Communities zoning, established thoughtful short-term rental regulations, earned designation as a Housing Choice Community, and continues to invest in local housing solutions through the Affordable Housing Trust.

These accomplishments provide a strong foundation for the Housing Compass Plan. Even with this progress, rising housing costs and limited housing choices remain among the most pressing issues facing Gloucester's residents, workers, families, seniors, artists, and young people. Updating the Housing Production Plan was also recommended by Gloucester's 2025 Comprehensive Plan, which recognized housing as essential to the city's economy, cultural identity, and long-term success.

Prepared in accordance with state Housing Production Plan guidelines, Housing Compass provides a proactive, locally informed strategy to better understand Gloucester's housing challenges, expand housing opportunities, and guide future housing development in ways that reflect the city's priorities, values, infrastructure, and environmental constraints. This plan identifies areas where new housing should be encouraged based on infrastructure capacity and access to jobs, services, and transit, while steering larger-scale development away from environmentally sensitive and flood-prone locations. A state-approved Housing Production Plan also helps preserve Gloucester's eligibility for state grant funding and strengthens the City's ability to manage development outcomes, including greater local influence in the review of Chapter 40B proposals.

What is a Housing Production Plan?

In Massachusetts, Housing Production Plans (HPPs) are plans that help municipalities better understand local housing needs, development constraints, and opportunities to guide future housing development. HPPs are typically drafted in accordance with Massachusetts General Law Chapter 40B, a state statute encouraging cities and towns to maintain a supply of Affordable Housing that amounts to 10% of their total year-round housing stock. For this purpose, Affordable Housing is housing eligible for inclusion on the Massachusetts Subsidized Housing Inventory (SHI), which includes housing that is deed-restricted to be affordable to eligible low- and moderate-income residents without paying more than 30% of their annual household income, as well as market-rate units in mixed-income rental housing developments where 20-25% of units are Affordable Housing. This means the SHI is typically an over-estimation of each municipality's Affordable Housing supply.

In communities where less than 10% of housing units are included on the SHI, developers may petition the local Zoning Board of Appeals (ZBA) for a comprehensive permit for housing developments that do not fully comply with local zoning, provided at least 20-25% of homes in the development are Affordable Housing. Under Chapter 40B, the ZBA has limited grounds for refusal in this case. Communities that are above 10% may claim "Safe Harbor" and thereby deny a developer a comprehensive permit. Gloucester has 13,896 year-round housing units, per the 2020 Decennial Census, of which 1,117 (or about 8.04%) are included on the state's Subsidized Housing Inventory (SHI) as of September 2025. Gloucester can also achieve temporary Safe Harbor through incremental increases to the SHI. One year of Safe Harbor is achieved through a 0.5% increase in the SHI over one calendar year. Two years of Safe Harbor is achieved through a 1% increase in the SHI over one calendar year.

Though the City has seen an increase in Affordable Housing in recent years, even meeting the state's target on the SHI does not mean that the local need for Affordable Housing will be met. This target considers development (housing supply) but not residents (housing demand). There is just 1 unit of Affordable Housing for every 6 income-eligible households in Gloucester[1].

[1] American Community Survey, 5-year estimates, 2017-2021

Community Engagement

From fall 2025 through spring 2026, the project team engaged with the community to understand and raise awareness of housing needs, identify priorities, and develop recommendations to expand access to Affordable and attainable homes for Gloucester residents. We also engaged residents on preferred types and locations of future homes to proactively guide development in line with community preferences.

Engagement Partners

The plan was guided by an advisory group of Gloucester residents working on issues related to economic development, education, service provision, and housing.

- **Peggy Hegarty-Steck,** Action Inc.
- **Erin George,** Action Inc.
- **Deanna Fay,** Gloucester Affordable Housing Trust (GAHT)
- **Traci Thayne Corbett,** Art Haven
- **Colleen Murdock,** Cape Ann Chamber of Commerce
- **David Calvo,** Committee for the Arts
- **Fred Cowan,** Council on Aging
- **Jen Hapgood,** Gloucester Housing Authority
- **Maiuza Alvez,** Housing for All Gloucester
- **Sunny Robinson,** Housing for All Gloucester
- **Jay McNiff,** McNiff Company
- **Shawn Henry,** Planning Board
- **Ben Lummis,** Superintendent of Gloucester Public Schools

In addition, we spoke with non-profit housing developers, service providers, and numerous city staff from the following entities:

- **Jenny Benedict**, Library Director, Gloucester Public Library
- **Leah Briere**, SNAP/Client Services Coordinator, Open Door
- **Courtney Allen**, Communications and Outreach Director, Backyard Growers
- **Melissa Dimond**, President & Executive Director and **Andrew Allen,** Director of Education & Career Pathways, Wellspring
- **Sunny Robinson**, Member, Housing for All Gloucester
- **Lacey Natti**, Program Manager, Gloucester Health Department and Chelsea Goldstein-Walsh, Regional Prevention Director, Regional Youth Prevention Network
- **Maiuza Alves**, Member, Housing for All Gloucester
- **Frank Freedman**, Program Director, Grace Center
- **Vee Chipperini**, District Director, Cape Ann Veterans Services

Engagement Events & Participation

Throughout the planning process we spoke with hundreds of Gloucester community members at community events, in community spaces, and through direct outreach like focus groups and interviews. In addition to a citywide survey, the city also hosted two public forums to share key findings from the plan and gather input on community priorities for housing.





Photos from Community Forums

Fall 2025	
Focus Groups | Phase 1 • Housing Need Focus Groups with Unhoused Individuals (8/11/2025) • Housing Need Focus Groups with Housing Insecure Individuals (8/11/2025)	The focus groups were held in-person at Action Inc., a local nonprofit that provides emergency shelter and other support across Cape Ann. Action Inc. staff invited their clients to sign up and participate in the focus groups. Each focus group included 6-10 participants.
Engagement Roadshow | Phase 1 • Gloucester Community Safety Day (9/27/2025) • Backyard Growers Farmers Market (10/8/2025) • City of Gloucester Halloween Party (10/18/2025)	Gloucester has a strong community-based organization (CBO) network that organizes or hosts various community activities and spaces. In an effort to meet people where they are, the team designed an Engagement Roadshow that included touchpoints at various community events. This approach allowed the project team to talk to people who are harder to reach, such as single parents and working-class residents, by interacting with them in places they already visit rather than hinging engagement around a single forum or public meeting. The project team spoke with more than 75 community members across these events.
Fall 2025 – Spring 2026	
Citywide Survey *Survey results can be viewed in the appendix*	The Housing Compass survey asked about community members' housing goals and preferred housing types. The survey was opened for responses from the public on October 9, 2025 and closed April 1, 2026. Promotion for the survey included post cards distributed around the city and promotion through the City's website. Information about the plan and data on local housing needs was displayed on large boards with an accompanying QR code to the

	survey, in a variety of high-traffic community spaces, including the Library, YMCA, and City Hall. In total, 224 respondents completed the survey.
January 2026	
Engagement Roadshow | Phase 2 • Senior Center (1/8/2026) • Gloucester High School (1/20/2026) • Sawyer Free Library (1/20/2026)	For engagement roadshow events in the second phase of engagement, the Housing Compass team developed a mapping and dot voting activity to understand community members' preferred housing types and location. The team used this activity at three different engagement events, gathering input from over 100 residents.
Spring 2026	
Focus Groups | Phase 2 • Gloucester Creative Sector Focus Group (3/31/2026) • Breakfast Discussion with Brazilian community members, (3/14/2026) • Focus Group on Workforce Housing with Gloucester Employers (3/25/2026)	In the Winter and Spring of 2026, the project team held focus groups with Gloucester's artist community, Brazilian community members, and local businesses to discuss workforce housing.
Community Forum #1 *(3/23/2026)*	City staff hosted a public meeting to gather input for the Housing Compass on March 23, 2026. Around 100 residents attended the forum to learn about the plan and provide input about the types of housing they would like to see in Gloucester.
Community Forum #2 *(7/29/2026)*	City staff hosted a second public meeting to gather input from the community on July 29, 2026. Around 80 residents attended the forum to learn about the draft plan and provide input.
Public Comment Period (Ongoing 7/30/26 – 8/29/26)	Following the draft plan release a three-week public comment period allowed for additional input from the City Council, Planning Board, and Gloucester community to shape the final plan. This comment period followed the broader engagement process and provided an additional opportunity to review the completed draft before adoption.

What we heard from the community

Gloucester is increasingly unaffordable

Nearly everyone we spoke to throughout the planning process talked about affordability and increasing housing costs as one of the most pressing challenges facing the Gloucester community. Renters expressed worry about keeping their current housing or finding comparably priced units the next time they move. Some comments from single parents and seniors highlighted the difficulty of making too much to qualify for deed-restricted Affordable Housing but not being able to afford market-rate homes. Seniors also shared challenges keeping up with rising property taxes while living on fixed incomes and struggles to downsize. This particularly affects seniors and veterans with disabilities. Throughout the plan engagement, we spoke to many people who grew up in Gloucester and expressed challenges with being

able to move back or stay related to affordability and barriers to homeownership, as well as many young families who expressed challenges with being able to afford to raise children in Gloucester.

Finding and keeping housing can be challenging, especially for renters

Renters expressed concern for being priced out or evicted by unfriendly landlords or landlords who are taking advantage of rising housing prices. Many residents expressed concerns that an increase in short-term seasonal rental units limits the number of options for year-round attainable homes (homes more likely to be affordable in the marketplace).

Homeownership feels out of reach

Many families and young people expressed interest in buying a home in Gloucester but know they will face challenges to do so because of high prices and limited supply. Many homeowners who bought their homes in previous decades also reflected that they would not be able to afford their homes in the current housing market and expressed challenges weighing the desire to downsize with the lack of options available to remain in Gloucester.

People want to help but need support to make affordability work

Small landlords who own small multi-family buildings and rent out extra units often create attainable housing in communities like Gloucester. Some residents expressed a need for support with the permitting process and meeting health and safety regulations when exploring renovating or adding additional units to their properties.

Housing affordability makes it difficult to work and thrive in Gloucester

Many people who work in Gloucester face issues with local housing availability. Some want to live in Gloucester but cannot afford the options in the city. Human resource professionals from major Gloucester employers who participated in the workforce housing focus group identified challenges with recruiting or retaining employees in an area with such high housing costs. These challenges affect both high-paid employees as well as those with less income. The housing choices available are not affordable to artists, creatives, and small business owners and many, including lifelong Gloucester residents, shared concerns about their ability to stay in Gloucester long-term.

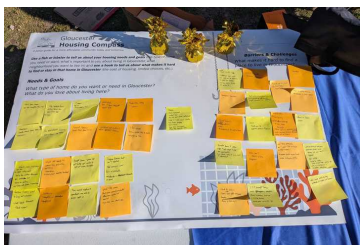
There is a need for a mix of housing types, including smaller homes as well as family-sized homes

Residents expressed interest in more family-sized housing, smaller homes, and mixed-use development and prioritize affordability, walkability, and preservation of the “small-town” character of Gloucester. Young people and older adults shared a desire for smaller homes appropriate for downsizing or entering the housing market.

People love living in Gloucester

Most Gloucester residents express a sense of joy and appreciation for the place they live, whether families with children who recently moved to Gloucester or long-time residents who are experiencing housing instability. Residents enjoy the balance between the small-town feel of Gloucester and its accessibility to areas closer to Boston.






Data Sources & Analysis

A number of quantitative data sources were used for this plan: the US Census, including Decennial Census, American Community Survey (ACS), Population Estimates Program, and Comprehensive Housing Affordability Strategy (CHAS) data; City data; and real estate property and transaction databases. All data sources are cited throughout this report, primarily in tables and figures. Unless otherwise stated, data appearing in text can be attributed to the 2019-2023 ACS. In some cases, data is pulled from other years due to data consistency or availability. Below is a brief explanation of the US Census data sources used for this plan.

- Census of Population and Housing (decennial census): Demographic and housing counts. This report uses data from the 2010 and 2020 Census.
- American Community Survey (ACS): 5-year demographic and housing estimates for large and small geographic areas based on monthly surveys. Estimates are based on a small population sample, but the results of each monthly survey are aggregated to provide a larger dataset. This plan primarily uses data from the 2019-2023 ACS survey, the most recent available data at the time of the reports start. Following best practice, percentages are used in lieu of number for most estimates to avoid sharing numbers that may not be precise since they are based on a sample.
- Population Estimates Program: Annual population estimates based on the 2020 Census. This plan uses the 2024 estimates.
- US HUD (United States Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Strategy Data (CHAS): Custom tabulations of ACS data that demonstrate the extent of housing problems and housing need, particularly for low-income households. This plan uses the most recent available CHAS data from 2017-2021.

In addition, this plan uses population and housing demand projections created by MAPC. Projections were guided by advisory opinion from academic experts, state agencies, regional planning agencies, and member municipalities. MAPC also reviewed reports from other regions nationwide prior to creating the projections to assess accuracy and identify opportunities for improvement. MAPC projections are used by local, regional, and state agencies to set policies and make investments that anticipate the region's future needs.

Data sources for the projections include Decennial Census data from 1990, 2000, 2010, 2020; ACS data; fertility and mortality information from the Massachusetts Community Health Information Profile (MassCHIP); and housing production information from the Census Building Permit Survey database and MAPC's Development Database.

Context Communities

It can be hard to understand the meaning of any individual data point. For example, is the rate of low-income households in Gloucester low, high, or typical? This plan uses "context communities" to provide a framework for understanding local Gloucester data by highlighting how its community and housing characteristics compare or differ to nearby municipalities.

Context communities were selected with assistance from the City using a point system to compare and contrast Gloucester to nearby municipalities. Context communities hold similarities to Gloucester in geography, built conditions, population, housing stock and market, and demographics. The municipalities selected for this analysis are:

- Beverly
- Framingham
- Ipswich
- Peabody
- Rockland
- Rockport
- Salem
- Swampscott

Not every data point in this plan will be compared across context communities. Rather, select data points where Gloucester meaningfully aligns or diverges from these communities will be shared. For more on this approach, see the appendix of this plan.

Housing Needs Assessment

Gloucester is a unique city with a variety of housing needs and there is no summary of all conditions that does not compromise individual experiences in some way. This assessment outlines the need and demand for housing in Gloucester based on quantitative data analysis and qualitative information collected through public engagement. At the widest level, this assessment identifies three priorities for addressing housing needs in Gloucester:

1. **Housing for an Aging Community:** support and create housing that meets the needs of an aging population, especially low-income seniors.
    - Households with seniors make up about 42% of Gloucester households, and Gloucester population is projected to continue to shift towards older residents[2].
    - Elderly households make up more than half of all Extremely Low-Income (<30% AMI) and Very Low-Income (30-50% AMI) households in Gloucester.
    - With few choices for downsizing or relocating to more accessible homes that support aging in place, seniors and older adults are more likely to stay in their homes longer, reducing the supply of homes available for younger households seeking family-sized homes and homeownership opportunities in Gloucester.
2. **Diverse Housing Choices:** Expand housing choices for all, especially young adults and young families who lack options in Gloucester's housing market
    - There is a mismatch between household size and the type and size of housing units available in the city. Gloucester's existing supply of homes is mostly made up of larger, two- and three-bedroom units, with few choices for smaller homes and rental units.
    - Single-family homes are the most common type of housing in Gloucester, making up about 56% of all housing units[3]. While single family homes are a desired home type for many, the high price tag, generated by high demand and limited supply, is a major barrier to entry into Gloucester's housing market.
    - Workers across all economic sectors are affected by limited housing supply and affordability challenges in Gloucester. Workers on the waterfront, manufacturing, service and hospitality, and the cultural sector all face the housing pressures documented in this assessment. Additional housing options can help expand the workforce and improve employee retention, strengthen the local market with a larger year-round consumer base, and support Gloucester's cultural richness. Expanded housing choices, particularly Downtown, can support the housing needs of the workers that sustain the economy and ease seasonal pressure on the broader housing supply.
    - There is an increasing wealth gap in Gloucester, and the gap between median renter and median homeowner household incomes increased by an estimated 85% between 2013 and 2023. Younger households are more likely to rent, while older households are more likely to own their home in Gloucester.
3. **Homes Affordable to Gloucester Households:** Expand the supply of affordable homes, especially for Gloucester's most vulnerable households and the essential workers at the heart of Gloucester's economy and small businesses.

[2] American Community Survey, 5-year estimates, 2019-2023
[3] American Community Survey, 5-year estimates, 2019-2023

- Few people can afford to live and work in Gloucester. Housing affordability impacts the ability of local employers to hire and retain local workers. As noted in the City's Comprehensive Plan, when workers are not able to afford to live locally, it creates additional strain on traffic in and out of the city.
- Increasing costs of market-rate housing have far outpaced increases in local household incomes, especially among renters.
- About half of all Gloucester households are considered low-income and are potentially eligible for Affordable Housing and other supports.
- Many Gloucester households pay more than they can afford for housing, creating instability and increasing the risk of displacement or loss of housing.
- Gloucester's supply of Affordable Housing has grown in the last 5 to 10 years but still falls short of meeting local needs for Affordable Housing.

Expanding housing choices is vital to the continued thriving of the Gloucester community. Gloucester residents know and feel the weight of increasing housing costs in the city. As disparities in wealth and opportunity continue to grow, access to safe, healthy, and affordable housing for residents at all stages of life is imperative to ensure that Gloucester residents can remain in the community and the city remains vibrant for generations to come.

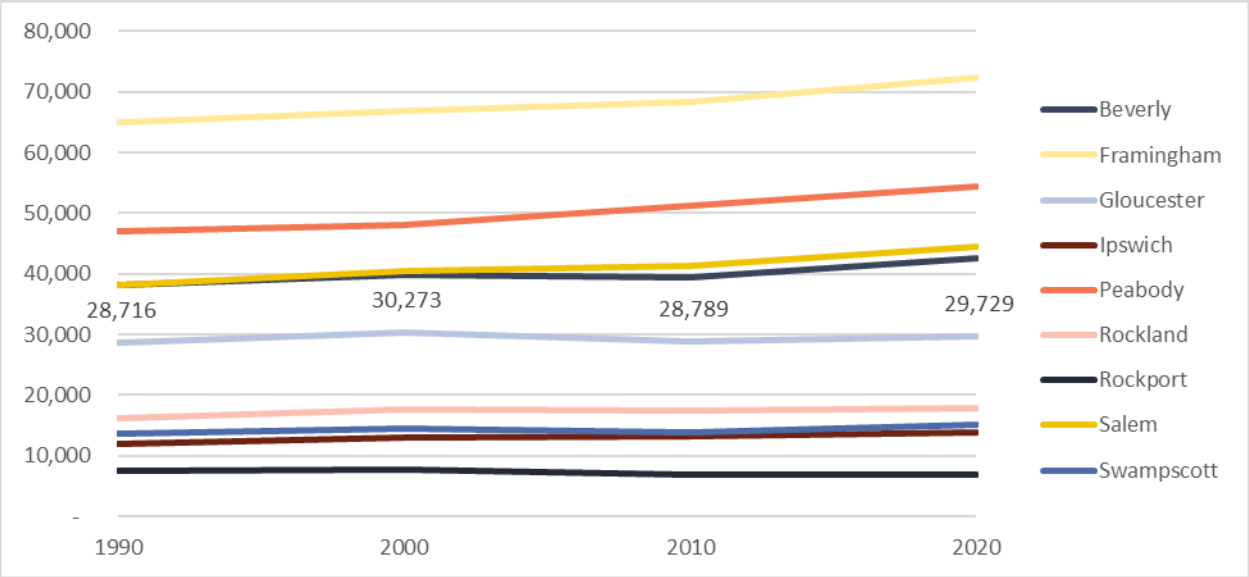
Population & Household Demographics

To understand the need for housing in Gloucester, we start with broad questions: How many people are looking for housing, what are their housing needs, and how might demand for housing change over time? The composition of Gloucester's households, which may change over time, affects the types and location of housing needed.

Population Change

Gloucester's population has experienced minimal growth over the last two decades, growing by just 3% between 2010 and 2020. In 2024, Gloucester's total population was estimated at 30,491 residents[4] returning to the same population levels of the year 2000. Gloucester has followed similar trends in population growth compared to context communities, but has grown more slowly compared to Peabody, Beverly, and Salem.

Figure 2 Population Change 1990-2020, Gloucester & Context Communities



Source: U.S. Decennial Census, 1990-2020

Population Projections

Gloucester's population is projected to decrease to 27,724 people by 2030 and 27,604 people by 2040, according to MAPC's MetroFuture Population Projections. MetroFuture projections map out anticipated growth in population based on births, deaths, households moving in and out of the region, and historical trends related to development and household formation. To date, the MAPC region's population growth has exceeded that projected by MetroFuture. Gloucester's population in 2020 was slightly larger than its projected 2020 population by roughly 1,215 people[5].

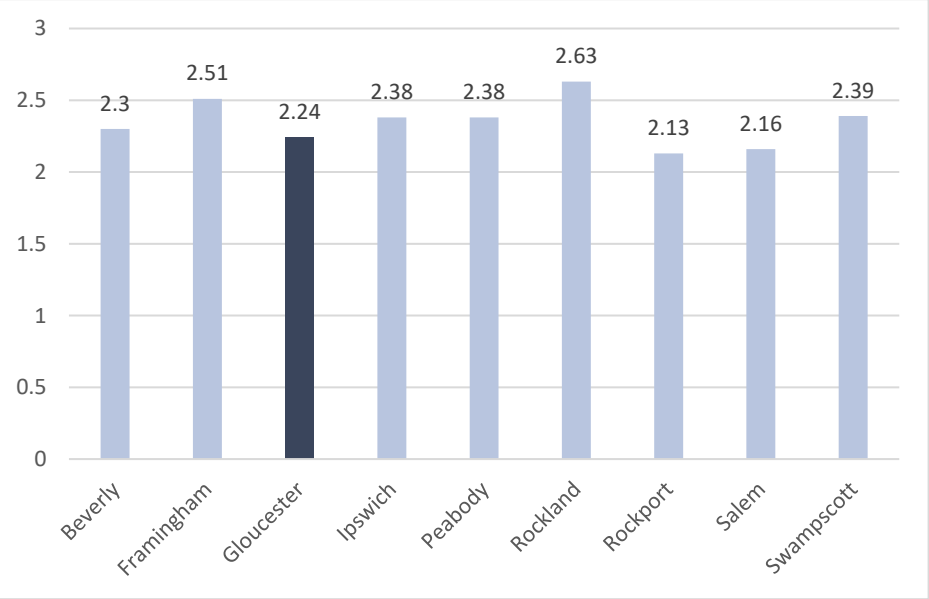
[4] U.S. Decennial Census Annual Population Estimates, 2024
[5] U.S. Decennial Census 2020

Household Growth

The number of households in Gloucester is growing slowly while the overall population is decreasing. Between 2010 and 2020, the number of households in Gloucester increased by about 6.5%, and in 2023, the total number of households was estimated at 13,180[6]. This pattern of household growth outpacing population growth often indicates households are becoming smaller and is common in communities with aging populations that are more likely to form smaller households. Households reduce in size when children leave home or family members pass away due to old age.

The average household size in Gloucester is 2.24 and has decreased over time[7]. Among context communities, only Rockport has a similar declining trend. The next section will explore how trends in the age of the population may be shaping household size and housing needs.

Figure 3 Average Household Size, Gloucester & Context Communities



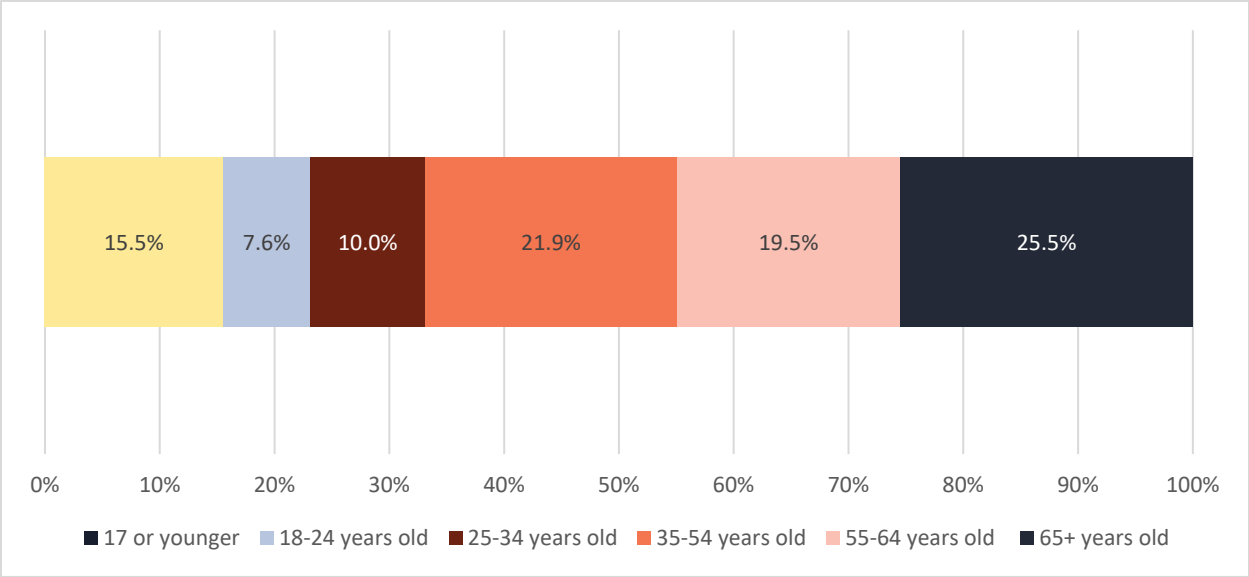
Source: American Community Survey, 5-year estimates, 2019-2023

Age Structure

The age of the population shapes the formation of new households and the type of homes needed in a community. In many cases, younger adults form new households and desire smaller housing options in which to live alone or larger multi-bedroom homes to occupy with roommates. As they age and form families, larger housing options tend to become more desirable. Eventually, as children in those families form their own households, parents no longer require large housing and may seek to downsize. As seniors age, they may seek specialty housing, including housing accessible to people with disabilities. The types of housing the population desires change throughout the age spectrum, and these housing options are not always available or affordable in the community. To meet the needs of residents at all stages of life, it is important to have a variety of housing types available at various price points.

[6] U.S. Decennial Census, 2010, 2020, American Community Survey, 5-year estimates, 2019-2023
[7] American Community Survey (ACS), 5-year estimates, 2009-2013, 2014-2018, 2019-2023

Figure 4 Population by Age, Gloucester

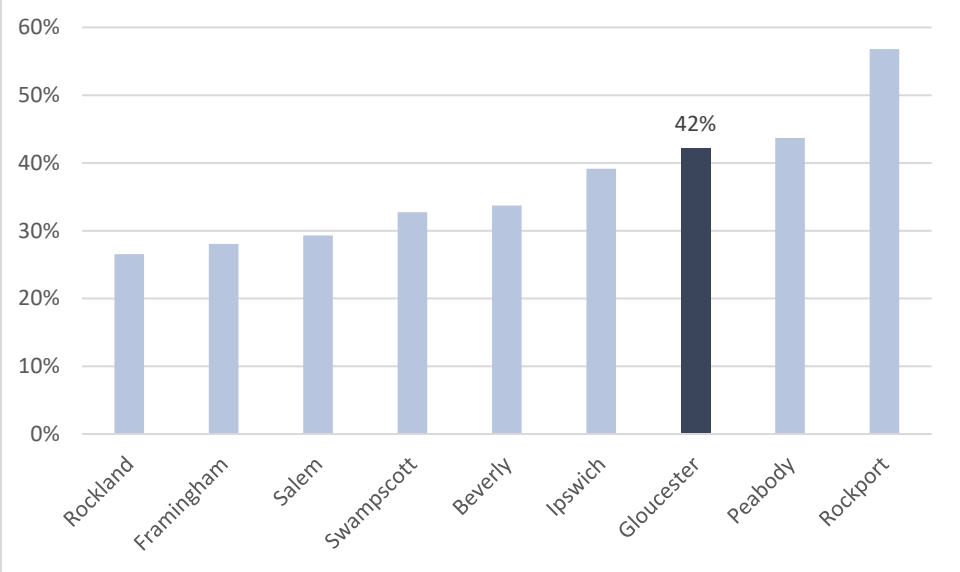


Source: American Community Survey, 5-year estimates, 2019-2023

Gloucester's population is aging. According to the ACS 2023 5-year estimates, 25% of Gloucester's total population is over the age of 65. The next largest age cohorts are 55-64 years old, making up 19% of the population, and 35-54 years old (22%). Younger generations (35 years old or younger) make up about one-third of the total population, with the largest share being residents 17 years old or younger (15%).

According to ACS five-year estimates for 2018-2023, 42% of Gloucester households include seniors (65 years or older), the third highest share among context communities. Rockport has the highest percentage of households with seniors (57%), followed by Peabody (44%).

Figure 5 Share of Households with Seniors, Gloucester & Context Communities

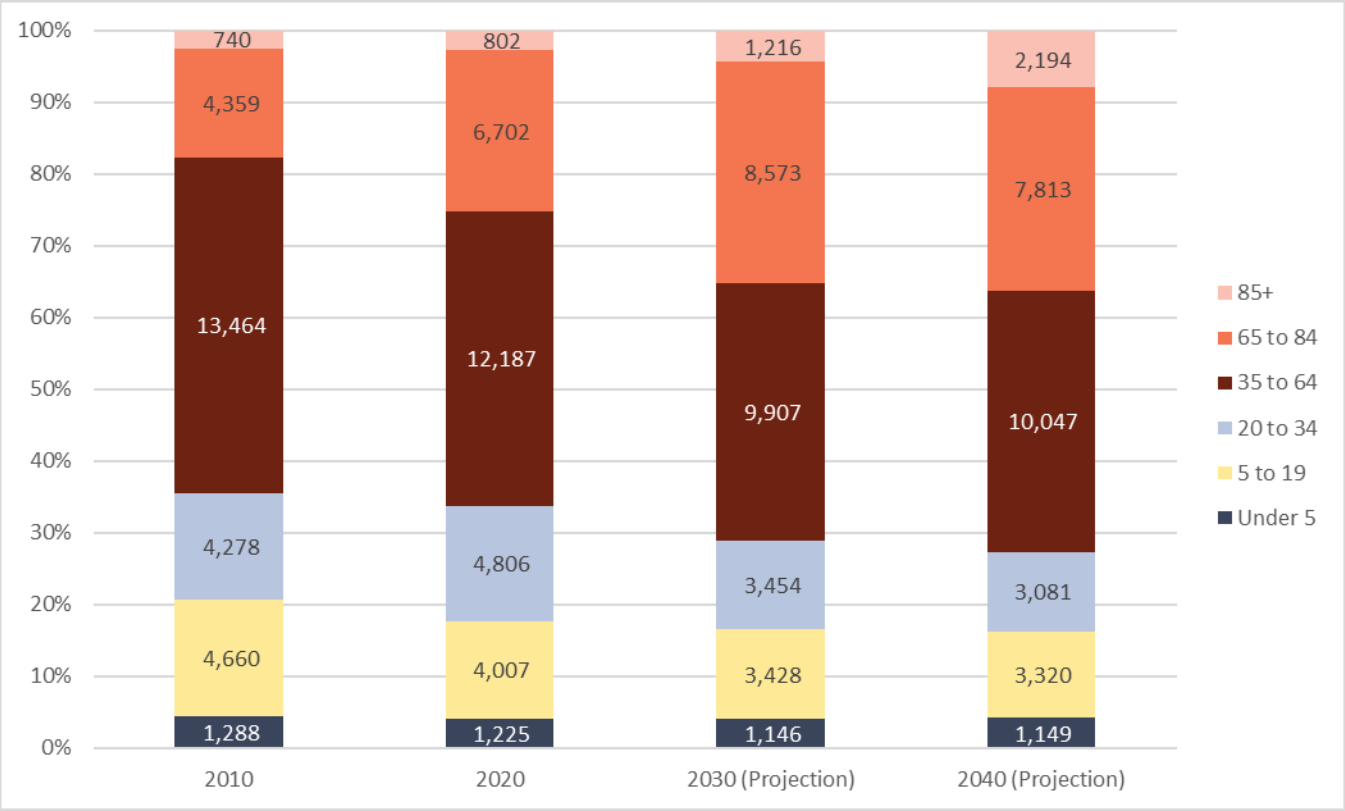


Source: American Community Survey, 5-year estimates, 2019-2023

Between 2013 and 2023, the number and share of younger people have decreased, while the population over 55 has increased in both number and share of the population[8]. Gloucester's population is projected to continue to age, with the population over 65 making up an even larger share of the total population in 2030 and 2040 compared to 2020[9].

As Gloucester households age, with few choices for downsizing or relocating to more accessible homes that support aging in place, seniors and older adults are more likely to stay in their homes longer, reducing the supply of homes available for younger households seeking family-sized homes and homeownership opportunities in Gloucester.

Figure 6 Population by Age, Gloucester 2010-2040 (Projected)



Source: U.S. Decennial Census, 2010-2030, MAPC MetroFuture Socioeconomic Projections

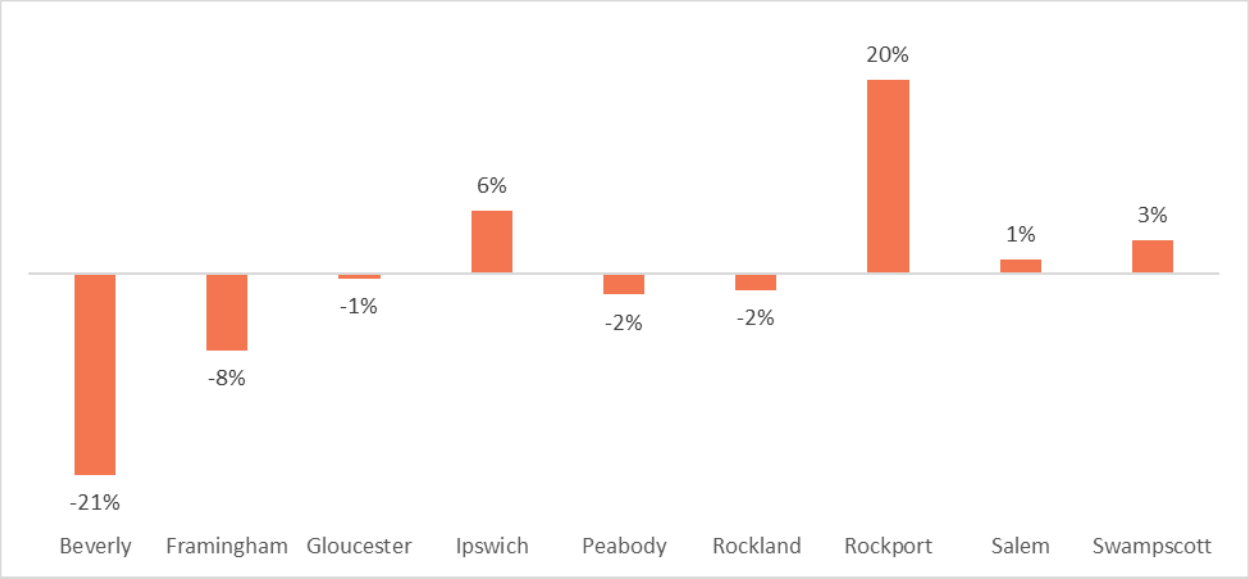
Households with Children

Currently, 22% of Gloucester households include children. Households with children have declined over time, dwindling by 8% between 2013 and 2018 and another 1% between 2018 and 2023[10]. This trend is not unique to Gloucester and a similar decline of households with children is present in other context communities, including Beverly, Framingham, Peabody, and Rockland. By comparison, Ipswich, Rockport, Salem, and Swampscott have seen an increase in households with children within the last few years. The

[8] American Community Survey, 5-year estimates, 2009-2013,2014-2018, 2019-2023
[9] MAPC MetroFuture Socioeconomic Projections, 2017
[10] American Community Survey, 5-year estimates, 2009-2013,2014-2018, 2019-2023

decline in households with children in Gloucester suggests that young families may struggle to find a home or put down roots. These challenges may be born out of cost, availability, or some combination of the two.

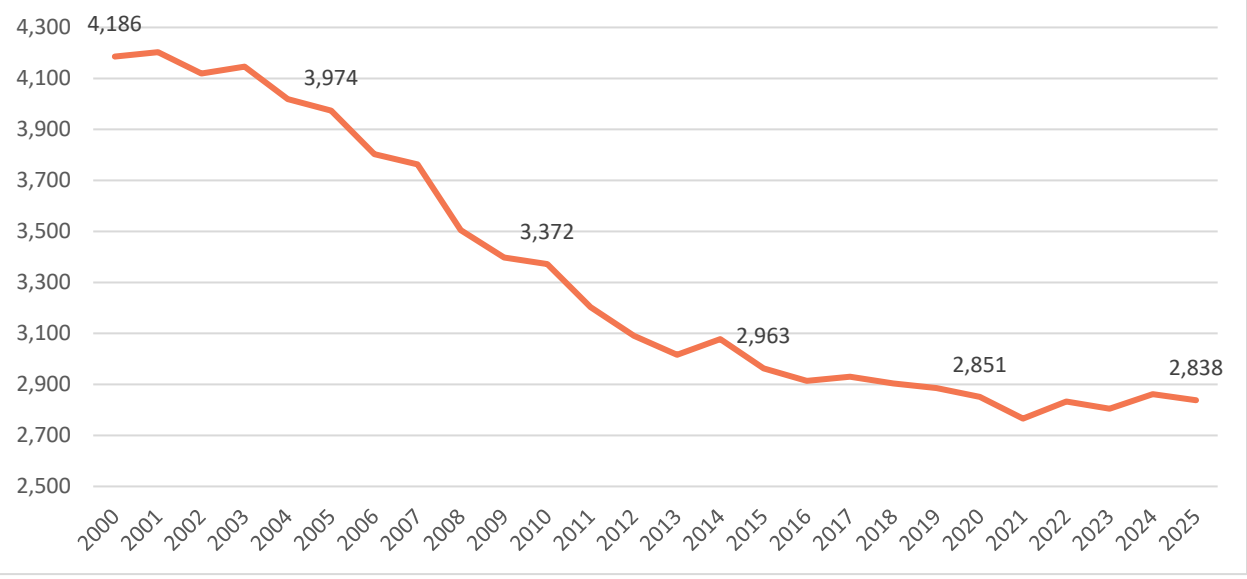
Figure 7 5-Year Percent Change in Households with Children, 2018-2023, Gloucester & Context Communities



Source: American Community Survey, 5-year estimates, 2014-2018, 2019-2023

School enrollment data offers additional insights into more recent trends. Gloucester has seven public schools: one high school, one middle school, four elementary schools, and one preschool. School enrollment declined sharply between 2000 and 2013. Despite a steady decline since 2014, a slight upward trend of total student enrollment began at the beginning of the 2020-2021 academic year. In 2024, the total number of students served by the Gloucester public school district was 2,862 students.

Figure 8 Total School Enrollment 2000-2025, Gloucester



Source: Massachusetts Department of Elementary and Secondary Education (MADESE)

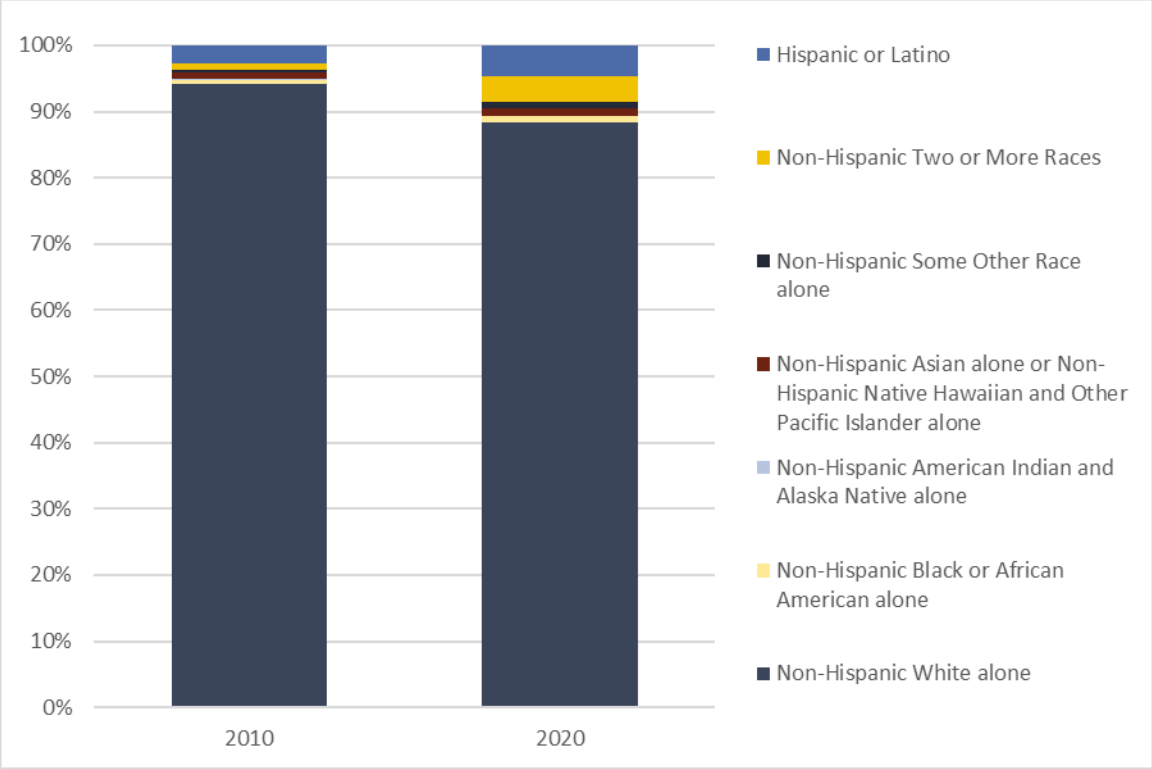
Housing that is accessible and affordable to young Gloucester residents who wish to stay or return, as well as housing choices suitable for young families in Gloucester, need to be considered when planning for future generations. Affordable housing in a variety of housing sizes, both rental and ownership, is needed to meet the demands of Gloucester residents at all stages of life.

Race & Ethnicity

Gloucester has always been a city of immigrants, with a rich early history of immigration from British, Italian, Polish, and Portuguese people seeking opportunity through the city's fishing and granite industries. Today, an estimated 9.71% of Gloucester residents were born outside the United States[11], with nearly one in every ten Gloucester residents hailing from around the world, including immigrants from Brazil, Italy, Latin America, and more.

Although Gloucester remains a majority white community, it is growing in diversity. Since 2010, communities of color have grown proportionately and in absolute terms: from about 1,689 people (5.8%) to about 3,473 people (11.7%). According to 2020 Decennial Census data, Gloucester's community is about 88% White, 1% Black or African American, 1.1% Asian, 4.7% Hispanic or Latine, and 3.8% identified as two or more races. Residents who identify as Native Hawaiian, Pacific Islander, and other races each make up less than 1% of Gloucester's population.

Figure 9 Population by Race, 2010-2020, Gloucester



Source: American Community Survey, 5-year estimates, 2014-2018, 2019-2023

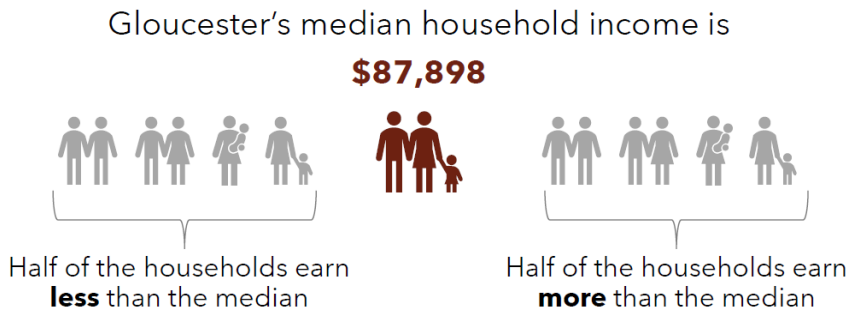
[11] American Community Survey, 5-year estimates, 2019-2023

Differences in race and ethnicity typically do not translate into demand for different types of housing. In some cases, family sizes might be larger and multigenerational living may be more of a cultural norm among people of color than White people, calling for multi-bedroom units and/or buildings with multiple units. However, race and ethnicity can and do impact fair access to housing in communities throughout the region. Disparities in tenure and household income, driven by historic and systemic barriers to wealth on the basis of race and ethnicity, often bear out in a household's ability to access and afford a home.

Tenure & Household Incomes

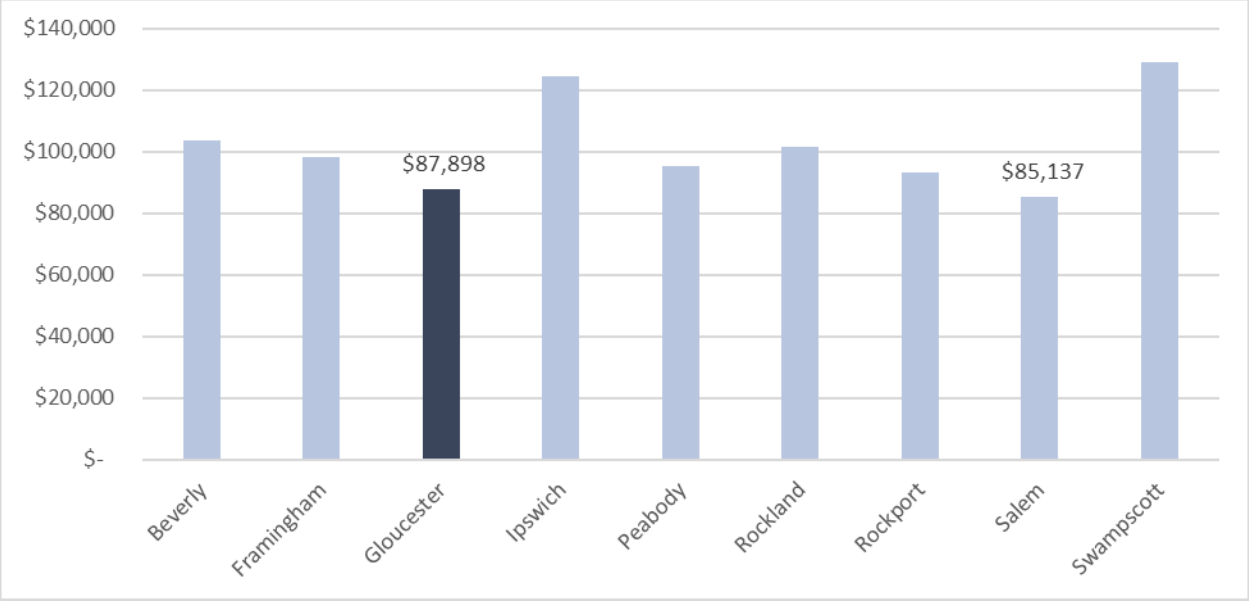
Changes in household incomes indicate a growing wealth gap in Gloucester. Median household income represents the midpoint of household incomes, where half of all households earn more and half earn less than the median. According to American Community Survey 5-year estimates for 2019-2023, Gloucester's median household income is about $87,898. Gloucester has the second-lowest median household income compared to context communities. Household income differs from family income in that households do not need to be related.

Figure 10 2023 Median Household Income in Gloucester



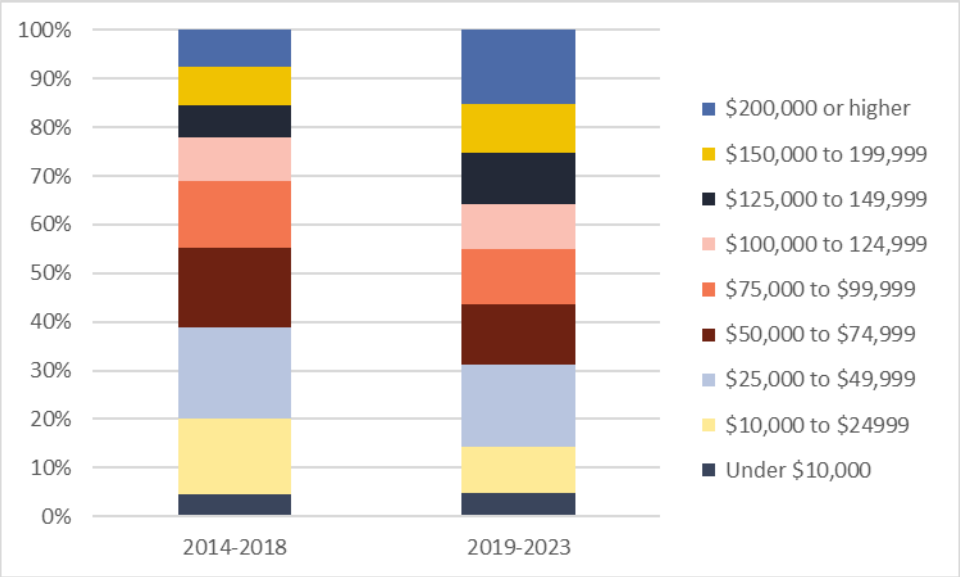
Source: American Community Survey, 5-year estimates, 2019-2023

Figure 11 Median Household Income, Gloucester & Context Communities



Source: American Community Survey, 5-year estimates, 2019-2023

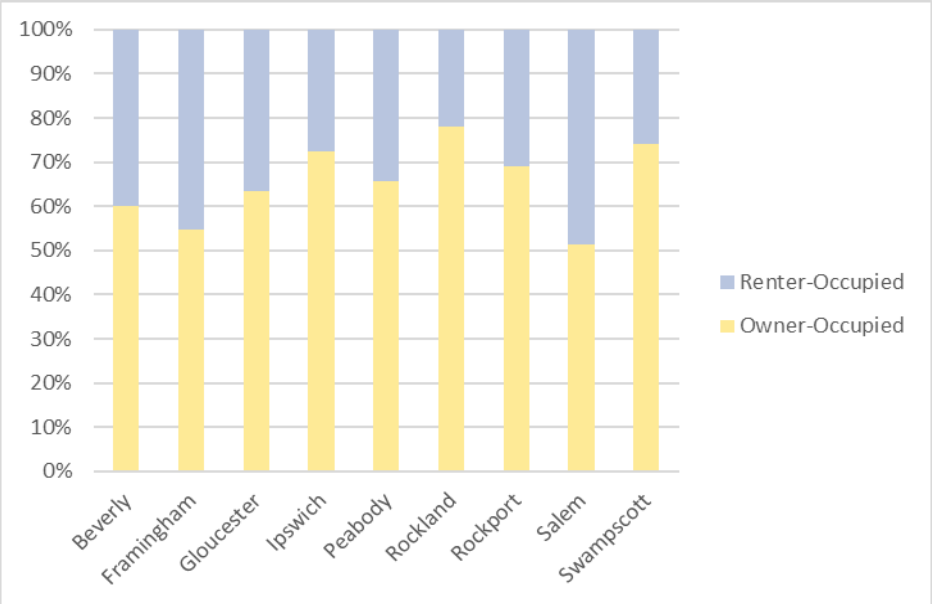
Figure 12 Change in Distribution of Household Incomes, Gloucester



Source: American Community Survey, 5-year estimates, 2014-2018, 2019-2023

The distribution of household incomes is shifting over time and an increasing share of households in Gloucester have incomes of $125,000 or more[12]. However, this growth in household incomes is not experienced equally among Gloucester residents and household incomes vary significantly by household tenure in Gloucester. About 63% of occupied housing units in Gloucester are owner-occupied, "homeowner households," while about 36% are renter households.

Figure 13 Tenure of Occupied Housing Units, Gloucester & Context Communities

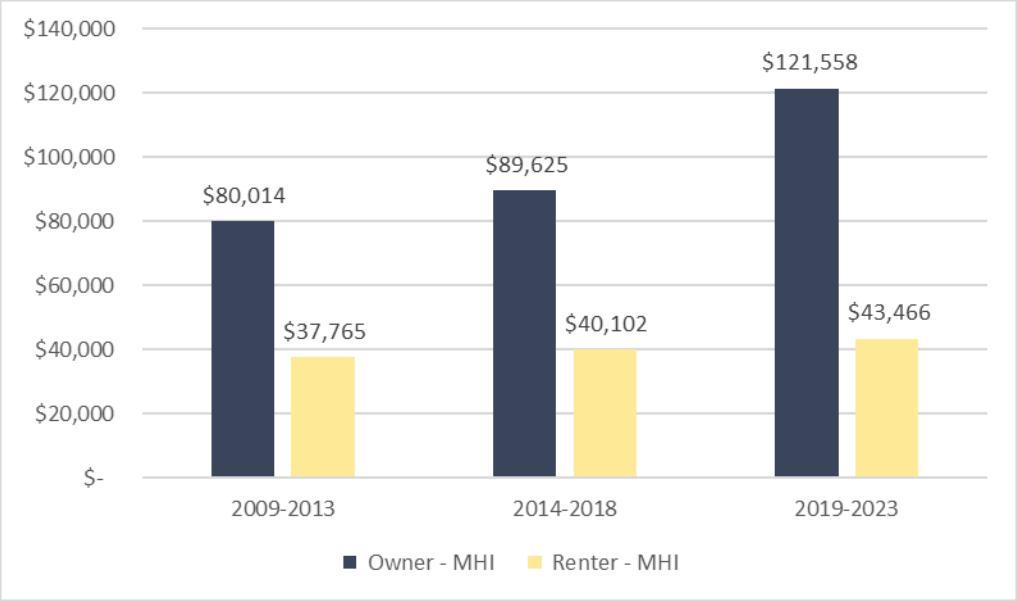


Source: American Community Survey, 5-year estimates, 2019-2023

[12] American Community Survey, 5-year estimates, 2014-2018, 2019-2023

In Gloucester, the median homeowner household earns well above the median household income (MHI), whereas the median renter household makes much less[13]. In 2023, the median household income for homeowners was $121,558. In contrast, renter households earn around $43,466[14]. Within the last decade, median incomes for homeowners have increased by about 50% while median incomes for renters have increased by only 15%[15]. **As a result, the gap between median homeowner and median renter household incomes increased by an estimated 85% between 2013 and 2023[16].**

Figure 14 Median Household Income (MHI) by Tenure 2013-2023, Gloucester

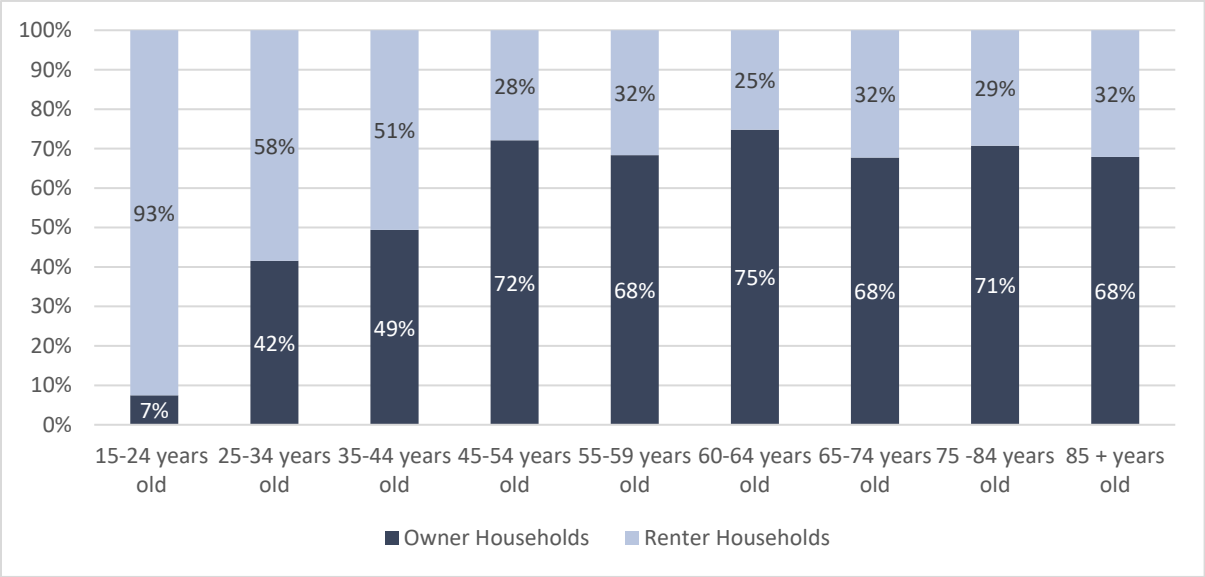


Source: American Community Survey, 5-year estimates, 2009-2013, 2014-2018, 2019-2023

Compared to context communities, the gap between renter and homeowner median incomes in Gloucester is larger than in Salem or Peabody and smaller than Ipswich and Beverly[17]. Renter households in Gloucester are more likely to be younger while older households are more likely to own their home[18]. These growing disparities play out in the dynamics of household age and tenure and shape access to housing opportunities in Gloucester.

[13] American Community Survey, 5-year estimates, 2019-2023
[14] Ibid
[15] Ibid
[16] American Community Survey, 5-year estimates, 2014-2018, 2019-2023
[17] American Community Survey, 5-year estimates, 2019-2023
[18] American Community Survey, 5-year estimates, 2019-2023

Figure 15 Household Tenure by Age, Gloucester



Source: American Community Survey, 5-year estimates, 2019-2023

Overall, many households struggle to stay in the city if they cannot afford housing that meets their needs, and high housing costs exclude many households from calling Gloucester home. Income has generally not kept up with the cost of housing, and income for Gloucester renters has increased at a slower rate compared to homeowners, widening the wealth gap among Gloucester households along tenure lines and limiting housing opportunities for renters and young people.

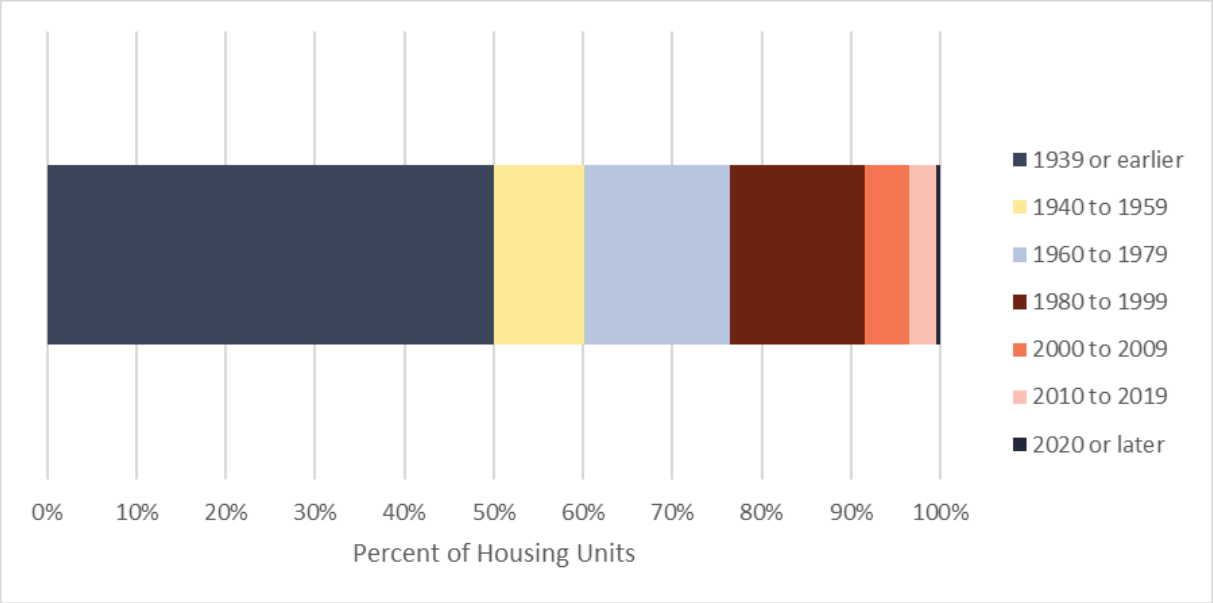
Existing Housing Supply

Much of Gloucester's existing housing supply is older as a result of decades of limited building of new homes.[19] A total of 14,630 units make up the city's housing stock.[20] In recent years, the City has increased attention and investment towards housing needs; however, because of decades of limited housing production and many constraints on new development, supply has not kept up with demand. The limited housing supply puts upward pressure on housing costs across the city, disincentivizing maintenance of low-cost housing (as competition for tenants becomes unnecessary) and prompting the displacement of low-income residents. Meanwhile, older homes may be undermaintained, presenting health and safety risks for their residents. Older residents with few options to downsize are more likely to stay in their homes longer, further constraining supply for younger households seeking to enter the housing market in Gloucester.

Age of Housing Stock

Much of Gloucester's housing is older. About half of Gloucester's housing stock is in buildings built before World War II (before 1940), with another 26% built before 1980.[21] Only 8% of the housing stock was built since 2000.[22] In the context of increased housing demand, this limited production has meant rising rents and prices, making the shortage of housing supply a major contributing factor to the affordability crisis felt in Gloucester and across the region.

Figure 16 Housing Units by Year Built



Source: American Community Survey, 5-year estimates, 2019-2023

Compared to more modern units, older housing may lack heating and energy efficiencies (which add to monthly utility and maintenance costs that impact the affordability of these units for occupants). Older

[19] Limited housing production in Gloucester is related to complex development constraints as a coastal community with many environmentally sensitive areas and limited land that is suitable for building. These constraints are analyzed further in subsequent sections of the Housing Compass Plan.
[20] American Community Survey data, 5-year estimates, 2019-2023
[21] Ibid
[22] Ibid

housing may not be code-compliant, may have exposed lead paint, and is unlikely to be accessible for people with disabilities.[23]

Older housing supplies, especially two- and three-family homes, are also vulnerable to speculative residential investment. Speculation is an emerging trend where private investors or companies buy properties to renovate and resell for a higher return. Not only does it take properties off the market that could otherwise be sold to families intending to live in a home, but renters often suffer higher rents or evictions without cause. This trend makes housing about profit, not people. Over the last few decades, 1,718 Gloucester homes were bought by an investor[24] and 7% have been "flipped," renovated to be resold for a return on investment[25].

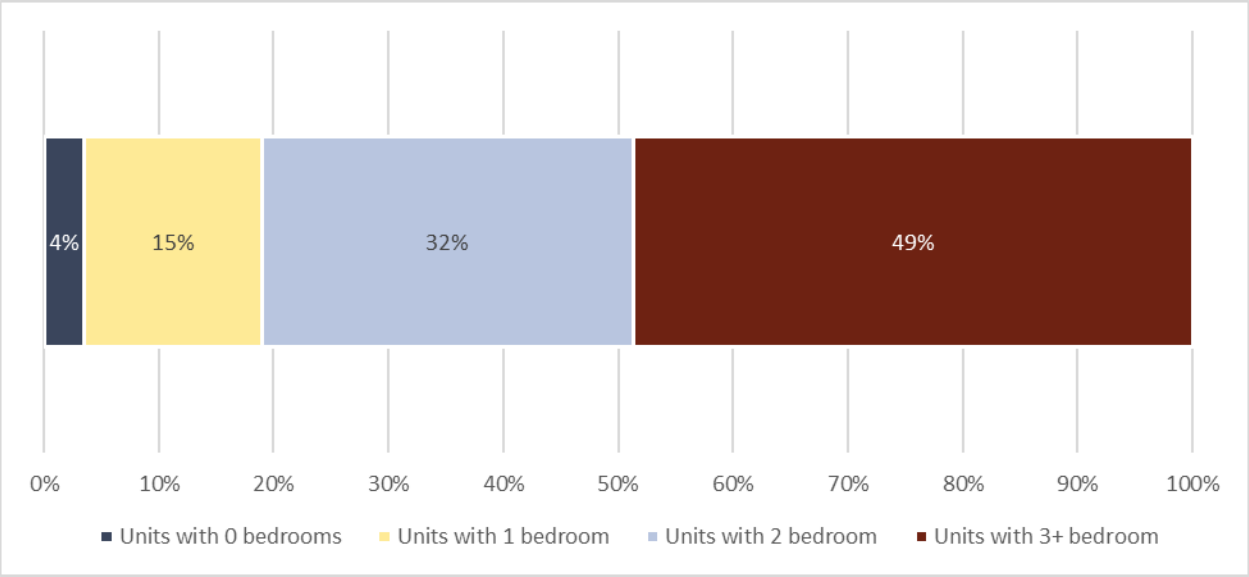
One way the City manages its aging housing stock is through the Housing Rehabilitation Loan Program. The City of Gloucester uses Community Development Block Grant Funds to make 0% interest loans available to low-income homeowners and landlords of low-income tenants to renovate existing units to resolve a variety of challenges, including structural failures, code violations, accessibility accommodations, and energy efficiency upgrades. In exchange, rental units in multifamily properties that benefit from the loan funding must agree to an Affordable Housing Restriction (AHR) that deed-restricts the unit for a period of 15 years. At the time of writing, there are currently 62 units across 38 properties on the Subsidized Housing Inventory created through the program, with an additional 46 units across 11 properties in the process of being added.

Housing Size

There is a mismatch between the size of Gloucester households and the type and size of housing units available in the city. Gloucester's existing supply of homes is mostly made up of larger, two- and three-bedroom units, with few choices for smaller homes**. Almost half (49%) of Gloucester's housing stock is housing units with 3 or more bedrooms, while two-bedroom units make up almost one-third[26].** The housing stock among context communities reflects similar trends. Smaller 1- and 2-bedroom homes are a desired option for many households at different stages of life. For younger adults, a 1-bedroom rental may provide independence or a first apartment; for young families, a 2-bedroom home can act as a starter home; for seniors and older adults, smaller homes may be desired to downsize in order to age in place. Two- and three-bedroom homes are much needed in Gloucester as well, but the lack of choice and limited diversity of home sizes in Gloucester does not adequately meet the full range of household needs.

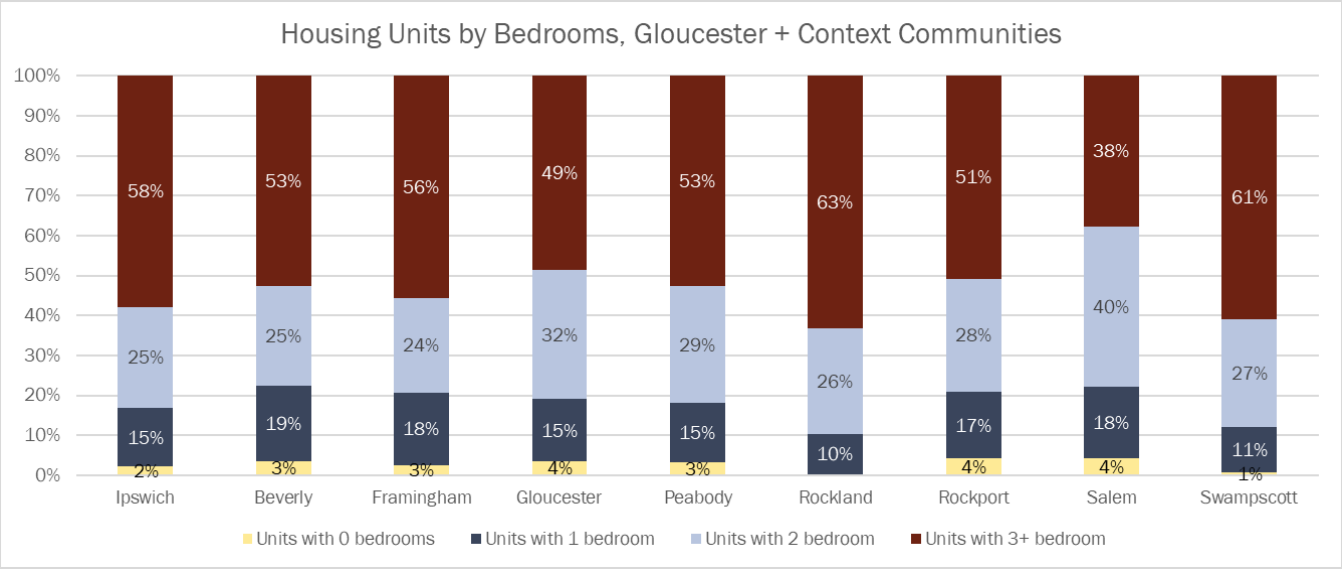
[23] Lead paint, which is highly toxic and dangerous for children was note banned until 1978. The Americans with Disabilities Act, which provides minimum accessibility requirements for multifamily buildings, was not passed until 1990.
[24] Number of investor transactions 2000-2023, MAPC Homes for Profit research
[25] Share flip transactions 2002-2021, MAPC Homes for Profit research
[26] American Community Survey, 5-year estimates, 2019-2023

Figure 17 Housing Units by Number of Bedrooms in Gloucester



Source: American Community Survey, 5-year estimates, 2019-2023

Figure 18 Housing Units by Number of Bedrooms, Gloucester & Context Communities



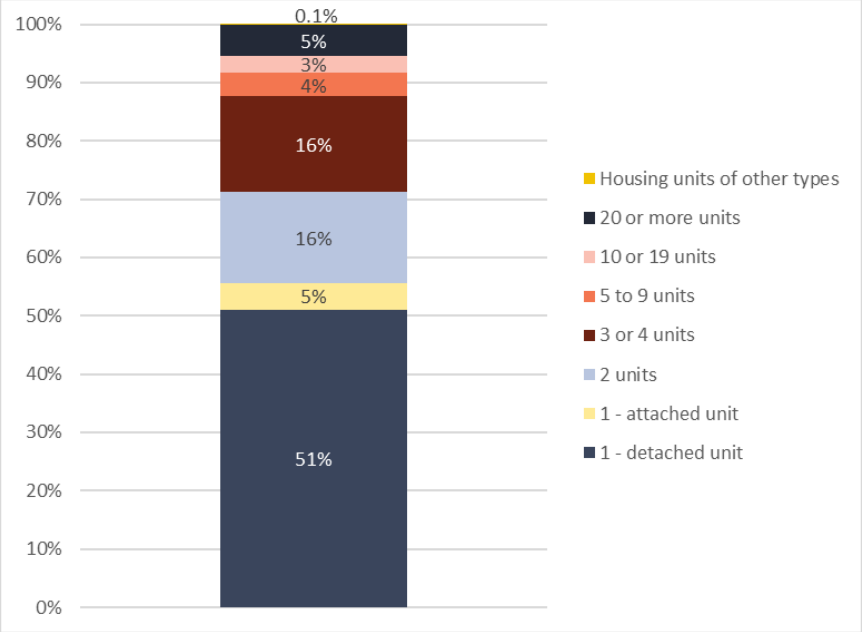
Source: American Community Survey, 5-year estimates, 2019-2023

Housing Type

Single-family homes are the most common housing type in Gloucester, making up about 56% of all housing units[27]. Most of Gloucester's remaining housing supply is in small multifamily buildings with 2 or more units (44%), although larger multifamily buildings, such as the Halyard apartments, have been added to the stock in recent years[28]. Most context communities have a similar share of single-family homes in their housing stock, except for Salem. While single-family homes are a desired home type for many, the high price tag, generated by high demand and limited supply, is a major barrier to entry into Gloucester's housing market.

A more diverse housing supply increases choices for households in the community and reduces some demand pressure. For example, when older residents have greater choices to downsize into smaller homes, existing larger homes open up housing opportunities for younger households and future generations of Gloucester residents.

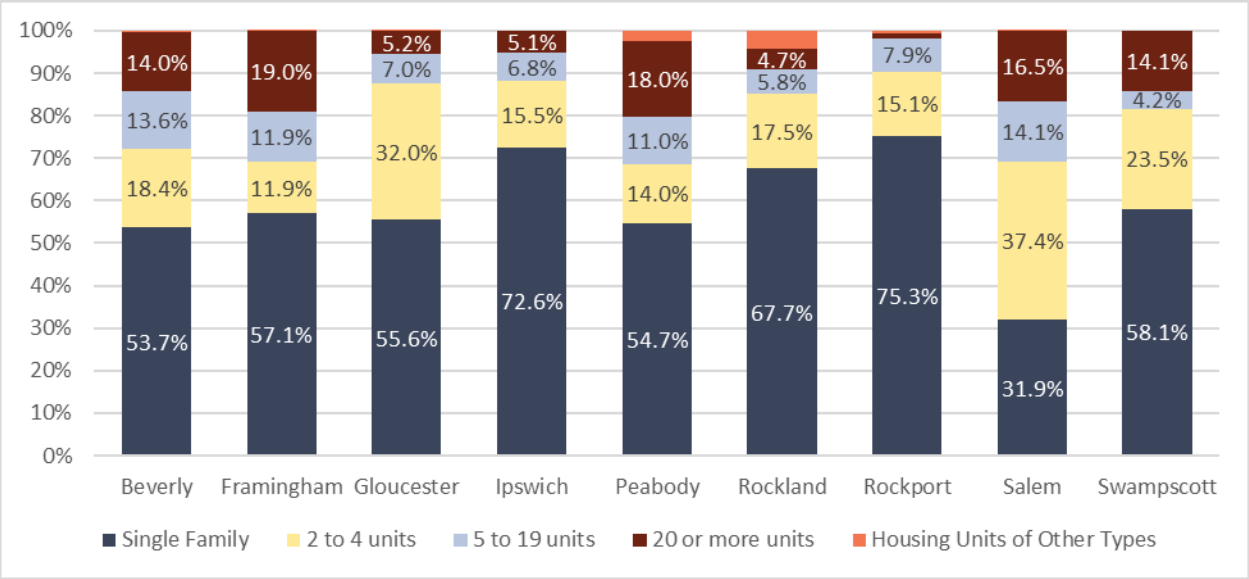
Figure 19 Housing Units by Number of Units in Structure



Source: American Community Survey, 5-year estimates, 2019-2023

[27] American Community Survey, 5-year estimates, 2019-2023
[28] Ibid

Figure 20 Housing Units by Building Type, Gloucester & Context Communities



Source: American Community Survey, 5-year estimates, 2019-2023

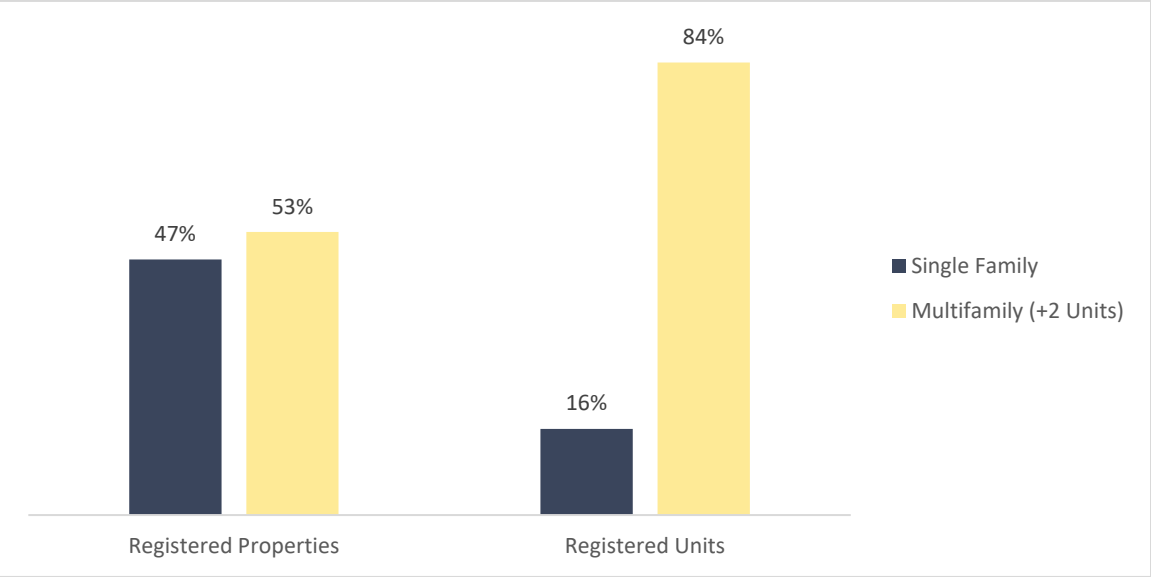
Rental Registry & Rental Supply

Information about the supply of rental homes in Gloucester is not as well defined, making it difficult to understand how that supply meets the need for rental homes in the city. In 2025, the Gloucester Board of Health approved new regulations for rental units to enhance tenant safety and support landlord-tenant relationships. The regulations require rental units to be registered with the Department of Health, creating a rental registry dataset that includes useful information about the type, infrastructure, and lease terms of rental properties in the city.

At the time of writing, approximately 1,684 properties with an estimated 4,918 rental units are registered with the Board of Health, representing most rented housing units in the city.[29]. While single-family homes make up nearly half of all registered rental properties, single-family homes and ADUs make up just 16% of registered rental units. Multifamily properties (properties with two or more rental units) make up roughly 84% of all registered rental units.

[29]American Community Survey estimates for 2019-2023 show an estimated 4,833 renter-occupied housing units, with a margin of error of +/- 572 units. An additional estimated 1,114 units are for Seasonal Use, of which some may be short-term or vacation rentals.

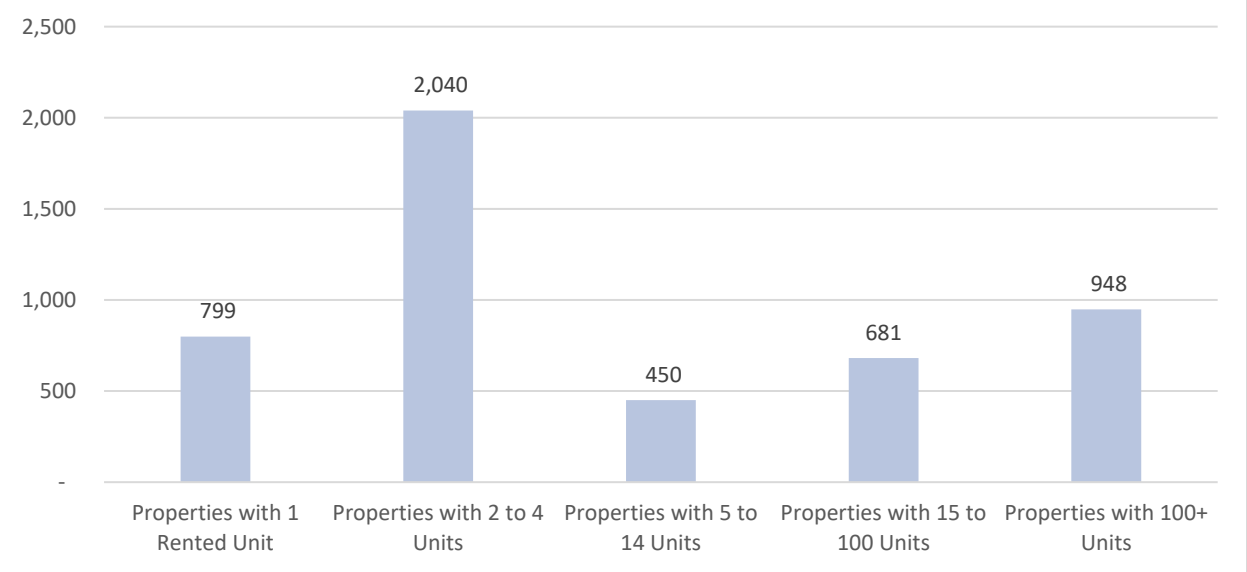
Figure 21 Registered Rental Properties and Units by Property Type



Source: City of Gloucester Rental Registry Data, December 2025

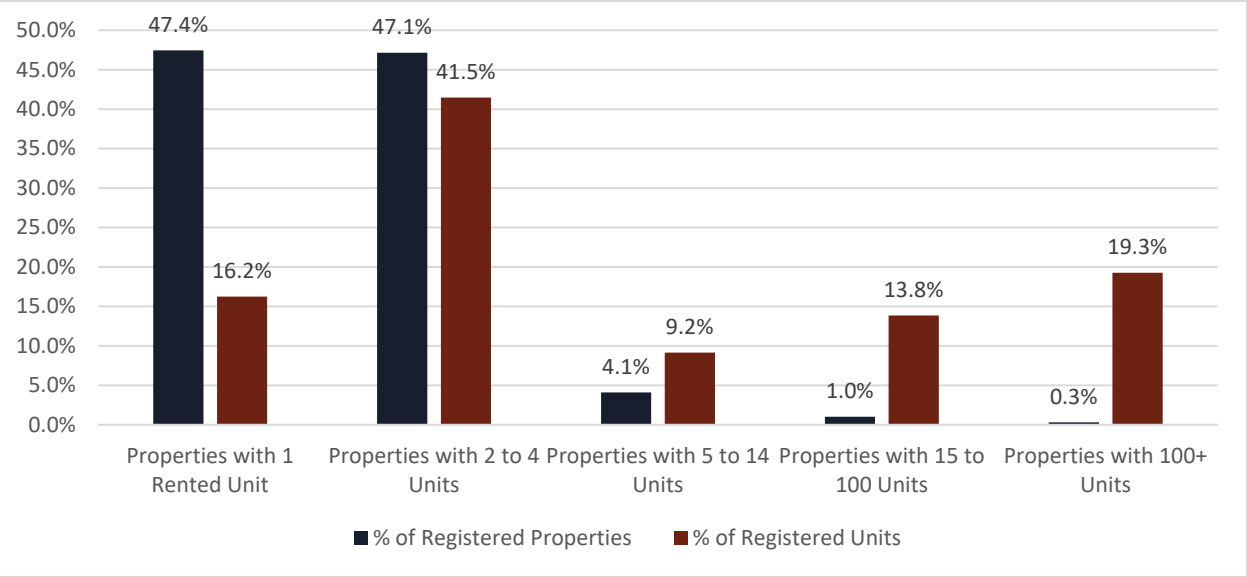
Most registered rental units are in small multifamily properties, with about 41.5% of all registered units in properties with two to four units. While properties with 5 or more units make up just 5.4% of all registered properties, units in these properties make up roughly 42% of all registered units.

Figure 22 Registered Rental Units by Number of Units



Source: City of Gloucester Rental Registry Data, December 2025

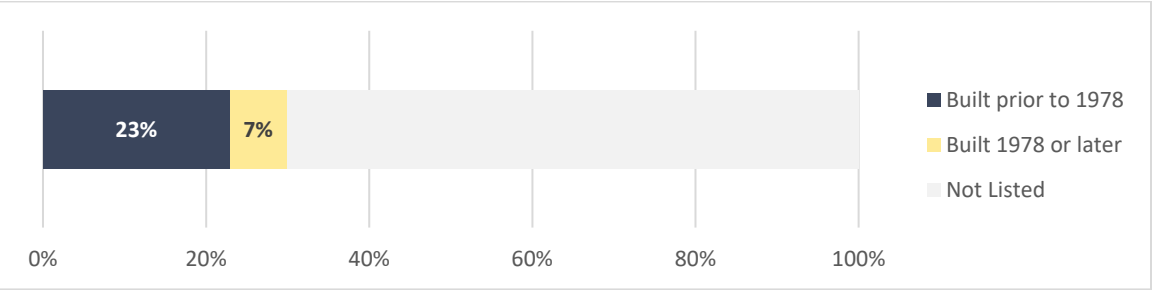
Figure 23 Share of Registered Properties and Units by Number of Units



Source: City of Gloucester Rental Registry Data, December 2025

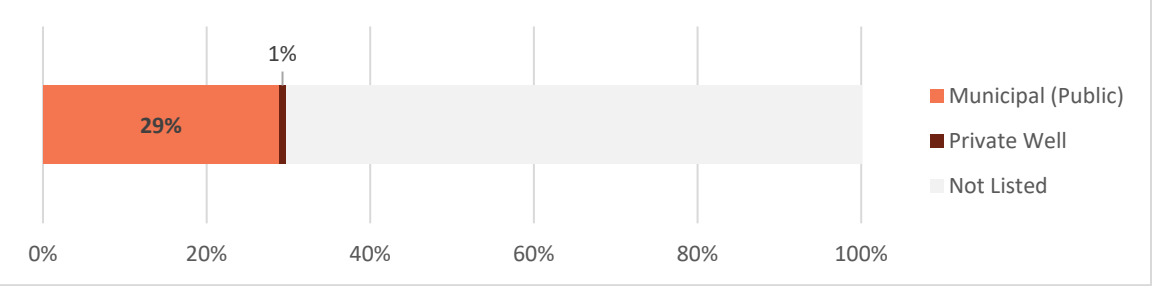
Data is not complete for every registered property, but about 30% of property registrations include additional information about the age of the property, infrastructure, and the length of the lease terms. Alongside the City's short-term rental ordinance, the rental registry can help the City to better track and understand the impacts of short-term and seasonal housing on the broader housing supply.

Figure 24 Registered Properties by Year Built



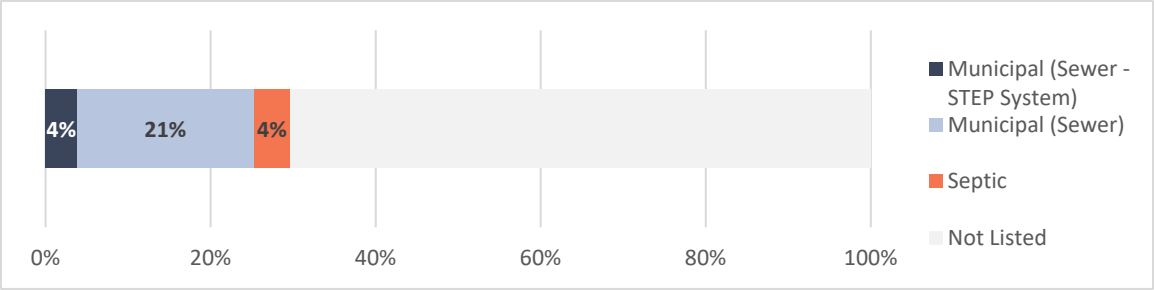
Source: City of Gloucester Rental Registry Data, December 2025

Figure 25 Registered Properties by Water Source



Source: City of Gloucester Rental Registry Data, December 2025

Figure 26 Registered Properties by Wastewater Infrastructure

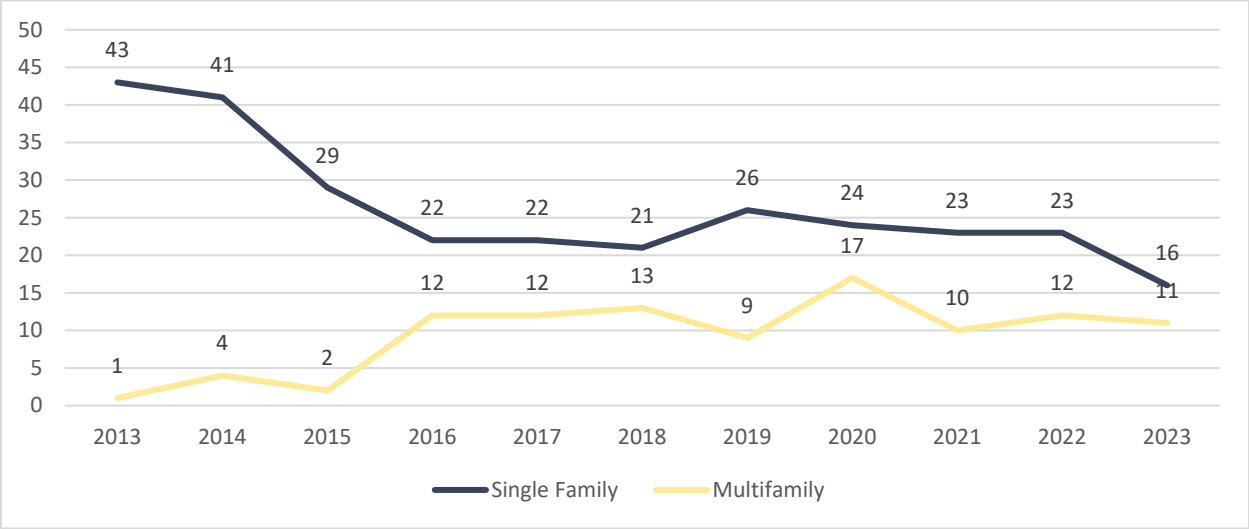


Source: City of Gloucester Rental Registry Data, December 2025

Housing Development Over Time

According to the Census Building Permit Survey, between 2013 and 2023, just shy of 400 buildings were permitted, with the majority (74%) of production being single-family homes[30]. Over time, the number of building permits for multifamily housing has increased, while permits for single-family homes have decreased. Although the trend towards building more multifamily is promising, more housing production is needed to make up for the deficit caused by decades of limited production.

Figure 27 Count of Building Permits by Housing Type

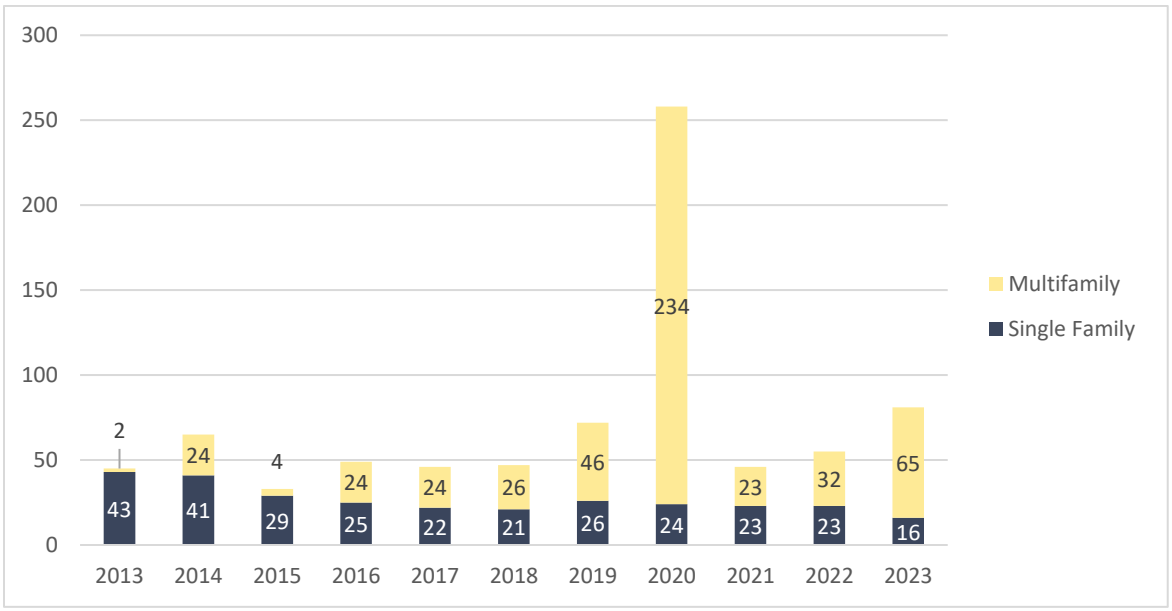


Source: Census Building Permit Survey, 2013-2023

A closer look at the type of multifamily housing shows that the majority of multifamily housing permitted over time is in buildings with 2 units[31]. While buildings with 5 or more units make up a smaller share of permitted projects, they have produced substantially more units of housing compared to 2-unit buildings over the last ten years. Some of this is due to large developments, such as The Halyard Apartments, which is why, in 2020, multi-family unit production was over 200. Additionally, multi-unit buildings with 3 or 4 units account for only 4% of buildings permitted within the last decade and are missing as a scale of housing development in Gloucester.

[30] Census Building Permit Survey, 2013-2023
[31] American Community Survey, 5-year estimates, 2019-2023.

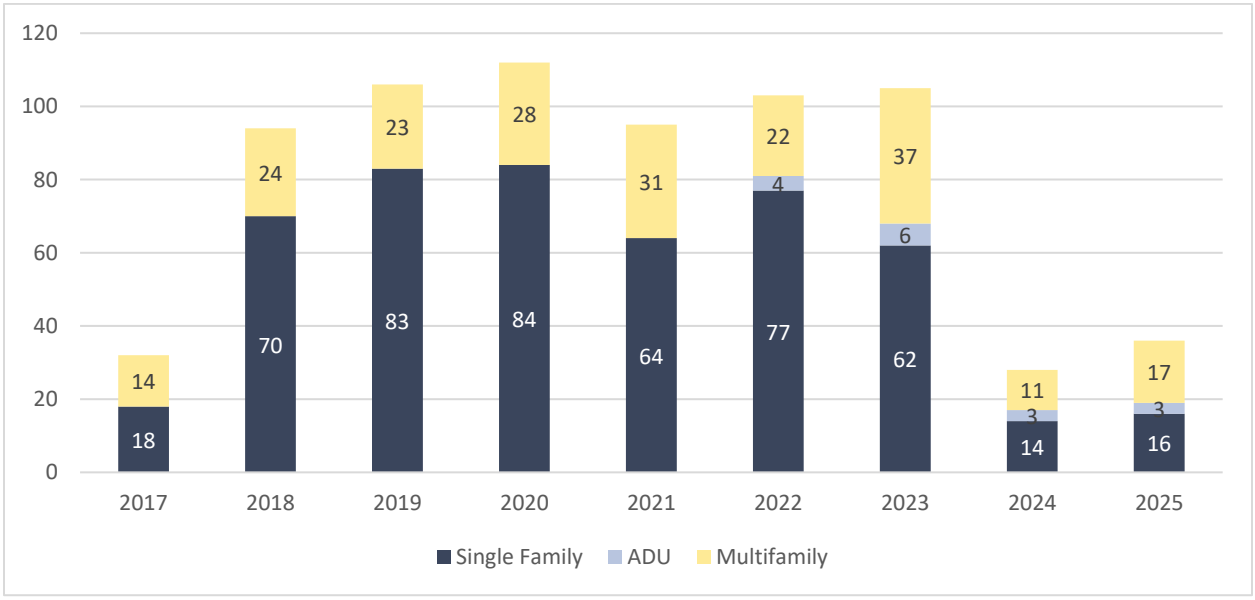
Figure 28 Units Permitted by Building Type



Source: Census Building Permit Survey, 2013-2023

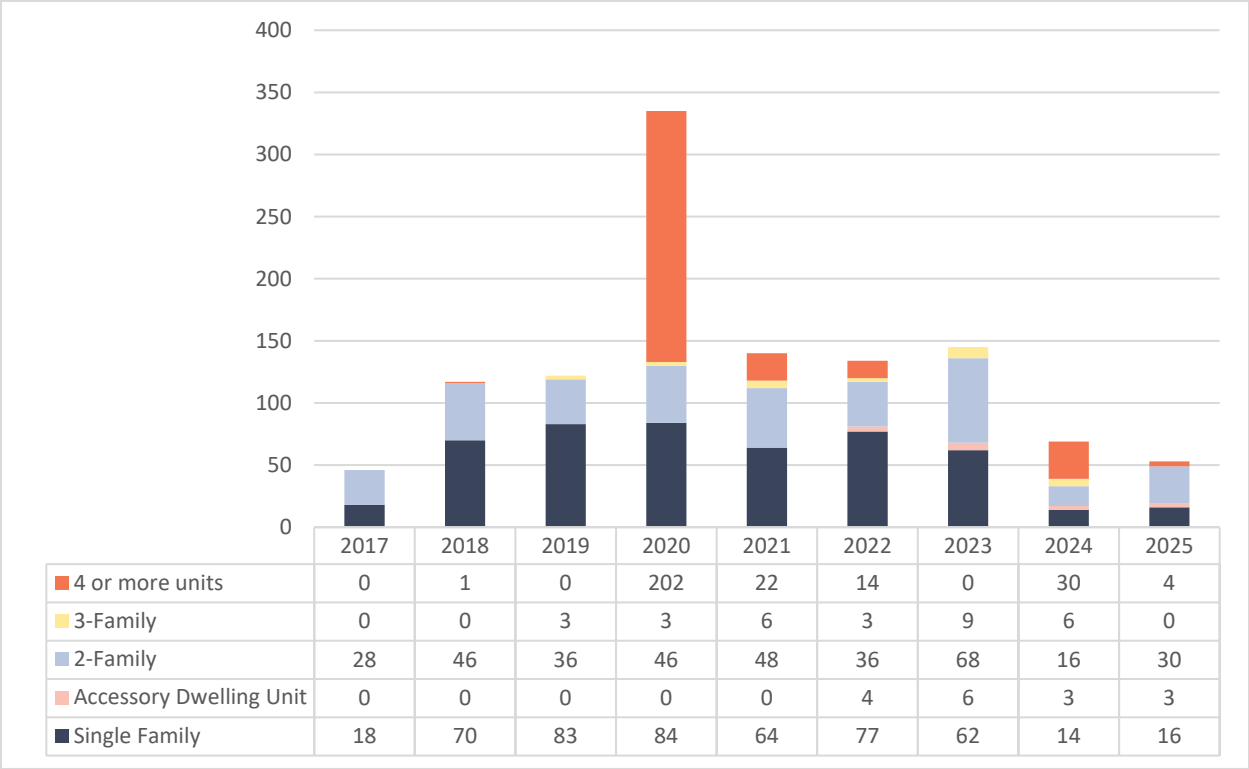
Local permitting data, maintained by the City of Gloucester, offers a more precise look into permitting trends from recent years. Data from 2024 and 2025 shows a decline in building permits for both single-family and multifamily residential buildings, consistent with regional trends. In a time where funding is uncertain, interest rates are high, and building costs continue to escalate, it is not surprising that we see reduced permitting of new units, making it all the more important to encourage desired housing development. Similar to the trends highlighted in the Census Building Permit data, multifamily buildings continue to make up an increasing share of all residential building permits and represent a large share of the units permitted.

Figure 29 Residential Building Permits by Building Type, 2017-2025



Source: City of Gloucester, Building Permit Data, 2017-2025

Figure 30 Estimated Units Permitted by Building Type, 2017-2025



	2017	2018	2019	2020	2021	2022	2023	2024	2025
4 or more units	0	1	0	202	22	14	0	30	4
3-Family	0	0	3	3	6	3	9	6	0
2-Family	28	46	36	46	48	36	68	16	30
Accessory Dwelling Unit	0	0	0	0	0	4	6	3	3
Single Family	18	70	83	84	64	77	62	14	16

Source: City of Gloucester, Building Permit Data, 2017-2025

Recent permitting includes one new development (50R Maplewood, 40B Development, 30 rental units) and two conversions (58 Granite Street, 2 units to 4 units, 67 Middle Street, Affordable Housing rehabilitation from 22 to 28 units).

Seasonal Home Use

Seasonal home use and availability impact access to housing in Gloucester. The supply of homes is further limited by the number of housing units that are short-term or vacant, particularly those reserved for seasonal use. About 10% of Gloucester's housing stock is considered vacant; however, most of those units (an estimated 77%) are for seasonal or recreational use[32]. In other words, nearly 8% of units are occupied for only part of the year, limiting options for year-round residents. Among context communities, Gloucester has the second-highest share of seasonal units, behind only Rockport.

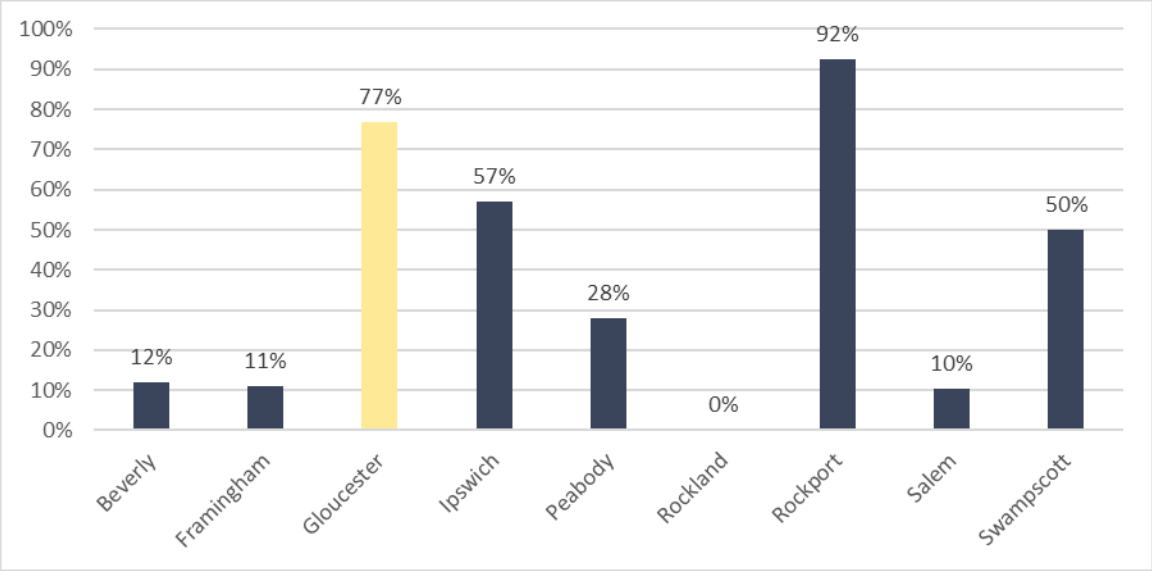
Seasonal and short-term rentals can be difficult to identify and quantify, but anecdotal evidence and review of local rental listings indicate that many homes are rented for six months at a time. In 2025, the City began implementing a new rental registry that requires landlords to register rental properties with the City and include information about the property and units rented. Only about 30% of all registered units indicate the length of the rental term; even so, the rental units listed as short-term or seasonal make up about 10% of all registered units[33]. Census data estimates 1,114 of Gloucester's total housing units are for Seasonal Use, of

[32] American Community Survey, 5-year estimates, 2019-2023

[33] City of Gloucester Rental Registry Data. The Rental Registry and Short-Term Rental Ordinance define "short-term rentals" as units that are rented for less than 30-days at a time. "Seasonal" is not defined but is generally understood to refer to units rented just in the summer or just in the off season.

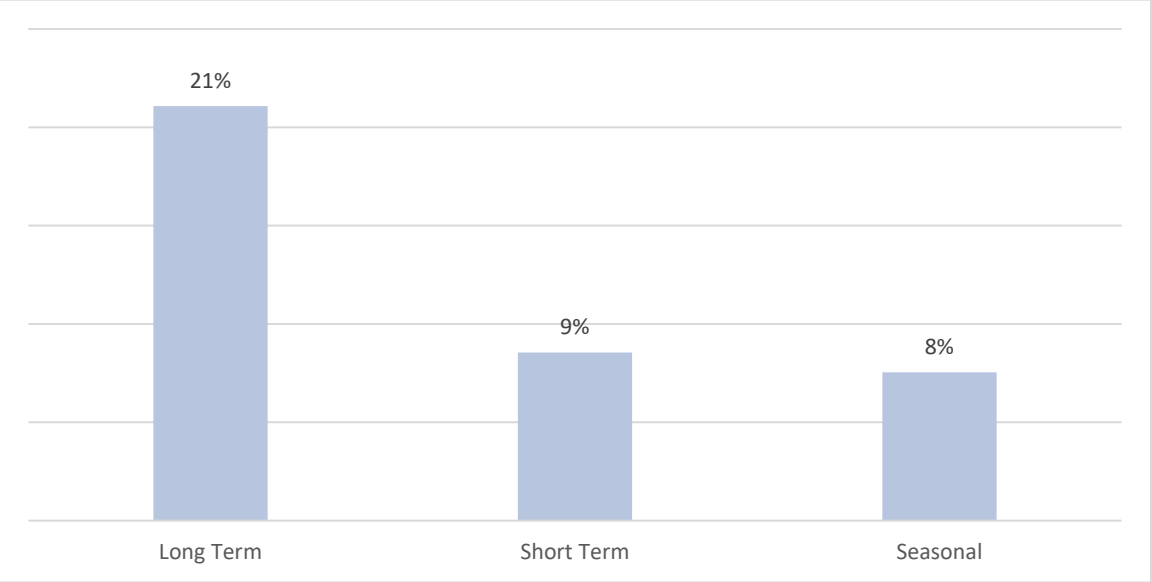
which some may be short-term or vacation rentals. Compared to Census estimates for housing units for Seasonal Use, the registered units likely undercount seasonal and short-term rentals in Gloucester. Strategies are needed to balance the need to provide lodging and accommodations that support the city's tourism economy and seasonal workers with the need for more homes for year-round residents.

Figure 31 Seasonal Units as a Share of Vacant Units, Gloucester & Context Communities



Source: American Community Survey, 5-year estimates, 2019-2023

Figure 32 Registered Rental Units by Rental Type



Source: City of Gloucester Rental Registry Data, 2025. Only about 30% of all registered units indicate the rental type and among those that do indicate rental type, some properties are listed as more than one rental type.

Housing Costs & Affordability

To understand housing affordability in Gloucester, we take a closer look at how market-rate housing costs compare to what Gloucester households are able to afford. Generally, a home is considered affordable when a household spends no more than 30% of its income to cover housing costs like rent or mortgage payments, insurance, and utilities. Households that spend more than 30% of their income on housing costs are considered cost burdened by their housing. We then analyze the existing supply of deed-restricted Affordable Housing to understand the options available to Gloucester residents who cannot afford the costs of market-rate housing.

Market Housing Costs

Housing costs in Gloucester have increased rapidly in recent years, far outpacing increases in local household incomes and what the average Gloucester household can afford. This burden is felt particularly among renter households, who are more likely to have lower incomes and fewer options to choose from in the city. Likewise, rising home sale prices limit homeownership opportunities for many Gloucester households who cannot afford to make an entry into the market.

Market Rents

In 2024, median rents in Gloucester are about $1,800 for a one-bedroom unit, $2,200 for a two-bedroom unit, and $2,825 for a three-bedroom unit[34]. According to the MAPC Rental Listings database, which pulls data from online rental listings, median rents in Gloucester increased by more than $500 per month between 2019 and 2024 – an increase of nearly 40% for one-bedroom units and 30% for two-bedroom units. American Community Survey data is less reliable for rental figures because rents change rapidly, and this is sample data. Still, American Community Survey figures show a similar trend, estimating that median rents for one- and two-bedroom units increased by about 20% between the 2018 and 2023 5-year estimate windows.

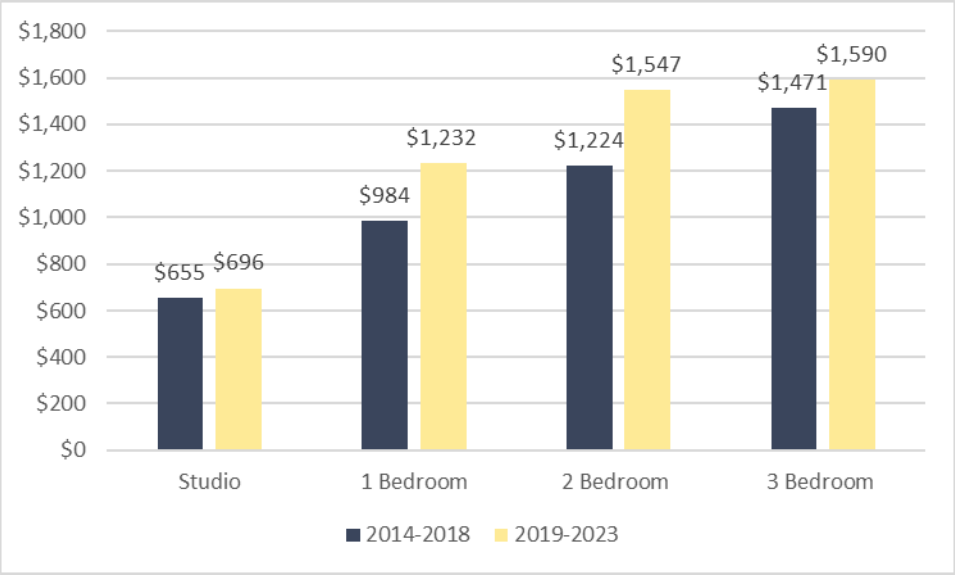
Table 2 Estimated Median Market Rents, 2024, Gloucester

Unit Size	2024 Median Rent
Studio	$1,150
1-Bedroom	$1,800
2-Bedroom	$2,200
3-Bedroom	$2,825
4-Bedroom	$3,750

Source: MAPC Rental Listings Database, 2024 Median Rent by Number of Bedrooms

[34] MAPC Rental Listings Database, 2024

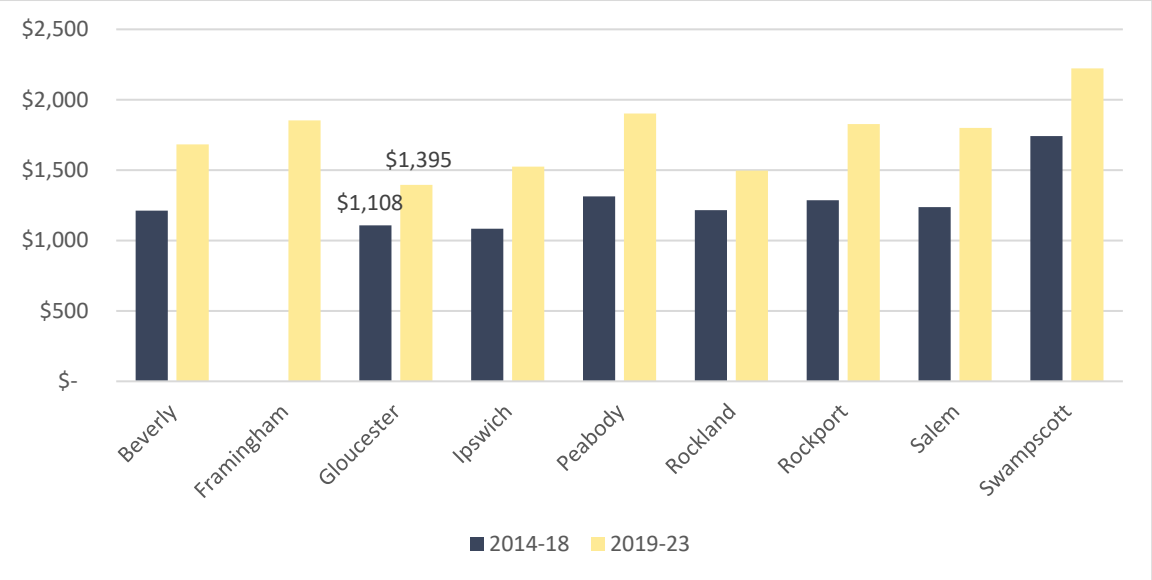
Figure 33 Median Rent by Number of Bedrooms, 5-year Increase, Gloucester



Source: American Community Survey, 5-year estimates, 2019-2023

While these increasing costs are well beyond what many Gloucester households can afford, compared to other context communities, median rents in Gloucester have increased more slowly over the last five years[35]. In practice, Gloucester residents seeking more affordable rents are unlikely to find them in neighboring communities and attention is needed to create more affordable rental options for Gloucester residents to remain in the community.

Figure 34 5-year Increase in Median Gross Rent, Gloucester & Context Communities



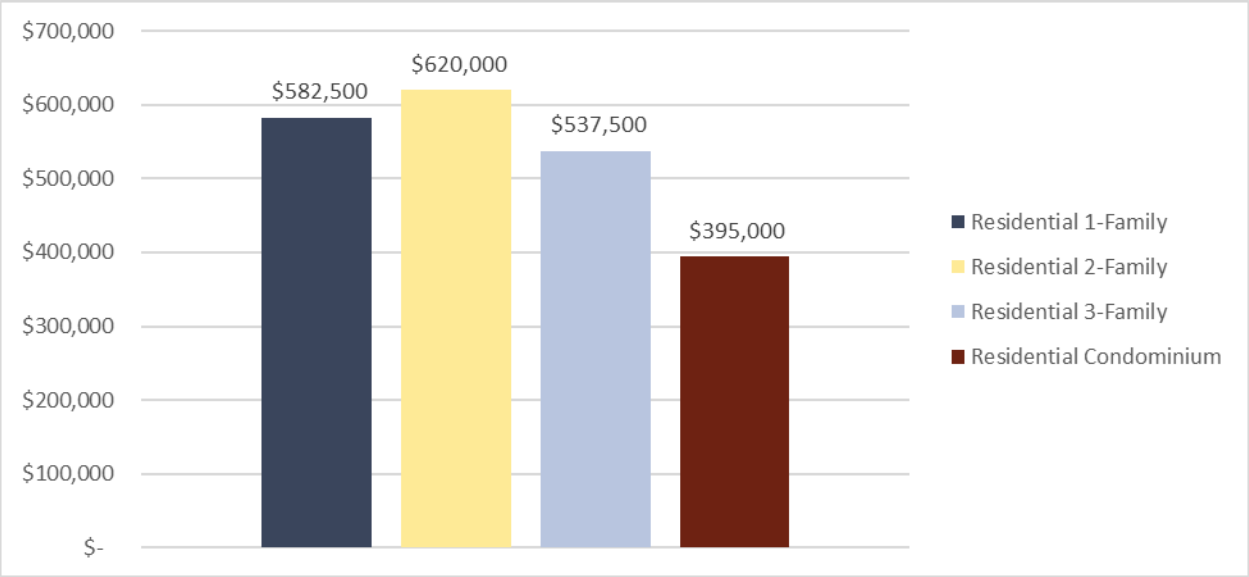
Source: American Community Survey, 5-year estimates, 2014-2018, 2019-2023

[35] American Community Survey, 5-year estimates, 2014-2018, 2019-2023

Market Home Sale Prices

As in many communities across the region, the cost to buy a home in Gloucester has increased significantly over time and rapidly in recent years. In 2025, the median sale price for a single-family home was around $715,000[36]. Between 2013 and 2023, the median home sale price for a single-family home in Gloucester increased by nearly 48%, an increase of about $188,200[37].

Figure 35 2023 Median Home Sale Price by Sale Type, Gloucester

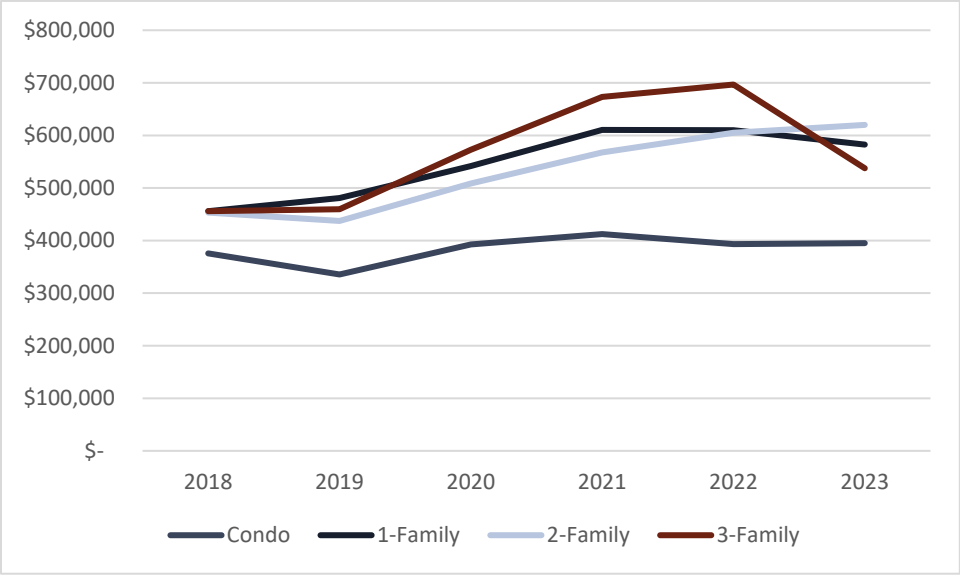


Source: Warren Group Data; values are shown in 2023 dollars

Home sale prices in Gloucester have been steadily increasing since 2013, with a more rapid increase in median home sale prices between 2019 and 2022[38]. Median home sales peaked in 2022, with the median sale price for single-family, two-family, and three-family homes all above $600,000[39]. In general, home sale prices have increased regionally since 2020, in part due to the COVID-19 pandemic. During the pandemic, lower interest rates and more opportunities for remote work increased housing demand, particularly in communities further from Boston. Increasing demand in communities like Gloucester, coupled with limited supply and availability of homes, drives up home prices and prices out many Gloucester households from purchasing a home in the city.

[36] Warren Group, December 2025 YTD Median Sale Price for Single Family Homes, Gloucester
[37] Warren Group Data 2003-2023; values are adjusted for inflation and calculations are in 2023 dollars
[38] Ibid
[39] Ibid

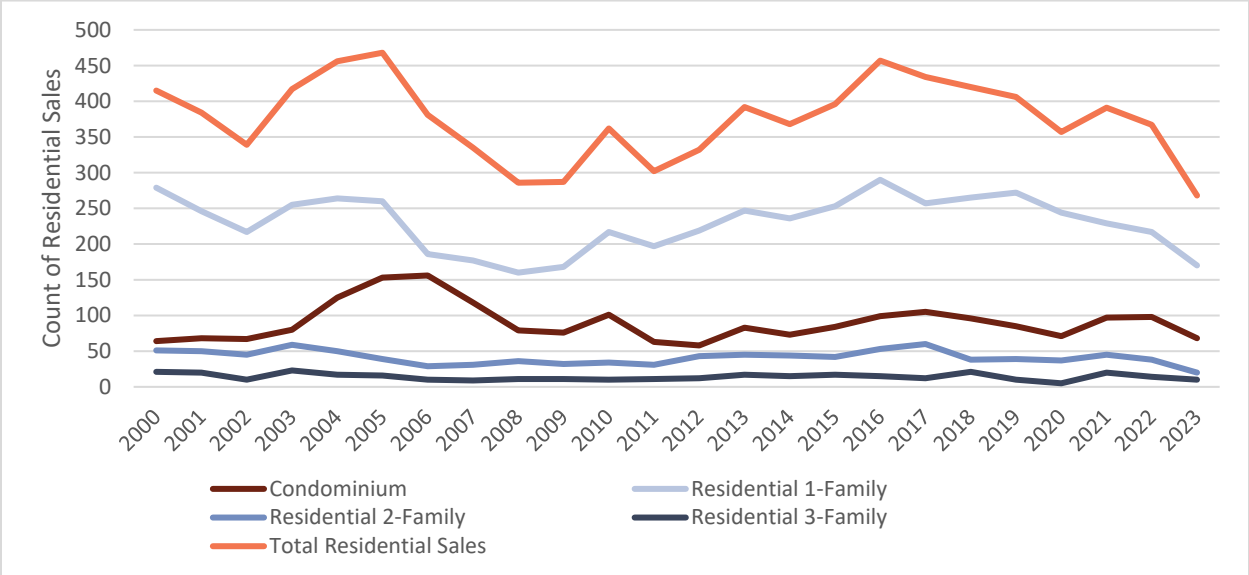
Figure 36 Change in Median Home Sale Prices by Sale Type 2018-2023, Gloucester



Source: Warren Group Data; values are adjusted for inflation and shown in 2023 dollars

Between 2000 and 2023, the annual count of residential sales in Gloucester has remained relatively consistent, ranging from 268 to 468 sales in any given year. Since 2020, the annual count of sales saw a peak in 2021 and decreased slowly through 2023. Climbing interest rates likely contributed to the significant drop in the total count of residential sales in 2023.[40] Notably, 2023 has the lowest count of sales of any year in the twenty-year period from 2003 -2023.

Figure 37 Count of Residential Sales by Sale Type, 2000-2023, Gloucester

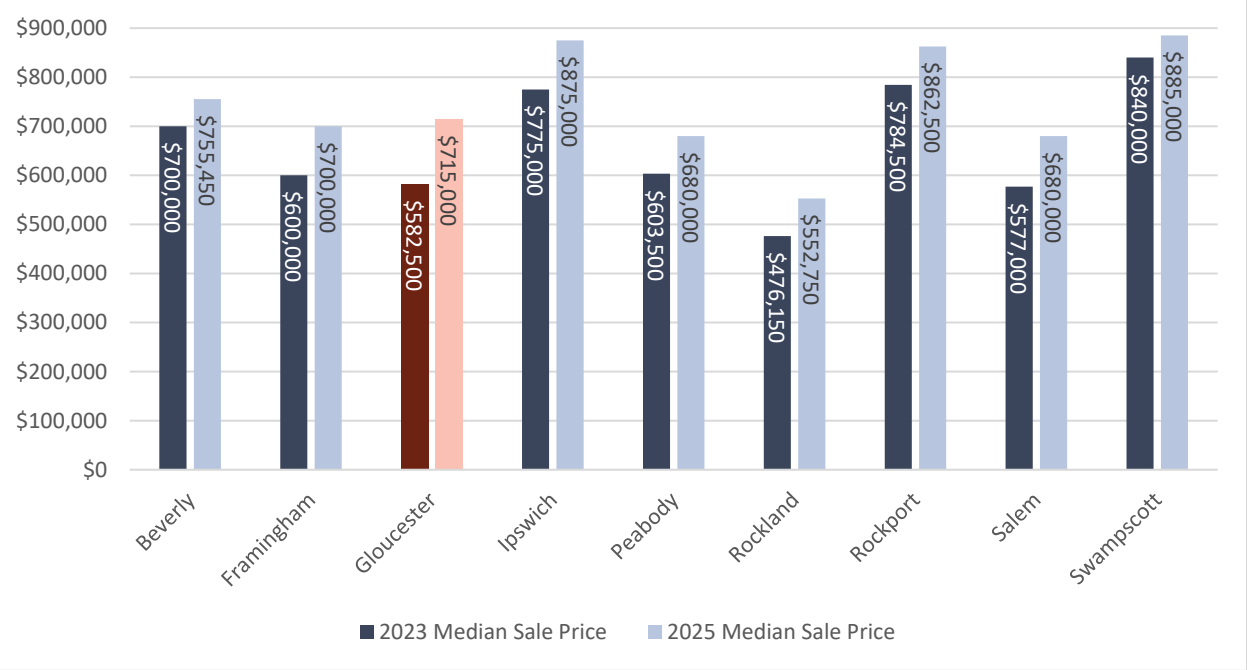


Source: Warren Group Data, 2000-2023

[40] Warren Group Data 2003-2023; values are adjusted for inflation and calculations are in 2023 dollars

As with market rents, median home sale prices in Gloucester are moderate compared to context communities. Even so, these prices put homeownership out of reach for many Gloucester households. To afford the median home sale price in Gloucester in 2025, a household would need an income of at least $183,000 per year and around $143,000 in savings for a standard 20% down payment[41]. In the next section, we take a closer look at households by income type and what Gloucester households can afford.

Figure 38 2023, 2025 Median Single-Family Home Sale Price, Gloucester & Context Communities



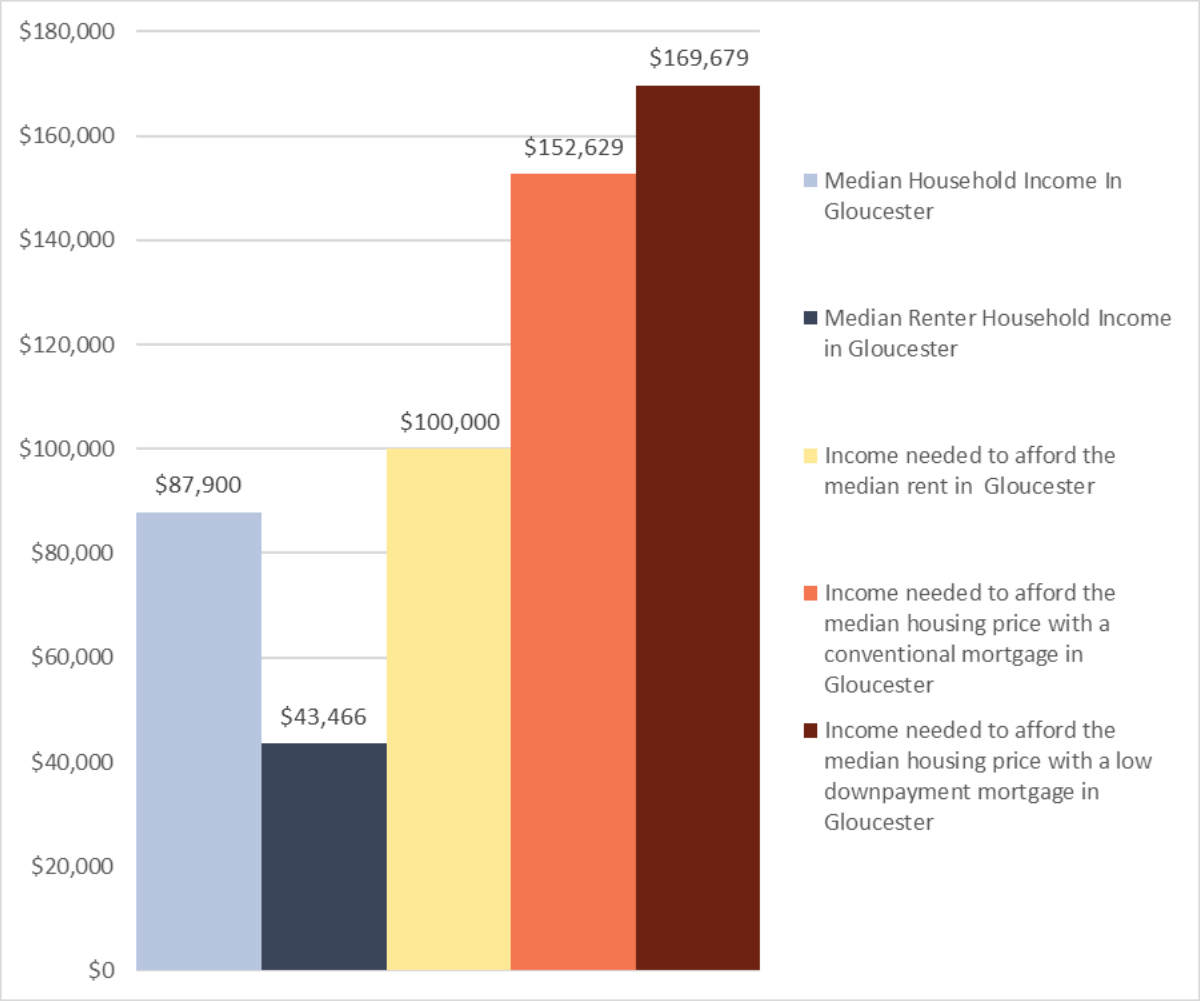
Source: Warren Group Data 2023, 2025; values are not adjusted for inflation

[41] The Warren Group, 2025; MAPC calculations. The affordability calculation budgets $300 per month for utilities, $100 per month for insurance, and assumes property taxes at a rate of $9.72 per $100,000 of assessed values, where the assessed value is equal to home price.

Income & Housing Costs

To understand what households in Gloucester can afford, we take a closer look at household incomes. In 2023, the median household income in Gloucester is estimated at $43,466 for renter households (about 37% of households) and $121,558 for homeowner households (about 63% of households)[42]. The chart below shows the gap between median household incomes in Gloucester and the income needed to afford market-rate housing costs in the city.

Figure 39 Gloucester Affordability Gap



Source: American Community Survey 5-year estimates, 2019-2023; MAPC Rental Listings Database, 2024; The Warren Group, 2023; MAPC calculations

The income needed to afford market rents is more than double the median household income for renters, and the income needed to afford the median home sale price is more than three times the median renter income. The median homeowner household, with a household income around $120,000, is likely able to afford median rental costs, but likely could not afford to purchase a home at the median sale price in Gloucester. In practice, this means that some homeowner households are unlikely to be able to purchase a home to relocate within Gloucester. This issue has a big impact on seniors and older adults who may wish

[42] American Community Survey, 5-year estimates, 2019-2023

to downsize but cannot afford other homes in Gloucester, keeping them in homes that may no longer meet their needs and preventing those homes from transitioning to the next generation of homeownership in Gloucester.

Median household income in Gloucester is lower than the Area Median Income. Area Median Income, or AMI, is the standard used to describe household income levels and determine eligibility for most housing assistance programs, including deed-restricted Affordable Housing units and various voucher programs, and represents a regional median (rather than a local one). For Gloucester in 2023, the Area Median Income used to determine eligibility and set affordable rents for deed-restricted units was $149,300[43]. Importantly, this is higher than the local median income for both homeowners and renters in Gloucester and roughly $60,000 more than the median household income[44]. The Area Median Income changes annually. The chart below shows the HUD Area Median Family Income Limits (HAMFI) for FY2025 increasing to $160,900, an increase of about 8% from FY2023.

Table 3 FY2025 HUD Area Median Family Income Limits (HAMFI)

2025 HAMFI		1-Person Household	2-Person Household	3-Person Household
$160,900	**30% AMI** Extremely Low-Income	$34,750	$39,700	$44,650
	50% AMI Very Low-Income	$57,900	$66,200	$74,450
	80% AMI Low-Income	$92,650	$105,850	$119,150

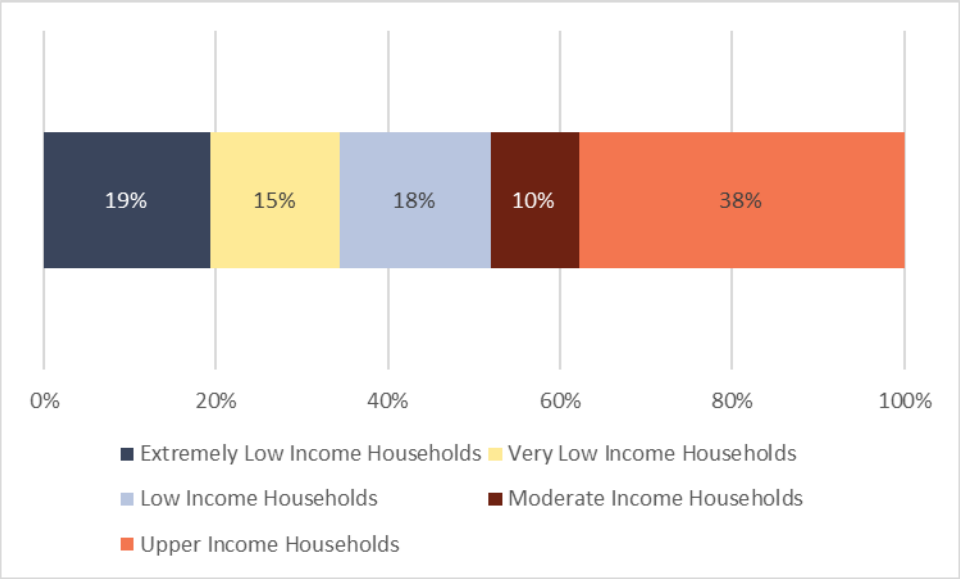
Source: U.S. Department of Housing and Urban Development FY2025, Boston – Cambridge-Quincy, MA-NH HUD Metro FMR Area

Low-Income Households

More than half of households in Gloucester have incomes that make them eligible for deed-restricted Affordable Housing. An estimated 6,835 households (about 52% of all Gloucester households) qualify as low income under the federal definition, with 19% of all households defined as extremely low-income[45]. Because household incomes in Gloucester are lower than household incomes region wide, many Gloucester households, including many of the city's essential workers, meet the low-income threshold and are potentially eligible for Affordable Housing based on their income. Additionally, because rents for deed-restricted Affordable Housing are often set by calculating a rent that is affordable to a household at 50-80% of the Area Median Income, even "Affordable Housing" is not affordable for many Gloucester households.

[43] U.S. Department of Housing and Urban Development (HUD), Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area; FY2023 value is used to compare to most recent ACS data (2019-2023 5-year estimates)
[44] American Community Survey, 5-year estimates, 2019-2023
[45] Comprehensive Housing Affordability Strategy (CHAS), 5-year estimates, 2017-2021; extremely low-income refers to households with incomes at or below 30% of AMI.

Figure 40 Households by Income Type, Gloucester



Source: Comprehensive Housing Affordability Strategy (CHAS), 5-year estimates, 2017-2021

Among low-income households, need is split across income types, with the greatest need among Extremely Low-Income households.[46]. Households making 80% AMI are around 18% of all low-income households. Very Low-Income households (50 to 80% of AMI) make up 15% of Gloucester households.[47] and earn between $57,000 and $74,000, depending on household size. 19% of Gloucester households are considered Extremely Low-Income.[48], meaning households with incomes around $44,000 or less. Moderate-Income households represent the smallest proportion of households, indicating widening wealth gaps among Gloucester households. Moderate-income households may struggle to remain in the city.

In Gloucester, "low-income" households include many of the city's essential workers and people at the heart of Gloucester's economy. Data available through the North America Industry Classification System (NAICS) indicates that the Manufacturing, Health Care and Social Services, Retail Trade, and Accommodation and Food Service industries make up the largest shares of employment in Gloucester. The table below shows the average weekly wages for workers by industry and estimates affordable monthly housing costs for those workers based on 30% of their estimated wages. Average wages place workers across many of Gloucester's largest industry sectors at or below the "low-income" threshold. Unless these workers are in a household with a higher-income person, they likely struggle to afford housing costs in the city.

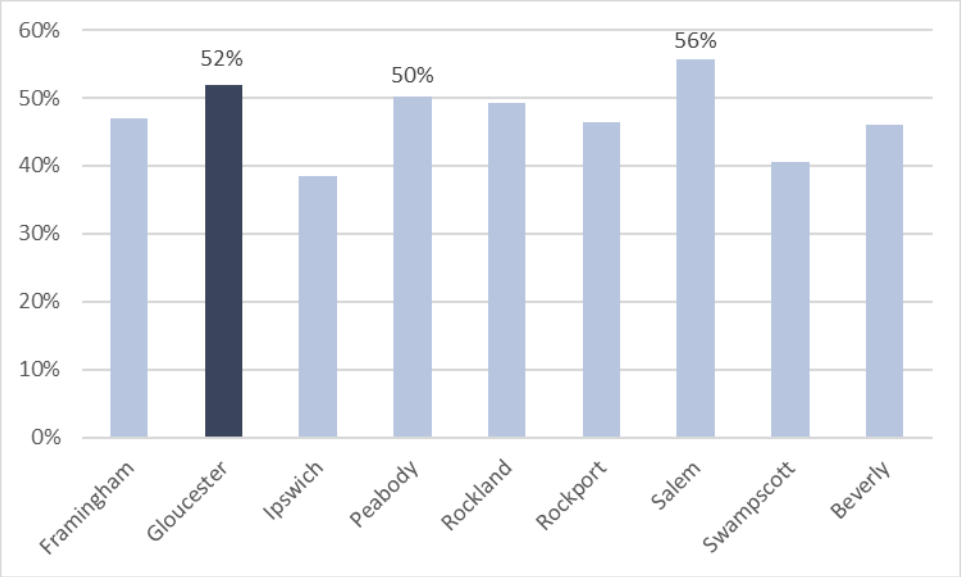
[46] Comprehensive Housing Affordability Strategy (CHAS), 5-year estimates, 2017-2021
[47] Ibid
[48] Ibid

Figure 41 Average Weekly Wages among top Industries in Gloucester, 2022

NAICS Industry	2022 Average Weekly Wages	Est. Annual Wages	Est. Affordable Monthly Housing Costs
Manufacturing	$2,321	$120,692	$3,017
Health Care & Social Assistance	$1,056	$54,912	$1,373
Retail	$757	$39,364	$984
Accommodation & Food Services	$631	$32,812	$820
Public Administration	$1,518	$78,936	$1,973
Arts, Entertainment, and Recreation	$1,013	$52,676	$1,317

Source: NAICS Employer and Wages by Industry, Gloucester, 2022, MAPC Calculations.[49]

Figure 42 Share of Low-Income Households, Gloucester & Context Communities

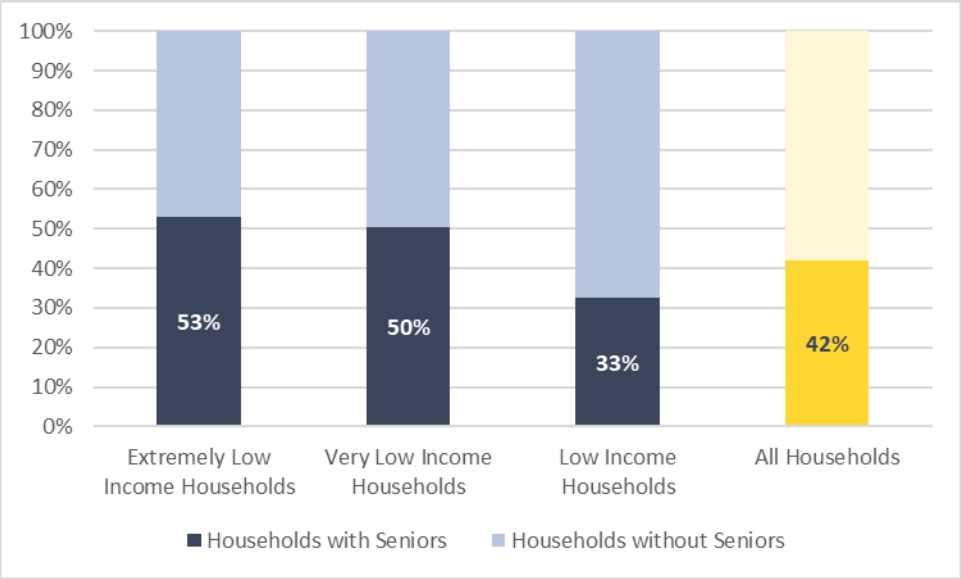


Source: Comprehensive Housing Affordability Strategy (CHAS), 5-year estimates, 2017-2021

Older adult and senior households make up a significant share of low-income households. While households with seniors make up about 42% of *all* Gloucester households[50], households with seniors make up about 45% of *all low-income households*, including more than half of Extremely Low- and Very Low-Income households. Seniors and older adults on fixed incomes often struggle to pay for escalating costs of homeownership and can't cover the costs to downsize based on what is available in the marketplace.

[49] Housing costs, inclusive of rent or mortgage payments, insurance, and utilities, are considered "affordable" when those costs make up no more than 30% of a households monthly income. To estimate "Affordable Monthly Housing Costs" we calculated 30% of the estimated monthly wages for each industry (estimated annual wages divided by twelve). These numbers are estimates to demonstrate generally what could be considered affordable to people in different industries with different incomes and is not intended to reflect individual circumstances.
[50] American Community Survey, 5-year estimates, 2019-2023

Figure 43 Share of Low-Income Senior Households



Source: Comprehensive Housing Affordability Strategy (CHAS), 5-year estimates, 2017-2021

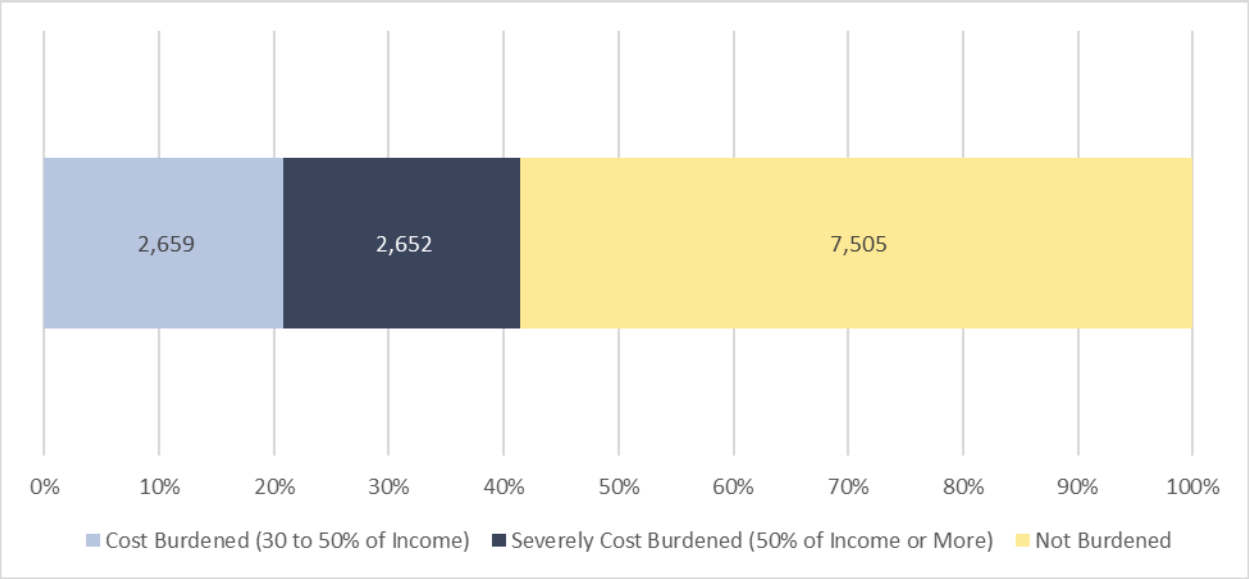
Housing Cost Burden

Many Gloucester households pay more than they can afford for housing. A household is considered cost-burdened when it spends more than 30% of its household income on housing costs, like rent or mortgage payments and utilities. A household is considered severely cost-burdened when it spends more than half of its household income on housing costs. **In Gloucester, 41% of all households are cost-burdened. Among cost-burdened households, half are severely cost-burdened – paying more than half of household income towards housing costs**[51]**.** Despite comparatively more moderate market housing costs, ACS data estimates that Gloucester has the second highest rate of housing cost burden among context communities.

Cost-burdened households are more vulnerable to displacement or loss of housing, as one unexpected expense, a change in financial situation, or a rapid increase in housing costs can easily destabilize household finances and force households to make difficult choices between paying for housing and other essential needs like groceries or health care. Increasing the supply of housing that is affordable to Gloucester households works to reduce housing cost burden and, by extension, improve housing stability in the community.

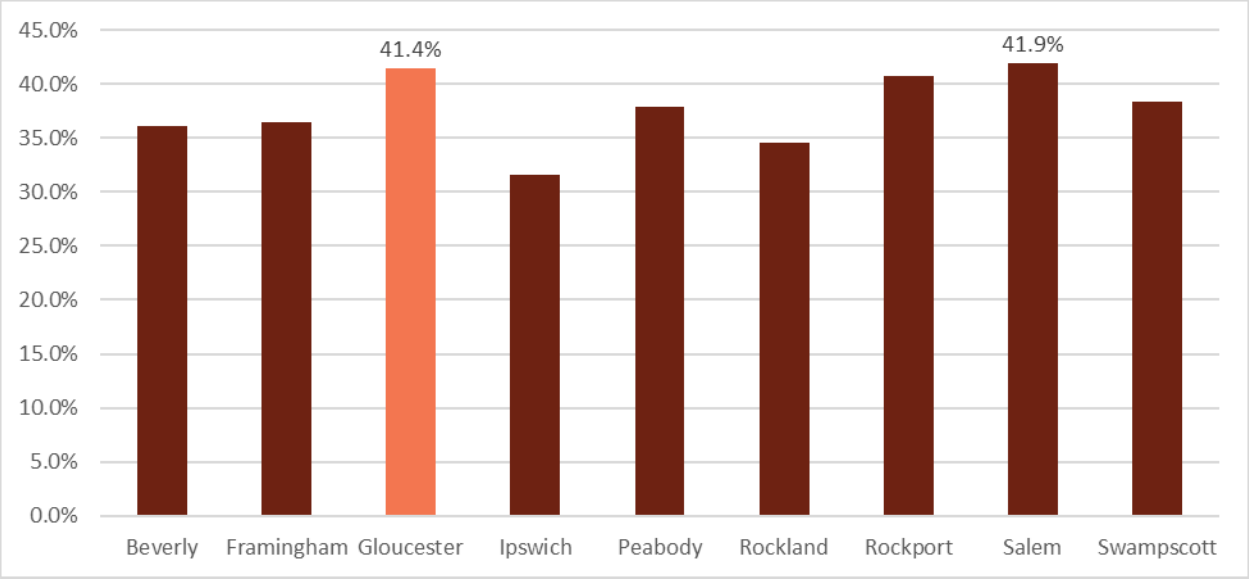
[51] American Community Survey, 5-year estimates, 2019-2023

Figure 44 Cost-Burdened Households, Gloucester



Source: American Community Survey, 5-year estimates, 2019-2023

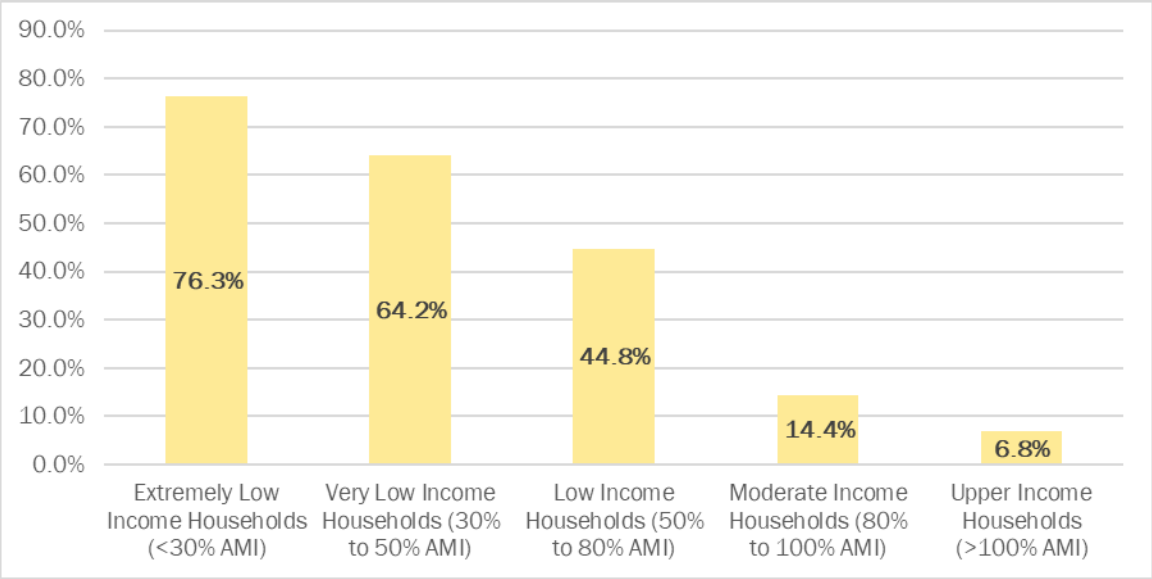
Figure 45 Rates of Cost-Burdened Households, Gloucester & Context Communities



Source: American Community Survey, 5-year estimates, 2019-2023

Low-Income households in Gloucester are more likely to be cost burdened by housing. About 76% of Extremely Low-Income households, or households with income below 30% of AMI, experience housing cost burden in Gloucester. For households in this income level, housing cost burden can be particularly destabilizing and often places these households not just at risk of displacement, but of experiencing homelessness as their housing costs become increasingly unaffordable. Importantly, in Gloucester, households with seniors make up a disproportionate share of households with incomes at or below 30% of the Area Median Income.

Figure 46 Rate of Household Cost Burden by Income Type

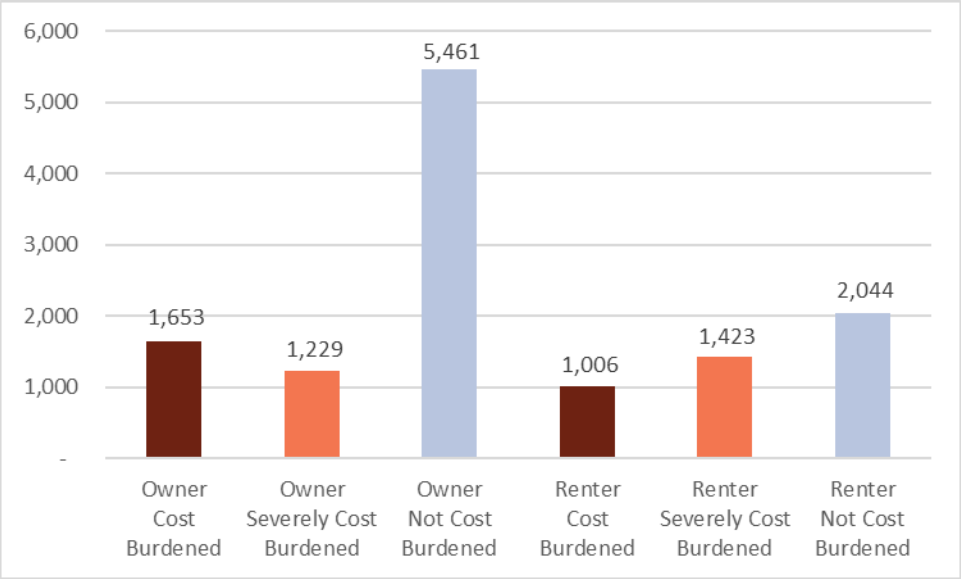


Source: Comprehensive Housing Affordability Strategy (CHAS), 5-year estimates, 2017-2021

Both homeowners and renters experience housing cost burden in Gloucester. While homeowners make up about half of all cost burdened households (54%), renter households see much higher rates of cost burden compared to homeowner households with about 50% of all renter households experiencing some form of cost burden compared to just 35% of homeowner households[52]. Recent analysis by Harvard's Joint Center for Housing Studies shows that housing cost burden among homeowner households is increasing nationwide[53], with significant growth in burdens among older homeowners. The research suggests that "while mortgages remained the largest single housing expense for most homeowners, non-mortgage costs of home insurance, property taxes, utilities, and routine home maintenance have increased more rapidly since the pandemic"[54]. The estimated rate of housing cost burden among homeowner households in Gloucester is most similar to Swampscott and is the highest among context communities[55]. In Gloucester, many families pass down homes between generations as a way for people of modest means to stay in the city; this may also contribute to Gloucester's high rate of cost burden among homeowner households. Strategies and solutions are needed to address housing cost burden for both renter and homeowner households in Gloucester.

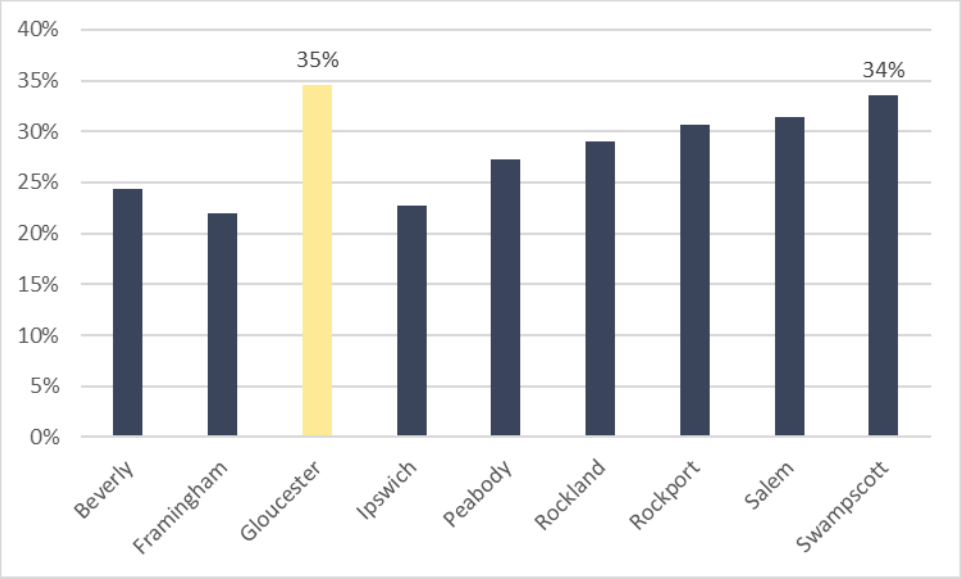
[52] American Community Survey, 5-year estimates, 2019-2023
[53] Daniel McCue, Whitney Airgood-Obrycki, Peyton Whitney, "Rising Costs of Homeownership Are a Growing Burden." February 2025
[54] Ibid
[55] American Community Survey, 5-year estimates, 2019-2023

Figure 47 Estimated Households by Tenure and Cost Burden, Gloucester



Source: American Community Survey, 5-year estimates, 2019-2023

Figure 48 Rate of Homeowner Cost Burden, Gloucester & Context Communities



Source: American Community Survey, 5-year estimates, 2019-2023

Affordable Housing & Low-Income Residents

Since the City's last Housing Production Plan in 2017, Gloucester has made progress towards increasing its supply of Affordable Housing, with more than 150 units added to the Subsidized Housing Inventory (SHI) since 2017. However, a supply gap remains, and Gloucester's supply of deed-restricted Affordable Housing units can only provide housing for about one in six eligible local households. Gloucester has an estimated 6,835 low-income households who could potentially qualify for and benefit from access to deed-restricted

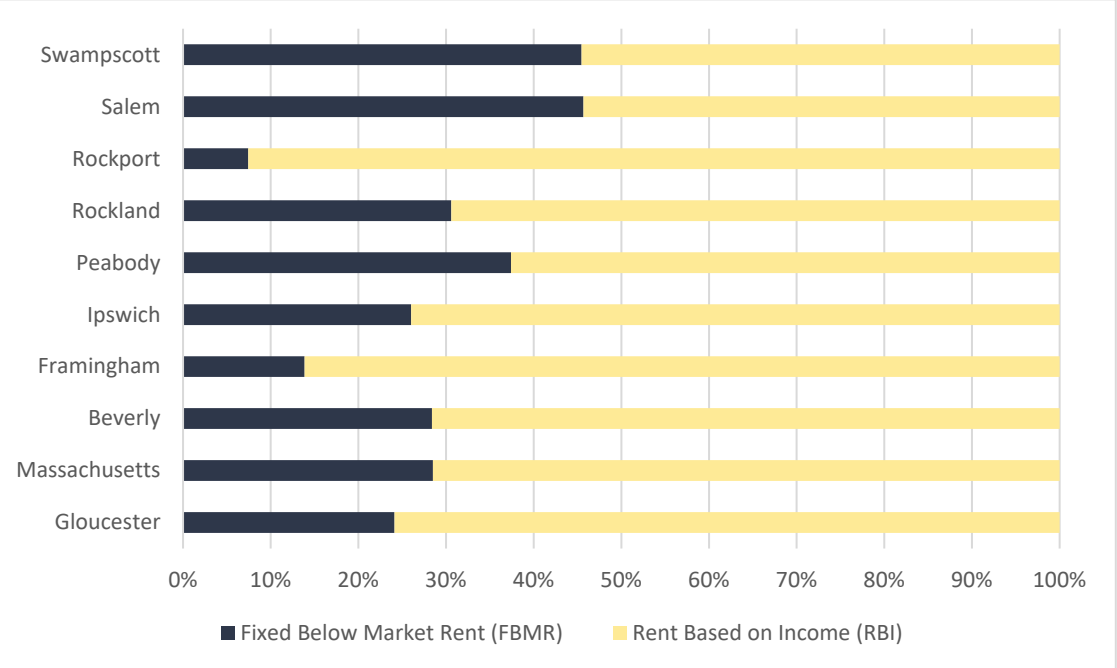
Affordable Housing, but only about 1,117 deed-restricted Affordable Housing units on the SHI[56]. For households not housed in deed-restricted Affordable Housing and without a housing voucher, many live in lower cost private housing (that is typically older and sometimes poorly maintained) or pay more than they can afford for housing.

Housing Navigator Massachusetts offers additional details about the supply of affordable homes throughout the region and in Gloucester. Housing Navigator identifies affordable rents in two types: Fixed Below Market Rent (FBMR) and Rent Based on Income (RBI).

In FBMR units, rents are set at a fixed below-market rate, typically determined relative to the Area Median Income (AMI). FBMR units are often created through inclusionary zoning policies or 40B developments, setting rents to be affordable to households at 30-80% of AMI depending on the development. FBMR units can create challenges for low-income tenants to remain in their housing, as fixed-below market rents are subject to increase as the AMI increases – regardless of whether or not the tenant's income increases. In contrast, in units with Rent Based on Income (RBI), rent is set based on the tenant's income such that a household does not pay more than 30% of their income on rent and utilities. RBI units are most commonly public housing units administered by the Housing Authority, though some senior Affordable Housing is structured in this way to accommodate households on fixed incomes.

In Gloucester, about 75% of Affordable Housing units have Rent Based on Income and 25% of Affordable Housing units have Fixed Below Market Rents[57]. This is a relatively high share compared to context communities.

Figure 49 Affordable Housing Units by Rent Type, Gloucester & Context Communities

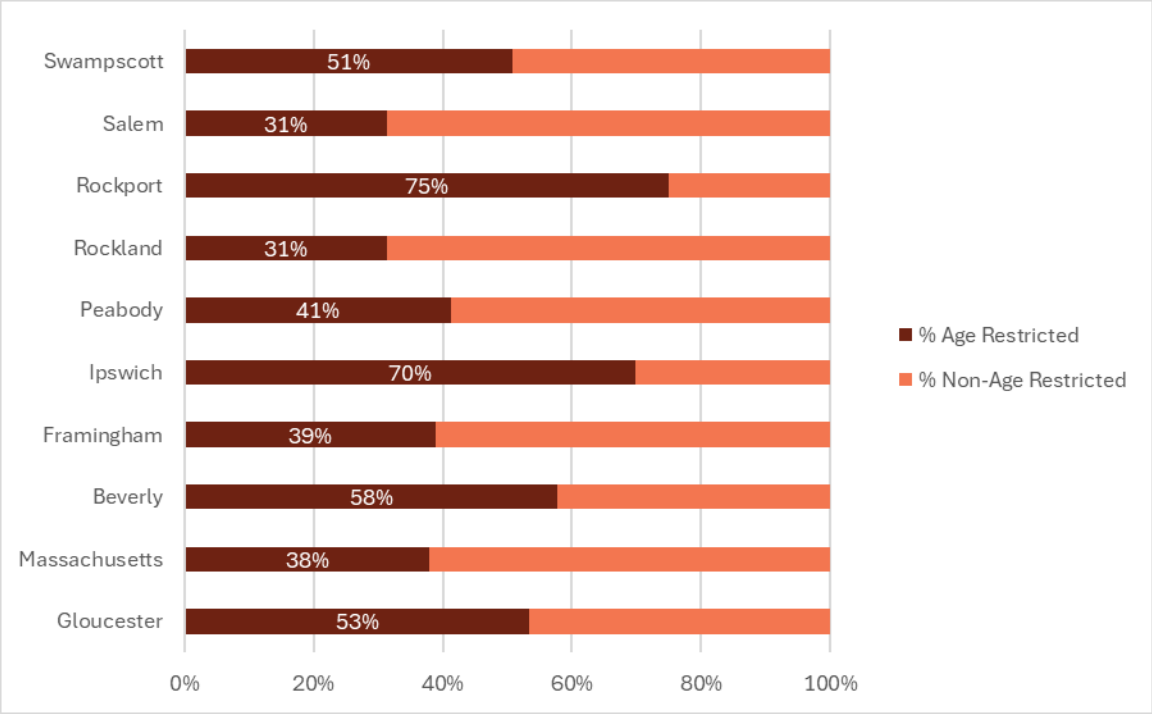


Source: Housing Navigator Data Updated December 31, 2024

[56] American Community Survey, 5-year estimates 2019-2023, EOHLC 2025 Subsidized Housing Inventory (SHI).
[57] Housing Navigator Data, 2024

About 485 of Gloucester's Affordable Housing units (53%) are age-restricted[58]. This is a significantly higher share compared to the Commonwealth as a whole (38%), but comparable to other context communities of Swampscott (51%) and Beverly (58%). While it is critical to address the need for Affordable Housing among senior households in Gloucester, age-restrictions do not always accomplish this goal. Occupancy restrictions and application requirements may prevent couples from living together, an older adult living with a family member or caretaker, or older adults who may be caregivers for grandchildren or others, creating unintended consequences and barriers to access for the people the housing is intended to serve[59]. Additionally, by restricting access to the already limited supply of Affordable Housing, households at all stages of life are left with even fewer choices for affordable homes in Gloucester.

Figure 50 Affordable Housing by Age-Restricted Status, Gloucester & Context Communities



Source: Housing Navigator Data Updated December 31, 2024

Expiring Affordability

There are approximately 100 units on Gloucester's Subsidized Housing Inventory with affordability restrictions that are set to expire in the next five years. These units represent about 10% of Gloucester's existing supply of deed-restricted Affordable Housing and, if lost, could result in a 0.7% decrease in the City's current SHI[60]. Previous plans have identified limited municipal capacity to monitor and maintain compliance for existing deed-restricted units as a primary challenge to preventing expirations. When deed restrictions expire, the units can be converted into market-rate rentals or sales. The City of Gloucester can try to maintain these affordability restrictions through negotiation with property owners and additional

[58] Housing Navigator Data, 2024
[59] Housing Navigator, MAPC, June 20, 2025 "Data Opens Doors: Measuring the Affordable Housing Gap in Massachusetts"
[60] Subsidized Housing Inventory, 2023

subsidies, but property owners are typically free to convert units to market-rates without state intervention.

Gloucester Housing Authority & Rental Vouchers

The Gloucester Housing Authority serves an estimated 1,300 Cape Ann residents through Public Housing, Rental Assistance, Homeownership, and Resident Services programs. The Gloucester Housing Authority owns and manages **522 units of state-aided family and elderly housing**, where residents pay a rent based on 25-30% of their adjusted monthly income, **89 units of federally funded public housing**, and **52 SRO units funded through HUD**[61]. The Housing Authority is authorized to administer **638 Section 8 Housing Choice Vouchers** and **48 Massachusetts Rental Voucher Program (MRVP) vouchers**[62].

Broadly speaking, a housing voucher is a form of government subsidy that can be used to reduce the cost of housing to make it more affordable for households with lower incomes. Most vouchers allow households to pay a fixed portion of their monthly income towards housing costs, typically around 30%, and the remainder of the rent is paid by a government agency (depending on which agency administers the voucher).

Some households using a voucher may live in deed-restricted Affordable Housing while others live in housing on the open market. As market rents continue to increase, residents report it is increasingly difficult to find a unit they can afford, even with a voucher.

Homelessness

While it is difficult to track with quantitative data[63], we know from conversations with residents and service providers that Gloucester has a sizable unhoused community. Experiencing homelessness is not an individual failing but rather a symptom of a societal failure to provide access to enough safe, healthy, and affordable homes nationwide and throughout the region. While many people think of homelessness as the visible phenomenon of unhoused people, it reflects a diverse set of conditions and experiences that are difficult to track at a population level. Individuals experiencing homelessness may include unsheltered people living in public spaces, people living in shelters and emergency housing, and those sleeping in their cars or at the homes of friends and family.

Gloucester has a strong network of organizations that provide support. Agencies and advocacy groups that provide support services are essential for identifying housing opportunities for their constituents and helping them retain long-term, stable housing. In a focus group with residents who access services through Action Inc., it was clear that while the services currently provided are critical and life-changing for those who can access support, there remain unmet needs within the unhoused community. There are many vulnerable households in Gloucester, including many elders, with little barrier between escalating housing costs and facing the loss of their home. Providing more Affordable Housing opportunities, especially to Gloucester's most vulnerable households is of utmost importance.

[61] Gloucester Housing Authority
[62] Ibid
[63] The most recent available point in time count is from 2020, conducted by the Continuum of Care (CoC), and includes Gloucester, Haverhill, and Salem/Essex County.

Current Housing Toolkit

Gloucester has a variety of existing tools in its toolkit to address local housing needs, including municipal and community capacity, resources, programs, and policies. Building upon previous planning and information provided by municipal staff, this section gives an overview of the City's existing tools to keep in mind as we discuss constraints, opportunities, and recommendations throughout the rest of this report.

Additional information about the previous planning context can be found in the appendix.

Zoning & Regulatory Tools

Inclusionary Zoning (IZ) Ordinance

Inclusionary Zoning Ordinances require developments of a certain size to include a share of units that will be deed-restricted Affordable. Gloucester's IZ ordinance has different requirements based on the size of the development:

- **Developments of 4-9 units** must provide 1 Affordable unit or may pay a fee in lieu to the Affordable Housing Trust. The fee in lieu is scaled to the number of units and calculated based on the median sale prices of Gloucester homes over the past 3 years.
- **Developments of 10 or more units** must provide either 15% of units at 80% AMI or 10% of units at 60% AMI

Affordable units must be dispersed throughout the site and be indistinguishable from market-rate units. Tenants or homebuyers for Affordable units must be selected through a fair housing marketing plan.

Accessory Dwelling Unit (ADU) Ordinance

Gloucester allows Accessory Dwelling Units (ADUs) by-right in all residential districts citywide, providing flexible opportunities to add smaller, more attainable units without discretionary approvals.

Multifamily Overlay District (MFOD)

Created in 2025 to comply with the MBTA Communities Act, this allows for multifamily housing near transit corridors. The Downtown Station Area and West Gloucester Station Area subdistricts allow for up to three units by right, while the School House Road and Maplewood Avenue subdistricts permit larger multifamily developments. More information about the MFOD can be found in the Zoning section of the Development Constraints chapter.

Short-Term Rental Regulations

Most recently amended in 2025, Gloucester's Short-Term Rental Ordinance (Chapter 5, Article V) regulates short-term rental uses. Any unit rented for a term of less than 30 days is considered a short-term rental that must be registered and receive a permit from the Building Inspector, which must be renewed annually. The ordinance limits short-term rentals to one party at a time and sets occupancy limits, with special considerations for properties with septic systems. To discourage corporate operators of short-term rentals, the ordinance also limits the number of properties that an individual operator may register and specifies rules based on whether the unit is a primary residence for the operator:

- **Shared Residential units:** An operator may offer bedrooms within their primary residential unit as a short-term rental, 365 days per year. One bedroom in the unit must be reserved for and occupied by the operator during the entire term of the rental.
- **Primary Residential Unit:** An operator may offer a residential unit as a short-term rental for six months, provided the operator resides permanently in the residential unit for at least six months out of a 12-month period.
- **Non-primary Residential Unit:** Short-term rentals shall not exceed 120 days per year, when the operator is not occupying the residential unit during the entire term of the short-term rental.

Short-term rentals can create economic opportunity for property owners and play an important role in supporting tourism and local businesses that rely on the tourist economy. However, throughout the planning process, many residents shared concerns about the impacts of short-term rentals on the City's limited housing supply and opportunities for year-round housing options. The short-term rental ordinance is still relatively new, and the City should closely monitor registered and permitted units to better understand the impact on housing supply, prevalence of corporate operators, and opportunities to encourage year-round rental choices for residents.

Additional recommendations regarding short-term rental regulations are included in the Recommendations section of this plan.

Rental Registry

In April of 2025, the Board of Health of the City of Gloucester adopted registration and permitting regulations for rental units. These regulations are designed to enhance tenant safety and support landlords by streamlining inspections and permitting. Importantly, this registration creates an active database of rental units in the City, enabling municipal staff and collaborators to better understand and monitor challenges within the supply of rental housing and encourage enforcement of Fair Housing, health, and safety standards for tenants.

Under these new regulations, no inspection is required to register a rental unit. Landlords pay $30 per building annually and agree to follow the State Sanitary Code. Registration is now a prerequisite to access municipal support services, including grants, short-term rental guidance, and housing assistance, and unregistered properties face a $500 daily fine. Registered landlords may also become eligible for funding and resources to help improve units for tenants.

More information about the program is available here.

Vacant Building Inventory

The City of Gloucester maintains a vacant building registry so the City can understand the challenges vacant buildings face in real time and provide solutions to address the vacancy. This registry contains the property address, the contact information for the owners, when the first vacancy notice was sent to the property owners, and information about whether utilities are turned on at the property. This data gives insights into how long a property has been vacant, as well as the building conditions, that can help city staff and elected officials strategize on how to fill a vacant space with a tenant.

Programs, Policies, and Financing

Community Preservation Act (CPA)

Gloucester adopted the Community Preservation Act in 2008 with a 1% property tax surcharge (exempting the first $100,00 of assessed value). This tax revenue is matched by state funds and can be used only for Affordable Housing, historic preservation, open space, and recreation. The Community Preservation Committee (CPC) recommends projects to the Mayor and City Council.

The City recently dedicated $300,000 of CPC funds to the Affordable Housing Trust for a more nimble fund deployment.

Gloucester Affordable Housing Trust Fund (GAHT)

The Gloucester Affordable Housing Trust Fund (GAHT) was established in 2006 to support the creation, preservation, and maintenance of affordable housing, promote economic and social diversity, and accommodate changing local needs. The Trust is governed by at least five members and guided by a five-year Strategic Plan (FY23-FY28). Funds are generated through taxes on short-term rentals, in-lieu fees from inclusionary zoning, CPA funds, and ARPA allocations. GAHT recently allocated $1.5 million in ARPA funds, resulting in 80+ new affordable units.

Community Development Block Grant (CDBG) Program

The Community Development Block Grant (CDBG) program, administered by the Department of Housing and Urban Development (HUD) is a federal program that provides annual formula grants to state and local governments to support housing rehabilitation, public infrastructure, and community and economic development to benefit low- and moderate-income residents. The recently completed five-year Consolidated Plan guides the use of CDBG funds.

Gloucester's CDBG program supports a variety of housing and community development programs, including:

- Municipal position funding for Community Development Staff
- A highly effective housing rehabilitation program that improves aging homes and created 45 affordable homes over the last two years
- Funding for critical local programs administered by local non-profit partners, including Action Inc.'s rental voucher program
- Public services, economic development, first-time homebuyer assistance, and public facilities projects

CDBG Housing Rehabilitation Program

The Housing Rehabilitation Program offers deferred payment, 0% interest loans to owner-occupied properties (1 to 7 units). Funds can be used for repairs to address health and safety issues and/or code violations in homes and rental units. To be eligible for funds, the property owner or tenants must meet HUD income guidelines for low or moderate income. By tying an income restriction to these units, the program has created and maintained more than 45 affordable homes over the last two years. The City should continue to support this program and outreach to residents. This will help preserve the older housing stock in the city, help seniors stay in their homes longer, correct health and safety code issues, and preserve existing housing that meets community needs. That meets

First Time Homebuyer Resources

Gloucester has a First Time Homebuyer Down Payment Assistance Program that offers 50% of the required down payment and/or closing cost assistance to income-qualified buyers, up to $15,000 depending on financial need, purchase price, and lending requirements. Awards are a 0% interest, deferred loan which is paid back at the time of rental, sale, transfer of title, or when the property is no longer the principal place of residence.

The Cape Ann Homeownership Center was established by the Gloucester Housing Authority in 2004 to provide educational opportunities that promote responsible and sustainable homeownership. The Center offers a variety of educational programs including:

- Pre-Purchase & Post-Purchase Counseling & Workshops
- Online Workshops
- Sub-Prime Mortgage Counseling
- Foreclosure Prevention
- Section 8 Homeownership Options
- Affordable Housing Lotteries

The Housing Rehabilitation Program is another important resource for homebuyers, with particular significance for first-time buyers. Gloucester's older housing stock means that homes with relatively affordable purchase prices may still require substantial repairs or improvements. These additional costs can make a home unaffordable or affect a buyer's ability to qualify for financing. Rehabilitation assistance can help address property-condition barriers and make homeownership more financially feasible for income-eligible buyers.

Affordable Housing Ecosystem

Gloucester Housing Authority

The Gloucester Housing Authority was formed in 1948 and serves an estimated 1,300 Cape Ann residents through Public Housing, Rental Assistance, Homeownership, and Resident Services programs. The Gloucester Housing Authority owns and manages 522 units of state-aided family and elderly housing, where residents pay a rent based on 25-30% of their adjusted monthly income, 89 units of federally funded public housing, and 52 SRO units funded through HUD.[64]. The Housing Authority is authorized to administer 638 Section 8 Housing Choice Vouchers and 48 MRVP vouchers.[65].

The Gloucester Housing Authority is an important and effective partner for Affordable Housing production, supporting projects directly through development of GHA land (252-256 Main Street), and indirectly by administering tenant- and project-based vouchers as well as a variety of programs and resources to help residents access affordable homes.

Active Regional mission-driven Affordable Housing developers

To build housing you need developers and development partners. While Affordable Housing can be created by a variety of different developer types, mission-driven Affordable Housing developers, particularly when they are locally or regionally focused, are often the best positioned to produce new Affordable homes. Gloucester's development ecosystem benefits from several active mission-driven developers on the North Shore and Cape Ann, including:

- North Shore Community Development Coalition
- Harborlight Homes
- YMCA of the North Shore
- Planning Office of Urban Affairs, Archdiocese of Boston
- Wellspring House
- Action Inc.
- Habitat for Humanity

[64] Gloucester Housing Authority
[65] Ibid

Municipal Capacity

The Community Development Department has one staff member directly overseeing the housing rehabilitation and first-time homebuyer programs. Across departments, capacity to monitor affordable housing units is limited, which hinders efforts to prevent unauthorized rent increases in affordable units, ensure good living conditions, maintain existing deed restrictions, and ensure regulatory compliance.

The City has identified a need for a dedicated grant administrator to support new and expanded initiatives, such as an Affordable Housing Loan Pool, and an economic development coordinator.

Gloucester's Recent Housing Accomplishments

Over the past several years, the City of Gloucester has undertaken a series of significant policy, planning, and funding initiatives to expand housing opportunities, increase affordability, and support a more diverse housing stock. These efforts have positioned Gloucester as a regional leader in addressing housing challenges while preserving the character of the community.

Housing Choice Community Designation

In 2023, Gloucester was designated a Housing Choice Community by the Commonwealth of Massachusetts in recognition of the City's commitment to advancing housing production and implementing housing best practices. This designation reflects Gloucester's proactive approach to zoning reform, housing planning, and support for Affordable Housing initiatives.

Adoption of Accessory Dwelling Units (ADUs) By Right

Years before the state's allowance of Accessory Dwelling Units by right, Gloucester amended its zoning regulations to allow ADUs by right in all residential districts. ADUs provide opportunities for aging in place, multigenerational living, workforce housing, and modest infill development while preserving neighborhood character.

Inclusionary Housing Ordinance

The City has continually monitored the effectiveness of its Inclusionary Housing Ordinance and amended it to ensure that market-rate housing development contributes to Affordable Housing. Gloucester's ordinance requires qualifying residential developments to contribute to the creation of Affordable Housing through on-site affordable units, or payments to support Affordable Housing initiatives. This policy ensures that new residential development helps address local housing needs.

Gloucester Affordable Housing Trust

The Gloucester Affordable Housing Trust (GAHT) has become an important local tool for advancing affordable housing production and preservation. The Trust has worked collaboratively with developers, nonprofit organizations, and municipal partners to leverage local, state, and federal funding resources to support affordable housing opportunities throughout the city.

Strategic Use of CPA and ARPA Funding

The City has committed significant local resources toward Affordable Housing through both Community Preservation Act (CPA) funding and American Rescue Plan Act (ARPA) funding.

In 2025, the Affordable Housing Trust awarded approximately $1.5 million in ARPA funding to support multiple Affordable Housing developments that will collectively create dozens of deed-restricted affordable units serving households earning 60% of Area Median Income or below. These investments have leveraged additional public and private funding sources, accelerating the production of Affordable Housing in Gloucester.

MBTA Communities Compliance and Housing Opportunity Planning

Gloucester successfully adopted a multi-family zoning district in compliance with the Massachusetts Bay Transportation Authority (MBTA) Communities Act (M.G.L. c.40A §3A). The district creates opportunities for higher-density residential development in appropriate locations while positioning the City to remain eligible for a wide range of state grant programs. The City is actively exploring opportunities to leverage this zoning framework to support additional affordable and mixed-income housing development.

Short-Term Rental Regulations

Recognizing the impact of seasonal and short-term rentals on year-round housing availability, Gloucester adopted a comprehensive Short-Term Rental Ordinance that became effective in 2025. The ordinance includes registration requirements, operational standards, limitations on non-owner-occupied rentals, and dedicated revenue streams that support Affordable Housing initiatives.

These regulations are intended to balance tourism and economic activity with the need to preserve housing opportunities for year-round residents.

Growth in Affordable Housing Production

Gloucester has continued to expand its Affordable Housing inventory through a combination of:

- Comprehensive Permit (Chapter 40B) developments;
- Local Initiative Program (LIP) projects;
- Rehabilitation and preservation of existing Affordable Housing;
- Adaptive reuse of existing buildings;
- Strategic public-private partnerships.

The City has also supported multiple Affordable Housing projects currently in planning, permitting, and development that will further expand housing opportunities for low- and moderate-income households.

Housing Planning and Policy Leadership

The City has integrated housing goals into broader planning efforts, including:

- The Gloucester Comprehensive Plan;
- Economic development planning initiatives;
- Affordable Housing Trust activities;
- Neighborhood and zoning studies; and
- Housing Production Plan updates.

These efforts reflect Gloucester's commitment to addressing housing needs through coordinated planning, regulatory reform, and targeted investment.

Looking Forward

While significant progress has been made, housing affordability remains one of the most pressing challenges facing Gloucester residents. The City will continue to build upon these accomplishments by expanding housing choices, supporting Affordable Housing production, preserving existing housing opportunities, and ensuring that Gloucester remains a community where residents of all ages, incomes, and backgrounds can live and thrive.

Housing Goals

Gloucester has made substantial progress in housing, achieving key milestones over the past several years. In 2023, Gloucester became a Housing Choice Community, signaling the city's commitment to advancing housing production and implementing best housing practices. More recently, the city adopted a Short-Term Rental Ordinance and the Affordable Housing Trust awarded approximately $1.5 million in ARPA funding to support multiple Affordable Housing developments. While significant progress has been made, housing affordability remains one of the most pressing challenges facing Gloucester residents.

To guide the identification of opportunity sites and neighborhood recommendations, we identify goals for this plan focused on meeting the housing needs of Gloucester residents. Based on community input and quantitative data analysis, groups with unmet needs include seniors and older adults with limited or fixed incomes, young people and young families, and households with lower-incomes. Businesses cited challenges hiring and retaining talent, and workers across industries shared challenges with access to attainable, stable housing in Gloucester. Our goals emphasize production of Affordable Housing to create housing for an aging and intergenerational community, increase diversity of housing choices, and encourage housing affordability for households at a range of income levels and stages of life.



Housing for an Aging Community

Support and create housing that meets the needs of an aging population, especially limited-income seniors.

Downsizing choices, smaller home types, connected neighborhoods



Diverse Housing Choices

Expand attainable housing choices, especially for young adults and young families who lack housing choices in Gloucester's housing market.

Supports for homeownership, small multifamily home types, year-round rental choices



Affordability for Gloucester households

Expand the supply of Affordable homes, especially for vulnerable households and essential workers at the heart of Gloucester's economy and small businesses.

Deeply affordable homes, workforce housing, opportunities for attainable homeownership



Build Local Capacity

Improve local capacity to monitor and maintain Affordable Housing, resources, and supports for residents

Regional collaboration, strengthen, coordinate, and promote existing tools

Increasing the supply of Affordable homes

To meet the requirements of a Housing Production Plan, plans need to identify opportunity sites for Affordable Housing development to make progress towards Affordable Housing Production targets related to the local Subsidized Housing Inventory (SHI). At the time of writing, Gloucester has an estimated 1,117 units on the SHI, representing approximately 8.04% of the City's year-round housing units[66].

To reach 10% of year-round housing units on the SHI, Gloucester would need a total of approximately 1,390 units, around 273 more units than are currently recorded. Even at the 10% SHI benchmark, granting "Safe Harbor" from Chapter 40B, the need for Affordable Housing in Gloucester would be far from met, with an estimated 6,835 income-eligible households currently living in Gloucester. Additionally, the value used for total year-round housing units comes from the U.S. Decennial Census and is only updated every ten years. Given overall production in recent years, the update to total year-round housing units based on the 2030 Census is also likely to impact Gloucester's SHI status.

At the time of writing, there are projects already in planning and development that will increase the supply of Affordable Housing that are not yet counted on the SHI, shown in the table below. With these additional units, Gloucester would add an estimated 124 units to the SHI, bringing the total up to approximately 8.93% of all year-round housing units. A detailed calculation of the 2024 SHI and projected production needed can be found in the Appendix[67].

Table 4 Affordable Housing Units in Planning & Development

Location	Status	Units
50R Maplewood Ave	Built	30 Total Units, 8 Affordable
20 Main St	In Construction	24 Total Units, 3 Affordable
67 Middle Street	In Construction	28 Affordable Units
14 Prospect St	In Construction	7 Total Units, 1 Affordable
160 Essex Ave	Approved	25 Total Units, 4 Affordable
186 Concord St	Approved	12 Total Units, 2 Affordable
256 Main St	Permitting	29 Affordable Units
150 Main St	Permitting	40 Total Units, 4 Affordable
272 Washington St	Planning	45 Affordable Units
Estimated Total		**240 Total Units, 124 Affordable**

Source: Municipal permitting data provided by the City of Gloucester

[66] EOHLC Subsidized Housing Inventory (2025)
[67] The 2024 Subsidized Housing Inventory (SHI) is the most detailed documentation available at the time of the report.

Development Constraints

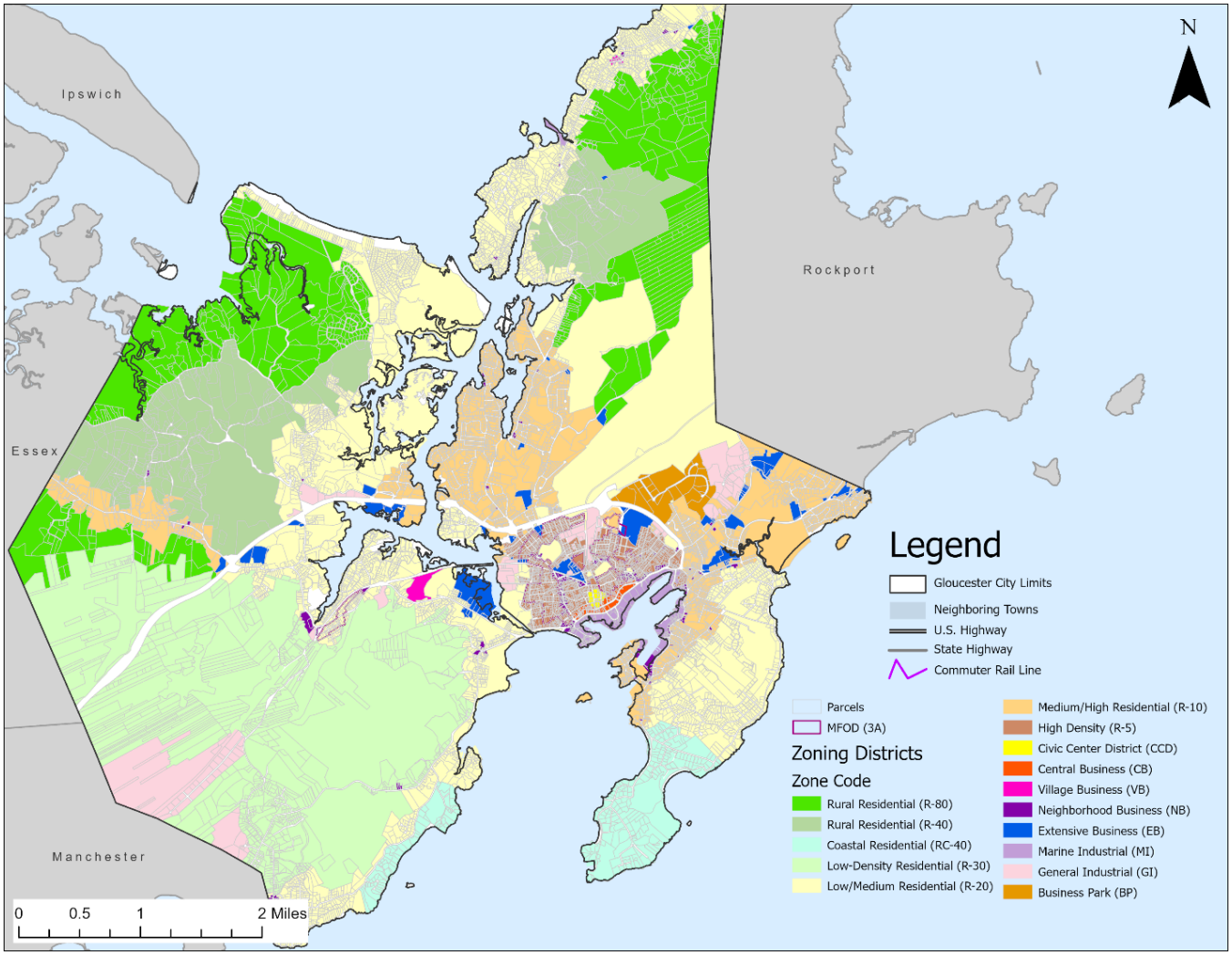
To realistically understand where there may be opportunities to meet the housing needs and goals of residents, it is important that we first understand constraints to development. Constraints to development are shaped by both **physical conditions**, including things like infrastructure, terrain, or flood risk, and **regulatory conditions**, including things like zoning requirements, local permitting processes, or conservation restrictions. This chapter will give an overview of some of the major constraints to development in Gloucester and how they impact locations suitable for development based on available geographic and spatial data. Additional information about the data sources used can be found in the Appendix.

Zoning

Local zoning regulations that restrict housing remain one of the primary barriers to housing production in the Greater Boston region and throughout the country; Gloucester is no exception. The city is divided into 15 districts, shown on the map below, including seven residential districts and some civic and business districts that also allow residential uses. There are several business and industrial districts where housing is generally not permitted.

Generally, Gloucester's zoning allows for larger multifamily housing only by Special Permit and in select zones. Even for one, two, and three family homes, dimensional requirements like minimum lot size and setbacks make it difficult to build new housing and, in some cases, incentivize larger single-family homes rather than more modest homes or small multifamily units that are more attainable for Gloucester households. Maintaining a small-town feel is very important to residents, including careful attention to maximum building heights. While the nearly universal 30-foot maximum for building height works well for single family homes and small multifamily typologies, it does create barriers to mixed use buildings that encourage the small-town walkability that residents prioritize. This is the case particularly in areas like Railroad Ave and Downtown where many existing structures are at least four stories in height.

Figure 51 Gloucester Zoning Map



Source: City of Gloucester; an interactive version of the City's zoning map can be accessed online: https://gloucesterma.mapgeo.io/datasets/properties?abuttersDistance=100&latlng=42.631015%2C-70.687691&panel=themes&themes=%5B%22zoning%22%5D&zoom=12

Residential Districts

Gloucester's seven residential districts allow housing at varying densities. While the City's recent adoption of the Multi-Family Overlay District (MFOD) makes some strides to allow small multifamily residential use by right in select areas, most of the City's zoning remains a barrier to new homes. Minimum lot size, dimensional, and parking requirements limit opportunities for infill and small-scale multifamily development, while larger multifamily development is allowed only by Special Permit or by Comprehensive Permit (forgoing the local zoning altogether), often resulting in long and costly permitting and approvals processes for larger projects most well positioned to deliver Affordable Housing. As a result of the financial tools available to support affordability and the efficiencies of economies of scale needed to make Affordable Housing developments "pencil," Affordable Housing often takes the form of larger multifamily housing. Gloucester's zoning makes development of this kind challenging and presents significant barriers to Affordable Housing production as a result.

R-5 High Density Residential (minimum lot area: 5,000sf)

The R-5 High Density Residential District is located in the downtown area of the city and is the highest density residential zone in the city. This district allows for a mix of single family, two-family and multi-family residential dwellings.

R-10 Medium/High Density Residential (minimum lot area: 10,000sf)

The R-10 Medium/High Density Residential District is located along both sides of the western portion of Essex Avenue, on both sides of the Mill River, on a portion of the Annisquam River and in that area extending in a northeasterly direction from downtown to the Rockport line. This district is characterized by suburban residential development in existing neighborhoods, and provides a transition from the suburban areas of the city to the more densely populated areas of downtown. This district is intended to accommodate single family residential development and, where appropriate, two family and multifamily development.

R-20 Low/Medium Density Residential (minimum lot area: 20,000sf)

The R-20 Low/Medium Density Residential District is located east and north of downtown, along significant portions of the west side of the Annisquam River, and along the southwest (oceanside) corridor between the Annisquam River and Magnolia. This district is intended to accommodate single family residential development and, where appropriate, two family and multi-family development.

R-30 Low Density Residential (minimum lot area: 30,000sf)

The R-30 Low Density Residential District is located in West Gloucester. It is suburban in nature, and is an area where limited services and access suggest low-intensity use, and where present and anticipated future development is and will be compatible with the environs of low residential density. This district is intended to accommodate single family residential development and, where appropriate, two family and multi-family 49 development. This district contains large portions of the watershed protection area and is intended to help protect this resource.

R-40 Rural Residential (minimum lot area: 40,000sf)

The R-40 Rural Residential District is located north and west of the R-80 district in North Gloucester and both north and south of the R-80 district in West Gloucester. This district encompasses those areas where limited services and access suggest low-intensity use, where present and anticipated future development is and will continue to be compatible with the environs of low residential density. This district is intended to provide a transition from the rural R-80 district to the higher density residential districts.

RC-40 Coastal Residential (minimum lot area: 40,000sf)

The RC-40 Coastal Residential District consists of Eastern Point and that area on the southeast side of the middle portion of Hesperus Avenue. It encompasses those areas where limited services and access suggest low-intensity development, and where existing development consists of single family detached residential uses.

R-80 Rural Residential (minimum lot area: 80,000sf)

The R-80 Rural Residential District is located north of Goose Cove in North Gloucester and north of Route 128 in West Gloucester. This district is rural in character and encompasses those areas where limited services and access suggest low-intensity use, where present and anticipated future development is and will continue to be compatible with the environs of low residential density.

Multi-Family Overlay District

In 2025, the City of Gloucester adopted the Multifamily Overlay District (MFOD) in accordance with Section 3A of the Zoning Act. This zoning applies to the Downtown Station Area, West Gloucester Station Area, Maplewood Avenue Area, and School House Road Area and allows for small multifamily homes as of right.

Single family, two-family, and multi-family dwellings with three dwelling units are permitted as of right in the Downtown Station Area and West Gloucester Station Area subdistricts. The Maplewood Avenue Area and School House Road Area subdistricts also allow multifamily dwelling with four or more residential dwelling units or two or more buildings on the same lot with more than one residential dwelling unit in each building.

- All projects in the MFOD are exempt from the Major Projects requirements.
- Any application for a building permit under the MFOD in the Maplewood Avenue Area and School House Road Area for the creation of six or more dwelling units shall require Site Plan Review.
- Unless otherwise noted, the Planning Board is the Site Plan Review Authority.

Cluster Development & Open Space Residential Development

Gloucester's zoning ordinance has two provisions to allow for clustered development and subdivision of larger lots to allow for a greater number of smaller homes while promoting the preservation of open space. OSRD is permitted in the R-80, R-40, RC-40, R-30, R-20, and R-10 districts.

At the time of writing, the Planning Board is evaluating changes to the ordinance to consolidate the Cluster Development and Open Space Residential Development provisions, focusing on OSRD going forward.

Zoning impacts for housing the creative sector

Artists and cultural workers are an important part of Gloucester's local culture and economy. Creative workspace and housing for artists and cultural workers are often restricted by zoning ordinances.

In Gloucester, "Arts, crafts, and the sale of arts and crafts made on the premises" is an allowed use in Business Districts; City Council approval is required for this use in any residential district and is not allowed in RC-40 (Coastal).

While there is no explicit definition for live/work or artist housing in the zoning ordinance, "Home Occupations" are an allowed accessory use, subject to the provisions of §5.3. Home Occupations are allowed as of right only in the Village Business district and require a Special Permit in all residential districts and some business districts. Home Occupations are not an allowed accessory use in the General Industrial and Business Park districts.

Civic and Business Districts

Some of Gloucester's civic and business districts also allow residential uses. In most cases, residential uses are allowed only by Special Permit which may disincentivize mixed-use development in these neighborhood centers.

CCD Civic Center (no minimum lot size)

The Civic Center District consists of existing civic buildings in the immediate vicinity of City Hall. This district is intended to include civic uses that serve the entire city, although limited types of commercial and residential uses are allowed.

CB Central Business (no minimum lot size)

The Central Business District is located on either side of Main Street. A broad range of business, retail, office and institutional uses are allowed, as are residential units above retail establishments. This is the city's most intensely commercial district, and retail stores and restaurants predominate. This district is intended to include uses that serve all of Cape Ann.

VB Village Business (minimum lot size: 5,000sf)

Village Business Districts are located in Lanesville, Magnolia and the area off Essex Avenue around Lower Banjo Pond. Certain business, retail, office, and institutional uses are allowed, and primarily serve the residents of the immediate neighborhood. Limited residential use is also allowed.

NB Neighborhood Business (minimum lot area is to be the same as the abutting residential district with the smallest required minimum lot area)

Neighborhood Business Districts are located throughout the city. Residential uses are allowed, as are consumer service and retail businesses serving the residents of the immediate neighborhood.

Business and Industrial Districts

Residential uses are generally not allowed in all industrial and some business districts.

EB Extensive Business (minimum lot area: 10,000sf)

Extensive Business Districts are located along collector streets in various areas of the city. Business, service and retail uses serving a regional clientele are allowed; residential uses are generally not allowed.

MI Marine Industrial (where the subject property abuts one or more residential districts, the minimum lot area is the same as the abutting residential district with the smallest required minimum lot area; otherwise, no minimum lot area)

The Marine Industrial District is located along Gloucester's Inner Harbor, where utilities and access roads can support high-intensity industrial and commercial activities that are primarily marine-related. Residential uses are generally not allowed.

GI General Industrial (minimum lot area: 10,000sf)

General Industrial Districts are primarily located along arterial and collector streets. Manufacturing, assembling, processing and other industrial uses are allowed, as are certain businesses. Residential uses are generally not allowed.

BP Business Park (minimum lot area: 40,000sf)

The Business Park districts are located off Blackburn Circle and Kondelin Road, and accommodate offices, warehousing, limited service uses and light industrial uses in a business park setting. They have ready accessibility and utility capacity to accommodate the demands of business park development.

Residential uses are generally not permitted in these areas, and this plan does not recommend introducing residential development at Blackburn Circle or Kondelin Road. Land zoned for industrial use is limited, as is the opportunity to generate tax revenue from industrial use, making it important to preserve the limited areas in the City where this is possible. The types of industrial activities accommodated within these parks is also not compatible with residential development.

Permitting, Use Regulations, Dimensional Requirements

The tables in this section show the allowable use regulations and dimensional requirements for residential uses across the residential and business districts that generally permit some residential uses.

Special Permits

Gloucester has three (3) Special Permit Granting Authorities and five (5) sets of Special Permit requirements established in the Zoning Ordinance. Development projects may require approval from one or more of these permit-granting authorities depending on the scope and use of the proposed project. At the time of writing, each authority is responsible for Special Permits that may include housing:

City Council	Planning Board	Zoning Board of Appeals
• Major Project • Assisted Living Residences • Hotel Overlay District • Atlantic Road Overlay District • Mixed-Use Overlay District	• Site Plan Review • Cluster Development • Watershed Protection Overlay • Open Space Residential Development • Pork Chop Lots • Common Driveways	• Comprehensive Permits • Zoning Variances • Accessory Dwelling Units requiring a Special Permit • Home Occupations

For residential uses, there are four different Special Permit processes depending on the type of residential use and the zoning district in which the proposal is located.

Major Projects

All project proposals of more than 21 bedrooms or more than 10 dwelling units are subject to Major Project review. Additionally, an application submitted adjacent to a property for which a multifamily permit was issued within the prior 36 months triggers Major Project review.

Projects within the Area Subdistrict of the MFOD are not subject to Major Project review but do require Site Plan Review.

- Special Permit approval is granted by the City Council
- Site Plan Review approval by the Planning Board
- Departmental review and approval are required by City Building Department, Conservation Commission, Engineering Department, Public Works Department, and Public Health Department

There are minimum review periods, but no requirements for timely review of applications, and many applications can take months, if not years, to receive approvals from various boards, commissions, and departments to meet the requirements for Major Projects.

Comprehensive Permits

Much of the large-scale multi-family housing in Gloucester has been permitted through the Chapter 40B Comprehensive Permit process. The Zoning Board of Appeals reviews and approves Comprehensive Permits.

Table 5 Use Regulations in Residential & Business Districts

		R-5	R-10	R-20	R-30	R-40	RC-40	R-80	CCD	CB	VB	NB
1	One-family detached	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Conversion of one-family to two-family dwelling **without** changes to exterior dimensions of the building	Y	Y	Y	Y	Y	N	Y	Y	SP	SP	SP
3	Conversion of one-family to two-family dwelling **with** changes to the exterior dimensions of the building	Y	SP	SP	SP	SP	N	Y	Y	SP	SP	SP
4	New two-family dwelling	Y	Y	Y	Y	Y	N	Y	Y	SP	SP	SP
5(a)	Conversion to or new mixed use building with not more than one (1) dwelling units	SP	SP	SP	CC	N	N	N	SP	Y(5)	SP	SP
5(b)	Conversion to or new multi-family or apartment dwelling, up to two (2) dwelling units	SP	SP	SP	CC	N	N	N	SP	Y(5)	SP	SP
6	Conversion to or new multi-family or apartment dwelling, three (3) dwelling units	SP	SP	SP	SP	N	N	N	SP	Y(5)	SP	SP
7	Conversion to or new multi-family or apartment dwelling, four to six dwelling units	CC	CC	CC	CC	N	N	N	CC	CC	CC	CC
8	Conversion to or new multi-family or apartment dwelling, seven or more dwelling units	CCS	CCS	CCS	CCS	N	N	N	CCS	CCS	CCS	CCS
9	Cluster Development	N	PB	PB	PB	PB	PB	PB	N	N	N	N
20	Open Space Residential Development	N	Y	Y	Y	Y	Y	Y	N	N	N	N
22	Continuation of pre-existing multi-family uses, one to six dwelling units	SP	SP	N	N	N	N	N	N	N	N	N

Y = A permitted use
N = An excluded or prohibited use
SP = Zoning Board of Appeals Special Permit, pursuant to the requirements of Section 1.5.4(c)
SPS = Zoning Board of Appeals Special Permit, pursuant to the requirements of Section 1.5.4(d)
CC = City Council Special Permit, pursuant to the requirements of Section 1.5.3(b)
CCS = City Council Special Permit, pursuant to the requirements of Section 1.5.3(c)
PB = Planning Board Special Permit, pursuant to the requirements of Section 1.5.5(b)
(5) = SP if exterior of existing building is expanded

Table 6 Dimensional Requirements for Single, Two-Family, and Three-Family Dwellings

	R-5	R-10	R-20	R-30	R-40	RC-40	R-80	CCD	CB	VB	NB
Min. lot area (sf)	5,000	10,000	20,000	30,000	40,000	40,000	80,000	5,000	5,000	5,000	h
Min. lot area per dwelling unit (sf)	1,000	2,000	10,000	15,000	20,000	20,000	40,000				h
Min. lot width (ft)	50	65	80	80	100	100	100	50	50	50	h
Min. lot frontage (ft)	50	65	80	80	100	100	100	50	50	50	h
Min. front yard (ft)	15	20	30	30	40	40	40	15	15	15	h
Min. side yards (ft each)	7.5	10	20	20	30	30	30	7.5	7.5	7.5	h
Min. rear yard (ft)	20	20	30	30	30	30	30	20	20	20	h
Max. building height (ft)	30	30	30	30	30	30	30	30	30	30	h
Max. lot coverage	35%	30%	25%	25%	25%	25%	25%	35%	35%	35%	h

Residential uses are not permitted in the EB, MI, GI, and BP districts

(h) = Dimensional requirements shall be those of the abutting residential district

Table 7 Dimensional Requirements for Multi-family Dwellings

	R-5	R-10	R-20	R-30	CCD	CB	VB	NB
Min. lot area (sf)	10,000	20,000	40,000	60,000	10,000	10,000	10,000	g
Min. lot area per dwelling unit (sf)	2,500	5,000	10,000	15,000	2,500	2,500	2,500	g
Min. open space per dwelling unit (sf)	1,250	3,500	7,500	7,500	1,250	1,250	1,250	g
Min. lot width (ft)	80	100	150	150	80	80	80	g
Min. lot frontage (ft)	65	80	125	125	65	65	65	g
Min. front yard (ft)	15(f)	20(d)	30(d)	30(d)	15(f)	15(f)	15(f)	g
Min. side yards (ft each)	7.5(f)	20(d)	40(d)	40(d)	7.5(f)	7.5(f)	7.5(f)	g
Min. rear yard (ft)	7.5(f)	20(d)	40(d)	40(d)	7.5(f)	7.5(f)	7.5(f)	g
Max. building height (ft)	30	30	30	30	30	30	30	g

Multi-family dwellings are not allowed int eh R-80, R-40, RC-40, EB, MI, GI, and BP districts

No principal building shall be closer to another principal building on the same site than the sum of their respective heights; the City Council may authorize a reduction in said distance by Special Permit upon finding that such reduction is not detrimental because of view obstruction, overshadowing, service access, or visual crowding.

(d) = Increase by one foot for each foot by which building height exceeds 15 feet

(f) = Increase by one-half foot for each foot by which building height exceeds 30 feet

(g) = Dimensional requirements shall be those of the abutting residential district

Non-conformity

More than half of all housing units in Gloucester were built before 1950 when Gloucester first adopted its zoning ordinance. A study of zoning nonconformity by RKG Associates in 2025 shows that about 90% of all lots in Gloucester's residential districts are nonconforming to at least one condition of zoning[68]. As a result, the vast majority of Gloucester's existing fabric could not be rebuilt today using the existing zoning standards. Similarly, many of the qualities that people enjoy about their neighborhoods are difficult if not

[68] City of Gloucester Economic Feasibility Analysis, RKG Associates (2024)

impossible to maintain or preserve when redevelopment happens as buildings get older and need repair. The most common nonconformities are minimum lot area, front setbacks, and side setbacks.

Infrastructure & Soils

Access to infrastructure is a primary constraint to development in Gloucester, particularly outside of already developed areas. The maps below show the estimated Sewer Service Area and estimated Public Drinking Water System areas maintained by the Massachusetts Bureau of Geographic Information Systems (MassGIS) and the Massachusetts Department of Environmental Protection (MassDEP). In more developed areas like Downtown, East Gloucester, Magnolia, Wheeler's Point, and North Gloucester, parcels are served by public drinking water systems. Water systems serve more of the City compared to sewer systems that serve only Downtown, Wheeler's Point, and parts of East Gloucester and North Gloucester. There is a small area of water and sewer service near the West Gloucester Commuter Rail station but much of West Gloucester is not served by public water or sewer systems.

Figure 52 - Municipal Sewer Coverage

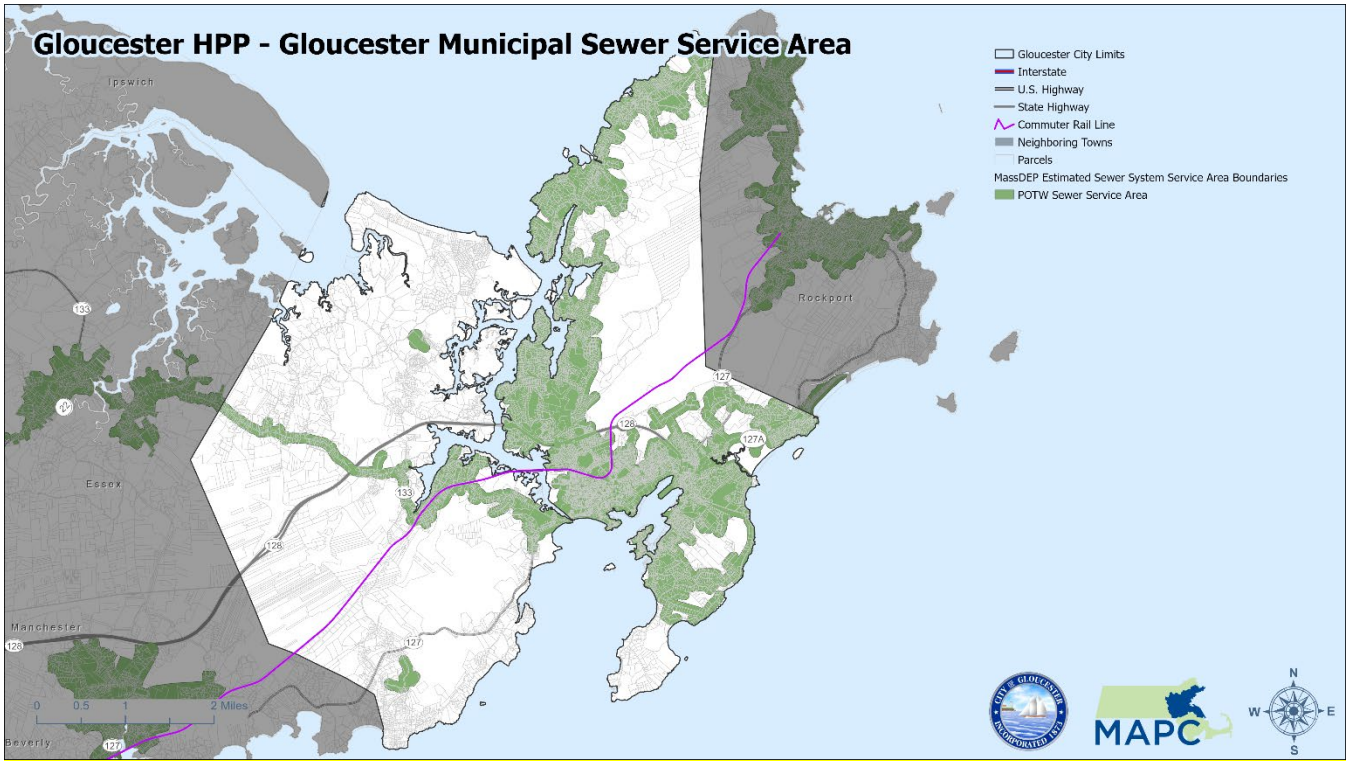
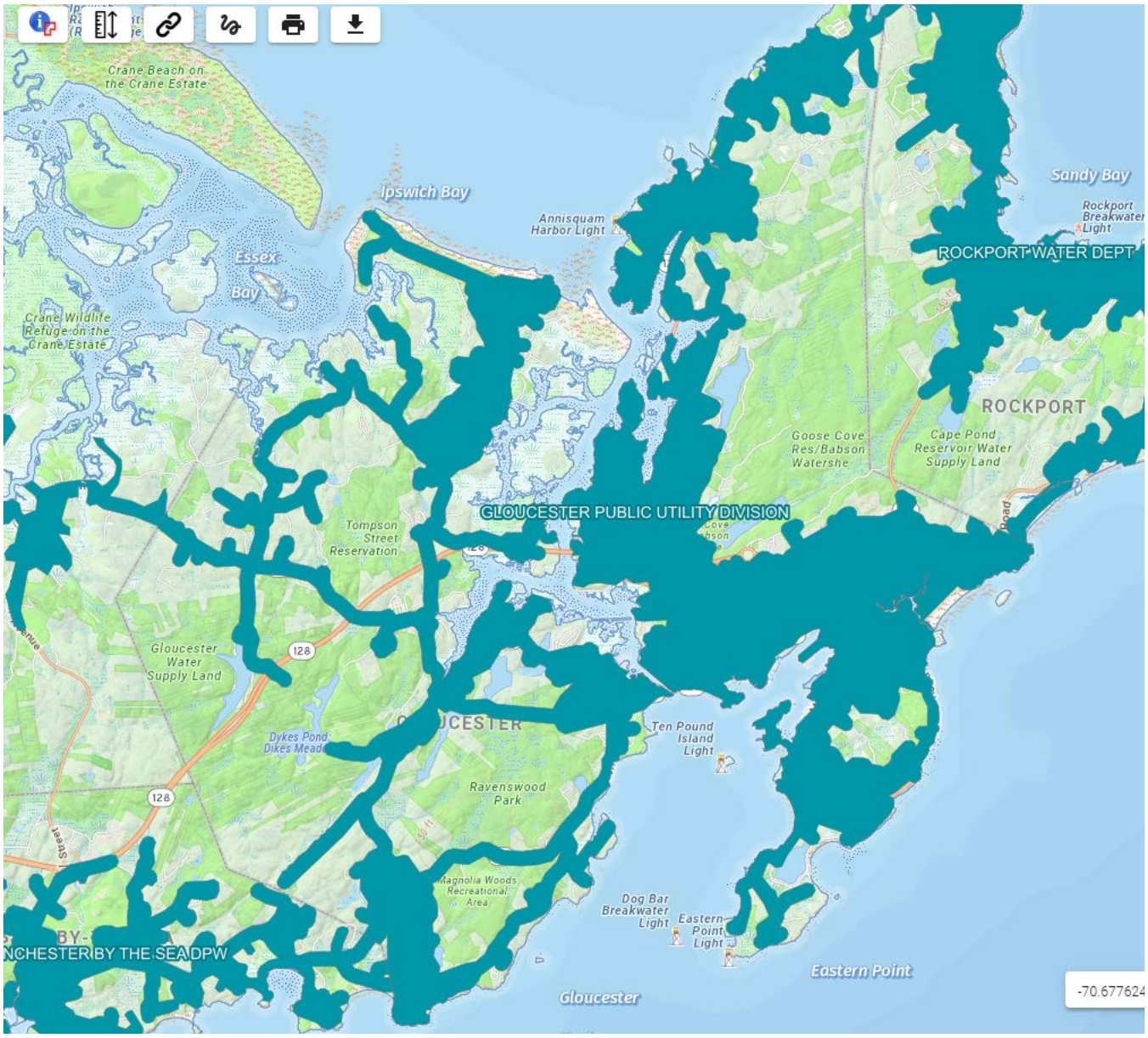


Figure 53 Estimated Public Drinking Water System Service Area

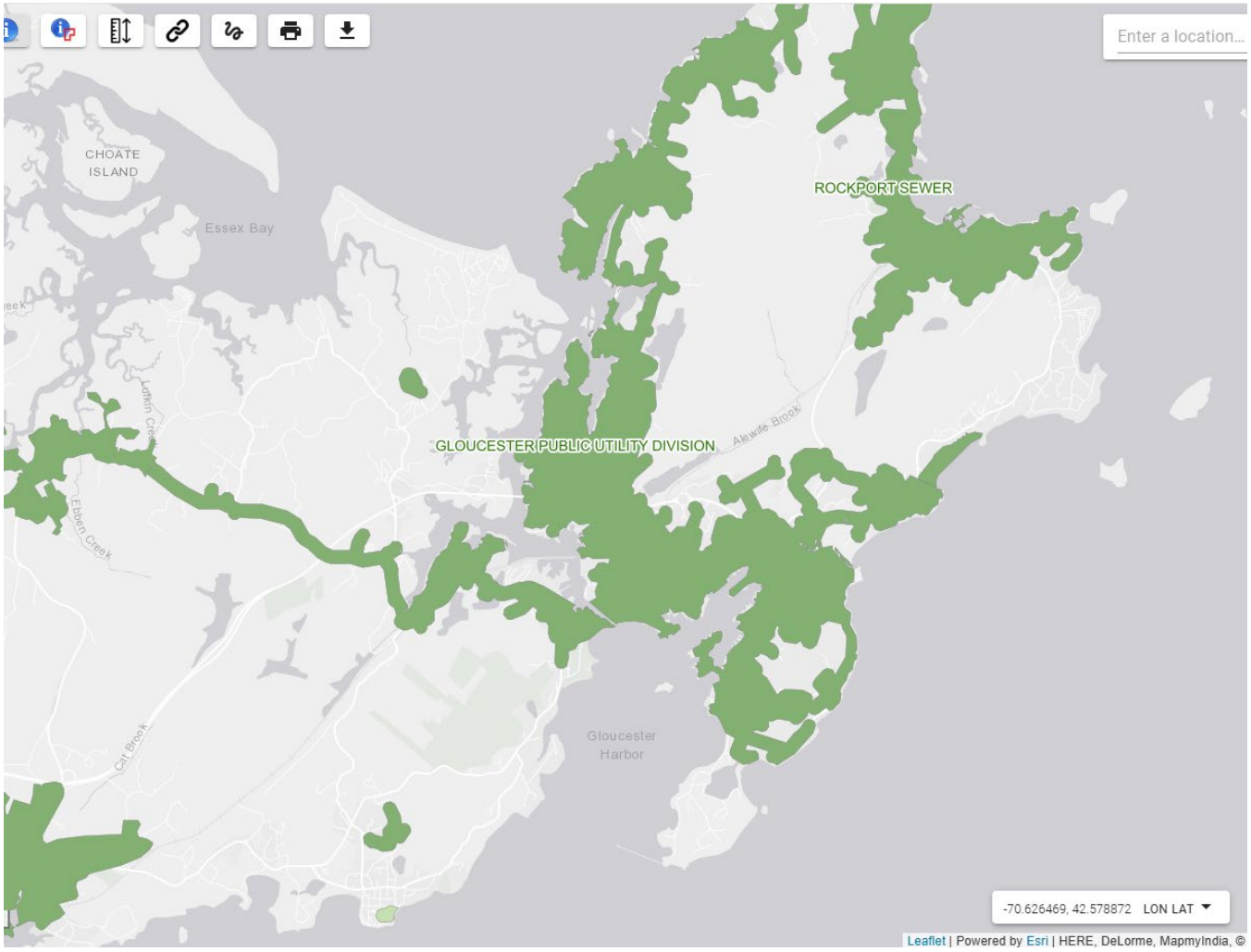


Source: Massachusetts Department of Environmental Protection (MassDEP); an interactive version of this map can be viewed online.

Areas not served by public water and sewer rely on well water and onsite wastewater treatment systems. In Massachusetts, on-site septic systems are managed under Title 5 (310 CMR 15.00) that regulates siting, construction, inspection, and upgrade of onsite subsurface sewage treatment and disposal systems (septic systems). Septic design plans also must adhere to Gloucester's on-site wastewater regulations, which are more stringent than Title 5. The Gloucester Board of Health is able to grant a variance for septic designs that diverge from the regulations but there is a high standard to do so and this is not common. Capacity and appropriate catchment areas for wells and onsite wastewater treatment in these areas often makes them unsuitable for large scale development and can be challenging for residential development at any scale. Municipal officials noted challenges for many lots to achieve appropriate topsoil requirements to support

on-site septic systems based on state requirements and noted locating new wells can make infill development challenging, even in more rural and less developed parts of the City. Because Accessory Dwelling Units (ADUs) meet the Title 5 definition for new construction, these regulations also limit the potential for adding ADUs to existing lots where property owners may wish to create an additional unit for family or to generate additional income.

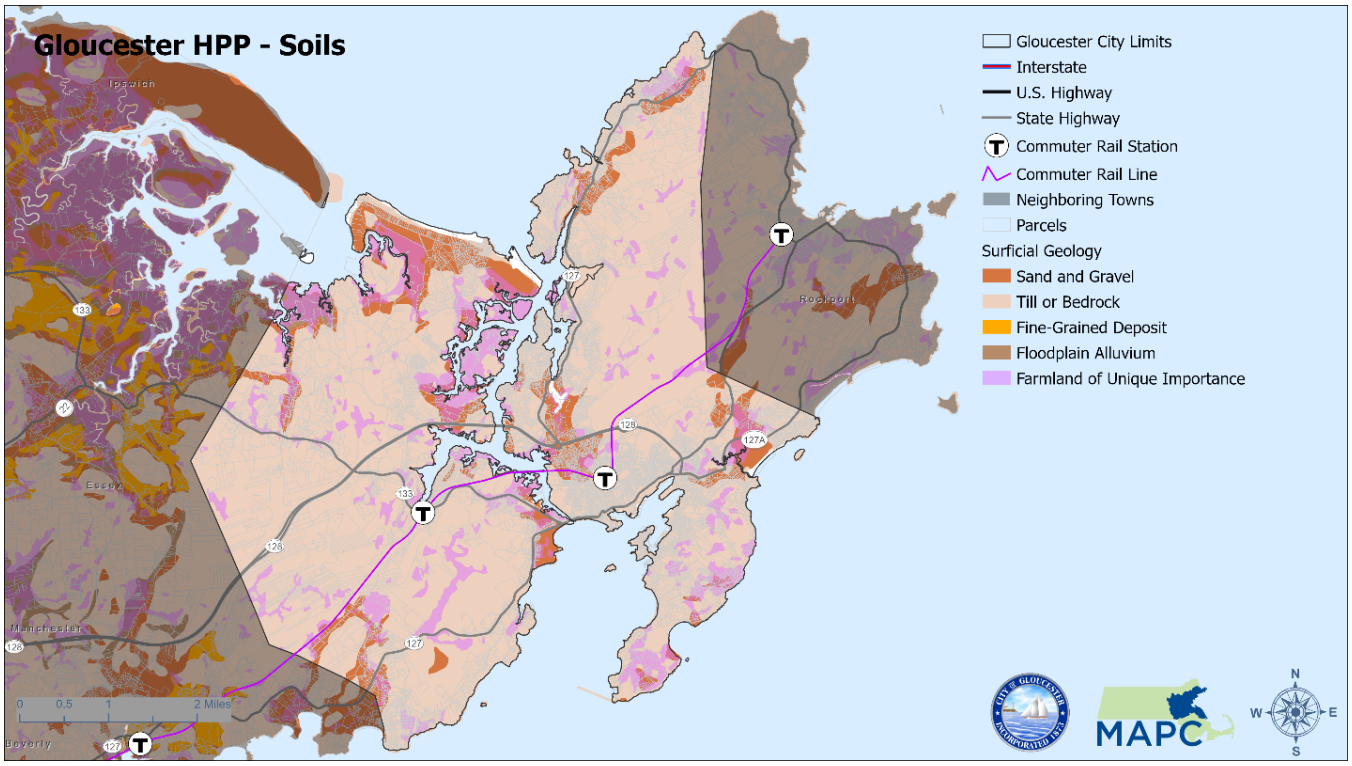
Figure 54 Estimated Sewer Service Area (Public and Privately Owned)



Source: Massachusetts Department of Environmental Protection (MassDEP); an interactive version of this map can be viewed online.

Small expansions to areas of existing infrastructure may be possible; however, much of Gloucester sits on bedrock, making larger infrastructure expansion to areas of the city like Magnolia or West Gloucester challenging and expensive. Larger multifamily housing development is concentrated within Downtown and the surrounding areas primarily because existing access to water and sewer infrastructure can support larger development. Neighborhoods like Wheeler's Point, Lanesville, and East Gloucester have some water and sewer infrastructure with potential capacity to support limited infill and small multifamily development.

Figure 55 Soils



Source: MasssGIS

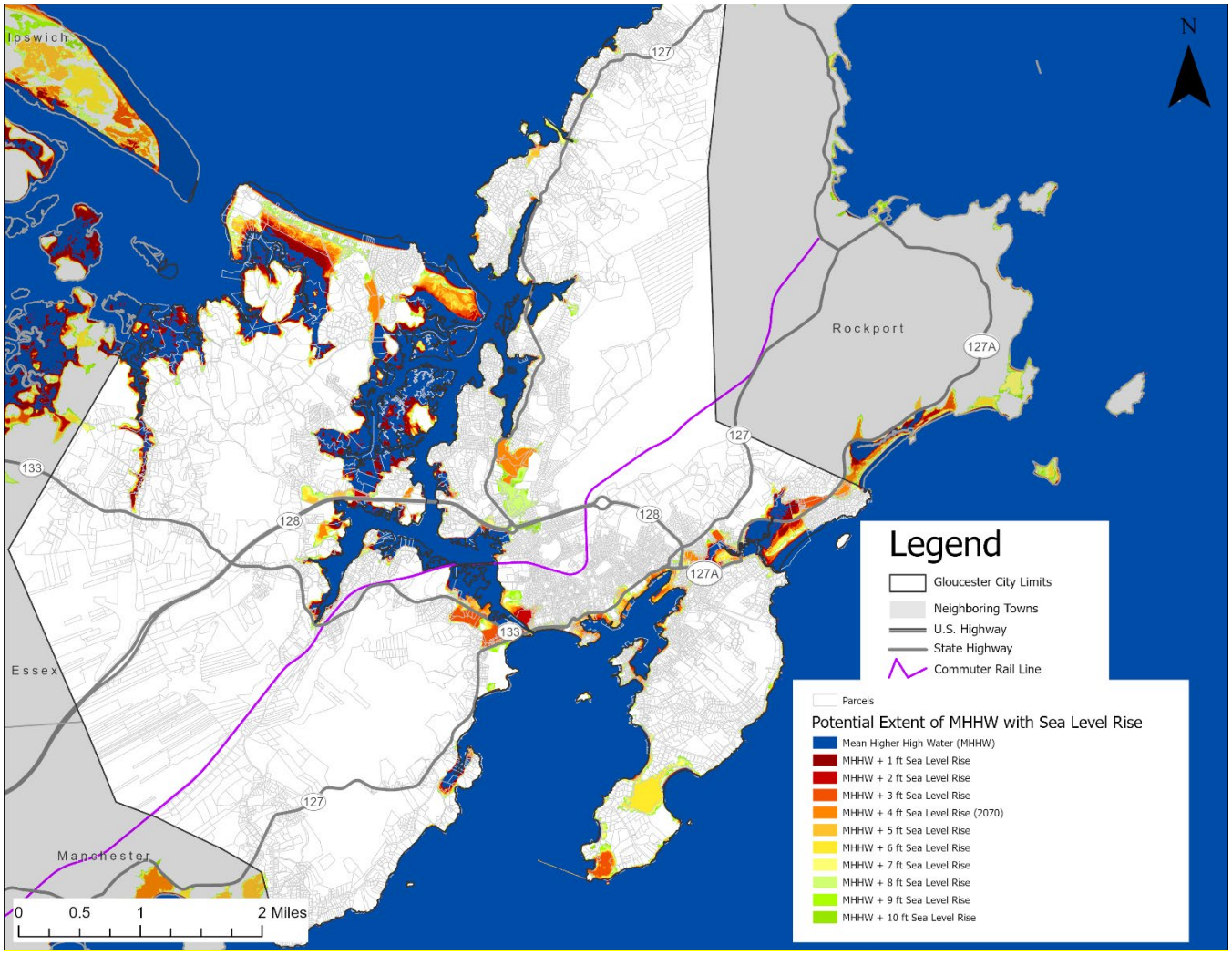
Water: Sea-Level Rise, Flooding, Wetlands, Public Water Sources

Considerations for directing new development are deeply shaped by Gloucester's relationship to water. Sea-Level Rise in low-lying coastal areas, inland flooding, and ponds and wetlands significantly limit areas of the city appropriate for development.

Sea-Level Rise

From a practical standpoint, any areas vulnerable to sea-level rise and coastal flooding are not suitable for future housing development. As a coastal lowland community, Gloucester's coastline is especially vulnerable to changes stemming from climate change and sea level rise. To understand the impact of anticipated sea-level rise, the National Oceanic and Atmospheric Administration (NOAA) uses a "bathtub" model to show coastal flooding with increasing sea-level rise above the average height of the daily highest tides, referred to as the Mean Higher High Water (MHHW). The map below shows how the MHHW will change with sea-level rise; areas shown in dark red represent the most immediate risk and areas shown in light green represent the least immediate risk.

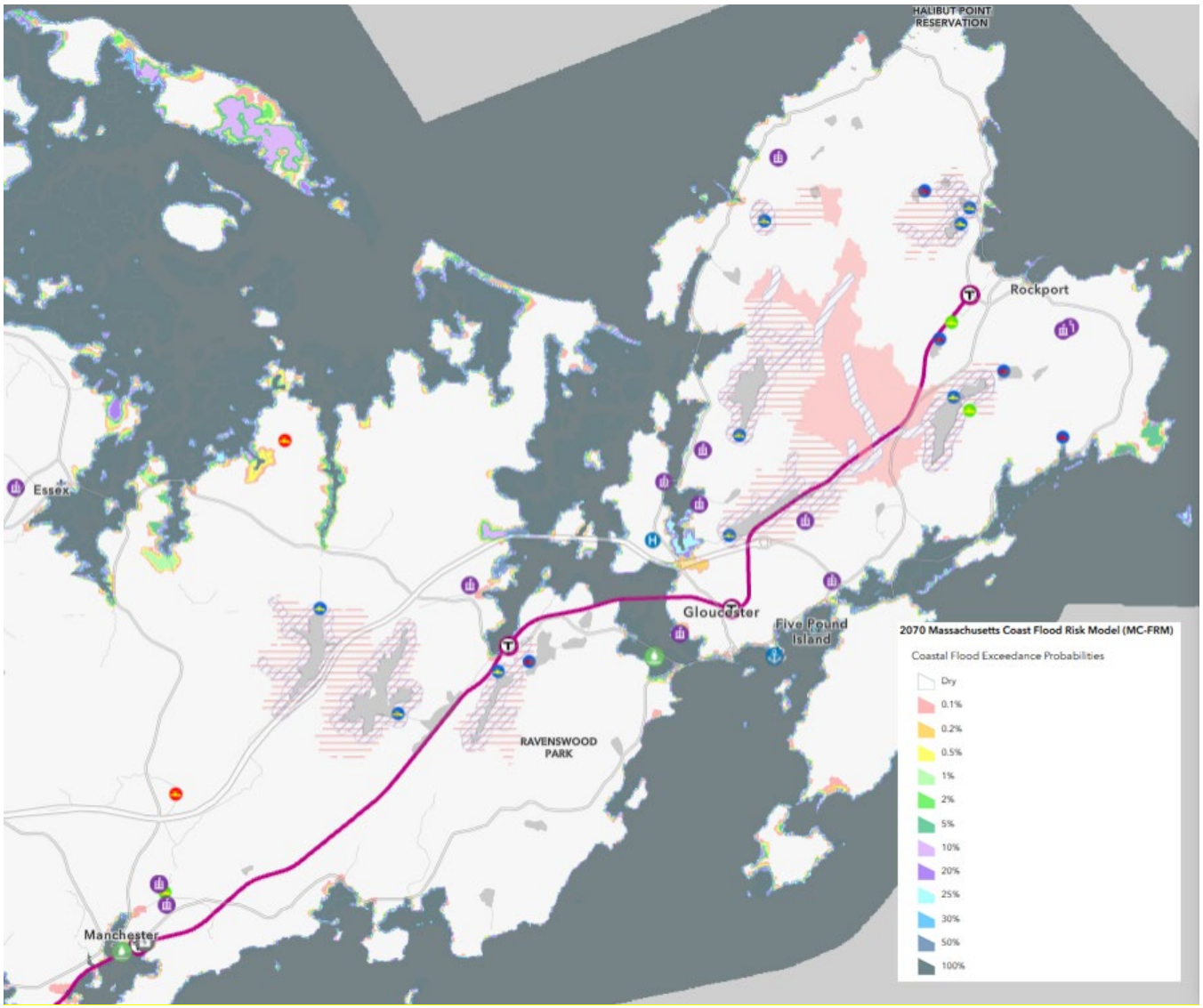
Figure 56 NOAA Sea Level Rise Model Map



Source: NOAA

The NOAA "bathtub" model is static, and does not account for storm surge, waves, erosion, and other dynamic factors. To understand coastal flooding risks beyond sea-level rise, we reference the Massachusetts Coastal Flood Risk Model (MC-FRM). The MC-FRM shows the risk of coastal flooding across future time horizons (2030, 2050, and 2070), accounting for sea-level rise due to continued high emissions of greenhouse gases and storm surges associated with coastal storms, like hurricanes and northeasters.

Figure 57 Massachusetts Coastal Flood Risk Model (MC-FRM) Map



Source: Commonwealth of Massachusetts, MassGIS

In both models, coastal areas, especially around the harbor, and low-lying areas around the Annisquam River are at greatest risk for flooding and inundation as a result of sea-level rise. Sites that are anticipated to experience significant impacts from sea-level rise and coastal flooding through the 2070 scenario are not considered suitable for future development in this plan.

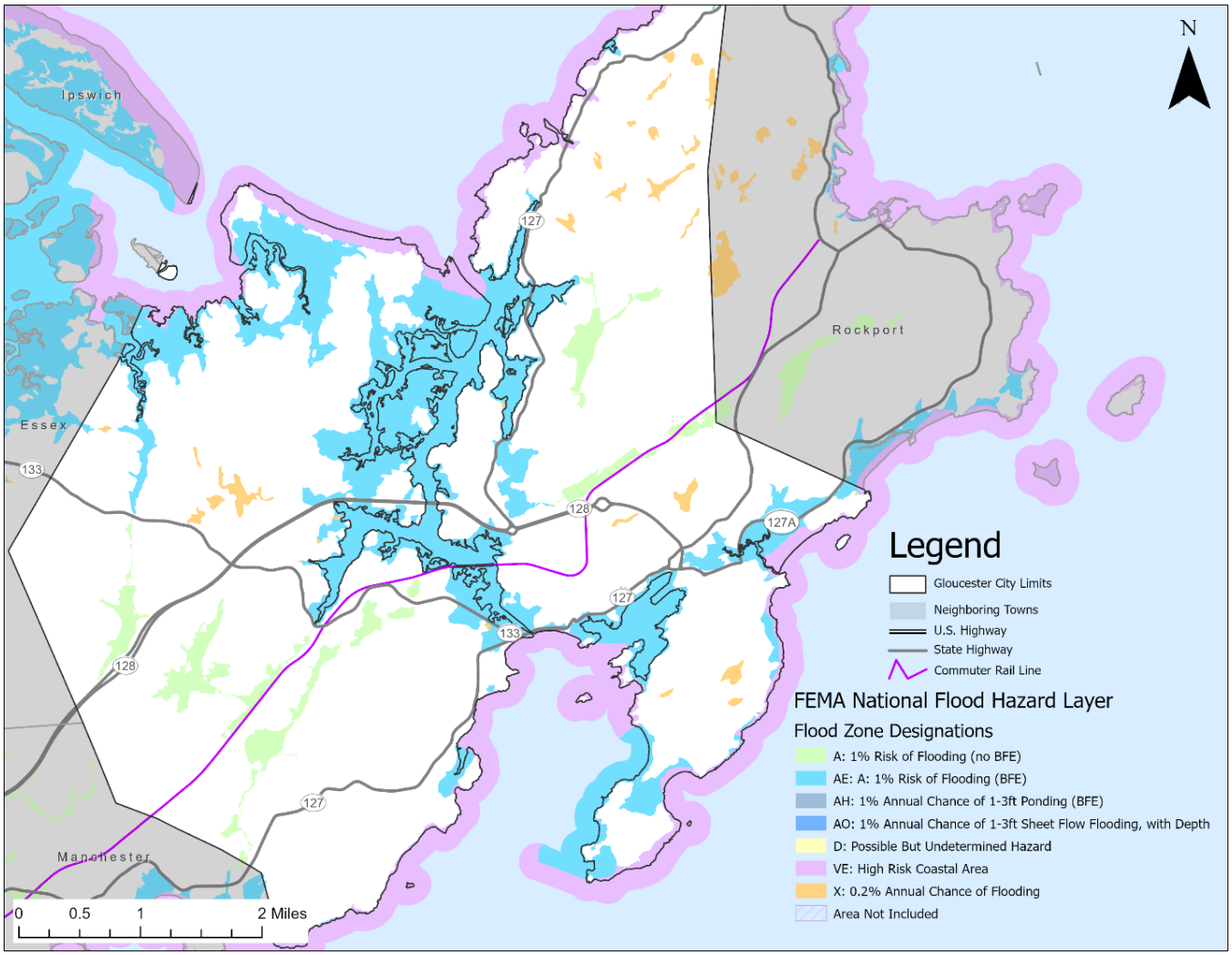
Flood Risk

To understand flood risk, we reference the "Flood Insurance Rate Map" (FIRM) produced by the Federal Emergency Management Agency (FEMA) that shows the likelihood of flooding in an area. These maps are used to inform insurance risks for homeowners, developers, banks, and insurance companies, but also provide a useful reference for understanding risks associated with flooding from a planning perspective.

FEMA's National Flood Hazard dataset categorizes flood risk into seven distinct categories.

- A zones: 1% annual risk of flooding with no base flood elevation
- AE zones: 1% annual risk of flooding with base flood elevation
- AH zones: 1% annual chance of 1-3ft ponding with base flood elevation
- AO zones: 1% annual chance of 1-3ft sheet flow flooding, with depth
- D zones: Flooding here is possible, but the hazard is undetermined.
- VE zones: Coastal areas that have a very high risk for large waves.
- X zones: 0.2% annual chance of flooding.

Figure 58 FEMA National Flood Hazard Map



Source: Federal Emergency Management Agency (FEMA)

Nearly all of Gloucester's coastline is a VE zone, a "very high-risk coastal area" where crashing waves of over 3ft can threaten the health and safety of people as well as property. Much of the coastline, especially to the north, is also a concern, as these AE zones have a 1% annual risk of flooding with base flood elevation. These areas have been under a national microscope in recent years, as studies have shown that areas previously likely to flood every 100 years are now more likely to flood every 30 years.[69].

Inland areas also face flooding challenges, although not as severe. The green portions of the map showing the A zones have a 1% chance of flooding without base flood elevation; however, these zones are primarily where inland lakes occur. The other inland areas facing flood challenges are the X zones, with a 0.2% annual flood risk. These areas primarily occur in wetlands, open space, and forested areas that have additional development and infrastructure challenges and have decreased in area with the 2025 dataset update.

Wetlands

Wetlands influence land use because they retain water, have soft soils, and are prone to flooding. Even when the surface appears dry, waterlogged soils beneath can limit the types of buildings or infrastructure that are possible. Gloucester's low-lying coastal location means wetlands pose a significant constraint on development. At approximately 3,027 acres, 17.7% of Gloucester's land is comprised of some type of wetland, with marine and forested wetlands being among the most common.

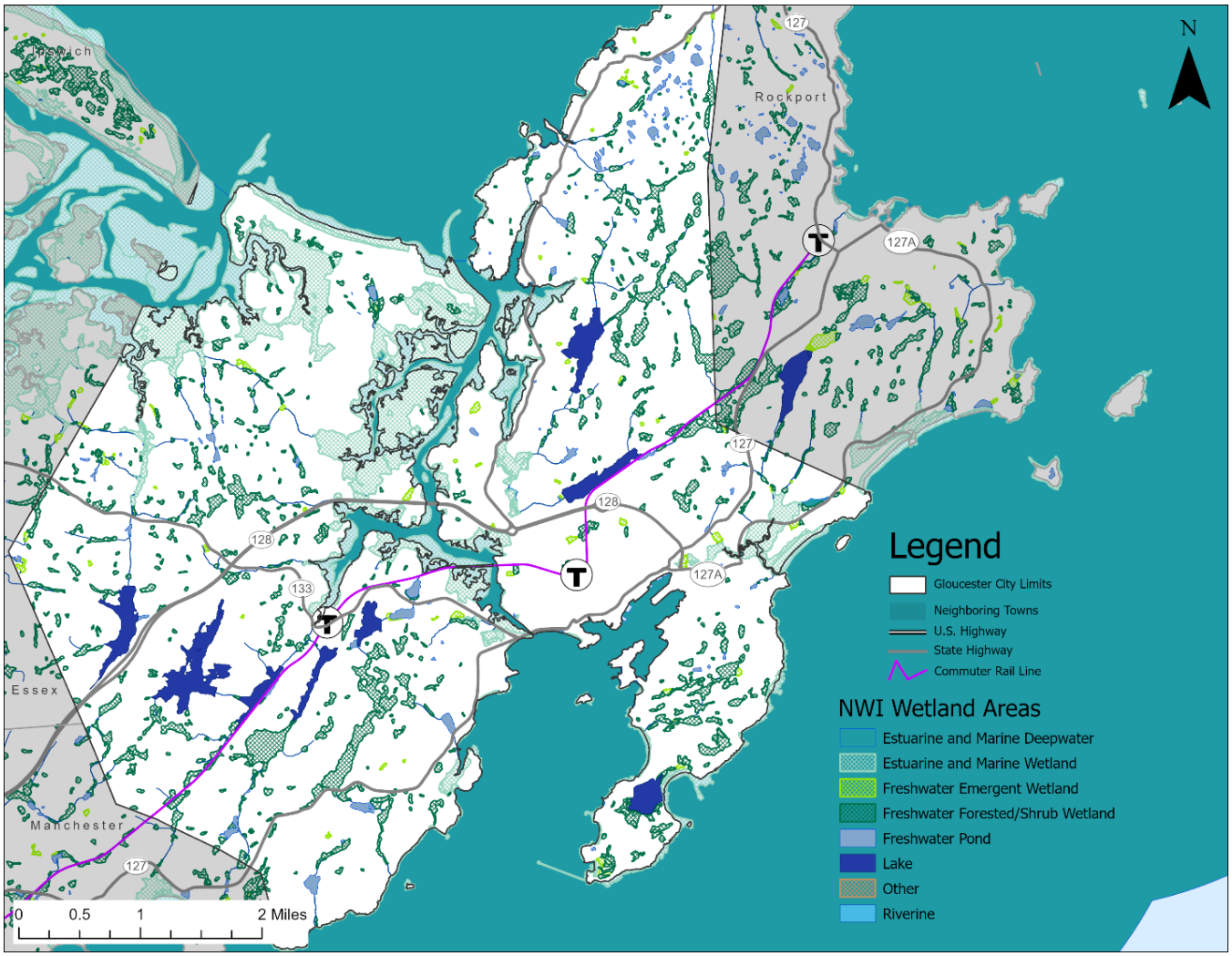
Table 8 Wetland Types in Gloucester by Area

Wetland Type	Acres
Estuarine and Marine Deepwater	25.6
Estuarine and Marine Wetland	1,384.7
Freshwater Emergent Wetland	60.3
Freshwater Forested/Shrub Wetland	992.9
Freshwater Pond	131.5
Lake	380.3
Riverine	51.6

Source: USFWS National Wetlands Inventory

[69] Source: https://www.nature.com/articles/s41467-019-11755-z

Figure 59 Map of Wetlands by Type



Source: USFWS National Wetlands Inventory

Legal provisions for wetlands also make development challenging in these areas. Gloucester's Wetlands Protection Ordinance, chapter 12 of the municipal code, is designed to protect the public against any health and safety challenges related to flooding because of land use decisions by property owners. This ordinance gives power to the city's Conservation Commission to issue and deny permits that would "remove, fill, dredge, alter or build upon or within any resource areas (typically the wetlands or any area prone to flooding) or the buffer zone (100ft from wetlands). The ordinance essentially prevents any development in these areas without a special permit and typically requires an environmental impact assessment to determine whether the proposed development would exacerbate flooding.

Public Water Sources & ACECs

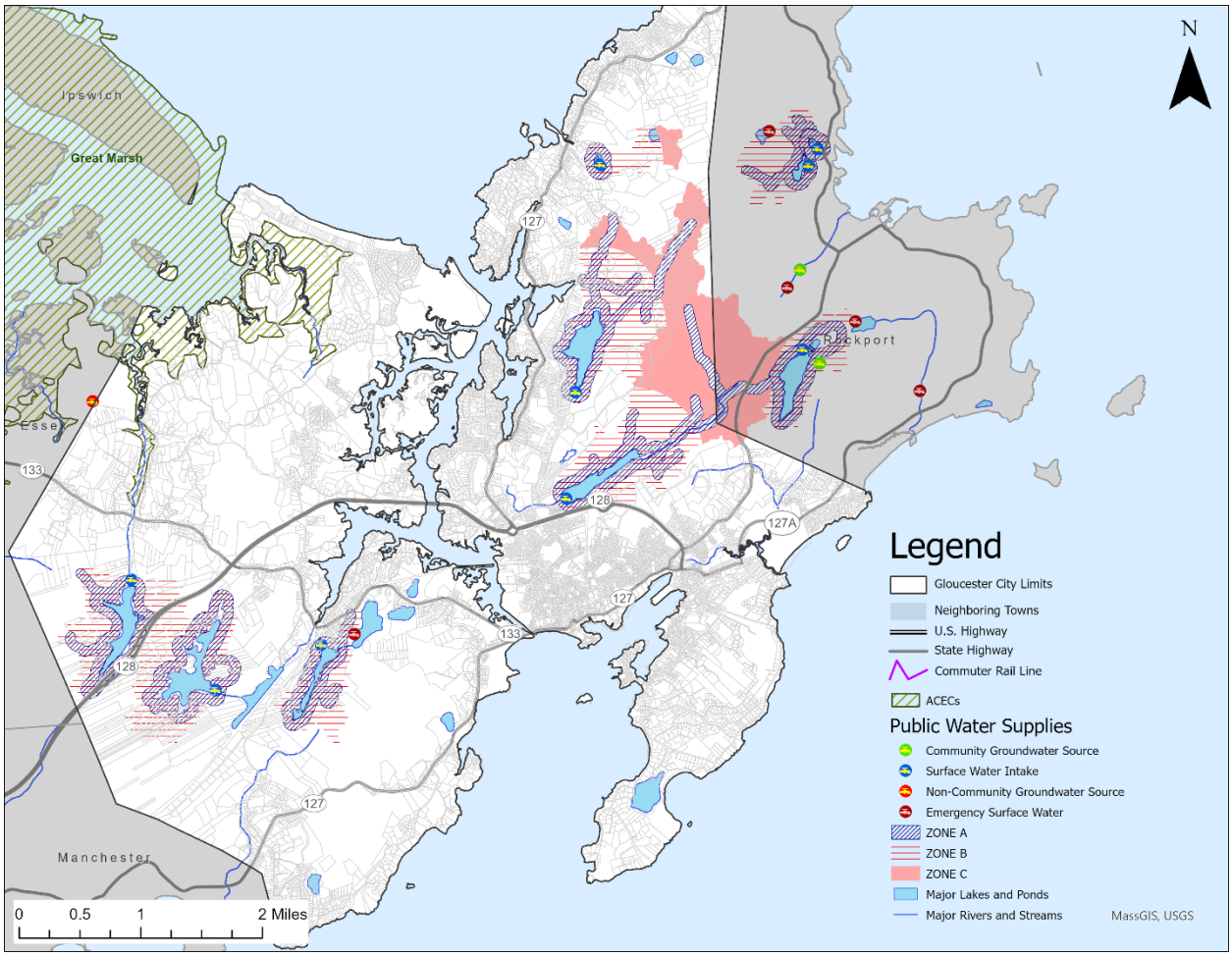
Areas of Critical Environmental Concern (ACECs) are designated by the Massachusetts Secretary of Energy and Environmental Affairs (AAEA) and "receive special recognition because of the quality, uniqueness, and significance of their natural and cultural resources.[70]" While these GIS boundaries, noted with green in the

[70] https://www.mass.gov/info-details/massgis-data-areas-of-critical-environmental-concern

following map, help us to understand where ACECs are, they are not truly definitive, and additional research is needed to develop near them.

The public water supplies are defined by type: community groundwater source, surface water intake, non-community groundwater source, and emergency surface water. Only surface water intakes and an emergency surface water location are identified in Gloucester.

Figure 60 Public Water Supplies and Areas of Critical Environmental Concern



Source: Massachusetts Department of Energy and Environmental Affairs (EEA)

Land Use & Open Space

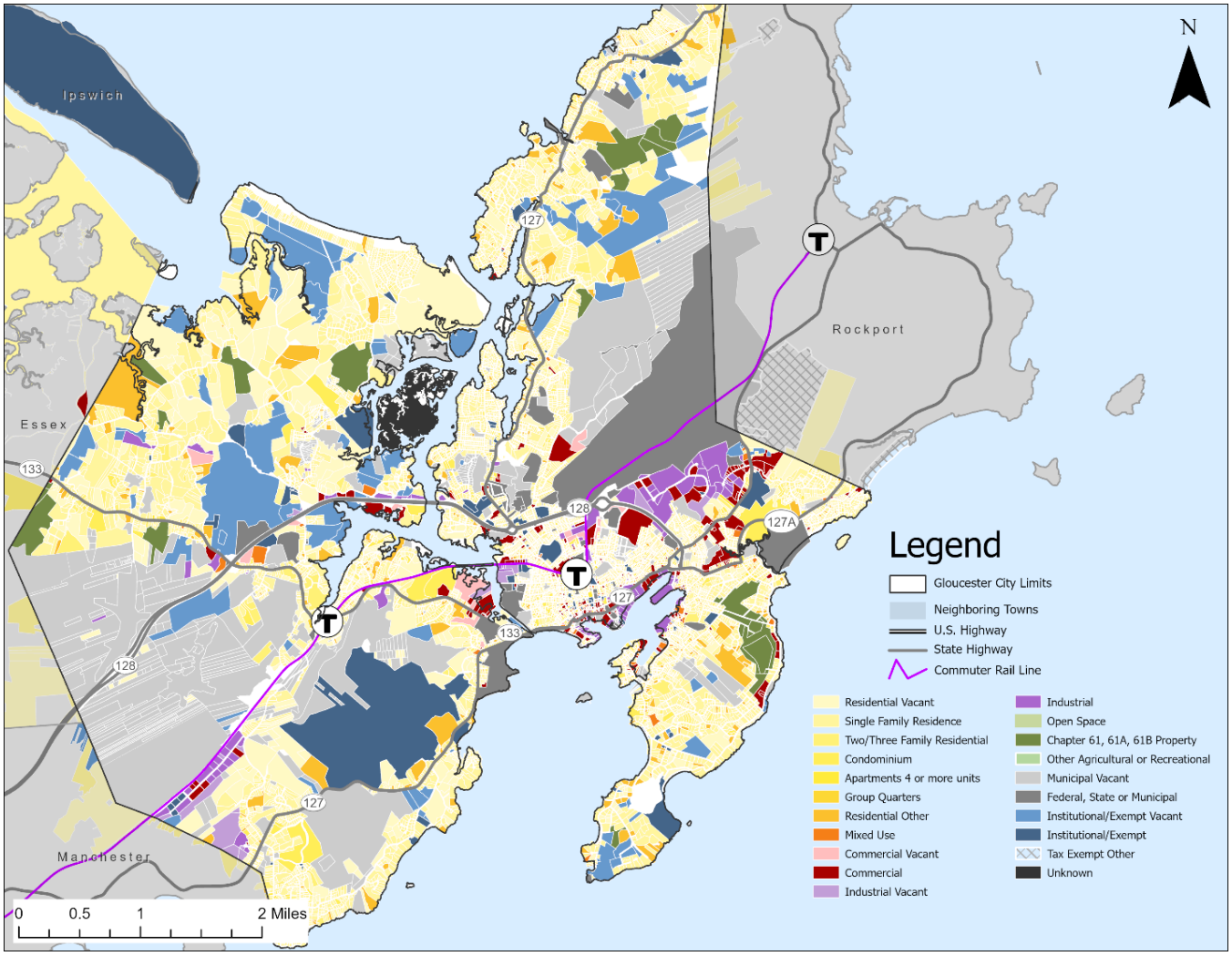
Land Use & Land Cover

We use land use and land cover to help us to understand existing development patterns and potential constraints and opportunities for development.

The land-use map below uses the MassGIS parcel database, updated as of 2026. This database assigns a land-use code to each parcel based on the reported and taxable land use. The result is a dataset that shows land use through the lens of land taxation, which may only imply actual use. For instance, grey and light blue parcels are government-owned vacant land and are overwhelmingly natural and open spaces, but this map does not classify them as “open space” the way parcels with Chapter 61 protection are. The land-use

by parcel map highlights the predominant residential areas, targeted commercial districts, industrial corridors, large institutional parcels, and significant vacancy of varying types. Much of the vacancy is either "municipal vacant" or "residential vacant," and should be considered as "types of public and private open space".

Figure 61 Land Uses by reported and taxable land use



Source: MassGIS Parcel Database

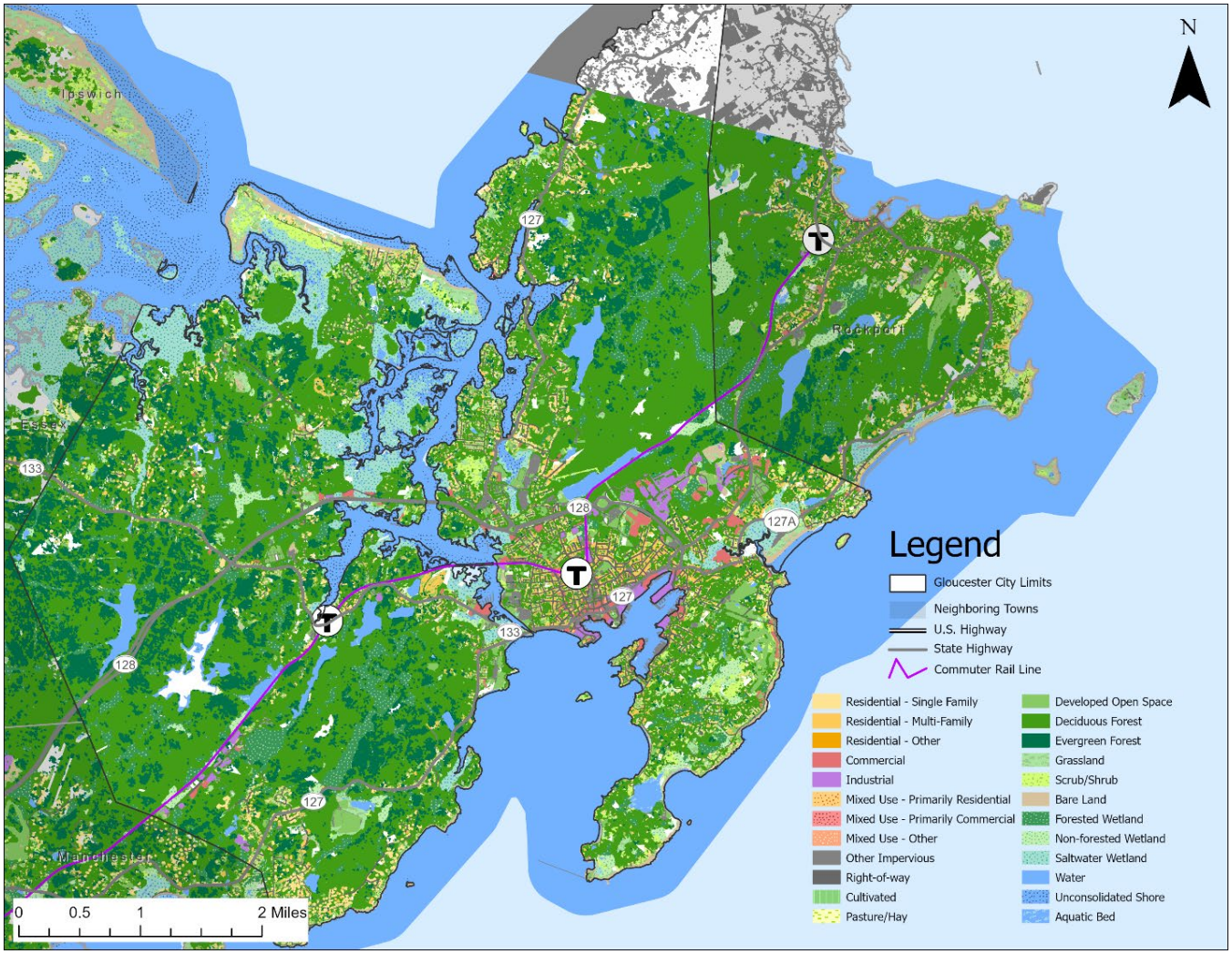
Using a combination of NOAA aerial imagery and property tax assessment records, the "Land Cover" map below is designed to provide a more holistic view of land use and what a person would be likely to observe in the city[71].

[71] While this dataset is from 2016 and is at the end of its reliable lifespan, the land use in Gloucester has not gone through substantial change in the last 10 years. The data is unfortunately incomplete because it does not record land use in portions of northern Gloucester and Rockport.

The presence of rocky areas, marshlands, and forests restricts development in Gloucester to areas along roads with the infrastructure to support it. Like most communities in the United States, there is a substantial number of single-family homes on developed land.

The open spaces show a tremendous amount of parcel vacancy in Gloucester, with substantial portions of the city being very challenging to develop.

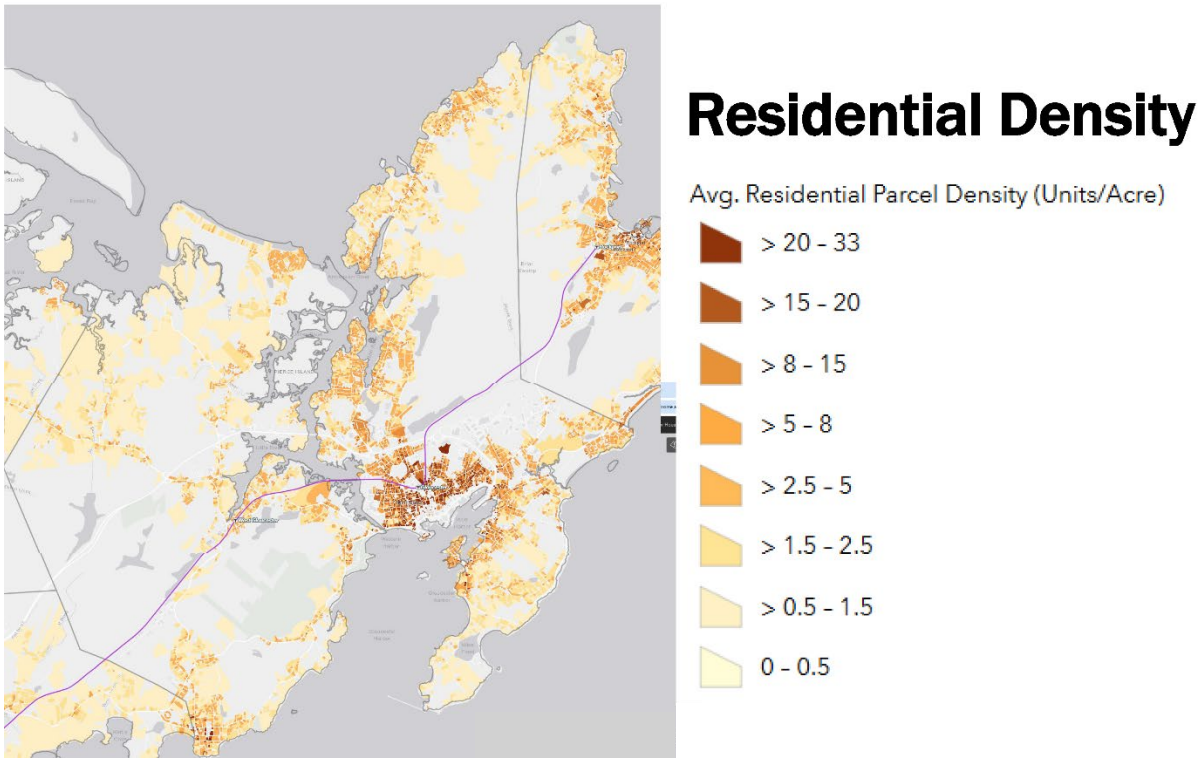
Figure 62 Land Use by Land Cover



Source: Commonwealth of Massachusetts, MassGIS

Existing Residential Use

Residential density in Gloucester largely follows the areas served by water and sewer infrastructure. Residential density is most concentrated in the Downtown area with clusters in East Gloucester, Wheeler's Point, Magnolia, and Lanesville.



Source: MHP Residensity, https://residensity.mhp.net/

Open Space

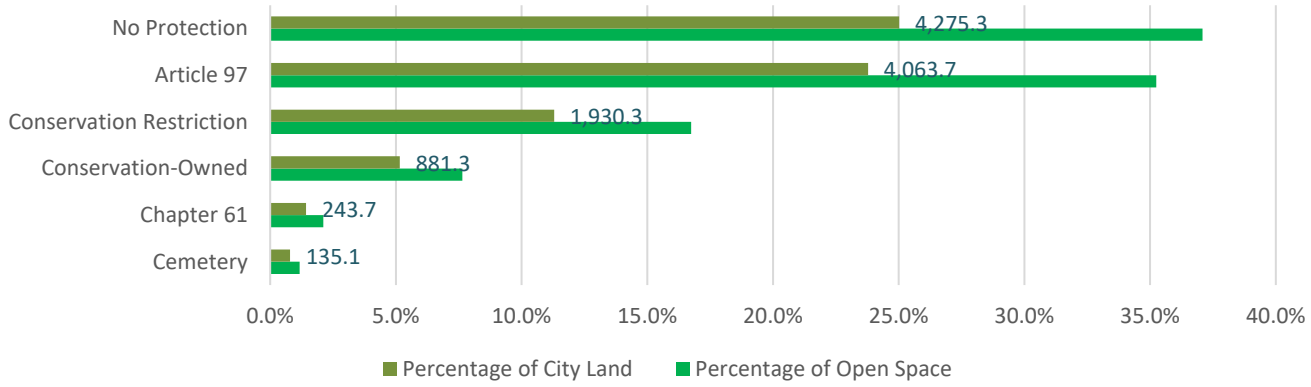
Open space is a substantial constraint for development in Gloucester. Gloucester has more than 11,000 acres of land that represent some form of open space, roughly two-thirds of the total land area in the city, and more than 60% of that open space has some level of protection.

The Massachusetts Bureau of Geographic Information (MassGIS) collaborates with municipal tax assessors throughout the state to maintain geospatial databases of land use and parcels. One of these databases tracks open and recreational space, including both passive and active recreational areas. In addition to indicating which parcels are and are not open space, the dataset also displays the type of protection under which the open space parcels are protected:

- **A Confirmed Conservation Restriction** applies when there is a deed or other legal document (such as a bylaw) that requires the parcel to be kept as undeveloped open space.
- **A Conservation Owned Site** is one owned by a land conservation organization, acquired with the intent of keeping the parcel as undeveloped open space.
- **Article 97** of the Massachusetts Constitution provides for additional legal protections under a constitutional right to "a clean environment". Municipalities that acquire land for conservation and recreation purposes will often place that land into a deed restriction under Article 97. While that does not grant land conservation in perpetuity, there are additional steps that must be taken to dispose of the land, requiring numerous votes by city boards and meeting the burdens of proof.
- **Massachusetts Chapter 61** is the "Forestland Taxation Act", a law that encourages people to keep forested, agricultural, and recreational land undeveloped in exchange for a lower tax rate. Only parcels of 10 acres or larger are eligible. To participate in the program, the property owner must submit a forest management plan and complete additional applications to the state DCR. When a property is accepted under Chapter 61, a lien is placed on the property for taxes due. After 10 years, land is removed from Chapter 61 protection unless a new management plan is submitted.
- **Cemeteries** are protected by their land use. Changing the land use of a cemetery requires substantial remediation and great cost; they are not typically relocated elsewhere in modern-day
- **Land marked with no protection** is kept as open space because the property owner has made a decision to keep it as open space. This land could be developed or sold at any time, with an uncertain future.

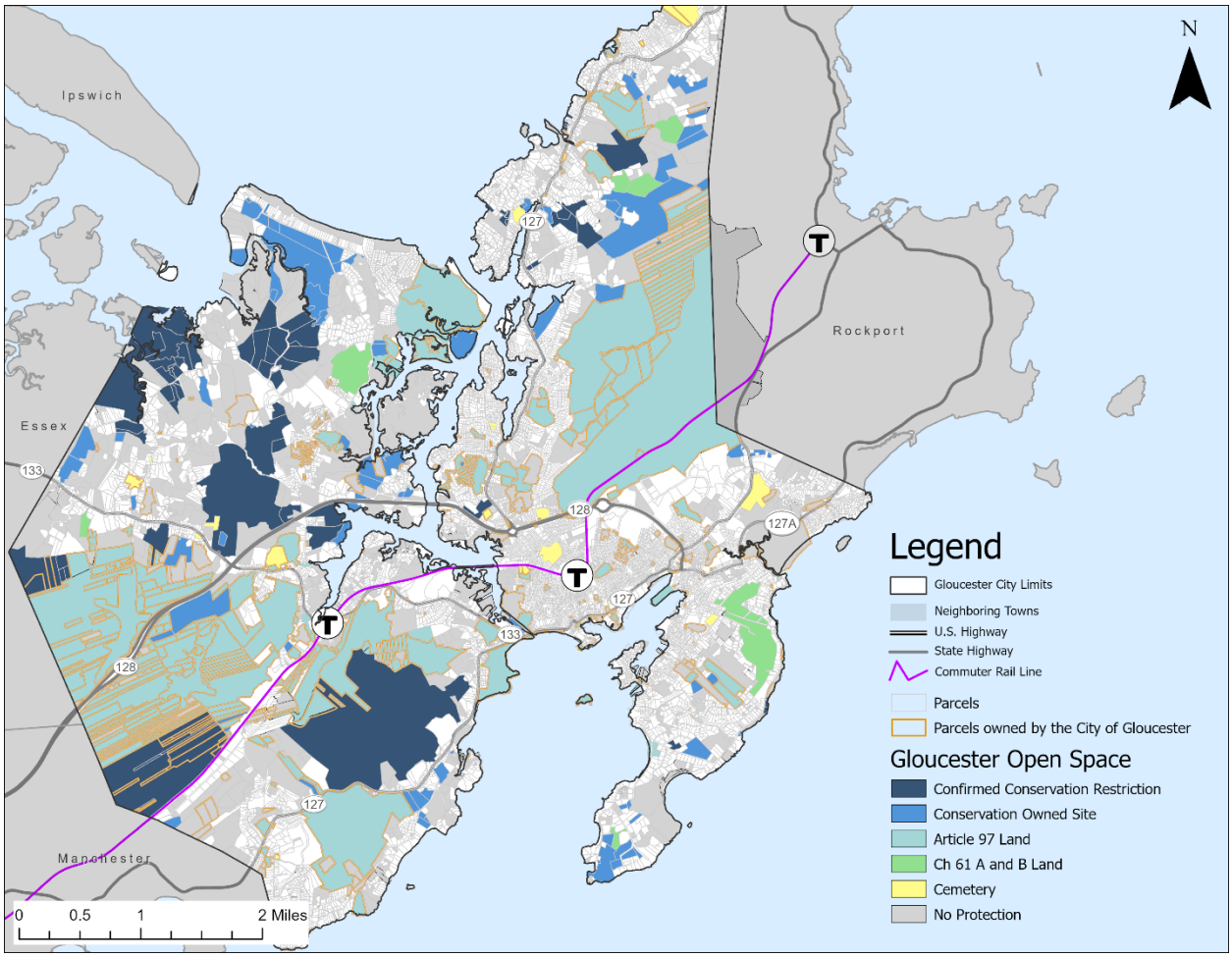
In addition to the land that falls under one of the above protections, the map also highlights in orange the land that is owned by the City, the vast majority of which is protected under Article 97.

Figure 63 Open Space by level of protection



Source: Massachusetts Bureau of Geographic Information Systems (MassGIS)

Figure 64 Open Space by level of protection



Source: Massachusetts Bureau of Geographic Information Systems (MassGIS)

Open space, especially those with conservation or other regulatory restrictions, are generally not considered Affordable Housing opportunities in this plan.

Industrial Uses and Activity & Use Limitations

Placing industrial land use and residential land near each other presents myriad inherent challenges, ranging from nuisance activities such as odors and noise to health and safety concerns stemming from potential pollution to dangerous trucks on local roads.

The industrial land near Eastern Avenue contains a mix of uses, including the manufacturing of various materials and final products. This differs substantially from the industrial uses in the southwest portion of the city near the Manchester border, where the industrial uses are more likely to be auto-centric repair businesses, mechanical contractors, and other businesses that provide service on location as opposed to customers walking in the door (pest control, cleaning services), using their industrial headquarters as their home base of operations.

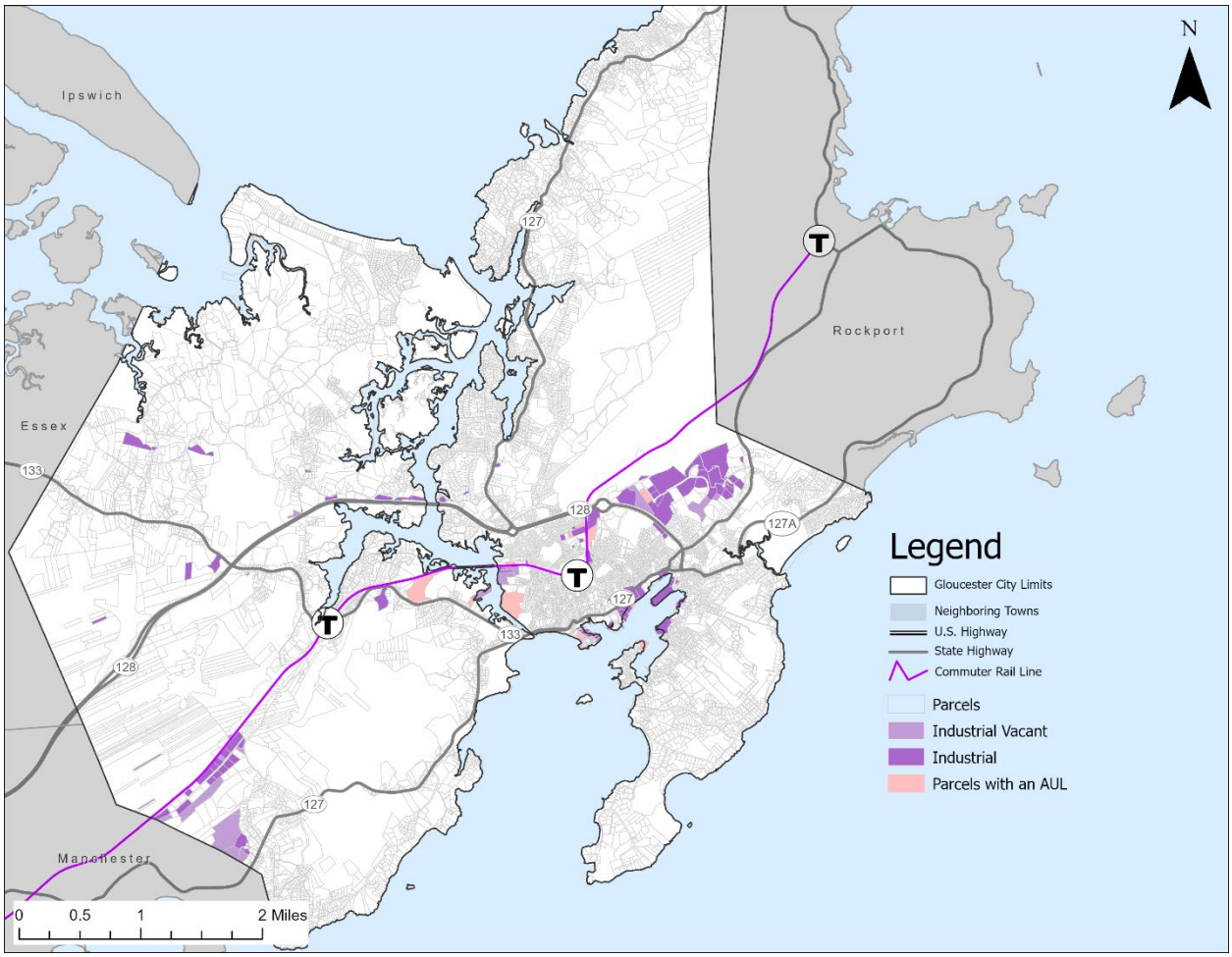
In Massachusetts, land that has contaminated releases of oil and/or hazardous materials must be reported to the Massachusetts Department of Environmental Protection's (MassDEP) Bureau of Waste Site Cleanup. This is done in accordance with M.G.L. Chapter 21E. MassDEP provides a publicly available geospatial dataset that is a subset of this data where the parcel has an Activity and Use Limitation (AUL).[72].

An AUL is a "legal document that identifies activities and uses of the property that may and may not occur, as well as the property owner's obligation and maintenance conditions that must be followed to ensure the safe use of the property." Cleanup efforts on these sites to remediate pollution are reported to MassDEP, and detailed information about each AUL site is provided. AUL sites reveal where past choices have left behind legacies of contamination and hidden presences that necessitate care before redevelopment can proceed.

There are 32 AUL sites within the City of Gloucester, largely along the coast and in the industrial area between Yankee Division Highway and Eastern Avenue. They were designated as AUL sites as far back as 1993 and as recently as 2020. For planning and addressing housing needs, the parcels for these sites are not recommended as suitable locations for Affordable Housing production.

[72] This geospatial data identifies points and is considered approximate, rather than exact, as the extent of ground pollution is often greater than it appears on the surface. To make the map easier to read, parcels with an AUL point on them have been identified.

Figure 65 Industrial Uses and AULs



Source: MassDEP, MassGIS Parcel Database

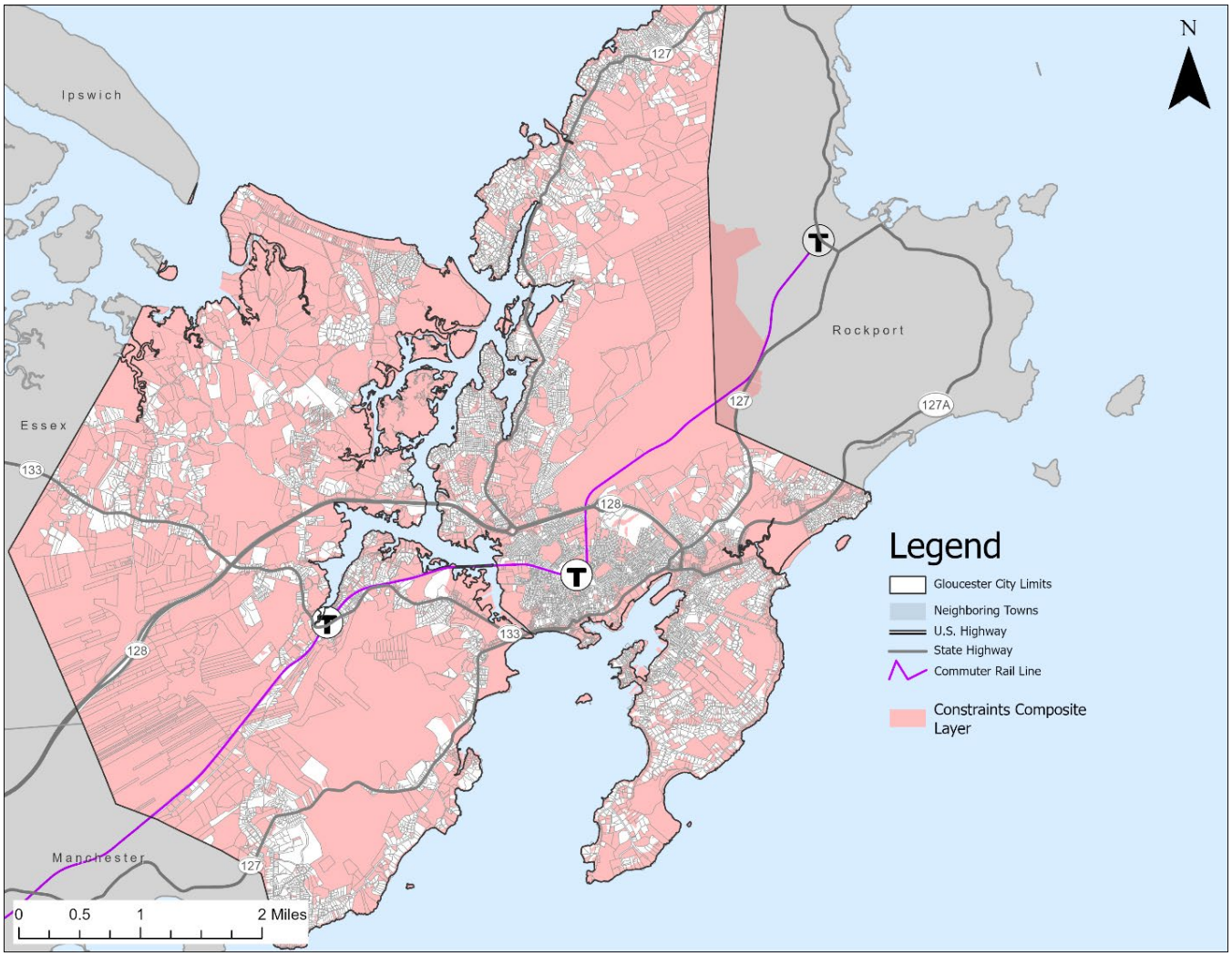
This plan does not recommend housing in Gloucester's industrial parks. Placing industrial land use and residential land near each other presents myriad inherent challenges, ranging from nuisance activities such as odors and noise to health and safety concerns stemming from potential pollution to dangerous trucks on local roads. For these reasons, this plan considers industrial parks unsuitable for residential development. The City also recognizes that dedicated industrial space is a rare and it is important to protect this land for industrial purposes.

Considerations for Development Opportunities

Overlapping Constraints

Together, these constraints place significant limits on the location and type of development possible to support the Affordable Housing production goals outlined in this plan. The map below shows a composite of the various constraints for development, including sea level rise to 2070, FEMA flood zones, water protection districts, municipally owned land, industrial land, parcels with an AUL, and open space.

Figure 66 Composite Map of Development Constraints



During engagement with community members and municipal staff, many people felt like there were many constraints on development and were not sure where new housing development could be possible. This sentiment was expressed both by people who wanted to see more housing built and by those who expressed concerns about new development. This analysis is clear that Gloucester does indeed have many constraints – roughly 75% of all land in Gloucester is not considered suitable for development – but there are opportunities and changes the city can make to encourage affordability and the creation of new homes.

Considerations for Opportunity Sites

Based on the constraints identified in this analysis, there are several key considerations that will inform identification of development opportunities:

- New development is most feasible in areas of Downtown and Railroad Avenue served by existing infrastructure and access to transit. Residents have expressed a desire for mixed-use development that fits in with the existing scale of Downtown and density to support local businesses in this area.
- Identify opportunities to unlock infill and small multifamily development or redevelopment within existing neighborhoods

- Given limited opportunities for new development, redevelopment opportunities and preservation of the existing housing supply are vital to maintaining Affordable Housing choices in Gloucester
- Given limited opportunities for new development, affordability must be a priority, particularly for larger developments

Development Opportunities

To support the City's goals for Affordable Housing production, the plan identifies a selection of opportunity sites with potential for development or redevelopment. We will give an overview of the existing conditions of the parcel, any key considerations, and some recommendations for potential Affordable Housing development.

Though the opportunity sites are focused on Downtown, it is important to note that other areas of the city also need expanded housing choices, including options for downsizing and more attainable homeownership opportunities. In the second half of this chapter, we include recommendations to unlock infill and smaller-multifamily housing types to expand housing choices in neighborhoods outside of Downtown. Expanding housing in Gloucester's neighborhoods must be done thoughtfully based on local conditions and development constraints such as wetlands, infrastructure limitations, and vulnerability to flooding.

What we heard from engagement

We spoke with residents at community events, focus groups, and public forums about their preferences and priorities for community benefits, where new homes are needed, and the types of new homes they would most like to see in different neighborhoods.

Through a communitywide survey, residents shared priorities for living near everyday goods and services like grocery stores, shops, and restaurants. Many people we talked with spoke about living near nature, parks, and the water as something they loved about living in Gloucester. Many also shared housing goals of homeownership and finding a home that is affordable to them. Many residents also expressed a goal to be able to stay in their current home. Survey respondents noted that smaller homes and apartments as well as two- and three-family and family-sized homes are needed in Gloucester. The recommendations for development opportunities aim to create new Affordable and attainable homes at a variety of scales for both homeownership and rental units. The recommendations section of this plan highlights additional actions the City can take to get the most out of these development opportunities and help people maintain and remain in their homes.

During the community forum, participants highlighted **increased Affordability, workforce stability, choices for downsizing, and cultural and economic growth** as priorities for new development and shared preferences for the types of housing they would most like to see in different areas of the city. Generally, people preferred mixed-use and multifamily housing in the Downtown and Magnolia areas and expressed openness for infill and small multifamily home types in other residential neighborhoods, like Wheeler's Point, East Gloucester, and North Gloucester. Residents also spoke with us about opportunities for ADUs and clustered small homes on lots in West Gloucester as more attainable housing options.

Housing Types & Scales

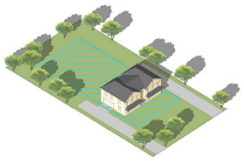
Lower density housing types (4 to 8 units per acre)



Single-family is a single detached home on a lot. This type of housing represents 51% (7,468 units) of Gloucetser's housing stock today. It typically ranges in density from four to five units per acre. Because of their lower densities, single-family housing tends to be high cost in markets where land is expensive.



Accessory dwelling unit (ADU) refers to adding a housing unit to a single-family home in a separate small building, over a garage, or in a basement, etc. This can increase the density of single-family housing up to 8 to 10 units per acre. ADUs can be naturally affordable due to their smaller size.



Two-family is two housing units attached on the same lot. This type of housing represents 16% (2,290 units) of Gloucester's housing units. It typically ranges in density from 8 to 19 units per acre.

Middle density housing types (9 to 30 units per acre)



Three-family is three housing units in a single building. The units could be arranged horizontally in a triplex or sometimes stacked one per level in a triple-decker. This type of housing typically ranges in density from 8 to 25 units per acre.



Multi-unit housing is typically four or more housing units in a larger existing home that has been converted from single-family or a new multi-unit building and is designed to look as though it were a larger single home. This type of housing is typically a density of 15 to 29 units per acre.



Cluster/cottage housing typically refers to a collection of smaller single-family homes that are clustered around a common green on smaller lots or designed on a single lot under common ownership. This type of housing is typically a density of 10 to 25 units per acre.



Townhouse is a housing type that typically vertically stacks or horizontally connects multiple housing units that share common areas and a common exterior building envelope. This type of housing is typically a density of 10 to 20 units per acre.



Small multifamily refers to a building with common interior circulation between units with a total of five to nine units. This type of housing represents 4% (589 units) of Gloucester's housing stock and is typically a density between 15 to 35 units per acre.

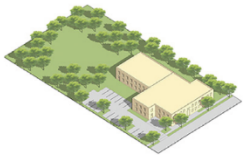
Upper density housing types (30 or more units per acre)



Multifamily refers to a building with common interior circulation between units amounting to ten or more. This type of housing represents 8% (1,204 units) of Gloucester's housing stock and is typically a density between 15 to 35 units per acre.



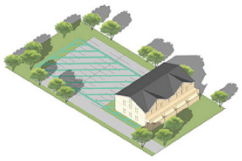
Courtyard is a type of multifamily building with common interior circulation between units and an enclosed or semi-enclosed open space in the middle of the building that provides a shared outdoor amenity. This type of housing is typically a density between 20 to 50 units per acre.



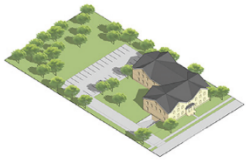
Conversion of a non-residential building is a general housing type that represents any adaptive reuse of an existing building for housing. This can include a wide range of existing structures. Density varies depending on the existing structure, anywhere between 15 and 50 units per acre.



Mixed-use development is a building typically composed of residential uses over other non-residential uses on the ground floor, or residential uses on the same property with commercial uses. Density can range anywhere from 15 to 45 units per acre.



Multifamily housing over structured parking is an approach to achieve more density with efficient parking that is placed under the building footprint. The parking under the building may include all of the required spaces or only some. This approach to parking increases the construction cost. It can be used with a number of housing types, including mixed-use development, mid-rise multifamily development, and high-rise multifamily development. Density can range anywhere from 20 to 50 units per acre.



Multifamily housing with an adjacent parking structure is another approach to achieve more density with an efficient parking structure placed adjacent to the building. This approach also increases the construction cost and must consider the tradeoffs that come with a parking structure. It can be used with a number of housing types including mixed-use development, mid-rise multifamily development, or high-rise multifamily development. Density can range from 20 to 50 units per acre.



Mid-rise multifamily development up to 6-stories in height is a multifamily structure that is maximizing wood frame construction to reach six or seven stories. Density can range anywhere from 20 to 50 units per acre.



High-rise multifamily development up to 10-stories in height is a multifamily structure that is optimizing steel construction to reach 10 or more stories. Density can range anywhere from 50 to 100 units per acre.

Opportunity Sites

Identification of housing opportunity sites is a requirement for state approval of a housing production plan. It is also a proactive way to guide residential growth to meet housing need.

While this plan does not guarantee new development will occur on the selected opportunity sites, these locations are identified as priority sites where the City will *encourage* new Affordable Housing development. The sites are identified based on the development constraints analysis, community preferences for housing identified during the engagement process, and other municipal considerations. The opportunity sites identified in this plan are focused in the Downtown and Railroad Ave areas where larger Affordable Housing development can be supported with access to existing infrastructure, transit, and everyday goods and services.

The plan recommends considering smart growth overlay zoning for several of these sites (see glossary for a definition). Using this tool can provide immediate state payments to the City's general fund if the zoning is adopted, additional payment as housing units are permitted, and annual state funding for any potential school-aged children that occupy a housing unit.

Why focus on larger development sites for Affordable Housing?

Housing comes in all shapes and sizes to meet a variety of different needs, so why do we prioritize opportunities for larger developments when we talk about deed-restricted Affordable Housing?

- Affordable Housing can be complicated to finance and manage. Larger projects are better equipped to absorb higher fixed development costs, administer and monitor affordability restrictions, and provide supportive services or other community benefits where appropriate.
- Larger projects benefit from economies of scale, reducing per unit costs and improving the financial feasibility of developments with Affordable units that have reduced or subsidized rents.
- Funding resources for Affordable Housing are highly competitive. For many of the reasons above, most state and federal funding resources to support housing affordability are designed for and directed towards larger projects (40 or more units).

  Low-Income Housing Tax Credits (LIHTC) are one of the most common financial tools used to support Affordable units and are competitively awarded through the state. LIHTC generates capital for the construction of low-income rental housing through investors in exchange for a tax credit (a credit against taxes owed to the federal government). These types of funding sources come with high administrative costs and specialized compliance requirements; these high fixed costs are more easily absorbed by larger projects. Additionally, larger projects that benefit from economies of scale are more attractive to investors and investor pools because they offer more substantial, reliable tax credit streams.

Gloucester has a significant need for Affordable homes. Focusing opportunity sites on larger developments will help the City and Affordable Housing providers leverage limited opportunities to maximize Affordable choices for residents.

The following are all privately-owned sites considered suitable for residential or mixed-use development. **The City is not proposing to build on these sites, that decision is entirely up to the private property owner**. The City's role is to consider policy changes, grants, incentives, and partnerships that make Affordable Housing more feasible on these sites.

The opportunity sites identified in this plan are:

Address	Recommendation Summary	Timeframe
272 Washington St	Consider a smart growth overlay zone to facilitate clustered small multifamily	Near-term
7 Railroad Avenue	Consider a smart growth overlay zone to create a smaller grocery store with housing above	Near-term
100 Gloucester Crossing Rd	Utilize current multifamily overlay zone for medium-scale multifamily	Near-term
33 Emerson Avenue	Consider a smart growth overlay zone for medium-scale multifamily	Mid-term
58/58R Prospect St	Support small-scale multifamily or vertical mixed-use	Mid-term

The City welcomes further discussion about these sites and other potential Affordable Housing opportunity sites.

For each opportunity site, we include a brief description of the existing conditions, including zoning and constraints, and considerations for housing development. These recommendations aim to meet Gloucester's housing needs and goals by balancing best practices and realistic development outcomes with identified community preferences for housing development.

272 Washington Street

272 Washington Street is located in the northwest portion of downtown, north of Yankee Division Highway. The site is a former nursing home that closed in 2022. In 2024, the Planning Office of Urban Affairs, a nonprofit housing developer affiliated with the Roman Catholic Archdiocese of Boston, purchased the site and is planning to develop it in partnership with Harborlight Homes, a nonprofit Affordable Housing developer that operates north of Boston.



Existing Conditions

Lot Area	2.03 acres (~ 88,000sf)
Existing Use	Former nursing home
Current Zoning	R-10 Medium/High Density Residential Min. Lot Area: 20,000sf Max. Height: 30ft Not included in the Multi-Family Overlay Residential use allowed
Ownership	Private
Constraints & Considerations	• Adjacent to major roadway and rail line • Limited connectivity to Downtown • Sitework would be needed for development

Recommendations

- Clustered small multifamily.
- Maintain wooded buffer to adjacent highway
- Consider Smart Growth zoning to allow for multifamily housing by right, and direct development towards community priorities

7 Railroad Ave (Former Shaw's Market)

The Shaw's Supermarket at 7 Railroad Avenue closed on April 12, 2025. Since then, the property owner and the City have worked to attract another grocery tenant, but market conditions no longer appear to support a large-format supermarket at this location.

Throughout the planning process, community members have consistently prioritized bringing a neighborhood-serving grocery store back to downtown. Many have also identified Railroad Avenue as a suitable location for expanding housing options. Zoning that supports redevelopment of the former Shaw's site could advance both goals by allowing a smaller grocery store with housing above. This mixed-use approach may be more financially viable by creating a built-in customer base while providing downtown residents with a convenient, walkable place to shop.

The site also offers an opportunity to create much-needed homes in a walkable, transit-accessible location near shops, services, and the commuter rail station. Redevelopment could attract investment and grants to improve circulation and pedestrian safety while helping transform Railroad Avenue into a more vibrant mixed-use district. Because this is one of Gloucester's few major redevelopment opportunities and is located within an environmental justice neighborhood, redevelopment should maximize the number of affordable homes available to Gloucester households.



Recommendations

- Vertical-mixed use supporting a small grocery store or other retail with housing above. For redevelopment that includes a grocery store and Affordable Housing to be financially viable, greater density will be required
- To support mixed-use, consider an appropriate allowable height, matching other neighborhood buildings
- Prioritize Affordability
- Consider Smart Growth zoning to allow for multifamily housing by right and direct development towards community priorities.

As a privately-owned site, the City cannot guarantee any type of development or tenant, but can encourage them to meet community needs through zoning, incentives, partnerships, and funding tools. This site is part of a broader planning and zoning effort for Railroad Ave. See Strategy 8 in the Recommendations Chapter for additional details.

Existing Conditions

Lot Area	2.96 acres (~128,000sf)
Existing Use	Closed Shaw's Market, parking lot
Current Zoning	Extensive Business (EB) • Min. Lot Area: 10,000sf • Max. Height: 30ft
Ownership	Private

Constraints & Considerations	• Ideal location near transit, shops, and businesses • Existing water & sewer infrastructure • Large parcel with significant potential for Affordable Housing • Existing zoning does not allow residential use. The site would require a zoning change or Comprehensive Permit to allow residential use • Easements and rights of way limit building footprint

100 Gloucester Crossing Rd

The Gloucester Crossing site is an undeveloped portion of the existing shopping center parcel, located near the Halyard Apartments development. Existing wetlands, wooded marsh, and required buffer areas on the north and east portions of the undeveloped area reduce the developable area to approximately 0.8 acres.

The site was included in a subdistrict of the Multifamily Overlay Zoning District (MFOD) adopted by City Council on October 1, 2024, as a part of the process to comply with the MBTA Communities Act (3A). The zoning currently allows multifamily housing by right subject to dimensional standards.



Existing Conditions

Lot Area	7.7 acres (~335,000sf) - parcel 0.8 acres (~35,000 sf) - developable
Existing Use	Undeveloped
Current Zoning	3A Multi-family Overlay District • Min. Lot Area: 40,000sf • Max. Height: 55ft • Density 40 units/acre
Ownership	Private
Constraints & Considerations	• Wetlands and wooded marsh on the north and east sections of the property leave only about 0.8 acres of developable land • A larger building would not be out of context with adjacent larger apartment and shopping center buildings

Recommendation

- Market the site to Affordable Housing developers to maximize number of homes available to Gloucester households

33 Emerson Avenue

33 Emerson Ave is a vacant industrial site located north of the high school and near several non-profits, including Pathways for Children and Open Door, as well as public properties including the Division of Marine Fisheries and the Lincoln Park Public Housing property. The Annisquam River borders the property to the west.

The City completed a feasibility study for a networked geothermal system connecting the high school and properties nearby. The study shows new residential development in this location could also be served by a networked geothermal system.



Existing Conditions

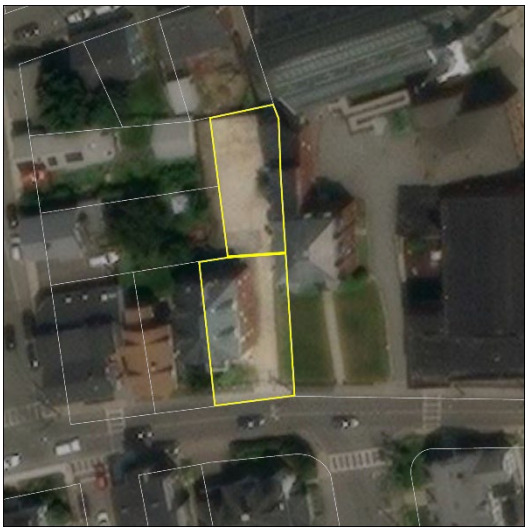
Lot Area	6.41 acres (~280,000sf)
Existing Use	Vacant, Industrial Storage
Current Zoning	General Industrial (GI) Min. Lot Area: 10,000sf Max. Height: 40ft Residential Use is not allowed
Ownership	Private
Constraints & Considerations	• Environmental constraints limit the usable area of the parcel • Existing zoning does not allow residential use. The site would require a zoning change or Comprehensive Permit to allow residential use

Recommendations

- Medium-scale multifamily housing
- Require considerations for flood mitigation in building and site design
- Consider opportunities for active open space
- Consider Smart Growth zoning to allow for multifamily housing by right and direct development towards community priorities
- Consider opportunities for a high-performance building and potential for a networked geothermal system on the site

58 and 58R Prospect Street

58 and 58R Prospect Street is the rectory and parking lot site adjacent to the former St. Ann School, located at the corner of Prospect and Pleasant Streets in Downtown Gloucester. The school opened in 1885 and closed in 2014. Since its closure, there has been no permanent use of the school or rectory. The City supports residential and mixed-use development for the 58/58R site.



Existing Conditions

Lot Area	0.18 acres (~8,076sf)
Existing Use	Former St. Ann's School Rectory and parking lot
Current Zoning	R-5 High Density Residential Min. Lot Area: 5,000sf Max. Height: 30ft Not included in the Multi-Family Overlay Multifamily residential use is allowed by Special Permit
Ownership	Private
Constraints & Considerations	• A mixed-use, multifamily project would require Major Project and Special Permit approval through the City Council • Small size between both lots

Recommendation

- Consider tools to support smaller-scale multifamily or vertical mixed-use.

Unlocking housing choices in Gloucester neighborhoods

While the opportunity sites for larger developments are concentrated in the Downtown area, the City's residential neighborhoods also have an important role to play in meeting the housing needs of Gloucester residents. During engagement for this plan, many residents noted that Downtown cannot be the only neighborhood where housing needs are met, highlighting West Gloucester, Lanesville, and East Gloucester as desirable places to live. Residents spoke about the need for expanded housing choices across neighborhoods, including opportunities for smaller homes appropriate for downsizing and entry-level homebuying opportunities, and expressed preferences for infill housing types (ADUs or tiny homes) and small-scale multifamily types (2–4-unit properties).

While existing infrastructure in these areas does not support the larger multifamily housing most suitable for traditional deed-restricted Affordable Housing, smaller, infill homes that create new, more attainable options within the housing supply are a needed release valve on the City's current housing market. In addition to the opportunity sites identified, this plan identifies recommendations for unlocking infill and small-scale housing development across different neighborhoods.

What are the benefits of infill and small-scale housing types?

- Often smaller in scale, typically three stories or less, small-multifamily types offer the opportunity to expand housing choices through gentle density, while fitting in with the existing neighborhood scale and fabric.
- Smaller homes are often less expensive compared to larger homes and offer appropriate downsizing choices for older adults or first-time homebuying opportunities for young people and young families.
- Land costs are a key driver of the cost to build new homes, particularly in markets like Gloucester with high-land values. In multi-unit properties, land costs are shared across all units in the development, meaning the per unit development cost is lower for multi-unit properties compared to a single-family home. This efficiency could be passed on to future residents through lower sale prices or lower rents.
- Living Little is a research and policy report produced by MAPC. It explores different types of small housing that are well suited for a variety of smaller households – from millennials and gen z residents just starting out to baby boomers looking to downsize – creating more diverse and attainable housing choices.

Infill & Small Multifamily Housing Types

ADUs
A secondary dwelling on the same lot as a primary larger dwelling



Source: MAPC

Tiny Homes
A house smaller than 500 square feet, typically with a pitched ceiling and a porch



Source: MAPC

Cottage Cluster
A pedestrian-friendly cluster of one- to two-bedroom houses, each one to two stories tall, with shared green spaces and detached parking



Source: Union Studio

Townhouses
A narrow, multi-level home that shares a common side wall(s) with another dwelling, each with its own front door and back yard



Source: MAPC

Small-scale Mixed-use
Buildings with more than one use, such as residential homes above commercial



Source: Union Studio, Nat Rea Photography

Small Multifamily
Multi-unit buildings with four to six units



Source: Union Studio

What makes it challenging to develop small multifamily home types?

- Gloucester's zoning ordinance does not allow for more than two units on a property in many parts of the city. Both the use and dimensional regulations in Gloucester's zoning create barriers to smaller infill housing types.
- Importantly, the Multifamily Housing Overlay District and Accessory Dwelling Unit Ordinance create some opportunities for small-scale multifamily housing in select parts of the city; however, none of the residential districts outside of the MFOD allow for more than two units by right, and the R-20, R-10, and R-5 districts only allow for more than two units by Special Permit. The Special Permit process can be long and costly, often impacting the feasibility of smaller projects. Even if developments are able to move forward, future residents may bear the burden of a costly development process in higher sale prices or rents.
- Building Code requirements also impact the type and form of housing that gets built. For example, properties with one or two units are regulated by the Residential Building Code, whereas properties with three or more units are regulated by the standards for Multifamily dwellings in the Commercial Building Code. The difference in building system and fire-safety requirements result in a significant jump in upfront development and construction costs, often outweighing the benefits of adding a third unit to a property. This is one of the main reasons that new three-family developments are not common, despite it being a preferred scale of housing for many. Developments are more likely to be successful at two units (below the Commercial Code threshold) or at four to six units (where the benefits are more likely to outweigh the costs of additional requirements).
- There are limited financial resources for smaller development projects, especially for Affordable Housing. As noted in the previous section, most financial resources are designed for and directed towards larger development projects that can manage higher administrative costs and benefit from economies of scale.

Neighborhood Recommendations

Most recommendations in the Housing Compass apply to all of Gloucester, especially to neighborhoods supported by substantial infrastructure. Magnolia and West Gloucester have more neighborhood-specific considerations, and recommendations have been crafted specifically to address the needs of those neighborhoods.

Magnolia

Overview of Zoning

Most of the Magnolia area is zoned for R-20 Low/Medium Density Residential, with the exception of some areas around Lexington Ave zoned for Village Business (VB) and some areas around Magnolia Ave zoned for Neighborhood Business (NB)

Key Development Constraints

- There are some areas of flood risk along the coast and in the area around West Pond.
- The Magnolia area currently has no access to municipal sewer infrastructure; while there are some existing small, multifamily properties, redevelopment of parcels in this area would require creative and intentional investments in infrastructure to support multifamily or mixed-use development.
- During engagement, residents shared an interest in mixed-use multifamily housing along the Lexington Ave corridor. One barrier to encouraging this type of development is the maximum allowable height of 30 feet. This building height allows for just one or two stories of residential use above a commercial ground floor and may limit the financial feasibility of mixed-use residential development.

Neighborhood Recommendations

- Consider long-term neighborhood planning to revitalize and reconnect the Magnolia neighborhood.
- Consider long-term investment in water and sewer infrastructure to support future development; state funding resources, such as the MassWorks and HousingWorks programs, may be a good fit to support infrastructure investments of this kind.
- Consider allowing residential uses in Neighborhood and Village Business Districts to allow for future mixed-use redevelopment.

West Gloucester

Overview of Zoning

West Gloucester is predominantly made up of residential districts. Most of the area immediately surrounding Essex Ave is R-10 Med/High Density Residential; areas south of Essex Ave are zoned R-20 Low/Medium Density, R-30 Low Density residential, and R-80 Rural Residential; areas north of Essex Ave is zoned for R-40 and R-80 Rural Residential; areas near the West Gloucester Train station are zoned for Neighborhood Business (NB) and the Multifamily Overlay District (MFOD).

Key Development Constraints

- Zoning does not allow for more than two dwellings per lot except in the MFOD.
- Limited water and sewer infrastructure
- Wetlands and protected open space limit locations suitable for new homes

Neighborhood Recommendations

- Encourage Accessory Dwelling Units
- Prioritize opportunities for small scale multifamily and cluster development near the West Gloucester train station

Unlocking Attainable Housing

Create an Attainable Housing Overlay District

To address barriers created through non-conformities in existing zones and encourage smaller home types, consider creating an **Attainable Housing Overlay District** designed to allow for and encourage infill development of homes on small lots in existing residential neighborhoods. Critical components of this overlay should consider overriding minimum lot-size, lot width, and setback requirements in select areas as well as incentives for smaller-sized homes with below-market sale prices or rents. This type of overlay could apply to infill development of vacant lots, redevelopment of existing lots (provided it does not decrease the number of dwelling units on the lot), and addition of accessory dwellings to existing lots in select areas. Infrastructure and wastewater capacity requirements can and should still regulate how many units are appropriate on a particular lot.

The City should consider drafting the district to meet **Chapter 40Y state standards,** which would make it eligible for available **Starter Home Zoning incentive payments**. Similar to a Chapter 40R Smart Growth Overlay District, an approved 40Y district may provide payments to the City's general fund when the zoning is adopted and additional payments as qualifying homes are permitted.

Offer Financial support for Small Attainable housing Types

Small-scale homes can be difficult to finance because construction costs are high, and project budgets are limited. New three-family homes must now include sprinkler systems under state building codes, which also increase development costs. To help close the financing gap for development, and bring down unit prices, consider creating an **Affordable Housing Trust Subsidy Program** to help income-eligible households develop accessory dwelling units, three-family homes, and other small-scale housing types.

Encourage Mixed-Use

Consider allowing residential uses by right in CB, VB, and NB districts to allow for smaller scale mixed-use opportunities in neighborhood centers.

Mitigate Permitting Barriers

- Promote the new Accessory Dwelling Unit Incentive Program offered by Massachusetts Housing Partnership to provide technical assistance to homeowners interested in building ADUs. This assistance will help property owners determine feasibility and best understand their options before making plans and investments in their property.
- Explore additional options for financially supporting ADUs and three-unit buildings with support from the Gloucester Affordable Housing Trust.
- Explore options for expedited permitting of small-scale projects, such as the adoption of pre-vetted or pre-approved plans for infill and small multifamily housing types. Communities in Massachusetts, Vermont, and elsewhere are adopting this practice to reduce barriers and upfront costs and improve design outcomes for infill and small multifamily home types. Pre-approved plans would need to consider all permitting needs such as historic restrictions and conservation commission approval. In areas without sewer, Board of Health and state wastewater regulations would need to be evaluated.
    - Cape Cod Regional Housing Strategy: Pre-Approved Housing Plans
    - Vermont Homes for All: 802 Homes Catalog

Advocate for a state working group to identify building code changes that support missing middle housing while maintaining life-safety standards. As written, the State Building Code does not account for middle-scale projects. Small multifamily homes with three or more units trigger "big building" requirements, adding significant cost and complexity to projects. Building construction codes, fire-safety mandates, stormwater regulations, and utility standards were developed with either single-family homes or much larger buildings in mind.

See the Recommendations section for additional details about these strategies.

Recommendations

The recommendations in this plan aim to address the housing needs and goals of the Gloucester community. The identified strategies address constraints and regulatory barriers and guide and encourage the production and preservation of the types of homes the community needs and wants, along with programs and policy tools to support housing affordability for residents. While there are many potential strategies to address housing needs, this plan identifies **priority strategies** for the City to focus on over the five-year term of this plan. Additional strategies to consider are also described in this section. Each strategy includes a brief explanation of what it is, how it would address housing needs and goals in Gloucester, and recommended actions for implementation. The Gloucester Housing Compass establishes a multi-year work program that will require prioritization and sequencing based on staff capacity, changing opportunities, partnerships, and funding. Many people and organizations will have a hand in the implementation of these recommendations.

The "3 Ps" of housing stability – Protect, Preserve, Produce – offer a comprehensive framework to address the housing crisis by treating both the supply and demand sides of the housing equation. We use this housing stability framework to organize our recommendations:

Priority Strategies

Protect

These strategies prioritize protection and increased stability resources for vulnerable residents, especially renters and households with limited or fixed incomes.

- **Expand homeownership opportunities** – increase financial support for the local first-time homebuyers program funded through federal grants, pairing this with state programs and the expansion of more attainable homeownership options.
- **Adopt a Tenant Rights and Resources Notification Ordinance** – require landlords to disclose tenant rights and resources.
- **Support older adults and veterans with state rental assistance** - advocate for a state-funded Older Adult Bridge Program offering rental assistance to seniors and veterans while on Affordable Housing waiting lists.

Preserve

These strategies focus on preservation and maintenance of the existing supply of Affordable and attainable homes.

- **Strengthen Affordable Housing monitoring** – prevent rent increases on deed-restricted housing, maintain compliance, and protect long-term affordability.
- **Monitor short-term rentals and consider a lease-to-locals program** – review new data on the impacts of short-term rentals and consider offering incentives for property owners to provide year-round rentals to local workers.
- **Increase local housing capacity through a regional housing service office** - consider participating in a regional housing services office to build capacity for enforcing Affordable Housing requirements.
- **Create a buy-down program** – deepen affordability levels of proposed Affordable Housing to match local incomes through Affordable Housing Trust subsidies.



Produce

These strategies focus on producing new Affordable and attainable homes aligned with community needs and preferences

- **Evaluate a Smart Growth Zoning Overlay for Railroad Avenue** – zone for a neighborhood-serving grocery store with housing above, while creating a more walkable and inviting gateway to downtown near the commuter rail station. Prioritize affordability for Gloucester households.
- **Create an Affordable Housing loan pool** - establish a revolving fund through the Community Development Block Grant program to support Affordable Housing development.
- **Offer financial support for small attainable housing types –** create an Affordable Housing Trust subsidy program to help income-eligible households develop accessory dwelling units and other small-scale homes.
- **Use City tools on opportunity sites** - apply zoning, funding, incentives, grants, and partnerships to encourage Affordable Housing accessible to Gloucester households when redevelopment is proposed on the opportunity sites identified in this plan.

Protect

The recommendations in this plan aim to respond to unmet housing needs and the goals and challenges that Gloucester residents shared with us throughout the planning process. Much of what we heard during engagement centered around different elements of housing stability: being able to find and keep housing that is affordable, attainable homeownership choices and the resulting stability that ownership can bring, as well as better choices and resources to manage housing transitions at every stage of life.

Many community members spoke about the need for more affordable and attainable homeownership opportunities and the type of stability that can come with owning a home. Many residents, including young people and young families, felt like homeownership in Gloucester was financially out of reach based on market costs and even those whose families have been in Gloucester for generations were worried about their ability to stay in Gloucester long-term.

Many renters spoke about uncertainty related to rising costs and challenges working with landlords for limited rental choices in the city.

Residents also spoke about unique challenges for community elders and veterans with limited or fixed incomes to maintain their existing homes or downsize when appropriate.

All strategies fulfill the four goals of the plan as indicated by the icons and charts below

Housing for an Aging Community

Support and create housing that meets the needs of an aging population, especially limited-income seniors.

Downsizing choices, smaller home types, connected neighborhoods

Diverse Housing Choices

Expand attainable housing choices, especially for young adults and young families who lack housing choices in Gloucester's housing market.

Supports for homeownership, small multifamily home types, year-round rental choices

Affordability for Gloucester households

Expand the supply of Affordable homes, especially for vulnerable households and essential workers at the heart of Gloucester's economy and small businesses.

Deeply affordable homes, workforce housing, opportunities for attainable homeownership

Build Local Capacity

Improve local capacity to monitor and maintain Affordable Housing, resources, and supports for residents

Regional collaboration, strengthen, coordinate, and promote existing tools

★	**1**	**Expand opportunities for homeownership**					
	1.1	*Strengthen and promote first-time homebuyer & Affordable homeownership programs*	Programs & Resources	✓	✓	✓	
★	**2**	**Protect vulnerable households from displacement**					
	2.1	*Adopt a Tenant Rights & Resources Notification Ordinance (TRRN)*	Local Policy	✓	✓	✓	✓
	2.2	*Advocate for statewide Older Adult Housing Bridge program funding*	State Policy	✓		✓	✓
	3	**Protect and support local workers and creatives**					
	3.1	*Modernize home occupation zoning*	Zoning		✓	✓	✓
	3.2	*Extend the existing allowance for "Arts, crafts and sale of arts or crafts if made on the premises" to other appropriate districts.*	Zoning		✓	✓	
	3.3	*Adopt an Agent of Change Sound policy*	Local Policy		✓		✓

PROTECT | STRATEGY 1 - Priority

Expand opportunities for homeownership, including support for first-time homebuyers, affordable homeownership, and models for community ownership.

1.1 Strengthen and promote first-time homebuyer & Affordable homeownership programs

Supported Goals:

What is it?

First-time homebuyer programs offer education, down-payment assistance, and mortgage loan products to support first-time homebuyers and households with lower incomes to purchase homes. Many of these programs are federal or state funded programs, administered by state and local Community Development Financial Institutions (CDFI). In Massachusetts, the ONE Mortgage Program is a financial resource for low- and moderate-income households and the Home Modification Loan Program (HMLP) helps people with disabilities and seniors Program live independently at home. The Affordable Homes Act also allocated $10 million annually to a Homeownership Production Tax Credit program. State resources can be paired with the City's existing housing program to help close the affordability gap for first-time homeowners.

Gloucester's First Time Home Buyer Down Payment Assistance Program is funded through the federal Community Development Block Program (CDBG). The program currently offers 50% of the required down payment and/or closing cost assistance to income qualified buyers, up to $15,000. **Gloucester should consider increasing this amount of assistance** from the existing CDBG allocation and update the CDBG plans accordingly.

What can it do for Gloucester?

Throughout engagement, residents voiced a desire for access to homeownership and the stability that comes with it, but those who didn't already own their homes often felt that homeownership is out of reach for them in Gloucester. Most of Gloucester's existing housing supply is owner-occupied, but median home sale prices have climbed far beyond what most Gloucester households are able to afford. Limited downsizing choices and limited "entry-level" homes compounds challenges for first-time homebuyers and others looking to put down roots in Gloucester.

These programs not only reduce cost barriers to homeownership, but can also help potential buyers be better positioned to compete with speculative, cash-rich investors.

While there are a variety of existing state and local supports for first-time homebuying available to Gloucester residents, information about existing tools and resources is scattered across different municipal departments, service providers, and various state or federal resources, making it difficult for residents to navigate and identify appropriate supports to meet their housing needs.

Implementation

- Increase the amount of down payment assistance to first-time homebuyers using Community Development Block Grant (CDBG) federal funding.
- Create a centralized City digital resource for federal, state, and local homeownership tools and resources, communicated in plain language that is easy for residents to understand and navigate. Coordinate with the Gloucester Housing Authority to promote existing first-time homebuyer education.
- To see real impact, strengthening and promoting existing resources must be paired with expanding the supply of smaller and more attainable homes suitable for downsizing and first-time homebuyers. The Production recommendations and Development Opportunities section of this plan offer additional details for unlocking housing production of this type.
- Work with the Affordable Housing Trust to consider a Community Land Trust or land-banking strategy to acquire land or property for the purpose of maintaining long-term affordability and entry-level homeownership options.

PROTECT | STRATEGY 2 - Priority

Protect vulnerable households, including renters and residents with lower or limited incomes, from displacement

2.1 Adopt a Tenant Rights & Resources Notification Ordinance (TRRN)

Supported Goals:



What is it?

Tenant notification ordinances are common tools that require owners, landlords, and management companies to provide tenants with information at the start of a lease as well as when a lease is being terminated about their rights and resources. The purpose of these ordinances is to ensure that housing information and resources are available to residents, neighborhoods, and the community and act as a stability measure for rental tenants.

What can it do for Gloucester?

There are limited choices to rent homes in Gloucester, but for households that are priced out of the homeownership market, renting may be their only option. During engagement, many renters expressed worry about keeping their current housing or finding comparably priced units the next time they move. Access to information about tenants' rights reduces the risk of no-cause and unjust evictions, helping residents to remain in their home and ensure that safe and healthy living conditions are maintained for tenants without fear of retaliation. Additionally, clear communication of expectations can help landlords enforce agreements and better maintain their properties.

Implementation

- Collect appropriate information and resources that should be shared with tenants, and coordinate with service providers to create easily understood resource materials for distribution. Materials should be produced in a variety of languages, including Spanish and Brazilian Portuguese.
- Reference existing policy examples from communities like Cambridge and Medford to identify strategies for municipal enforcement. Resource distribution and noticing requirements should be coordinated with the existing Rental Registry maintained by the Department of Health.
- Local ordinances must be adopted by the City Council
- Consider advocating for state legislation to allow for regulation and limiting of rent increases

2.2 Advocate for statewide Older Adult Housing Bridge program funding - Priority

Supported Goals:



What is it?

The City of Somerville piloted a "bridge" subsidy program that provides rental assistance to extremely-low-income seniors while they wait for placement in permanent subsidized housing. Based on the success of this pilot program, operated by the City's Office of Housing Stability, there is an ongoing effort to secure funding for a similar program statewide.

What can it do for Gloucester?

As in many communities, many of Gloucester's seniors, older adults, and veterans face acute housing challenges, and many with low or limited incomes are vulnerable to displacement, loss of housing, or loss of their home. Funding supports like these help bridge the gap in costs and wait times for age-friendly Affordable Housing, reducing risk of displacement and homelessness for vulnerable seniors and older adults.

Implementation

- Gloucester likely does not have local funding available or municipal capacity to support a program like this at the local level. The City should consider advocacy for funding for a statewide program that delivers access to these services to seniors and older adults and veterans in Massachusetts.
- Coordinate with the Council on Aging, the Senior Center, Cape Ann Veterans Services, and service providers like Action Inc. to identify residents who may need or benefit from services of this kind and continue to engage with seniors and older adults and veterans in the community about their housing needs, especially as it relates to housing as financial planning and the types of housing choices needed at every stage of life.
- Expanding the supply of age-friendly homes and downsizing choices is critical to easing the housing burden felt by seniors and older adults in Gloucester. Housing choices affordable for residents with fixed or limited incomes in walkable, connected neighborhoods are a vital component of making effective use of resources like the proposed Older Adult Housing Bridge program.

PROTECT | STRATEGY 3

Support artists, makers, and creative enterprises by revising local regulations and zoning to foster a culture of allowance for creative work in Gloucester.

3.1 Modernize home occupation zoning by replacing the current Special Permit requirement with by-right allowances for low-impact creative and home-based business activity, supporting artists, makers, and small entrepreneurial uses within residential areas.

Supported Goals:



What is it?

Many artists, makers, musicians, and small creative enterprises work from home or combine residential space with low-impact creative production. While Gloucester already allows some arts and crafts activity in residential districts, the home occupation rules may still create uncertainty when creative work is also a business, involves clients or sales, requires storage or tools, or does not fit neatly within the existing arts-and-crafts use. This action would update Gloucester's home occupation rules so that compatible creative and home-based business activity can be allowed by right, rather than requiring a Special Permit.

What can it do for Gloucester?

This would make it easier for artists, makers, and small creative businesses to remain in Gloucester while continuing their work from home. It would also make the code easier to understand and apply by reducing tension between the existing arts-and-crafts allowance and the home occupation rules.

Clear by-right allowances, paired with practical performance standards, can reduce unnecessary permitting barriers while still protecting neighbors from impacts related to noise, traffic, signage, customer visits, hours, or materials.

Implementation

- Review the current home occupation rules and identify which low-impact creative and home-based business activities can be allowed by right in residential areas.
- Identify which low-impact creative and home-based business activities should be allowed by right in residential areas.
- Clarify how the home occupation rules apply to artists, makers, online sales, appointment-based sales, teaching artists, small-scale production, storage, and other low-impact creative uses.
- Pair any by-right allowance with clear performance standards related to noise, traffic, signage, customer visits, hours of operation, safety, and materials.

3.2 Extend the existing allowance for "Arts, crafts and sale of arts or crafts if made on the premises" to other appropriate districts.

Supported Goals:



What is it?

Gloucester already allows "Arts, crafts and sale of arts or crafts if made on the premises" in civic, business, and industrial districts. This action recommends review of where the arts and crafts use is not currently allowed, including residential districts, and considering allowing it in other appropriate districts, especially mixed-use, commercial, waterfront, or other areas where small-scale creative production and sales would be compatible.

What can it do for Gloucester?

This would make the zoning more supportive of artists, makers, and small creative enterprises across the city. If this use is already considered compatible in residential areas, it may also make sense in other districts where artists could benefit from storefronts, shared workspaces, studios, galleries, or small production and sales spaces. Expanding the allowance could help creative businesses operate in more locations without needing unnecessary discretionary approvals.

Implementation

- Review Section 2.3.6, Other Principal Uses, and the use table to identify where "Arts, crafts and sale of arts or crafts if made on the premises" is currently allowed and where it is prohibited or requires discretionary approval.
- Consider allowing this use by right in appropriate non-residential, mixed-use, commercial, waterfront, or arts-supportive districts.
- Pair any expanded allowance with clear performance standards for noise, traffic, signage, customer visits, hours of operation, safety, and materials.

3.3 Adopt an Agent of Change Sound policy to ensure new housing development near existing creative and cultural venues is designed for sound compatibility, preventing conflict and reducing displacement pressure on creative spaces.

Supported Goals:



What is it?

An Agent of Change Sound policy helps prevent conflicts between new housing and existing creative, cultural, performance, entertainment, or working waterfront uses. The basic idea is that new development should be designed to fit the conditions around it, including existing sound from nearby venues or cultural spaces. This both protects households from venue noise as well as musicians and performers from complaints.

What can it do for Gloucester?

As Gloucester encourages mixed-use and multifamily development, the City can reduce conflicts between new housing and existing cultural activity. An Agent of Change Sound policy would help ensure that new residential development near existing venues, rehearsal spaces, performance spaces, or other active cultural uses is designed for sound compatibility.

This can help prevent complaints, reduce displacement pressure on creative spaces, and allow housing growth and cultural activity to coexist.

Implementation

- Identify areas where new housing or mixed-use development may be located near existing venues, rehearsal spaces, performance spaces, cultural organizations, entertainment uses, or working waterfront activity.
- Develop sound compatibility standards or review criteria for new residential development in these areas.
- Include Agent of Change expectations in relevant zoning, permitting, design review, or development review processes.

Preserve

The recommendations in this plan aim to respond to unmet housing needs and the goals and challenges that Gloucester residents shared with us throughout the planning process. Affordability was raised as the most pressing challenge for Gloucester households from all walks of life. Because there are limited opportunities to build or develop new Affordable homes, it is vital **to preserve and maintain the existing supply of Affordable and attainable homes.**

Recommendations in this section aim to address municipal capacity to monitor and maintain affordability in existing units and address concerns that residents shared about the impact of short-term rentals on the year-round housing supply.

★	**4**	**Strengthen Affordable Housing monitoring**				✓	✓
	4.1	*Evaluate and establish municipal standards for regulatory agreements for Local Action Units*	Municipal Capacity			✓	✓
	4.2	*Advocate for statewide regulations limiting rent increases for Affordable Housing*	State Policy			✓	✓
	5	**Monitor short-term rentals and consider a lease-to-locals program**			✓	✓	✓
★	*5.1*	*Monitor Short-Term Rental permitting and rental registry data*	Municipal Coordination		✓	✓	✓
★	*5.2*	*Consider implementation of tools to incentivize year-round rentals*	Local Policy		✓	✓	
	5.3	*Explore a voluntary artist lodging or cultural residency lodging partnership*	Local Policy		✓	✓	
★	**6**	**Increase local housing capacity through a regional housing service**	Regional Collaboration		✓	✓	✓
★	**7**	**Consider establishing a "Buy-down" program**	Local Policy	✓		✓	✓

PRESERVE | STRATEGY 4 - Priority

Regulate rent increases within existing Affordable Housing units

4.1 Evaluate and establish municipal standards for Regulatory Agreements for Affordable Housing units

Supported Goals:



What is it?

Regulatory agreements between municipalities and developers set the terms for how affordable units are regulated. One of the most persistent challenges municipalities face in administering Local Action Units (LAUs) is their limited ability to influence, regulate, or otherwise limit rent increases. While many regulatory agreements require developers or property managers to notify the municipality of proposed rent increases, few require formal approval, which leaves local officials with minimal authority to negotiate or deny increases that may burden tenants. Rents for deed-restricted Affordable Housing units are typically set by a HUD standard, using income levels based on the Area Median Income and allowable rent increases correspond with increases to the AMI, not based on changes to the tenant's income. As a result, legal increases in rent may be larger and more rapid than tenants can afford, even in deed-restricted units. The existing regulatory agreements for these units do not offer much leverage to the municipality to monitor or mitigate these types of destabilizing increases.

What can it do for Gloucester?

Nearly 900 households in Gloucester are currently housed in deed-restricted Affordable Housing and many of the households in deed-restricted Affordable housing stack a Section 8 voucher with a deed-restricted unit to fully cover housing costs. Making changes to regulatory agreements will create more municipal leverage to prevent rapid increases in rent for deed-restricted units.

Implementation

- Examine the existing agreements and make recommendations for provisions that protect tenants from rapid increases to housing costs.
- Increase municipal staff capacity to monitor and negotiate these agreements and their enforcement.
- Consider creating or joining a Regional or Shared Housing Services Office to support improved monitoring and negotiation of development agreements (see Strategy 8 for additional information)

4.2 Advocate for statewide rent increase regulations for Affordable Housing

Supported Goals:



What is it?

A statewide standard to ensure consistency across jurisdictions for creation of new LAUs. Municipalities along with EOHLC could conduct a legal review to determine how existing agreements can be amended to include rent caps. Implementation pathway could include a model regulatory agreement issued by EOHLC that includes standardized rent increase provisions.

What can it do for Gloucester?

- Apply consistent, enforceable rent increase cap formulas (e.g., based on Consumer Price Index (CPI), wage growth, or a fixed percentage).
- Eliminate case-by-case negotiations that can lead to disparities between developments.
- Increase predictability for tenants, municipalities, and developers alike.
- Reduce the administrative burden on municipal staff who are often not equipped to evaluate the financials behind rent increase requests.

PRESERVE | STRATEGY 5

Monitor and regulate Short-Term Rentals to expand choices for year-round residents within the existing housing supply. - Priority

5.1 The Community Development Department should work with the Inspectional Services Department (short-term rental permitting) and Department of Health (Rental Registry) to review Short-Term Rental permitting data and the inventory on the Rental Registry.

Supported Goals:



What is it?

Gloucester's inspectional services department permits Short-Term Rentals in Gloucester (30 days or less), through the Short-Term Rental Ordinance that went into effect in April of 2025. The existing regulations include registration fees, occupancy limits, and limits on corporate ownership and operation of short-term rental units. The policy is relatively consistent with others in the region.

What can it do for Gloucester?

Short-term rentals can create economic opportunity for property owners and play an important role in supporting tourism and local businesses that rely on the tourist economy. However, throughout the planning process, many residents shared concerns about the impacts of short-term rentals on the City's limited housing supply and opportunities for year-round housing options. Because the ordinance remains relatively new, continued monitoring and coordination with other efforts, like the rental registry, will help the City to build and maintain a better understanding of the housing stock occupied by short-term rentals and better balance the need to support local tourism with the need for housing for year-round residents.

Implementation

- Monitor the existing regulations and rental registry and available data to evaluate how the regulations are currently working
- Leverage new data sources to understand the number of housing units used for Short-Term rentals, including trends and changes over time
- To identify if additional enforcement mechanisms are needed, evaluate if existing regulations are being followed or if there is non-compliance present
- Data will allow the city to better engage the community to identify major pain points with short-term rentals and explore regulations to mitigate concerns

5.2 Consider implementation of tools like Lease to Locals to incentivize property owners to create year-round rental options, rather than short-term rentals. - Priority

Supported Goals:



What is it?

Lease to Locals is a platform that enables municipalities to provide subsidies to property owners to incentivize renting a property year-round to people who live and work in the community, rather than short-term or seasonal rentals. Several municipalities in Massachusetts on Cape Cod have begun to adopt local policies with units administered through the Lease to Locals platform.

Lease to Locals: https://placemate.com/

- Orleans, MA Lease to Locals Policy
- Provincetown, MA Lease to Locals Policy

What can it do for Gloucester?

Short-term rentals can create economic opportunities for property owners as the revenue from peak-season rentals far outpaces renting a property year-round. Programs like Lease to Locals offer a pathway to incentivize year-round choices for people who live and work in the community, while still offering economic opportunities for property owners.

Implementation

- Research "Lease to Locals" platforms to evaluate if this, or a similar approach, will work for Gloucester
- The Planning and Community Development Departments should work with planners in communities that have adopted these types of policies to identify best practices for implementation
- Identify appropriate incentives based on short-term and year-round rental markets
- Identify appropriate funding source to support the program

5.3 Explore a voluntary artist lodging or cultural residency lodging partnership that connects visiting artists and cultural workers with local property owners, permitted short-term rental hosts, cultural organizations, institutions, or other temporary accommodations, while maintaining the City's priority of expanding year-round housing choices.

Supported Goals:



What can it do for Gloucester?

Many people in Gloucester rely on informal networks and relationships to find and secure more Affordable Housing choices, including many in the creative sector. Gloucester's creative economy depends in part on visiting artists, performers, teaching artists, seasonal cultural workers, and short-term collaborators who come to the city for residencies, exhibitions, performances, workshops, or community-based projects. As the City monitors short-term rentals, it could also explore whether permitted STRs, institutional lodging, or other temporary accommodations could be connected to a voluntary artist lodging network. This would need to be designed carefully so it supports visiting creatives without increasing pressure on the year-round housing supply.

Implementation

Identify networks of property owners and short-term rentals and facilitate connections with local arts and cultural organizations

PRESERVE | STRATEGY 6

Consider forming or joining a Regional/Shared Housing Services Office. - Priority

Supported Goals:



What is it?

Addressing housing issues can require a lot of staff time and capacity. A Shared Housing Services Office is a way to collaborate and centralize housing support and information among a group of municipalities. Services can include proactive monitoring and data collected for affordable units in the subregion, program administration, project development, and resident assistance. Regional and shared housing services offices do not transfer Gloucester's zoning or housing policy authority, and participation should only move forward dependent on an evaluation of costs, services, and governance structure.

Example: Regional Housing Services Office (RHSO) offers services to the member towns of Acton, Bedford, Concord, Lexington, Lincoln, Maynard, Natick, Sudbury, Wayland and Weston.

What can it do for Gloucester?

Gloucester has limited municipal resources to monitor and administer Affordable Housing. Creating or joining an RHSO would leverage regional resources to manage, monitor, and maintain local Affordable Housing units in a cost-effective manner.

Implementation

- Work with the regional planning agency to identify potential regional partners for an RHSO or to connect with existing SHSOs
- Identify municipal expectations for needed or beneficial services that would expand local capacity
- Identify funding resources, such as CDBG or AHT funds that could be contributed

PRESERVE | STRATEGY 7

Consider establishing a "Buy-down" program for units with expiring affordability restrictions or conversion of existing market rate units. - Priority

Supported Goals:



What is it?

To "Buy-down" an affordable rental unit, a municipality offers a direct subsidy to a developer as cost offsets that would allow for deeper affordability for at least one unit. In other words, municipalities can offer cash, usually from Affordable Housing Trust funds, to lower the cost of construction for an affordable unit so that a lower income household can be able to afford it (i.e., going from an 80% AMI unit to a 65% AMI unit). "Buy-down" programs can be applied to existing Inclusionary Zoning units to provide deeper affordability options than what is already offered. Buy-downs can also be used to incentivize conversion of existing market rate units to below market or deed-restricted units, or to maintain expiring deed-restricted units.

What can it do for Gloucester?

Gloucester has limited opportunities for new development, particularly for larger development that tends to be well-suited to more deeply affordable deed-restricted Affordable Housing. A buy-down program would expand affordable choices within the existing supply of homes.

Implementation

- Complete a financial feasibility study to identify appropriate value and costs associated with a competitive buy-down program. This study should understand the cost offsets to build new units, subsidize existing Affordable units, and subsidize existing market rate units.
- If the scale of costs is appropriate, work with the Affordable Housing Trust to identify priorities for use of funds or strategy for a buy-down program

Produce

Recommendations in this section aim to produce new Affordable and attainable homes aligned with community needs and preferences to expand housing choices for the Gloucester community.

Throughout engagement, the cost of housing and housing affordability were cited as the biggest challenge and concern for residents. Young people wishing to remain in or return to Gloucester, young families looking to buy a first home, and older adults looking to downsize or simply maintain their homes all spoke about increasing costs and limited choices in the existing housing market. These recommendations identify tools to prioritize affordability within new developments and create more modest, infill home types that are suitable for young people, starter homes, and downsizing choices.

The community is passionate about preserving the City's history, tradition, and character of a small, maritime community. These recommendations focus on zoning recommendations that enable preservation of existing homes and development patterns that already exist in many of the city's residential neighborhoods.

To achieve the City's Affordable Housing production goals, Gloucester will use all local financial tools and partnerships available, including tools leveraged to develop the housing opportunity sites identified in this plan.

Ultimately, these recommendations aim to help the City proactively guide new development and create incentives for homes that are Affordable and attainable to Gloucester households.

★	**8**	**Create a Smart Growth Zoning Overlay for Railroad Ave**	Zoning	✓	✓	✓	
	9	**Right-size Zoning Requirements**	Zoning	✓	✓	✓	✓
	9.1	*Consider an Infill Housing Overlay*	Zoning	✓	✓	✓	✓
	9.2	*Right-size dimensional requirements to match existing built conditions*	Zoning	✓	✓	✓	✓
	9.3	*Streamline Special Permit process*	Zoning		✓	✓	✓
	9.4	*Consider adoption of pre-approved or pre-vetted plans for infill and small multifamily housing types*	Local Policy	✓	✓	✓	✓
	9.5	*Advocate for a state working group to identify building code changes that support missing middle housing while maintaining life-safety standards.*	State Policy		✓		✓

10	**Establish an Affordable Housing Loan Pool**	Local Policy		✓	✓	✓
11	**Continue to support the Gloucester Affordable Housing Trust (GAHT)**	Local Policy	✓		✓	✓
11.1	Create a lending product to help finance ADUs for homeowners, as well as other small housing types.	Local Policy	✓	✓	✓	✓
12	**Advocate for state designations to build access to tools and resources**		✓	✓	✓	✓
12.1	*Gateway City Designation*	State Policy	✓	✓	✓	✓
12.2	*Seasonal Community Designation*	State Policy	✓	✓	✓	✓

PRODUCE | STRATEGY 8 - Priority

Evaluate a Smart Growth Zoning Overlay for Railroad Avenue to Support a Downtown Grocery Store, Affordable Housing, and Mixed-Use Development

Supported Goals:



What is it?

The 2014 Reimagining Railroad Ave Study showed significant untapped potential in the Railroad Ave and Downtown neighborhoods. With increasing development pressure on sites like the closed Shaw's Market site, zoning is an important tool in the City's toolbox to incentivize and encourage development outcomes that meet the needs and goals of Gloucester residents. Strategic zoning changes in the Railroad Avenue area to allow mixed-use, multifamily housing, would enable the City to proactively guide redevelopment of a vibrant, mixed-use neighborhood center near the Commuter Rail station and walkable within Downtown. This strategy calls for an overlay of the Railroad Avenue corridor, not just the former Shaw's property.

Throughout the Housing Compass planning process, community members consistently prioritized returning a neighborhood-serving grocery store to downtown. Many also identified Railroad Avenue as an appropriate location for expanding housing options. Strategic zoning changes could advance both goals by allowing redevelopment of the former Shaw's site with a smaller-footprint grocery store or other neighborhood-serving space on the ground floor and housing above.

A grocery store serving local residents remains an important objective for 7 Railroad Avenue, although the property is privately owned and its ultimate redevelopment will depend on the property owner and market conditions.

One potential tool to achieve both of these goals is a state incentive program called Chapter 40R (see glossary for a full definition). This program offers funding incentives for housing created through a "Smart Growth" zoning district. Smart Growth districts prioritize new growth in walkable

and transit-rich locations, in areas of concentrated development such as existing city centers, and in other highly suitable areas. This district would apply to the Railroad Avenue corridor, with the former Shaw's site being a major focus and redevelopment opportunity within that district. Regulations such as height, density, design, and other dimensional standards should be left to the future zoning process and public review.

What can it do for Gloucester?

Chapter 40R also provides direct financial incentives to municipalities. After locally adopted and approved by the state, the City may receive a one-time Zoning Incentive Payment based on the number of additional homes that the new zoning allows beyond what was previously permitted as of right. Current payments range from $10,000 to $600,000, depending on the district's projected housing capacity. The City may then receive a Density Bonus Payment of $3,000 for each qualifying additional home when construction begins and required affordability restrictions are recorded. Through Chapter 40S, the City may also receive annual state reimbursement if housing developed under the district results in additional public school enrollment and net education costs.

These payments would go to the City's general fund rather than to the developer and could help fund capital improvements that support the district and other community priorities. Potential uses include sidewalks, crosswalks, lighting, pedestrian and bicycle connections, water or sewer improvements, public spaces, planning, and other municipal infrastructure.

Because the former Shaw's property is one of Gloucester's few major redevelopment opportunities and is located within an environmental justice neighborhood, the zoning process should seek to maximize the number of affordable homes available to Gloucester households while ensuring redevelopment provides benefits to the immediate neighborhood.

Implementation

- Undertake a planning process to design, adopt, and certify a Railroad Ave Overlay District that meets the requirements for a 40R Smart Growth District
- Evaluate zoning standards that support a smaller-footprint grocery store
- Explore partnerships with Affordable Housing developers to bring about housing that is accessible to local incomes
- A variety of state grants are available to support planning projects of this type, including the Community One Stop for Growth, EEA Planning Grants, and Technical Assistance Program (TAP) funds administered by MAPC

PRODUCE | STRATEGY 9

Right-size Zoning requirements, like minimum lot size, setbacks, and parking requirements, to address existing non-conformities and reduce barriers to small scale multifamily housing and infill housing types.

Supported Goals:



9.1 Consider an Infill Housing Overlay

What is it?

Consider Establishing an Attainable Housing Overlay District – This is a general recommendation for Gloucester's neighborhoods as noted in the development opportunity section of the plan. The City should develop an overlay district that reduces zoning barriers created by nonconforming lots and encourages smaller, more attainable homes in appropriate residential neighborhoods. The district could modify minimum lot area, lot width, and setback requirements in selected areas while offering incentives for smaller homes with below-market sale prices or rents and restricting their use as short-term rentals. It could support development on vacant lots, redevelopment that maintains or increases the number of homes on a property, and the addition of accessory dwelling units where appropriate. Infrastructure, wastewater capacity, and site conditions should continue to determine the number of units suitable for each property. The City should also evaluate whether the district can be drafted to meet Chapter 40Y Starter Home Zoning standards, making it eligible for state incentive payments when the zoning is approved and when qualifying homes are permitted.

Orleans, MA Downtown Housing Overlay

"The Downtown Housing Overlay District is an optional zoning pathway created to encourage year-round attainable housing in Orleans' sewered commercial areas. The zoning includes comprehensive regulations and design standards for new development and redevelopment, unlocks the opportunity for a variety of missing-middle types, and offers a streamlined by-right approval process."

What can it do for Gloucester?

Housing diversity can better support artists with families, older artists, caregivers, and people who need flexible space for storage, tools, rehearsal, making, or other low-impact creative work. ADUs, tiny homes, cottage-style housing, small multifamily homes, and family-sized units can all help support different ways that artists live, work, create, and care for others.

Implementation

- Planning and Community Development Departments, Planning Board and Housing Sub-Committee establish a planning process to identify appropriate conditions and locations for an overlay of this kind, likely aimed towards existing residential neighborhoods with access to water and sewer infrastructure, like Wheeler's Point, Lanesville, Downtown, and East Gloucester.
- Engage the community to develop appropriate design standards
- Create and promote opportunities to small-scale and local developers

9.2 Right-size zoning standards to better align with existing built conditions

What is it?

Amending dimensional zoning requirements to better reflect existing neighborhood patterns to allow new development, redevelopment, and renovation or restoration to match existing neighborhood conditions.

What can it do for Gloucester?

A non-conformity analysis completed by RKG Associates shows that more than 90% of existing lots do not conform with at least one parameter of the City's zoning standards. Right-sizing zoning standards can encourage and support maintenance and preservation of existing buildings, in addition to allowing new infill development to better match preferred existing neighborhood conditions and patterns.

Implementation

The Community Development Department, with the Planning Board and Housing Subcommittee, should utilize the non-conformity analysis to identify common non-conformities, particularly where these standards diverge from existing neighborhood fabric, to propose amendments to dimensional requirements in the zoning ordinance.

9.3 Streamline Special Permit processes

What is it?

To streamline development outcomes the City should consider consolidating Special Permit requirements to simplify the process for applicants and remove redundant administrative burden for permit granting authorities. There are three (3) different Special Permit Granting Authorities and six (6) different Special Permit requirements that vary based on the proposed use and zoning district of a development proposal. Development projects may require approval from one or more of these permit-granting authorities depending on the scope and use of the proposed project, in addition to Major Project review and Site Plan review. Streamlining should reduce unnecessary duplication in processes while maintaining appropriate public notice and review based on project scale and impacts.

Establishing design standards or design guidelines for small multifamily and infill development, currently governed by Special Permit, could reduce the number of Special Permit processes required while ensuring clear and consistent review of development proposals aligned with community priorities.

What can it do for Gloucester?

Special Permit processes can be long and costly in the approvals stage of a development process, particularly for smaller projects. Streamlining these types of requirements, especially for small and infill scale development (3 to 6 units), makes the process more predictable for developers and the City, unlocking production and improving development outcomes.

Implementation

Building on recommendations in the Comprehensive Plan, the City should consider:

- Making all application and approval requirements the same for all three boards
- Reducing the number of special permit categories for the City Council. The City Council's powerful voice should be reserved for those projects with the greatest impact on the city and not inundated by routine projects that the Planning Board could address with more comprehensive development standards and a design review process. In addition, timelines for applications and decisions for all special districts or overlay districts should be consistent.
- Develop a flow chart to help the City evaluate the existing permitting processes

9.4 Consider adopting pre-approved plans

What is it?

Diverse housing choices are needed but securing a permit for new multifamily home construction is often a complex and lengthy process. One strategy for simplifying permitting processes is to create plans for certain small-scale housing types aligned with local design guidelines that are pre-reviewed or pre-approved at the local level. Communities in Massachusetts, Vermont, and elsewhere are adopting this practice to reduce barriers and upfront costs and improve design outcomes for infill and small multifamily home types. As mentioned earlier, pre-approved plans will also need to consider other permitting factors such as conservation, historic restrictions, and the board of health, among other considerations. These factors will be key to determining where pre-approved plans are appropriate.

- Cape Cod Regional Housing Strategy: Pre-Approved Housing Plans
- Vermont Homes for All: 802 Homes Catalog

What can it do for Gloucester?

During the planning process, residents identified infill and small multifamily housing types, like ADUs, duplexes, and clustered homes, as types of homes they would like to see more of in the community. Several barriers limit building new homes of this type, including costly design and permitting processes. Small developments with only one or two units often cannot shoulder the cost of expensive and lengthy permitting processes. For those that can proceed, future residents often bear the burden through higher sales prices or rents. Pre-approved plans offer an opportunity to improve design and development outcomes informed by community preferences while expediting the process and reducing costs for home builders. These plans could include plans for modular or “offsite” ADU construction.

Implementation

- Engage a planning and architectural consultant to facilitate public engagement to inform design standards and designs for pre-approved plans
- Identify locations within the City where pre-approved plans may apply
- Work with boards and committees to create clear checklists of requirements to streamline approvals processes for plans of this kind
- Work with homeowners who wish to build an ADU on their properties to provide pre-approved ADU plans in partnership with ADU developers as part of a larger effort to provide technical assistance to homeowners. In addition to pre-approved plans, zoning information, feasibility guidance, and connections to design and construction resources should all be part of Gloucester’s homeowner assistance toolkit

9.5 Advocate for a state working group to identify building code changes that support missing middle housing while maintaining life-safety standards.

What is it?

Allowing small multifamily housing types in zoning is an important first step, but there are barriers beyond zoning for small multi-family housing types and allowing a three-family or fourplex homes on paper does not necessarily guarantee that it will be built. Building construction codes, fire-safety mandates, stormwater regulations, and utility standards were developed with either single-family homes or much larger buildings in mind. These codes do not account for middle-scale projects in between. Small multifamily homes with three or more units trigger "big building" requirements, adding significant cost and complexity to projects that can negate the benefits of modest-scale development and make projects of this scale infeasible.[73]. Some communities across the country have begun to advocate for amendments to local building codes, fire codes, stormwater regulations, and utility standards to right-size large building requirements for small multifamily home types.

Gloucester should advocate for the state to create a commission responsible for evaluating appropriate changes to the code that reduce development costs while maintaining safety requirements and life-saving protections.

More information is available from the Center for Building in North America, "Beyond Zoning: Hidden Code Barriers to Middle-Scale Housing"

What can it do for Gloucester?

Throughout engagement, many residents shared a desire for more infill and small-scale development to expand housing choices for the community while fitting into the scale of existing neighborhoods. Amending the State Building Code to create considerations for small multifamily home types removes significant barriers to the types of housing that many residents prefer.

Implementation

- **Understand existing requirements and identify inconsistencies and excessive requirements through interdisciplinary expertise.** Bring together building officials, fire code officials, public works engineers, utility representatives, and other staff to review how current codes treat small multifamily projects. This discussion may also include outside expertise from builders, architects and engineers. Consider bringing together building officials from across Cape Ann and the North Shore to understand this challenge through a regional lens and build a coalition for advocacy.
- **Petition the state to adopt new amendments based on the findings of the interdisciplinary working group.** Massachusetts does not allow individual cities or towns to pass local amendments to the State Building Code. However, the state, through the Board of Building Regulations and Standards (BBRS), amend the model national codes to fit Massachusetts-specific environmental and safety needs. Individuals or municipalities can petition the BBRS to adopt new state-wide amendments.

[73] John Zeanah, AICP "Beyond Zoning: Hidden Code Barriers to Middle-Scale Housing" Center for Building in North America, September 2025

PRODUCE | STRATEGY 10 - Priority

Establish an Affordable Housing Loan Pool revolving fund

Supported Goals:



What is it?

An Affordable Housing Loan Pool is a collective fund, often administered by an Affordable Housing Trust, for low-interest loans or grants for Affordable Housing projects. Financial assistance can vary from down-payment assistance for homebuyers to construction loans for affordable housing development. The City's 5-Year Consolidated Plan for Community Development Block Grant Funds (CDBG) outlines potential use of funds to seed and maintain an Affordable Housing Loan Pool, including a grant administrator to manage the program.

What can it do for Gloucester?

Establishing an Affordable Housing Loan Pool would allow the City-through the Affordable Housing Trust-an additional funding source to support local programs and land acquisitions in support of Affordable Housing development projects.

Implementation

- The Community Development Department has proposed the addition of a grant administrator to the budget for the next fiscal year to manage the program
- Work with the Affordable Housing Trust to identify priorities for use of funds based on the recommendations in the Housing Compass Plan, the Comprehensive Plan, the Trust's Strategic plan, and the 5-Year Consolidated Plan for CDBG Funds.

PRODUCE | STRATEGY 11

Continue to support the Gloucester Affordable Housing Trust to advance strategic plan recommendations - Priority

Supported Goals:



What is it?

The Gloucester Affordable Housing Trust is one of the City's best tools to promote, foster, and incentivize Affordable Housing development. It remains vital for the City to continue to collaborate with and support the Trust.

Implementation

Priority actions to support that are highlighted in the Trust's 5-Year Strategic Plan include:

- Continue to collaborate with the Community Preservation Committee to advocate for local policy to ensure that at least 10% of CPA funds are allocated to the Trust annually to support ongoing implementation. Nearly 25% of CPA funds were allocated to the AHT in 2025.
- Work with the Community Development Department to create a one-stop local application for housing development funding requests.
- Hire a housing coordinator to support Trust initiatives.
- Evaluate the feasibility of a local multi-family acquisition program to create and preserve existing rental housing stock.

11.1 Create a lending product to help finance ADUs for homeowners, as well as other small housing types. - Priority

What is it?

There are very limited financial products available for homeowners who want to add an ADU to their property. The Affordable Housing Trust can work to find financial solutions that will allow Gloucester homeowners to add an ADU to their property. Additionally, this program could finance three-family homes and smaller housing types, with the stipulation that the housing remain affordable.

What can it do for Gloucester?

One of the primary challenges to constructing an ADU is the cost and ability to borrow. While people or companies with a large real estate portfolio can easily borrow against that portfolio, homeowners who want to build an ADU on their property typically have few options other than mortgaging their property. The Affordable Housing Trust can find solutions, either independently or partnered with local financial institutions, to provide more options to homeowners who wish to provide more housing.

Implementation

- Estimate independent capacity to offer loans to homeowners.

- Facilitate meetings between the Trust, City, and local banking institutions to create a loan product that will unlock the production of more housing.
- Create an income-eligible program to ensure that participants who take advantage of local financing help are renting to households of need. For example, the City of Salem has an Affordable ADU program where tenants are not verified through a state lottery system. Instead, the tenant-landlord relationship exists the same way it does in the market, and the city income verifies the tenant and ensures that the rent is affordable based on the HUD standards for housing assistance eligibility based on household income and household size. This gives homeowners the ability to choose who they rent to, while keeping rents affordable in a way that provides peace of mind against sudden rent increases for tenants. In Salem, a household making up to 80% of the Area Median Income qualifies for an Affordable ADU.

PRODUCE | STRATEGY 12 - Priority

Advocate for Gateway City and Seasonal Community designations to unlock new tools and resources to support needed Affordable Housing production

Supported Goals:



12.1 Gateway City Designation

What is it?

Gateway City is a state designation for midsize urban centers that anchor regional economies around the state. The state currently recognizes 26 Gateway Cities, and the list was last updated in 2013. Under Chapter 23A Section 3A, a Gateway municipality is a municipality with:

- population greater than 35,000 and less than 250,000
- median household income below the state average
- rate of educational attainment of a bachelor's degree or above that is below the state average

Gloucester meets two out of the three criteria, falling short of the population threshold.

What can it do for Gloucester?

These types of designations unlock access to additional funds and resources to support Affordable Housing production and economic development. Gateway Cities, for example, are eligible for the Commonwealth Builder Program which allocates state funds to support affordable homeownership projects.

Implementation

- Work with local representatives to petition the state legislature for designation as a Gateway City

12.2 Seasonal Community Designation

What is it?

Some Massachusetts cities and towns experience significant fluctuations in population, employment and housing demand throughout the year. The Seasonal Communities designation creates a framework for identifying these communities and developing policies and programs to help them unlock housing production opportunities.

What can it do for Gloucester?

Seasonal Communities designation offers access to tools and resources, such as local preference options, to support housing production and year-round housing choices for residents who live and work in the community, including artists and cultural workers.

Implementation

- Petition EOHLC for designation as a Seasonal Community. In 2025, Rockport successfully petitioned and was granted a Seasonal Community designation.
- Consider adoption of local preference policies for new development to support year-round housing choices for residents to live and work in the community.

Appendices

Appendix A: Context Communities Analysis

Appendix B: Summary of Past Planning Review

Appendix C: Community Engagement Summary

Appendix D: Development Constraints

Appendix E: SHI Calculations

Appendix F: Artist PUMS Data Analysis

Appendix G: RKG Economic Feasibility Analysis

Appendix A:
Context Communities Analysis

Context Communities

This Housing Production Plan (HPP) will include a comprehensive assessment of Gloucester's housing needs. When evaluating quantitative data describing the city's demographics, housing stock, and housing affordability, the housing needs assessment will utilize data from "context communities" to compare with findings in Gloucester. These reference points are useful when evaluating the significance of data findings and trends observed in Gloucester. These communities may also point toward local policies that Gloucester can explore through recommendations made in the HPP.

Methods

To select context communities, MAPC takes an approach of blending quantitative and qualitative data to best understand the local community and make accurate comparisons. Building from existing research and studies are also an important part of this process, which allows this HPP to be a continuation of prior planning efforts undertaken by Gloucester.

The quantitative data gathered for the housing needs assessment is a combination of data provided by the United States Census Bureau, various state, and local public data sources, as well as private data sources MAPC acquires through purchase. These sources follow industry standards by urban planners and data scientists who work in the realms of planning, housing, or community development.

To put this data into perspective, it is combined with qualitative data. Utilizing existing studies, including MAPC's in-house assessments, qualitative data indicators are applied to Gloucester to help the planning team make comparisons on observations of the built environment. All this information is vetted through conversations with the project partner, allowing for additional context. Based on this context, we may add or remove communities from the list.

Utilizing this method allows MAPC to conduct a comprehensive approach to community comparison and goes beyond comparison studies that may use a single or few quantitative indicators (such as proximity to Gloucester or having a similar population size), viewing the city through a limited lens. While the HPP is a focus on the city's housing goals, a greater understanding of the city, the residents, and how the city fits into the fabric of Greater Boston's communities are essential to assess the city's housing need. In doing so, MAPC will work with the project partners to provide recommendations that will aid the city in achieving their housing goals and have expectations in-line with the day-to-day realities of the people who live in Gloucester.

Potential Context Communities

The city's previous Housing Production Plan, from 2017, uses the communities in the MAPC North Shore Task Force subregion as a point of comparison. These communities include:

- Beverly
- Danvers
- Essex
- Gloucester
- Ipswich
- Hamilton
- Manchester-by-the-Sea
- Marblehead
- Middleton
- Nahant
- Peabody
- Rockport
- Salem
- Swampscott
- Topsfield
- Wenham

Using a qualitative assessment of communities based on MAPC community subtype[1], MAPC identified the following communities that match the community subtype "Sub-Regional Urban Center":

- Beverly
- Framingham
- Lynn
- Marlborough
- Milford
- Norwood
- Peabody
- Quincy
- Salem
- Woburn

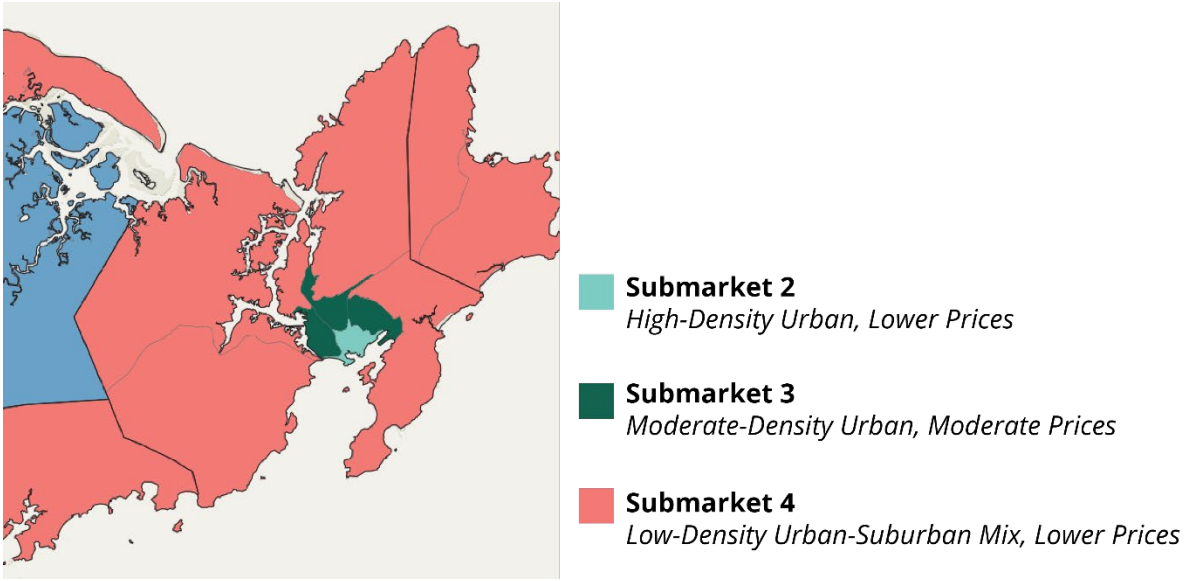
[1] https://www.mapc.org/wp-content/uploads/2017/09/Massachusetts-Community-Types-Summary-July_2008.pdf

MAPC Housing Submarkets

Reflecting the fact that housing contexts are not monolithic within municipal boundaries, MAPC has created an analysis of housing submarkets across greater Boston. "A housing submarket is a collection of neighborhoods—some next to each other, some not—with similar housing stock and housing market characteristics. These characteristics determine who can find, afford, and remain in suitable housing in that neighborhood. The neighborhoods in each submarket share common needs and challenges, regardless of geographic location."[2] Gloucester is composed of submarkets 2, 3, and 4:

- 12% of households are in Submarket 2: High-Density Urban, Lower Prices
- 29% of households are in Submarket 3: Moderate-Density Urban, Moderate Prices
- 58% of households are in Submarket 4: Low-Density Urban-Suburban Mix, Lower Prices

Figure 1 MAPC Housing Submarkets, Gloucester



Communities composed of submarkets 2, 3, and 4 include:

- Salem
- Lynn
- Peabody
- Malden
- Waltham
- Framingham
- Quincy
- Boston
- Winthrop

[2] https://housing-submarkets.mapc.org/submarkets

Indicators and Similarity Scores

We used a variety of indicators to score similarity between Gloucester and all communities in the MAPC region. We use a mix of designations, like Community Type and MBTA Community Type, and a variety of other demographic and housing characteristics to establish the similarity score.

Three methods are used to determine whether data in comparison communities is similar to that of the reference community. This is mainly borne from different ways the data is collected or constructed. American Communities Survey (ACS) data are estimates and have an associated margin or error (MOE) and Decennial Census data represent the entire population, for example.

- "Municipal characteristics" are scored on a binary. These data are typically pre-constructed indices or characteristics. For example, whether a municipality is a Coastal Community or not, or if the municipality has the same MBTA Communities designation. If a comparison municipality has the same "community type" or contains at least one block with the same "housing submarket type" then the comparison municipality is determined to be similar.
- American Communities Survey (ACS) data is compared using the data estimate and it's corresponding margin of error (MOE). All ACS data MOE's represent a 95% confidence level. We compute a test statistic using the generic z-score formula (see this U.S. Census Bureau presentation for additional details about the generic z-score formula and an example exercise) for each comparison municipality with respect to the reference municipality. Test statistics greater than or equal to one (1.0) reflect an estimate that is statistically different from the estimate of the reference municipality.; those less than one (1.0) reflect estimates not statistically different. Comparison municipalities with test statistics less than one (1.0) are determined to be similar to the reference municipality.
- Population data is min-max normalized. Similarity is determined by comparing the distance of the normalized value in the reference municipality to those values in the comparison municipalities. A similar municipality is one within plus or minus five percent (+/- 5%) of the reference municipality's normalized population value.

Table 1 Similarity Score Indicators, Gloucester Reference

Similarity Score Indicators	**Gloucester Reference**
MAPC Community Type	Regional Urban Center
MAPC Housing Submarket	Submarkets 2,3,4
MAPC Subregion	North Shore Task Force
CZM Coastal Community Designation	Coastal Community
MBTA Community Type	Commuter Rail
Total Population *ACS 5-year estimates, 2018-2022*	29,862
Percent Change in Population, 2010-2020 *U.S. Decennial Census*	3.27%
Population with a Disability *ACS 5-year estimates, 2018-2022*	9.88%
Population that is Non-Latine White *ACS 5-year estimates, 2018-2022*	89.09%
Percent Change in School Enrollment, 2010-2020 *MADESE*	10.99%
Subsidized Housing Inventory *EOHLC 2023*	7.51%
Average Household Size *ACS 5-year estimates, 2018-2022*	2.24
Households with Seniors *ACS 5-year estimates, 2018-2022*	42.07%
Median Rent *ACS 5-year estimates, 2018-2022*	$1.395
Owner Occupied Units *ACS 5-year estimates, 2018-2022*	63.33%
Single Family Homes *ACS 5-year estimates, 2018-2022*	51.05%
2023 Median Sale Price, Single Family *Warren Group Data, 2023*	$582,500
Percent Change in Median Sale Price 2010-2020, Single Family *Warren Group Data, 2010, 2020*	69.33%
2023 Median Sale Price, Condo *Warren Group Data, 2023*	$395,000
Percent Change in Median Sale Price 2010-2020, Condo *Warren Group Data, 2010, 2020*	118.46%
Median Household Income *ACS 5-year estimates, 2018-2022*	$87,898
Extremely Low-Income Households (<30% AMI) *CHAS 5-year estimates, 2016-2020*	20.54%
Very Low-Income Households (30% to <50% AMI) *CHAS 5-year estimates, 2016-2020*	15.70%
Low-Income Households (50% to 80% AMI) *CHAS 5-year estimates, 2016-2020*	16.59%

The communities with the highest similarity scores are:

Municipality	**Similarity Score**
Beverly	13
Peabody	13
Ipswich	11
Rockland	11
Rockport	11
Framingham	10
Salem	10
Swampscott	10
Hamilton	9
Holbrook	9
Hull	9
Marshfield	9
Norwood	9
Quincy	9
Saugus	9

Choosing Context Communities

MAPC reviewed the potential context communities, the values for each indicator, and the similarity scores. Based on this information, qualitative assessment of how these context communities would be received, and consideration of how useful each community's comparison to Gloucester would be in this planning process, MAPC narrowed the list to the following context communities:

- Beverly
- Framingham
- Ipswich
- Peabody
- Rockland
- Rockport
- Salem
- Swampscott

These context communities are subject to review by the project partner. Once confirmed, MAPC will conduct the Housing Needs Assessment portion of the HPP using these communities as comparison context communities

Appendix B:

Summary of Past Planning Review

Gloucester **Housing Compass**

Summary of Previous Plan Review

Overview

The Metropolitan Area Planning Council (MAPC) reviewed previous studies, reports, and planning efforts relevant to housing in Gloucester to inform the Gloucester Housing Compass plan, an update to the City's Housing Production Plan. MAPC reviews past planning efforts to understand past priorities and action and identify existing resources and partners. These materials inform the planning process and improve MAPC's understanding of existing capacity and opportunities to build on the City's previous work and policy objectives. This memo summarizes key themes and findings from this review.

Key Themes and Takeaways

Alongside the impacts of climate change and sea-level rise, housing is among the most critical challenges facing the City of Gloucester. Concerns related to housing affordability, housing stability, and managing growth and development are surfaced across a wide range of previous studies, reports, and planning efforts, including planning for climate and flood resilience, digital equity, open space, zoning, and land use.

- The scope and variety of previous planning that addresses housing needs and concerns demonstrates the wide range of policy challenges that impact and are impacted by access to Affordable Housing in Gloucester.
- Planning for housing affordability and guiding new development are not new in Gloucester. There are a broad range of strategies and recommendations that the update to the Housing Production Plan can build upon, particularly in zoning recommendations and identification of opportunity sites for new affordable housing development.
- Many of the plans highlight the robust existing network of community-based organizations and housing and social service providers. Successful implementation will rely upon collaboration between the City and the network of service providers to best serve Gloucester's most vulnerable residents. This plan and its advisory committee can act as a cross-connection point to identify gaps in the existing ecosystem that supports residents.
- Gloucester residents feel the pressure of development and change in their community. Trust building and community education are needed in the planning process to ensure that the plan's recommendations to guide new growth and affordable housing have support within the Gloucester community.

There is an overwhelming need for more affordable and diverse housing choices.

Every plan, even those not directly related to housing, acknowledges a severe shortage of affordable housing and the significant financial strain placed on residents as a result.

- High Cost Burden: The 2017 HPP notes that two out of every five Gloucester households are cost burdened[1], and the 2025 Consolidate Plan notes that 605% of all low- and moderate-income households face a housing cost burden[2].
- Need for Diverse housing Types: across the plans there is a recurring demand for more multifamily units, smaller homes, and housing suitable for seniors wishing to downsize

Previous plans agree that new housing development should be focused on the Downtown and Transit-Oriented Development (TOD) to promote sustainable growth.

- Leverage existing infrastructure, promote walkability, and create vibrant, mixed-use neighborhoods
- Balance development to provide opportunities for future generations of Gloucester residents and preserve the City's natural and historic resources.

Climate Resilience is a core housing consideration for both existing homes and new development.

- Restricting development in Flood Zones
- Energy Efficient and Green Building

Zoning and permitting processes are identified as significant barriers to achieving the City's housing goals.

- Barriers to multifamily
- Specific reforms

Centering Equity in Housing Decisions

All plans emphasize the need to ensure that housing policies benefit Gloucester's most vulnerable residents.

- Identifying vulnerable populations
- Connecting housing to other equity issues
    - Digital Equity
    - Spatial Justice + access to open space
-
- Meeting the needs of the most vulnerable households
- Increasing the diversity of the housing supply
- Building climate resilience and mitigating the impacts of climate change
- Responsible growth (balance to open space, retain character/history, while providing opportunities for future generations of Gloucester residents)

[1] CHAS 5-year estimates 2007-2011; note: current data reviewed for the 2025 plan reinforces that a similar share of households face housing cost burden in Gloucester today.
[2] ACS 5-Year Estimates 2019-2023

Previous Plans

Housing Plans

2025 Five Year Consolidated Action Plan, Barrett Planning Group LLC

The Consolidated Action Plan outlines how the City intends to use federal Community Development Block Grant (CDBG) and HOME Investment Partnership Program funds.

Challenges:

- Severe housing cost-burden, particularly for low- and moderate-income residents and the elderly
- Vulnerabilities to climate change hazards in coastal areas

Priorities:

- Creating and preserving affordable housing
- Supporting economic development and workforce training
- Investing in public facilities and infrastructure improvements, especially for accessibility

Implementation:

- Importance of robust citizen participation
- Need for coordination with the network of housing and social service providers to effectively deliver programs, services, and supports to those most in need

2024 Affordable Housing Trust Strategic Plan, JM Goldson LLC

The Affordable Housing Trust was established in 2006 to protect, preserve, and enhance economic and social diversity and provide affordable rental and homeownership opportunities. The Strategic Plan outlines the Trust's core mission and goals and creates a framework for the Boards approach to act as an Initiator (initiates and facilitates implementation directly) and Funder (takes applications and determines which to fund). Existing funding resources for the Trust include Inclusionary Housing In-Lieu Payments, the Community Impact Fee for Short-Term Rentals ($50,828 allocated in 2022), and American Rescue Plan Act (ARPA) Funds (now expired).

Goals:

- Add at least 60 affordable housing units (more detail?)
- Prioritize housing for vulnerable populations (define)
- Secure a more consistent and robust revenue stream, including use of Community Preservation Act (CPA) funds
- Improve transparency
- Actively seek development partners
- Advocate for zoning reforms

Actions and Recommendations:

- Collaborate with the Community Preservation Committee
- Create a local one-stop application and create an updated Trust website. Implement a funding round.

- Actively outreach to encourage competitive applications
- Hire a housing coordinator
- Seek amendment to the Trust Ordinance
- Establish subcommittees

2017 Housing Production Plan, MAPC

The 2017 HPP is intended as a proactive guide to address Gloucester's current and future housing needs with a focus on increasing a diverse and affordable housing supply.

Key Findings:

- Gloucester's population is projected to age significantly, with residents aged 60 and over expected to grow from 38% of all householders in 2010 to 58% in 2030. This shift indicates a growing need for different housing types suitable for seniors and smaller households, such as multifamily units and accessible homes.
- The creation of multifamily units has not kept pace with identified need. MAPC projects that Gloucester will need 434 new multifamily units and 192 new single family units between 2010 and 2020. In addition to considerations on type of units, Gloucester will need to meet affordability needs in the City.
- 2 out of every 5 Gloucester households are cost-burdened. Cost burden is high across all household types but particularly among households with older adults. Low-income households experience the highest rates of cost burden, with 65% of those earning below 80% of the Area Median Income being cost-burdened (CHAS 5-year estimates, 2007-2011).
- As of 2016, only 7.2% of Gloucester's housing stock was on the Subsidized Housing Inventory (SHI), falling short of the 10% statutory minimum required under Chapter 40B
- Zoning as a barrier: the dimensional requirements for multifamily projects are not consistent with historic development patterns and are seen as discouraging new development in appropriately high-density areas like downtown. The permitting process is arduous, often requiring approvals from multiple boards.

Goals & Strategies:

Goal 1: Create a Diverse and Affordable Housing Stock

- Continue to fund and support the Housing Rehabilitation Program and the First Time Homebuyer Program using Community Development Block Grant (CDBG) and HOME funds
- Provide Seniors and residents with disabilities with greater housing options by encouraging the development of accessible and adaptable units and connecting residents to supportive services.

Goal 2: Achieve the Chapter 40B 10% Subsidized Housing Goal

- Achieve annual housing production targets, aiming to produce at least 0.5% (66 units) of the city's housing stock as affordable each year to maintain control over comprehensive permit applications

Goal 3: Ensure that existing affordable housing units are preserved for long-term affordability

- Monitor and preserve existing units by working with owners of existing units to recertify, ensuring that existing deed-restricted housing is monitored for compliance with restrictions, and maintaining an updated SHI annually as affordable units are created.

Goal 4: Identify appropriate sites for housing growth

- Focus future multifamily development in Downtown Gloucester, particularly in the transit-oriented area around the MBTA commuter rail station.
- Specific sites identified for potential housing development include the Fuller School, YMCA site, Maplewood School, St. Ann's School, and various city-owned parcels.

Goal 5: Revise Zoning to remove barriers and create incentives

- Review and amend the Zoning Ordinance to encourage housing production by identifying "opportunity areas" for increased density, particularly through Transit-Oriented Development (TOD).
- Streamline the permitting process for multifamily development, potentially by allowing by-right in certain areas and assigning a single body for permitting.
- Re-evaluate dimensional requirements, parking requirements, and accessory apartment provisions to better support diverse housing types.
- Explore modifications to the Inclusionary Housing Ordinance to incentivize the on-site production of affordable units rather than payments in-lieu.

Goal 6: Leverage existing funding sources

- Strategically use funds from the Affordable Housing Trust Fund (AHTF) and the Community Preservation Act (CPA) to acquire, create, and preserve low- and moderate-income house.

Goal 7: Minimize displacement of lower-income households

- Preserve existing affordable rental housing, especially in areas with rising property values, by working with property owners and using funding sources like HOME to protect units with deed restrictions.

Goal 8: Promote safe and healthy housing

- Connect residents to energy efficiency programs, retrofit public housing to high energy standards, and encourage mitigation of in-home pollutants like lead and mold.

Other Plans

2025 Gloucester Comprehensive Plan, JM Goldson LLC

The Comprehensive plan is a ten-year roadmap for Gloucester's vision, goals, and strategies for future growth and development. Housing is identified as a key challenge and top priority in the plan, highlighting "an affordable and innovative place to live and work" as a core theme.

Relevant Key Findings:

- Declining Housing Affordability: Rapidly rising housing costs disproportionately impact low- and moderate- income households. Increasing property costs threaten affordable creative spaces, impacting Gloucester's long-standing artistic community.
- Population and Household Changes: Gloucester's population growth has been relatively flat, but its residents are aging and household sizes are shrinking, indicating a need for different types of housing.
- Housing stability is a community priority
- Smart Growth and Development Pressure: Due to its desirable location, Gloucester faces development pressure. The plan advocates for balanced development that emphasizes walkable, mixed-use communities while protecting open space.

Recommendations related to Housing:

- Support social service and housing agencies in expanding shelters, transitional housing, supportive services, and permanent supportive housing for vulnerable populations by seeking funding and facilitating conversations among community stakeholders.
- Preserve existing deed-restricted Affordable housing and convert market-rate housing to Affordable housing by seeking funding and collaborating with the Affordable Housing Trust, development partners, and subsidizing agencies. Explore the creation of a community land trust and limited equity co-op models for this purpose.
- Support "aging in place" by promoting state programs such as home modification loans and partnering with social service organizations in collaboration with the Council on Aging.
- Prioritize deed-restricted Affordable housing when entering development agreements, and consider giving opportunities to those most in need such as seniors, people with disabilities, veterans, essential workers, and displaced households.
- Increase homeownership accessibility and preserve the city's housing stock. For example, expand federally funded first-time homebuyers and housing rehabilitation programs through local and state resources.
- Consider higher-density, mixed-use development near existing infrastructure. Identify and evaluate suitable areas in the city where this is appropriate and consider using MGL Ch 40R Smart Growth Overlay Districts to facilitate this development.
- Encourage the development of smaller housing types that are more attainable to purchase in the marketplace.
- Streamline permitting for small (< 50 units) multi-family housing in locations supported by existing infrastructure while avoiding environmentally sensitive areas.
- Align zoning requirements with existing neighborhood development patterns.

2025 Digital Equity Plan, MAPC

The Digital Equity Plan seeks to address the “digital divide” and highlights disparities in access to high-speed internet, devices, and digital skills crucial for full participation in modern life. The plan views housing sites, particularly public and subsidized housing, as key locations for intervention, with housing-focused organizations as crucial partners.

Relevant Key Findings:

- Many residents of affordable and public housing experience lower level of internet access and adoption. 46% of families living in public housing do not have high-speed internet at home or rely solely on smartphones.
- A significant share of Gloucester households are cost-burdened by housing. This financial pressure forces low-income families to choose between basic necessities like rent and paying for internet service or up to date devices.
- Applications for affordable housing and services like online rent payment portals are moving online, creating barriers for those without reliable internet or devices. Residents identified finding housing as an essential activity that requires internet access.
- The Gloucester Housing Authority highlighted the need to improve infrastructure and wiring in its public housing buildings

- The Housing Authority and other organizations, like Wellspring (which provides laptops in its family shelters), are part of a network of community partners addressing intersecting challenges like housing, employment, and transportation.

Recommendations related to Housing:

- Deploy free broadband in Affordable Housing

Create Housing-Related Digital Resources, including "how-to" online video tutorials in high-need languages (like Spanish and Portuguese) on how to use online tools or apps for essential services

2022 Climate Action and Resilience Plan (CARP), MAPC

The CARP outlines the City's commitment to mitigating climate change and preparing for its escalating local impacts, such as sea level rise and extreme weather events.

Relevant Key Findings:

- Buildings represent nearly 60% of Gloucester's total GHG emissions and residential buildings are the largest source of emissions in the stationary energy sector. The primary energy sources for residential buildings are fuel oil, followed by natural gas and electricity.
- Inner Harbor, parts of Downtown, Back Shore, Riverdale, and Lanesville were identified as residential neighborhoods highly vulnerable to coastal flooding, storm surge, and sea level rise. Affordable housing is noted as a vulnerable facility.

Priority Strategies for Housing:

- Work with affordable housing developers (like North Shore CDC), the Gloucester Housing Authority, and landlords to ensure affordable housing units implement high performance building standards.
- Restrict Development in Flood Zones, including reviewing and updating zoning procedures and creating a climate resilience checklist for all proposed developments.

Guidance for new construction, including standards for high performance building design and climate resilience measures in all new construction and major renovations

2022 Open Space & Recreation Plan (OSRP), MAPC

The OSRP outlines a vision and roadmap for protecting and enhancing the City's natural and recreational resources. The plan addresses housing through the lenses of land use, zoning, development pressure, infrastructure, climate resilience, and environmental equity.

Relevant Key Findings

Development Patterns & Pressure

- Residential properties make up about 20.7% of Gloucester's land area, with single-family homes being the dominant housing type.
- Between 2010 and 2016, 408 housing units were permitted, with 41% being single-family homes. More recent projects include larger multi-family developments like Harbor Village (30 units) and Halyard Apartments (200 units), as well as senior housing.

- In some neighborhoods, like Coffins Beach, there is redevelopment pressure as cottages are converted into larger, year-round homes.

Infrastructure & Development

- Infrastructure extensions have significant implications for housing development and open spaces. Sewer extensions in North Gloucester and West Gloucester have changed the long-term development potential, raising the possibility of new housing development in previously rural or undeveloped areas.
- State septic regulations (Title V) that allow for shared sewage systems create potential for new housing subdivisions in the city's most rural areas.

Housing, Equity, and Recreation Needs

- Residents in high-density areas, who may lack private yards, benefit most from neighborhood parks and playgrounds.
- In Gloucester, Environmental Justice (EJ) communities are clustered downtown, where many homes are at greater risk of coastal flooding and residents have less access to open space than other neighborhoods.
- Subsidized housing at Poplar Park is noted as vulnerable

Goals and Recommendations for Housing:

- Zoning as a tool for preservation: the plan notes provisions around cluster development and Open Space Residential Development (OSRD) as more conducive to open space preservation compared to traditional single-family development.
- Update the City's Floodplain Ordinance to prohibit new construction in High-Risk Flood Zones
- Updating Wetlands Ordinance to strengthen protections, including a 25-foot no-build buffer zone for new development projects
- A primary community priority identified in the plan is to acquire land for conservation, which may come into competition with land for housing.

Appendix C:
Community Engagement Summary

Gloucester Housing Compass – Summary of Community Engagement Process and Findings

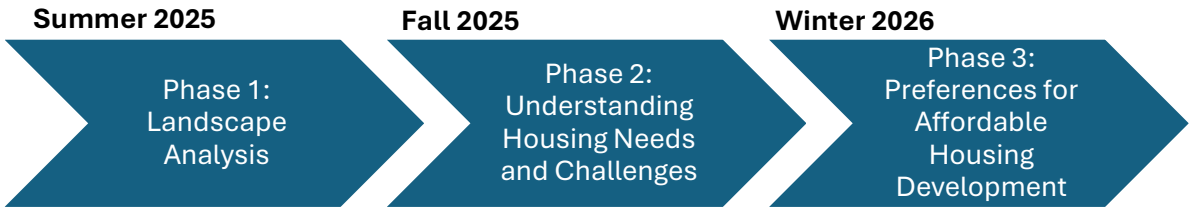
February 2026

Overview

The Gloucester Housing Compass project team aimed to center the experiences and perspectives of community members in the plan through a robust community engagement process. Community engagement supplements the extensive technical analysis, by ground-truthing findings in residents' lived experiences, which are not represented in quantitative or demographic data. Engagement related to the Housing Compass project took place from August 2025 to January 2026. More than 300 individuals who live and work in Gloucester participated, sharing their stories and experiences of seeking housing or remaining in Gloucester.

Community Engagement Strategy

The engagement plan was conducted in three phases. In the first phase, the project team conducted a Landscape Analysis to get to know key players, common community concerns related to housing, and existing outreach and engagement mechanisms that work for the community. The second phase took place in Fall 2025 and was dedicated to understanding Gloucester's housing needs and challenges. The third engagement phase in Winter 2026 focused on understanding where residents wanted to see more affordable housing and what housing types were preferred across the City.



Landscape Analysis

The community engagement process began with a Landscape Analysis to understand the Gloucester community and how to most effectively reach the priority populations for this project. The Landscape Analysis consisted of introductory conversations with community leaders, including municipal staff and community-based organizations (CBO). The

conversations focused on local leaders' observations and knowledge of housing challenges their clients or constituents have experienced. They also identified locally-specific opportunities for community outreach and engagement.

The project team met with the following community leaders:

- Jenny Benedict, Library Director, Gloucester Public Library
- Leah Briere, SNAP/Client Services Coordinator, Open Door
- Courtney Allen, Communications and Outreach Director, Backyard Growers
- Melissa Dimond, President & Executive Director and Andrew Allen, Director of Education & Career Pathways, Wellspring
- Sunny Robinson, Member, Housing for All
- Lacey Natti, Program Manager, Gloucester Health Department and Chelsea Goldstein-Walsh, Regional Prevention Director, Regional Youth Prevention Network
- Maiuza Alves, Member, Housing for All
- Frank Freedman, Program Director, Grace Center

With multiple planning processes occurring at the same time in Gloucester, the project team sought to minimize engagement fatigue by conducting these conversations in collaboration with another MAPC team working on an emergency preparedness project in overlapping geographies.

Based on these conversations, the project team developed a Landscape Analysis memo (see Appendix section 1) that highlights contextual factors and implications for conducting community engagement. The team used these findings to develop a community engagement process for the Gloucester Housing Compass project, made up of the following engagement methods.

Engagement Methods

Engagement Roadshow

Gloucester has a strong CBO network that organizes various community activities and spaces. To make the most of these opportunities, the team designed an Engagement Roadshow to meet people where they are. This approach allowed the project team to talk to people who are harder to reach, such as single parents and working-class residents.

In the first phase, the project team reached over 75 residents by attending the following events:

- Gloucester Community Safety Day (9/27/2025)

- Backyard Growers - Famers Market (10/8/2025)
- City of Gloucester Halloween Party (10/18/2025)

For engagement roadshow events in the second phase of engagement, the Housing Compass team developed a mapping and dot voting activity to understand community members' preferred housing types and location. The team used this activity at three different engagement events, gathering input from over 100 residents:

- Senior Center (1/8/2026)
- Gloucester High School (1/20/2026)
- Sawyer Free Library (1/20/2026)

Focus Groups

The project team held focus groups for smaller, more intimate discussions with housing insecure and unhoused community members for whom this may be a more sensitive topic. The focus groups were held in-person at Action Inc., a local nonprofit that provides emergency shelter and other support across Cape Ann. Action Inc. staff invited their clients to sign up and participate in the focus groups. Each focus group included 6-10 participants.

- Housing Need Focus Groups with Unhoused Folks (8/11/2025)
- Housing Need Focus Groups with Housing Insecure Folks (8/11/2025)

Survey

In order to create multiple modes for engagement, the project team created an online survey that was translated into Spanish and Portuguese. The Housing Compass survey asked about community members' housing goals and preferred housing types. The survey opened in August 2025 and will remain open for community members to share input through the Spring of 2026.

As of January 27th, 2026, 190 respondents completed the survey, with 180 responding in English, 5 in Spanish and 5 in Portuguese. Most respondents were White (71%), most own their homes (54%), and many came from two (36%) and four-person households (24%). Respondents represented a wide range of ages and income levels.

Additional Engagement

In addition to the tailored engagement methods above, City staff will be hosting a public meeting on the Housing Compass project in March 2026. The project team will develop

additional materials for awareness-building about the plan and affordable housing for continued general outreach.

Summary of Themes from Community Input

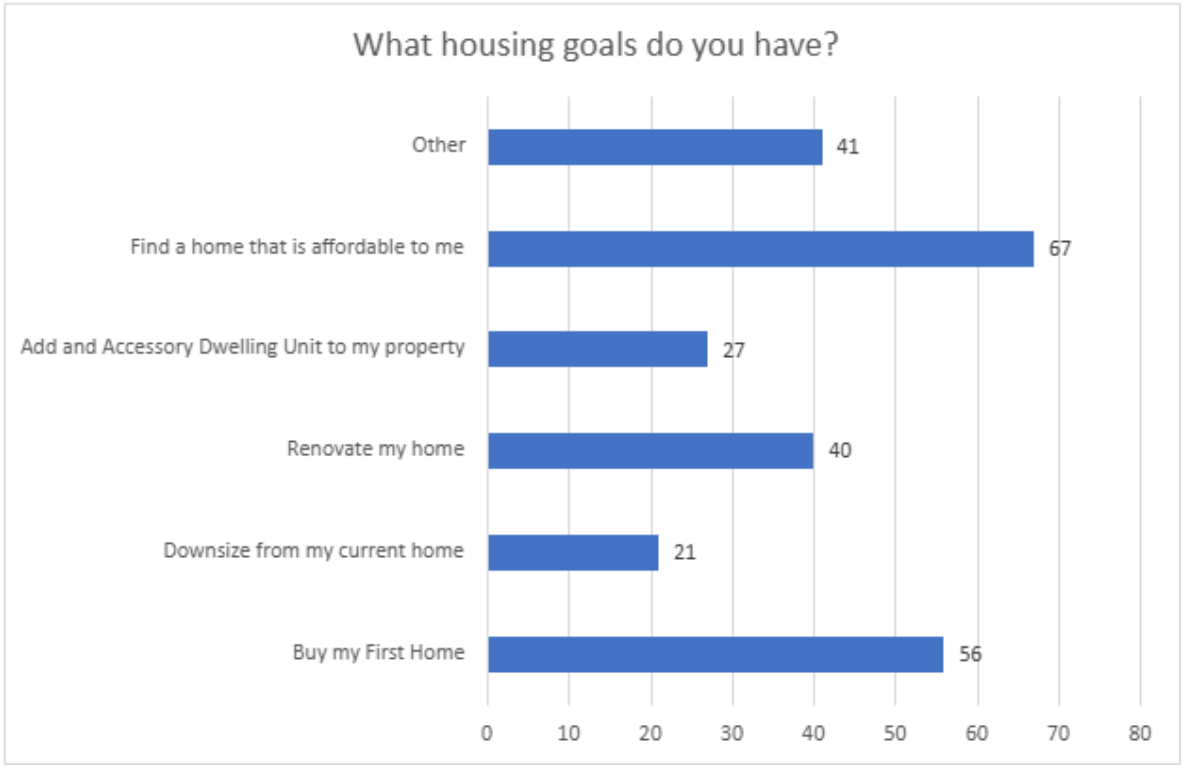
Housing Goals and Challenges

Several themes emerged from the first phase of engagement, which focused on understanding the Gloucester community's housing needs, challenges, and goals.

Resounding Perception of Gloucester as Increasingly Unaffordable

The Gloucester community appears to be unified in their believe that housing has become too expensive. A common narrative throughout the public engagement was that the city had become less affordable in the last 10 years. Some attributed this to broader market shifts, like the statewide housing crisis and rising cost of living. Many also shared their observations that an increase in short-term seasonal rental units has limited the supply of naturally-occurring year-round housing options. This sense of unaffordability was reflected in survey responses, where the top housing goal participants reported was finding a home that is affordable to them (26% of respondents selected this option). Survey respondents who wrote in their own response to the question about housing goals expressed wanting to be able to stay in their current homes.

Figure 1. Survey Respondents' Housing Goals



Renters expressed worry about keeping their current housing or finding comparably priced units the next time they move. Some comments from single parents and seniors highlighted the difficulty of making too much to qualify for deed-restricted affordable housing, but not being able to afford market-rate housing. They attribute this to the mismatch between the Area Median Income established by HUD and the local median income of Gloucester residents. Seniors also shared particular challenges keeping up with rising property taxes while living on fixed incomes and struggles to downsize.

Varying Experiences with Landlords and Housing search process

Gloucester residents shared varying experiences with the housing search process. Many participants (especially in the focus groups) expressed frustration with affordable housing lotteries and voucher programs, which have long wait lists and bureaucratic application processes. While some had positive experiences with programs such as Section 8 (especially participants at the Halloween Festival), others shared challenging or discriminatory experiences, such as landlords not accepting Section 8 vouchers or demanding cash on top of the voucher. In general, renters expressed concern for being priced out or evicted by unfriendly landlords and/or landlords who are taking advantage of rising housing prices.

Homeownership is Perceived as Out of Reach

Many families and young people expressed interest in buying a home in Gloucester. The second most commonly selected housing goal in the survey was buying a first home. The prevailing sentiment among those interested in purchasing a home is that they will face challenges doing so, as home sale prices are not affordable to them. The project team spoke with many parents who grew up in Gloucester and now have their own children. Some are able to rent homes close to family in Gloucester but many are uncertain about whether they would be able to purchase their own home nearby. Many homeowners shared stories of having bought their homes many years ago and that they would not be able to afford their homes in the current housing market.

Challenges for Small Landlords

Small landlords who live in town and rent out an additional unit they own often create naturally occurring affordable housing in communities like Gloucester. There are many small landlords in Gloucester who own multi-family homes or built accessory dwelling units. However, residents who participated in the engagement process expressed concern that many of these units are being used for short-term rental, rather than contributing to

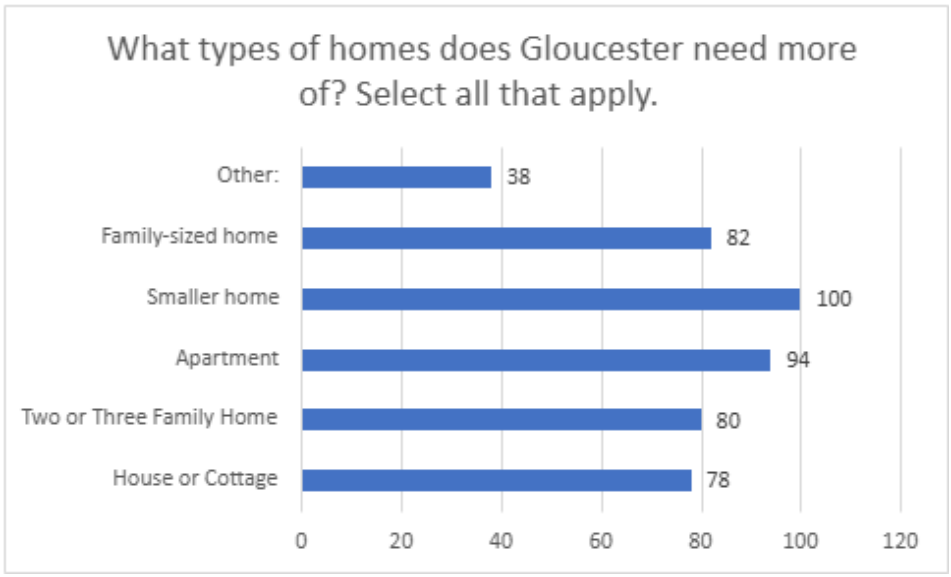
the year-round housing stock for locals. Some residents expressed a need for support with permitting and meeting health and safety regulations when exploring renovating or adding additional units to their properties. Accordingly, 21% of survey respondents selected "affording renovations to my home" as a housing goal.

Housing Preferences

Preference for smaller and family-sized homes

Residents expressed interest in more family-sized housing, smaller homes, and mixed-use development, as long as there are associated height restrictions to preserve the walkability and small-town character of Gloucester. One participant suggested height restrictions of no more than four stories. Many of the families with children that we spoke to throughout the engagement opportunities live in 3-bedroom homes, but those who have sought out 4-bedroom homes have generally been unsuccessful. Seniors, unhoused folks, and housing insecure folks expressed a desire for housing that included wrap-around services. Seniors prefer single-floor living for aging in place and also prefer single family homes. When asked what types of homes Gloucester needs more of, the top choices for survey respondents were smaller homes (21%) and apartments (20%). Family sized homes (17%), two or three family homes (17%) and house or cottage (16%) were also popular. Other housing types, such as supportive housing for the elderly, as well as studios and tiny homes for the unhoused were brought up in the open-ended survey response section as well.

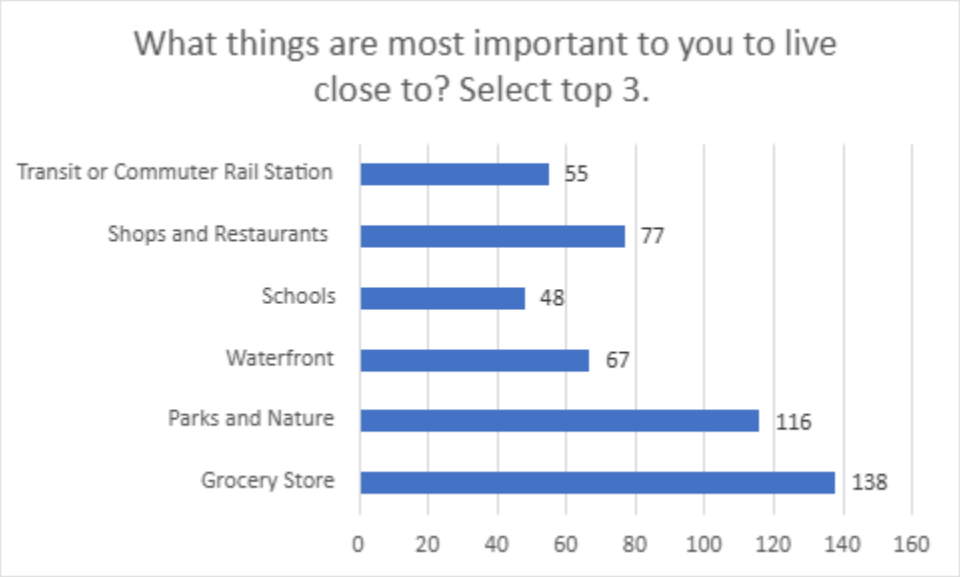
Figure 2. Survey Respondents' Preferred Housing Types



Appreciation for Local Amenities and Environment

Most Gloucester residents express a sense of joy and appreciation for the place they live, whether families with children who recently moved to Gloucester or long-time residents who are experiencing housing instability. Residents enjoy the balance between the small-town feel of Gloucester with its accessibility to areas closer to Boston. Many folks enjoy walkability of neighborhoods like Downtown. Many also expressed appreciation for the beauty of the landscape and being able to live near the ocean. Participants in the focus groups held with Action Inc. also noted the accessibility of support services by foot or transit. Seniors also expressed need for parking to be available or proximity to transit and services. Survey respondents and participants in engagement events were generally in agreement about the local amenities most important to them. Survey respondents most wanted to live near: a grocery store (28%), parks and nature (23%) and shops and restaurants (15%).

Figure 3. Survey Respondents' Preferred Housing Amenities



Reach of Engagement and Limitations

The project team reached over 300 members of the Gloucester community in the first six months of the project. The community engagement strategy was tailored to the Housing Compass project based on findings from the conversations with community organizations and local leaders in the Landscape Analysis. Descriptive data on survey respondents in particular can be found below.

However, any effort to engage communities in planning will face limitations. The Gloucester Housing Compass community engagement process was limited in a few ways: engagement was conducted from September 2025 through January 2026 in the wake of massive funding federal funding cuts, increased Immigration and Customs Enforcement (ICE) activity, and through the longest government shut down in American history. These events impact engagement in a few ways. First, the surges of ICE activity increased distrust between immigrant community members and local government. It also decreased the amount of time community members spent in known gathering spaces. The unprecedented funding cuts and government shutdown also meant that CBOs were focused on providing services and did not have the capacity to assist with additional outreach or engagement. As a result of these limitations, the Housing Compass team were unsuccessful in attempts to reach the communities who spoke languages other than English, including the Brazilian immigrant community.

Figure 4. Survey Respondents' Ethnicity

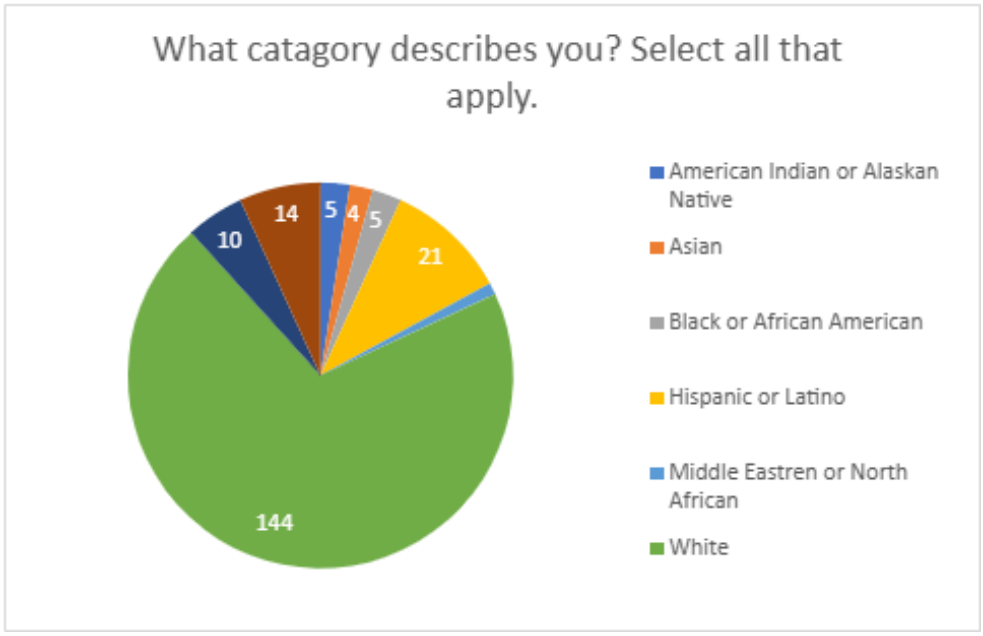


Figure 5. Survey Respondents' Housing Tenure

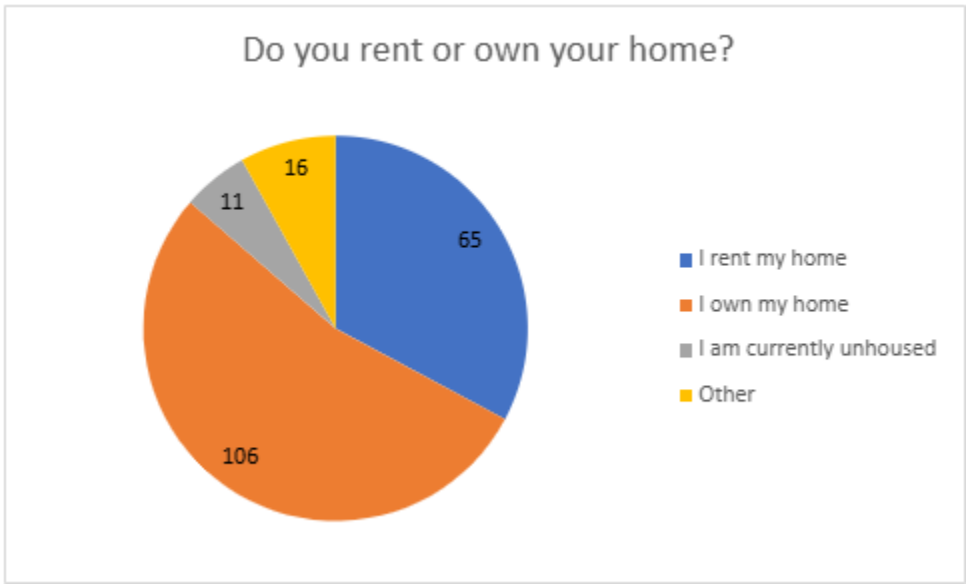


Figure 6. Survey Respondents' Household Size

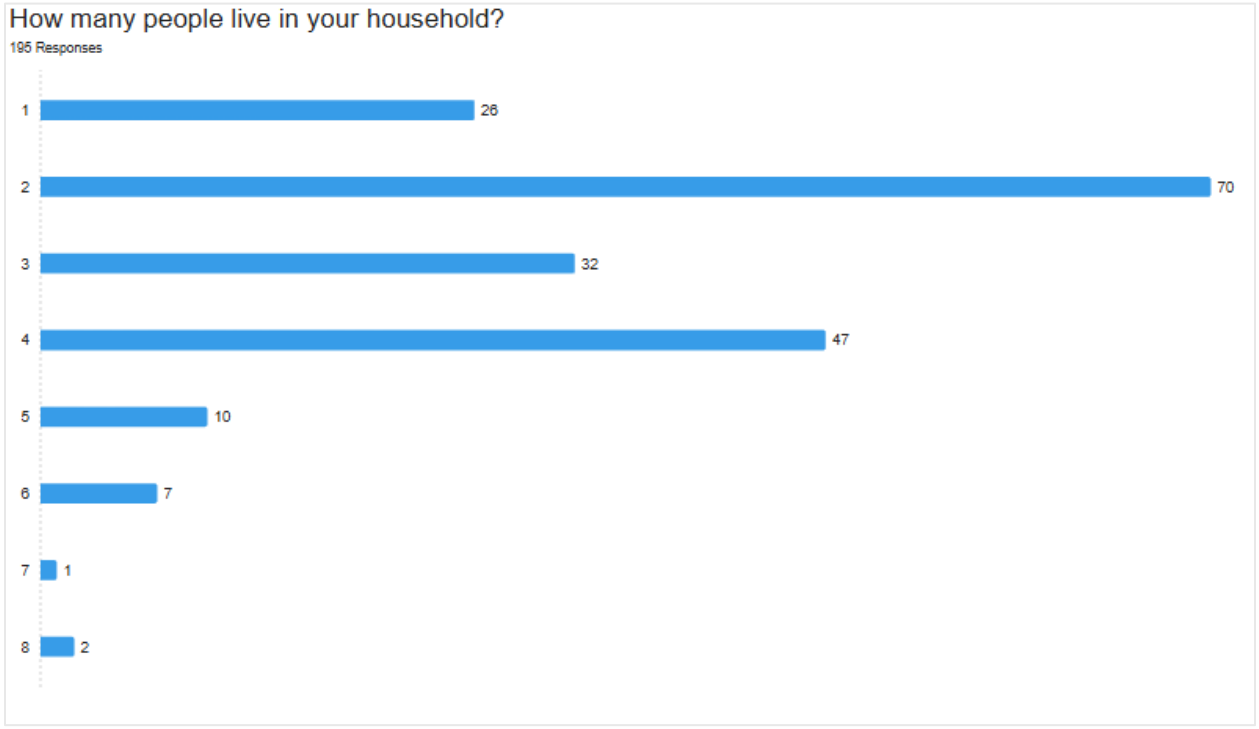


Figure 7. Survey Respondents' Age

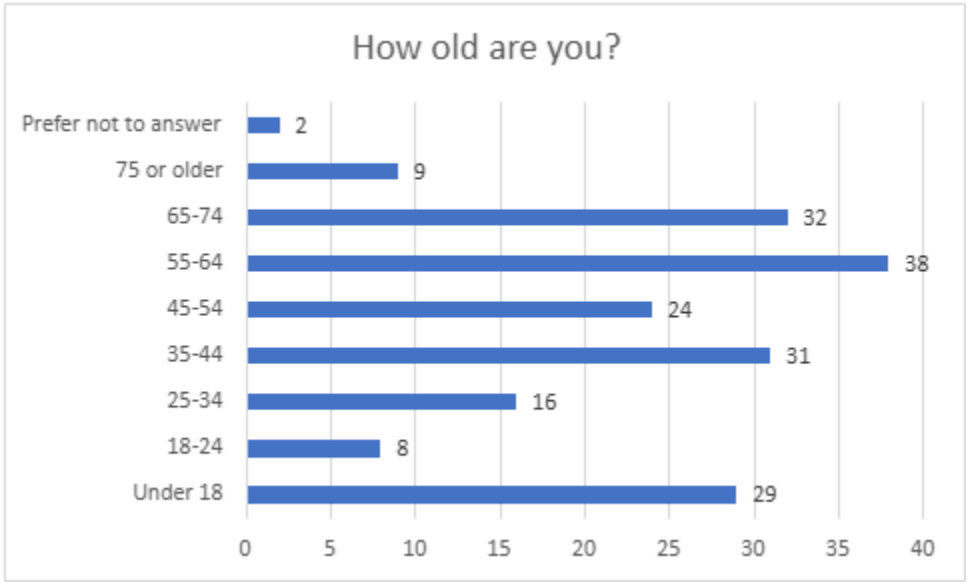


Figure 8. Survey Respondents' Household Income

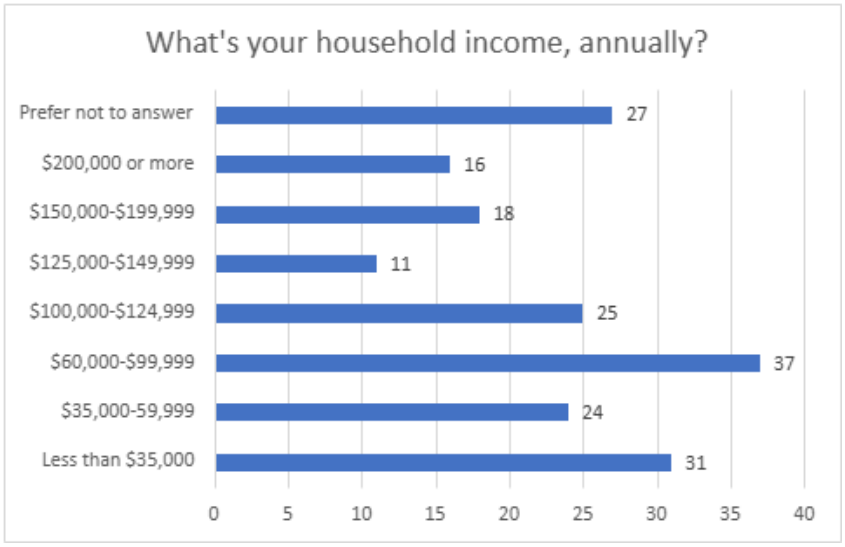
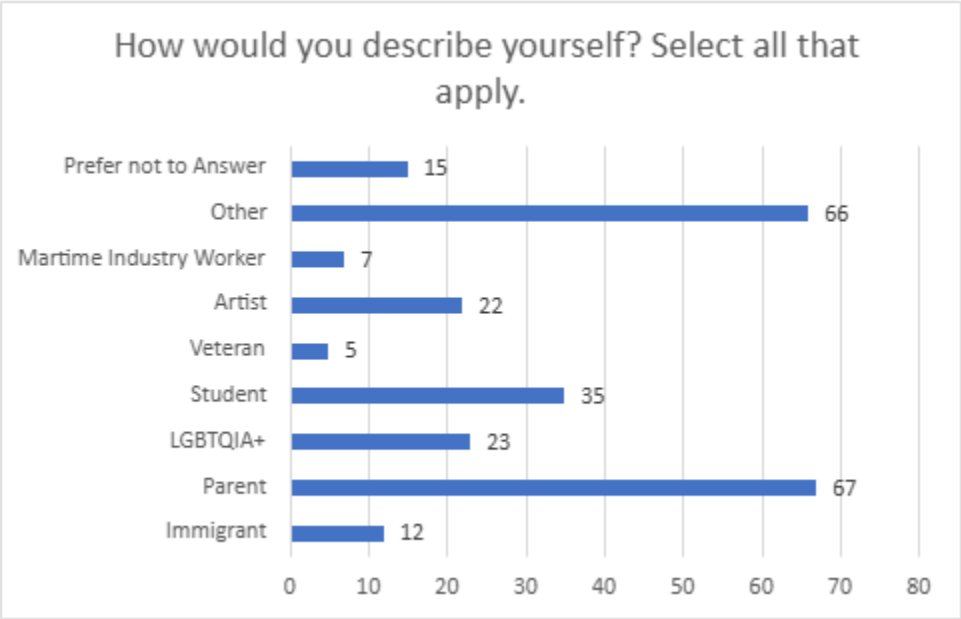


Figure 9. Survey Respondents' Identification with other Priority Groups



Appendix

Landscape Analysis Memo

The purpose of a Landscape Analysis is to identify key potential partners, opponents, and community resources that have an interest in or influence over the project and any proposed changes. The analysis integrates multiple different perspectives in order to understand local community context. Throughout Summer and Fall 2025, we conducted 1:1 conversations with the following community members:

- Jenny Benedict, Library Director, Gloucester Public Library
- Leah Briere, SNAP/Client Services Coordinator, Open Door
- Courtney Allen, Communications and Outreach Director, Backyard Growers
- Melissa Dimond, President & Executive Director and Andrew Allen, Director of Education & Career Pathways, Wellspring
- Sunny Robinson, Member, Housing for All
- Lacey Natti, Program Manager, Gloucester Health Department and Chelsea Goldstein-Walsh, Regional Prevention Director, Regional Youth Prevention Network
- Maiuza Alves, Member, Housing for All
- Frank Freedman, Program Director, Grace Center

Themes about housing affordability in Gloucester emerged from these conversations:

Housing Affordability is the Biggest Issue Facing Gloucester: In nearly all our conversations, lack of affordable housing was named as one of the biggest problems facing Gloucester. Partners described the situation in Gloucester as, “expensive to rent, impossible to buy.” Many explained that while they’d bought their homes 10+ years ago, due to rising housing costs, buying similar homes would not be possible today.

Misconceptions about Affordable Housing Solutions: Many partners named misinformation as a major cause of opposition toward affordable housing development. The narratives that partners highlighted were that additional density, especially downtown, would ruin the city’s character and would cause outsiders to flock to Gloucester.

Heightened Sense of Fear and Hopelessness Since the Start of 2025: All of these conversations happened in the fall, when federal policies were ramping up ICE activity and many federal grants and services were being cut. With rapid changes to federal deportation activity and services availability, the CBOs we spoke with

reported a great deal of fear among community members who were already experiencing fear and uncertainty because of housing instability.

Ideal Development Sites: Multiple partners expressed a desire for more transitional housing development: units that were affordable for those with little to no income and provided wrap around services and work force development support. They also asked for intergenerational and mixed-use projects, and deeply affordable housing; partners were very clear that 80% AMI is not enough to be affordable to the communities they serve. One partner suggested leveraging ADUs to increase density. Several partners expressed a need for proximity and preservation of green space, as well as walkable access to grocery stores. Many suggested potential development of sites in Magnolia, vacant city owned lots, and the Shaw's plaza, recognizing that most services are currently concentrated in Downtown Gloucester.

Based on the themes that emerged from these conversations, the community engagement process for this project will aim to adhere to the following principles:

- **Meet people where they are**: The community-based organizations in Gloucester have created a robust network of supportive services from the community members most-impacted by the rising cost of housing. Rather than asking residents to come out to additional meetings, the project team should prioritize leveraging existing community gathering spaces. The organizations who participated in Landscape Analysis conversations were generous with invitations to join their meetings and spaces.
- **Provide educational materials about housing conditions and development constraints**: Community members have a strong sense of the housing challenges in Gloucester. This planning process can be an opportunity to both share data that supports this experience with residents, and present information on possible solutions to alleviate the challenges of rising housing costs.
- **City staff as the face of engagement**: Contacts in the Landscape Analysis 1:1s made it clear that MAPC has a reputation in Gloucester that precedes this project team. Given the heightened focus on housing in the community at this moment, the team may find success by having City staff act as the face of engagement at events like festivals and fairs. MAPC staff will develop the engagement strategy, materials, and lead engagement with priority community groups.

Appendix D:
Development Constraints

Development constraints source information

Existing Land Use and Vacancy

This land-use map is built using the MassGIS parcel database, updated as of 2026. This database assigns a land-use code to each parcel based on the reported and taxable land use. The result is a dataset that shows land use through the lens of land taxation, which may only imply actual use. For instance, grey and light blue parcels are government-owned vacant land and are overwhelmingly natural and open spaces, but this map does not classify them as "open space" the way parcels with Chapter 61 protection are.

Flood Risk Areas

The Federal Emergency Management Agency (FEMA) produces a "Flood Rate Insurance Map" (FIRM) in panels covering the entire United States. These map panels provide information to homeowners, developers, banks, and insurance companies to help determine the likelihood of flooding in an area, as the insurance risk is calculated.

To determine this risk, FEMA's National Flood Hazard Layer dataset categorizes flood risk into seven distinct categories.

- A zones: 1% annual risk of flooding with no base flood elevation
- AE zones: 1% annual risk of flooding with base flood elevation
- AH zones: 1% annual chance of 1-3ft ponding with base flood elevation
- AO zones: 1% annual chance of 1-3ft sheet flow flooding, with depth
- D zones: Flooding here is possible, but the hazard is undetermined.
- VE zones: Coastal areas that have a very high risk for large waves.
- X zones: 0.2% annual chance of flooding.

Sea Level Rise

The sea level rise dataset is provided by the National Oceanic and Atmospheric Administration (NOAA). It is the geospatial representation of a model based on climate change projections, showing how far the water coverage will extend compared to today's average water level, known as the "Mean High High Water" (MHHW). The MHHW is depicted as the ocean, with the most immediate challenges of sea level rise represented in dark red, and the least immediate challenges in light green. It essentially means, "when does NOAA think a certain area will be underwater?". An interactive version of this map, which covers all oceanic coastal areas of the United States, is available online at http://bit.ly/4lTgzdU

Wetlands

The National Fish and Wildlife Service (USFWS) compiles a National Wetlands Inventory (NWI). This inventory, made available through MassGIS, shows the extent and approximate type of wetlands, riparian areas, deepwater habitats, and other aquatic habitats.

Wetlands generally involve a myriad of land-use considerations and constraints. They are often home to great biodiversity for birds, insects, fish, and amphibians. They retain water and are prone to flooding. The ground is soft and usually appears less stable than it is. Simply put, they are challenging to build on.

The NWI dataset explicitly maps seven distinct wetland types according to the Cowardin wetland classification.

- Estuarine and Marine Deepwater - Open water estuary, bay, sound, open ocean. Estuarine and Marine subtidal water (E1, M1).
- Estuarine and Marine Wetland - Vegetated and non-vegetated brackish and saltwater marsh, shrubs, beach, bar, shoal, or flat. Estuarine intertidal and Marine intertidal wetland (E2, M2).
- Freshwater Emergent Wetland - Herbaceous marsh, fen, swale, and wet meadow. Palustrine emergent (PEM).
- Freshwater Forested/Shrub Wetland - Forested swamp or wetland, shrub bog or wetland. Palustrine forested and/or Palustrine shrub (PFO, PSS).
- Freshwater Pond - Pond. Palustrine unconsolidated bottom, Palustrine aquatic bed (PUB, PAB).
- Lake - Lake or reservoir basin. Lacustrine wetland and deepwater (L).
- Riverine - River or stream channel. Riverine wetland and deepwater (R).
- Other - Farmed wetland, saline seep, and other miscellaneous wetlands. Palustrine wetland (Misc. types, PUS, Pf).

Public Water source & ACECs

Areas of Critical Environmental Concern are designated by the Massachusetts Secretary of Energy and Environmental Affairs (EEA) and "receive special recognition because of the quality, uniqueness, and significance of their natural and cultural resources.[1]" While these GIS boundaries, noted with green in the following map, help us to understand where ACECs are, they are not truly definitive, and additional research is needed to develop near them.

The public water supplies are defined by type: community groundwater source, surface water intake, non-community groundwater source, and emergency surface water. Only

[1] https://www.mass.gov/info-details/massgis-data-areas-of-critical-environmental-concern

surface water intakes and an emergency surface water location are identified in Gloucester.

Surface Water Protection Zones

The surface water protection zones, marked A, B, and C, are the areas included in the Massachusetts drinking water regulations (310 CMR 22.00). The following is the definition of these zones from mass.gov[2].

- ZONE A: represents a) the land area between the surface water source and the upper boundary of the bank; b) the land area within a 400 foot lateral distance from the upper boundary of the bank of a Class A surface water source, as defined in 314 CMR 4.05(3)(a); and c) the land area within a 200 foot lateral distance from the upper boundary of the bank of a tributary or associated surface water body.
- ZONE B: represents the land area within one-half mile of the upper boundary of the bank of a Class A surface water source, as defined in 314 CMR 4.05(3)(a), or edge of watershed, whichever is less. Zone B always includes the land area within a 400 ft lateral distance from the upper boundary of the bank of a Class A surface water source.
- ZONE C: represents the land area not designated as Zone A or B within the watershed of a Class A surface water source, as defined in 314 CMR 4.05(3)(a).

Open Space

The Massachusetts Bureau of Geographic Information (MassGIS) collaborates with municipal tax assessors throughout the state to maintain geospatial databases of land use and parcels. One of these databases tracks open and recreational space, including both passive and active recreational areas.

In addition to indicating which parcels are and are not open space, the dataset also displays the type of protection under which the open space parcels are protected.

- Confirmed Conservation Restriction applies when there is a deed or other legal document (such as a bylaw) that requires the parcel to be kept as undeveloped open space.
- A Conservation Owned Site is one owned by a land conservation organization, acquired with the intent of keeping the parcel as undeveloped open space.
- Article 97 of the Massachusetts Constitution provides for additional legal protections under a constitutional right to “a clean environment”. Municipalities that

[2] https://www.mass.gov/info-details/massgis-data-surface-water-supply-protection-areas-zone-a-b-c

acquire land for conservation and recreation purposes will often place that land into a deed restriction under Article 97. While that does not grant land conservation in perpetuity, there are additional steps that must be taken to dispose of the land, requiring numerous votes by town boards and meeting the burdens of proof.

- Massachusetts Chapter 61 is the "Forestland Taxation Act", a law that encourages people to keep forested, agricultural, and recreational land undeveloped in exchange for a lower tax rate. Only parcels of 10 acres or larger are eligible. To participate in the program, the property owner must submit a forest management plan and complete additional applications to the state DCR. When a property is accepted under Chapter 61, a lien is placed on the property for taxes due. After 10 years, land is removed from Chapter 61 protection unless a new management plan is submitted.
- Cemeteries are protected by their land use. Changing the land use of a cemetery requires substantial remediation and great cost; they are not typically relocated elsewhere in modern-day
- Land marked with no protection is kept as open space because the property owner has made a decision to keep it as open space. This land could be developed or sold at any time, with an uncertain future.

Activity Use Limitations

In Massachusetts, land that has contaminated releases of oil and/or hazardous materials must be reported to the Massachusetts Department of Environmental Protection's (MassDEP) Bureau of Waste Site Cleanup. This is done in accordance with M.G.L. Chapter 21E. MassDEP provides a publicly available geospatial dataset that is a subset of this data where the parcel has an Activity and Use Limitation (AUL).

An AUL is a "legal document that identifies activities and uses of the property that may and may not occur, as well as the property owner's obligation and maintenance conditions that must be followed to ensure the safe use of the property." Cleanup efforts on these sites to remediate pollution are reported to MassDEP, and detailed information about each AUL site is provided. AUL sites reveal where past choices have left behind legacies of contamination and hidden presences that necessitate care before redevelopment can proceed.

This geospatial data identifies points and is considered approximate, rather than exact, as the extent of ground pollution is often greater than it appears on the surface. To make the map easier to read, parcels with an AUL point on them have been identified.

Appendix E:
SHI Calculations

DHCD ID #	Project Name	Address	Type	Total SHI Units	Affordability Expires	Comp. Permit?	Subsidizing Agency
1182	Maplewood Avenue	Maplewood Ave.	Rental	60	Perp	No	*HUD*
1183	Prospect	Mason Street	Rental	2	Perp	No	*HUD*
1184	Prospect	17 Washington Square	Rental	3	Perp	No	*HUD*
1185	Prospect	Sargent Street	Rental	2	Perp	No	*HUD*
1186	Prospect	18 Essex St.	Rental	3	Perp	No	*HUD*
1187	Prospect Square	26 Prospect Square	Rental	3	Perp	No	*HUD*
1189	Riverdale Park	Veterans Way & Patriot Circle	Rental	160	Perp	No	*EOHLC*
1190	Curtis B. Clark Building	99 Prospect St.	Rental	56	Perp	Yes	*EOHLC*
1191	George W. McPherson Park	31 Prospect St.	Rental	97	Perp	No	*EOHLC*
1192	John W. Sheedy Building	88 Pleasant St.	Rental	81	Perp	Yes	*EOHLC*
1193	Lincoln Park	Lincoln Avenue	Rental	52	Perp	No	*EOHLC*
1194	Poplar Park	Poplar Street	Rental	76	Perp	No	*EOHLC*
1195	n/a	Hillcrest/ 374 Washington St.	Rental	8	Perp	No	*EOHLC*
1196	n/a	11-17 Arthur St.	Rental	15	Perp	No	*EOHLC*
1197	Haven Terrace	40-48 Haven Terrace	Ownership	22	Perp	No	*EOHLC* *EOHLC*
1198	Cape Ann YMCA	67 Middle St	Rental	22	2024*	No	*EOHLC* *HUD*
1199	Central Grammar	10 Dale Avenue	Rental	80	2053	No	*MassHousing*
1200	Forbes School	41 Washington St.	Ownership	8	Perp	No	*EOHLC*
1201	Babson Block Leasehold Condos	Granite Street	Ownership	15	perp	No	*EOHLC* *EOHLC*
1203	Prospect Street	Prospect Street	Rental	11	2024*	No	*HUD*
1204	Duncan Street	Duncan Street	Rental	19	2024*	No	*HUD*
1205	Arthur Street Condominiums	20-24 Arthur Street	Ownership	8	2028	No	*EOHLC*
1206	Griffin Court	Griffin Court	Ownership	4	2025	No	*HUD*

1207	Meadow Lane	Meadow Lane	Ownership	2	2025	No	*HUD*
1208	Veteran's Way	Veteran's Way	Ownership	1	2025	No	*HUD*
1209	Poplar Street	Poplar Street	Ownership	1	2025	No	*HUD*
3954	Essex Ave	147 Essex Ave	Rental	43	perp	No	*MHP* *EOHLC* *EOHLC*
4288	DDS Group Homes	Confidential	Rental	16	N/A	No	*DDS*
6228	Griffin Court II	Griffin Court & Emerson Avenue	Ownership	3	2029	Yes	*HUD*
6362	Peggy's Cove Condo/Sibley Realty Trust	22 Rocky Neck Avenue	Ownership	5	perp	No	*HUD*
9082	DMH Group Homes	Confidential	Rental	8	N/A		*DMH*
9286	Gloucester HOR Program	Lyndale St	Rental	1	2025	NO	*HUD HUD*
9289	Gloucester HOR Program	Madison St	Rental	1	2025	NO	*HUD*
9292	Essex Ave-ownership	147 Essex Ave	Ownership	14	2056	NO	*EOHLC* *MHP*
9323	Gloucester HOR Program	Perkins St	Ownership	1	2025	NO	*HUD*
9324	Gloucester HOR Program	Green St	Ownership	1	2025	NO	*HUD*
9325	Gloucester HOR Program	Prospect St	Ownership	1	2025	NO	*HUD*
9326	Gloucester HOR Program	Washington Sq	Ownership	1	2025	NO	*HUD*
9376	LePage Affordable Housing	147 Essex Street	Rental	34	2041	NO	*EOHLC* *MassHousing* *MHP*
9505	Gloucester HOR Program	Prospect St	Rental	1	2026	NO	*HUD*
9506	Gloucester HOR Program	Lexington Ave	Rental	2	2026	NO	*HUD*
9611	Gloucester HOR Program	Taylor St	Ownership	2	2110	NO	*HUD*
10090	Gloucester HOR Program	Prospect St	Rental	1	2030	NO	*HUD*
10091	Gloucester HOR Program	Warner St	Rental	1	2030	NO	*HUD*
10092	Gloucester HOR Program	Commonwealth Ave	Rental	2	2030	NO	*HUD*

10093	Gloucester HOR Program	Marchant St	Rental	1	2031	NO	*HUD*
10094	Gloucester HOR Program	Essex St	Rental	1	2031	NO	*HUD*
10095	Gloucester HOR Program	Maplewood Ave	Rental	3	2031	NO	*HUD*
10096	Gloucester HOR Program	Millett St	Rental	2	2031	NO	*HUD*
10097	Gloucester HOR Program	Mount Vernon St	Rental	1	2031	NO	
10098	Gloucester HOR Program	Washington St	Rental	2	2031	NO	*HUD*
10099	Gloucester HOR Program	Grove St	Rental	1	2031	NO	*HUD*
10100	Gloucester HOR Program	Goodwin Rd	Rental	1	2031	NO	*HUD*
10101	Gloucester HOR Program	East Main Street	Rental	1	2031	NO	*HUD*
10102	Gloucester HOR Program	Warner Rd	Rental	2	2031	NO	*HUD*
10103	Gloucester HOR Program	Millett St	Rental	2	2031	NO	*HUD*
10274	15 Pearl Street	15 Pearl Street	Rental	7	Perp	YES	*EOHLC*
10338	Gloucester HOR Program	Washington Street	Rental	2	2031	NO	*HUD*
10340	Gloucester HOR Program	Perkins Street	Rental	3	2032	NO	*HUD*
10341	Gloucester HOR Program	Washington Street	Rental	1	2032	NO	*HUD*
10342	Gloucester HOR Program	Highland Street	Rental	2	2032	NO	*HUD*
10343	Gloucester HOR Program	Liberty Street	Rental	2	2032	NO	*HUD*
10344	Gloucester HOR Program	Leighton Court	Rental	2	2033	NO	*HUD*
10345	Gloucester HOR Program	Warner Street	Rental	2	2033	NO	*HUD*
10346	Gloucester HOR Program	Washington Street	Rental	1	2033	NO	*HUD*
10347	Gloucester HOR Program	Columbia Street	Rental	1	2033	NO	*HUD*
10348	Gloucester HOR Program	Summer Street	Rental	2	2033	NO	*HUD*
10349	Gloucester HOR Program	Friend Street	Rental	4	2033	NO	*HUD*
10350	Gloucester HOR Program	Maplewood Avenue	Rental	2	2033	NO	*HUD*
10576	Halyard Apartments	School House Road	Rental	30	Perp	NO	*EOHLC*
10819	Gloucester HOR Program	Pine St	Rental	1	2035	NO	*HUD*
10820	Gloucester HOR Program	Chestnut St	Rental	4	2037	NO	*HUD*

10821	Gloucester HOR Program	Gilbert Rd	Rental	1		2035	NO	*HUD*
	Gloucester Totals				1,033			

Census 2020 Year Round Housing Units	13,896
Percent Subsidized	7.43%

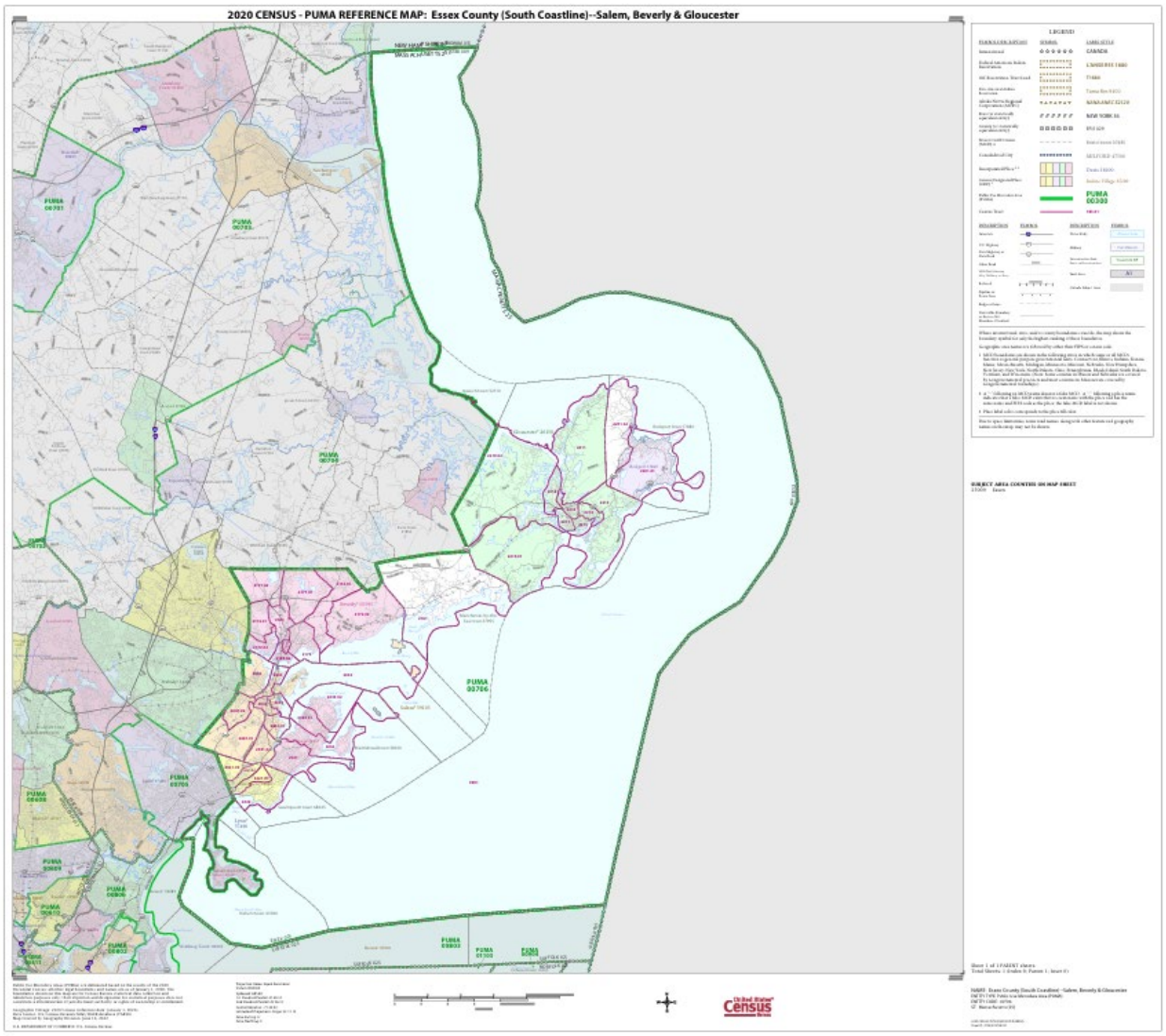
Appendix F:

Artist PUMS Data Analysis

- DONE - DONE -

Gloucester PUMA Data Analysis

Data: REVISED FINAL Gloucester_Artist_PUMS_Summary.xlsx
PUMA Map: DC20PUMA_2500706.pdf



In place of detailed artist employment data at the municipal level, this analysis uses information from the **Public Use Microdata Area (PUMA) 2500706**, which includes Gloucester. A PUMA is a Census-defined geography containing roughly 100,000 to 200,000 residents, designed to allow detailed analysis of occupations, income, and housing characteristics while protecting individual privacy. PUMA 2500706 represents a regional labor and housing market spanning multiple Cape Ann communities and provides the smallest geography at which publicly available microdata can be analyzed while maintaining Census confidentiality protections.

The artist occupational codes used in the ACS PUMA data extraction were derived from the occupational framework established in *The Jobs in New England's Creative Economy and Why They Matter*.[1] Since that framework reflects 2000 and 2010 Census occupational coding structures, the codes were cross-referenced and updated to align with the 2018 Standard Occupational Classification system prior to analysis.

The PUMA used in this analysis represents a shared regional labor and housing market that includes the communities of:

> **Rockport, Gloucester, Manchester-by-the-Sea, Beverly, Salem, Marblehead, and Swampscott.**

Residents regularly live, work, and move across municipal boundaries within this area, meaning economic conditions affecting artists are shaped by regional dynamics rather than municipal borders alone. The PUMA therefore provides the smallest geography at which reliable artist-specific data can be analyzed.

The data presented here should be understood as describing **regional economic conditions affecting artists**, which are then interpreted through Gloucester's local socioeconomic context.

This means the PUMA results are used as a regional benchmark, and then interpreted for Gloucester using local conditions such as income levels and housing costs. Where Gloucester differs from the PUMA, we treat PUMA medians as conservative benchmarks and interpret direction of risk rather than assuming the PUMA median applies locally.

How Artists Are Counted in Census Data

The **American Community Survey (ACS)** identifies artists based on a respondent's **primary occupation**, meaning individuals are counted as artists only when artistic work is reported as their main job.

This definition does not fully reflect how artistic work functions in practice. Many artists sustain their practice through multiple forms of employment, combining artistic work with teaching, freelance contracts, service-sector jobs, or other occupations. Artistic identity and practice do not always align with census occupational categories, which prioritize formal employment classifications over lived artistic practice.

As a result, census data captures only the portion of the artist workforce that is economically visible through primary employment reporting. Artist counts derived from ACS data therefore likely underrepresent the broader artistic community and may skew toward individuals able to sustain artistic work as a primary source of income.

For this reason, the analysis should be understood as describing **the measurable artist labor force**, rather than the full range of artistic activity and identity present in Gloucester.

Reading Margin of Error

ACS estimates are based on a sample, not a full count. For that reason, each estimate comes with a **margin of error (MOE)** that signals how much statistical uncertainty is built into the number.

MOE matters more when analyzing smaller groups. Artist-worker samples are typically smaller than the general population, so their estimates tend to be less precise. In practice, MOE means the reported figure should be read as the center of a plausible range rather than as a single exact value.

For example, if median personal income for artists is reported as **$61,900 with a margin of error of ± $10,501**, the true median is likely somewhere between approximately **$51,399 and $72,401**. This is why the analysis emphasizes **patterns across groups** and **consistent differences** rather than treating any single value as definitive. Throughout, the goal is to interpret direction and relative vulnerability, not to claim pinpoint precision.

Regional Income Patterns for Artists

The PUMA establishes the regional economic context within which Gloucester artists participate in the labor market.

In PUMA 2500706:

Group	Median Personal Income	MOE
Artists	$61,900	± $10,501
Total Population (16+)	$49,385	± $1,878

The regional data indicates that artists report a higher median personal income than the overall working-age population within this PUMA.

This pattern suggests that the regional artist workforce includes occupations or employment arrangements that generate incomes comparable to, or somewhat higher than, the broader workforce. Some artists may work in professionalized sectors of the arts, cultural institutions, or related industries where earnings exceed regional averages.

At the same time, the relatively large margin of error means the exact relationship between these medians should be interpreted cautiously. The figures should be understood as indicating that artists are not uniformly positioned below the regional income distribution, but rather occupy a range of economic positions within the broader labor market.

This means that regional income patterns for artists cannot be interpreted solely as a story of low wages. Instead, the data suggest a more varied economic structure in which some artists earn relatively high incomes while others operate with significantly fewer resources.

Household Income and Housing Tenure Among Artist Households

Household-level indicators present a more complex picture. **Artist households** in the PUMA report a median household income of approximately **$137,635**, with a relatively large MOE of **± $20,933**, compared with **$103,044 (± $3,977)** for all households.

The higher median household income for artist households **reflects the combined earning**s of everyone living in the household rather than the income of artists alone. Many artist households may include multiple earners, partners working in other professions, or other income sources.

Housing tenure among **artist households** provides additional context for how shared household resources relate to housing stability:

- **2,110 owner households** (MOE ± 398)
- **458 renter households** (MOE ± 258)

The large number of owner households indicates that observed housing stability is often connected to longer-term housing situations. Some households may include dual earners or residents who entered the housing market when costs were lower.

Median rent estimates offer additional housing-cost context within the PUMA:

- **PUMA total median rent: $1,500** (MOE ± $66)
- **Artists median rent: $1,688** (MOE ± $633)
- **Massachusetts median rent: $2,026** (MOE ± $72)

Because the margin of error for artist renter estimates is relatively large, the median rent figures should be interpreted cautiously. The available data do not allow a precise comparison between rents paid by artist households and those paid by the broader population. What the estimates do show is that artist renters are participating in the same regional housing market as other households and are therefore subject to the same overall housing cost pressures present within the PUMA.

Artist Households by Income Level

To better understand economic vulnerability beyond median income, artist households are also examined using income categories defined by the U.S. Department of Housing and Urban

Development (HUD). These categories classify households based on income relative to **Area Median Income (AMI)** for the region:

- **Extremely Low Income (ELI):** households earning **30 percent of AMI or less**
- **Very Low Income (VLI):** households earning **31 to 50 percent of AMI**
- **Low Income (LI):** households earning **51 to 80 percent of AMI**

These thresholds are widely used in housing policy and affordability analysis to identify households most likely to experience housing cost burden or instability.

Within the PUMA 2500706, **artist households** are distributed across AMI categories as follows:

- **ELI:** 153 households
- **VLI:** 167 households
- **LI:** 563households
- **Above 80 percent of AMI:** 1,682 households

Combined, ELI, VLI, and LI households total **886 artist households**, representing approximately **34 percent of artist households in the PUMA**. This means that more than one-third of artist households fall within income categories typically associated with housing vulnerability, even though the median household income for artist households appears relatively high.
The distribution therefore suggests a wide spread of income levels across artist households. Some households have relatively high combined incomes, while others fall within income ranges where housing cost pressures are more likely to occur.

Positioning Gloucester Within the Regional Context

The PUMA data help situate Gloucester within the broader **regional labor and housing market** in which local artists live and work. Within **PUMA 2500706**, artists report a **median personal income of $61,900** compared with **$49,385** for the overall working-age population. At the regional level, this suggests that artists are not uniformly positioned below the broader workforce and that some artists participate in relatively strong segments of the North Shore economy.

However, these figures describe a **shared regional geography**, not Gloucester alone. **PUMA 2500706** includes **Rockport, Gloucester, Manchester-by-the-Sea, Beverly, Salem, Marblehead, and Swampscott**, bringing together communities with very different income profiles and housing markets. As the Gloucester Housing Needs Assessment notes, **Gloucester's median household income is about $87,898**, placing it near the lower end of the income distribution among comparable North Shore communities and above only Salem among the context communities shown in the Gloucester Housing Needs Assessment (HNA). This means the PUMA median reflects a broader regional economy that is shaped in part by **higher-income municipalities** within the same geography, rather than Gloucester's local conditions alone.

The **PUMA household data** also help explain why median values alone can overstate stability. In the PUMA, artist households report a **median household income of about $137,635**, which is much higher than the artist **median personal income**. That gap suggests that housing stability for many artists may depend not only on their own earnings, but on **shared household income, dual earners, or other sources of support**. The HNA reinforces why that distinction matters in Gloucester specifically. It shows a sharp local divide between **homeowners and renters**, with **median homeowner income at $121,558** and **median renter income at $43,466**, and notes that the income gap between those groups increased by an estimated **85 percent between 2013 and 2023**. Read together, the PUMA and HNA data suggest that the relatively high **regional median household income for artist households** may partly reflect the kinds of housing stability that are more available to **owners and higher-income households** than to renters in Gloucester.

The **PUMA income distribution data** further show that artists are **not economically uniform** across the region. Although the regional medians appear comparatively strong, about **34 percent of artist households in the PUMA fall below 80 percent of AMI**, including households in the **Extremely Low-Income, Very Low-Income, and Low-Income** categories. The HNA helps show what those lower-income categories mean in Gloucester's local housing market. It reports that **about 52 percent of Gloucester households qualify as low-income**, including **19 percent that are extremely low-income**, and notes that local incomes are well below the regional AMI standard used for affordable housing programs. This means that the lower-income artist households visible in the PUMA are operating in a place where a large share of all households are already income-constrained, making Gloucester a location where the vulnerable portion of the regional artist population is likely to face especially strong affordability pressures.

The HNA also clarifies how the **regional artist rent data in the PUMA** should be interpreted locally. In the PUMA, the **median gross rent is estimated at $1,500 overall** and **$1,688 for artist renters**, though the artist figure has a large margin of error and should be treated cautiously. The HNA shows that Gloucester's **2024 median market rents** are **$1,150 for a studio**, **$1,800 for a one-bedroom**, **$2,200 for a two-bedroom**, and **$2,825 for a three-bedroom**. It further shows that these rents are far above what many local households can support, especially renters. This means that even if artists in the PUMA appear broadly integrated into the regional housing market, the **local rent levels in Gloucester** make that market especially difficult for the lower-income share of artist households identified in the PUMA data.

The **PUMA artist household data** also need to be read against Gloucester's local housing structure. Regionally, the presence of artist owner households suggests that some artists have access to more stable housing arrangements, including long-term ownership or entry into the market at earlier price points. The HNA shows why those pathways may be increasingly limited in Gloucester. It finds that **56 percent of the housing stock is single-family**, **49 percent of units have three or more bedrooms**, and only **8 percent of the housing stock has been built since 2000**. These conditions limit the supply of smaller, lower-cost, and more flexible housing types that may be important to artists, especially those in the lower-income bands identified in the PUMA. In

this way, the HNA helps explain why the **regional artist household patterns seen in the PUMA** may not translate easily into housing access within Gloucester itself.

The HNA's demographic findings provide another important lens for interpreting the **PUMA ownership and household-income patterns**. Gloucester has an **aging population**, with **25 percent of residents age 65 or older** and **42 percent of households including seniors**. The HNA notes that older households often remain in their homes longer because Gloucester offers few downsizing options. This matters for the PUMA analysis because some of the stability reflected in the **regional artist household figures**, especially the presence of owner households and higher median household income, may depend on households who secured housing earlier and are now aging in place. That suggests that the PUMA may capture a regional artist population that includes some **longer-established and more housing-secure households**, while obscuring the difficulties faced by younger or newer artists trying to enter Gloucester's market today.

The HNA also helps explain why the **PUMA rent and income figures** may understate scarcity in Gloucester. While the PUMA describes a shared regional housing market, Gloucester's effective year-round supply is reduced by **seasonal housing use**. The HNA reports that **about 10 percent of Gloucester's housing stock is vacant**, and **77 percent of those vacant units are for seasonal or recreational use**. That means the lower-income and renter artist households identified in the PUMA are competing within a Gloucester housing market that is not only expensive, but also constrained by the removal of a notable share of units from year-round occupancy. In practice, this makes local affordability pressures more severe than regional income or rent medians alone might suggest.

Taken together, the **PUMA data** and the **HNA** show that Gloucester should be understood as part of a **regional artist labor market**, but not as a place where regional averages translate neatly into local housing security. The PUMA shows that artists across this North Shore geography occupy a **wide range of economic positions**, including some households with relatively strong incomes and others in lower AMI bands associated with housing vulnerability. The HNA shows why Gloucester may be a particularly difficult place for the more vulnerable portion of that artist population: **local household incomes are lower**, **renter incomes are especially low**, **housing costs are high relative to local earning power**, **the housing stock is constrained and mismatched**, and **seasonal use reduces year-round supply**. For that reason, the PUMA data are most useful as a **regional reference point**, while the HNA provides the **local evidence needed to interpret what those regional artist patterns mean in Gloucester**.

Taken together, this suggests:

- **Regional artist income figures may reflect stronger economic conditions than Gloucester alone.**
  The PUMA includes several higher-income North Shore communities, meaning regional medians partly reflect those economies rather than Gloucester's local income structure.

- **Housing affordability pressures in Gloucester may be greater than regional averages suggest.**
  Gloucester's **lower household incomes and higher rent-to-income ratios** mean residents may be less able to absorb housing costs than the broader PUMA averages indicate.
- **A substantial share of artist households fall within income ranges associated with housing vulnerability.**
  About **34% of artist households fall below 80% AMI**, placing them in income bands commonly associated with housing cost burden.
- **Local housing constraints may intensify pressures for artists within this regional labor market.**
  Limited housing production, a stock dominated by **larger single-family homes**, and the presence of **seasonal housing units** reduce the availability of year-round housing in Gloucester.

Statewide Context and Relative Vulnerability

Statewide and regional comparisons help distinguish structural labor-market patterns from local economic conditions. Across Massachusetts, artists report a median personal income of **$57,959 (MOE ± $1,776)**. In PUMA 2500706, artists report a median personal income of **$61,900 (MOE ± $10,501)**, compared with **$49,385 (MOE ± $1,878)** for the overall working-age population. These figures suggest that artists in this regional labor market are broadly comparable to artists statewide and appear to earn more than the broader working-age population within the PUMA, although the relatively large margin of error means the comparison should be interpreted cautiously.

This comparison suggests that artists in this North Shore regional labor market are **not uniformly earning less than the broader workforce**. Instead, the regional data indicate that artists occupy **a range of economic positions**, with some working in professionalized sectors of the arts, cultural institutions, or related industries where earnings may exceed regional averages. At the same time, **comparability to statewide artist incomes should not be read as evidence of local housing security in Gloucester**.

The relatively large margin of error for the PUMA estimate also means the exact relationship between statewide and regional artist incomes should be interpreted cautiously. The figures indicate that artists are **not consistently positioned at the lower end of the regional income distribution**, but they do not suggest that **all artists are economically secure**. They also do not show whether artists with similar incomes can secure stable housing in **Gloucester's more constrained local market**.

Local context matters when interpreting these regional figures. Gloucester sits toward the **lower end of the household income distribution** among the communities included in this PUMA, which also includes municipalities with higher median household incomes such as **Manchester-by-the-Sea, Marblehead, and Swampscott**. Because the regional median reflects the combined conditions of all these communities, it partly reflects the **stronger income profiles of some neighboring municipalities**. For that reason, the PUMA-to-state comparison is best understood as showing that artists in this region are **not uniquely underpaid relative to artists statewide**, rather than showing that artists in Gloucester experience the same level of economic security as the regional or statewide median might imply.

This means the regional income figures should be understood as describing the **broader North Shore economy rather than Gloucester's local conditions alone**. Even where artist incomes appear relatively strong at the regional level, those incomes must still operate within Gloucester's local housing market and income structure. As the Gloucester HNA shows, **local household incomes are lower than the regional benchmarks often used in affordability analysis**, **renter incomes are especially low**, and **housing costs are high relative to local earning power**. Those conditions make Gloucester **a more difficult place to translate regional earnings into housing stability**.

Household and income-distribution data reinforce this point. While the median household income for artist households appears relatively high, a substantial share of artist households fall within lower income categories. Within PUMA 2500706, approximately **34 percent** of artist households fall within **Extremely Low Income, Very Low Income, or Low Income** categories, income ranges commonly associated with housing vulnerability. This means that **statewide and regional medians should be read alongside the distribution of artist households, not in place of it**.

This distribution highlights an important characteristic of the regional artist economy: artist incomes are **widely spread across households**. Some households report relatively high combined incomes, while others fall within income ranges where housing cost pressures are much more likely. The gap between **median personal income** and **median household income** among artists also suggests that housing stability may depend in part on **shared household resources, dual earners, or homeownership**, rather than on artist earnings alone.

When this regional income distribution is considered alongside Gloucester's position within the PUMA and its local housing market conditions, the data suggest that housing vulnerability among artists is shaped less by a single regional wage pattern and more by the **interaction between local housing costs and the uneven distribution of artist incomes**. In Gloucester, that interaction is intensified by **lower local incomes**, **a sharp renter-owner income divide**, **constrained housing supply**, and **seasonal housing pressures**.

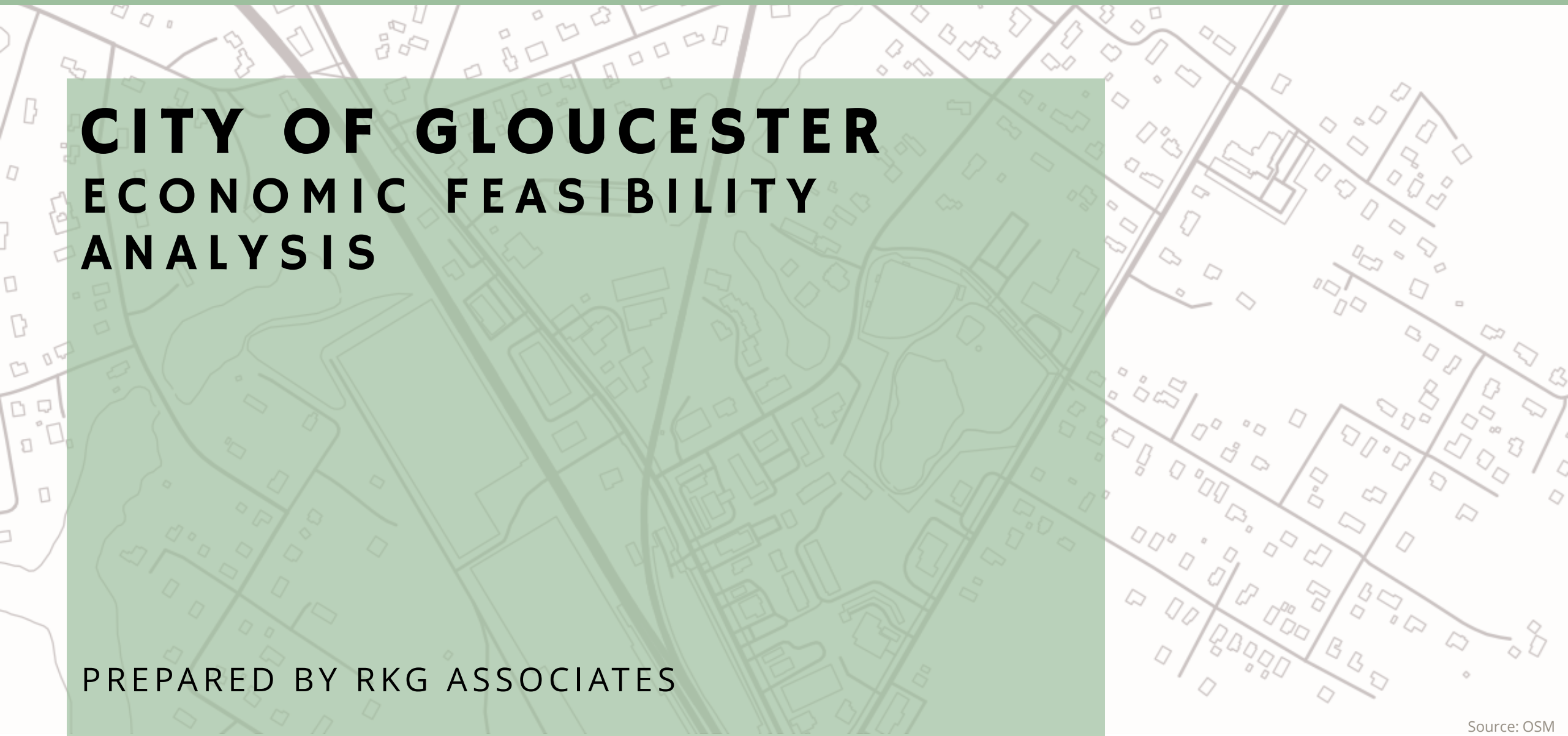
In other words, even though some artists report relatively strong incomes at the regional level, a significant share of artist households remain within income bands where housing affordability challenges are more likely to occur. **Viewed from the statewide scale, artists in PUMA 2500706 may appear broadly comparable to artists elsewhere in Massachusetts. Viewed from Gloucester's local context, however, those same regional figures may understate the severity of affordability pressures facing lower-income artists trying to remain in the city.**

Appendix G:

RKG Economic Feasibility Analysis

CITY OF GLOUCESTER
ECONOMIC FEASIBILITY ANALYSIS

PREPARED BY RKG ASSOCIATES



Source: OSM

RKG



Source: City of Gloucester

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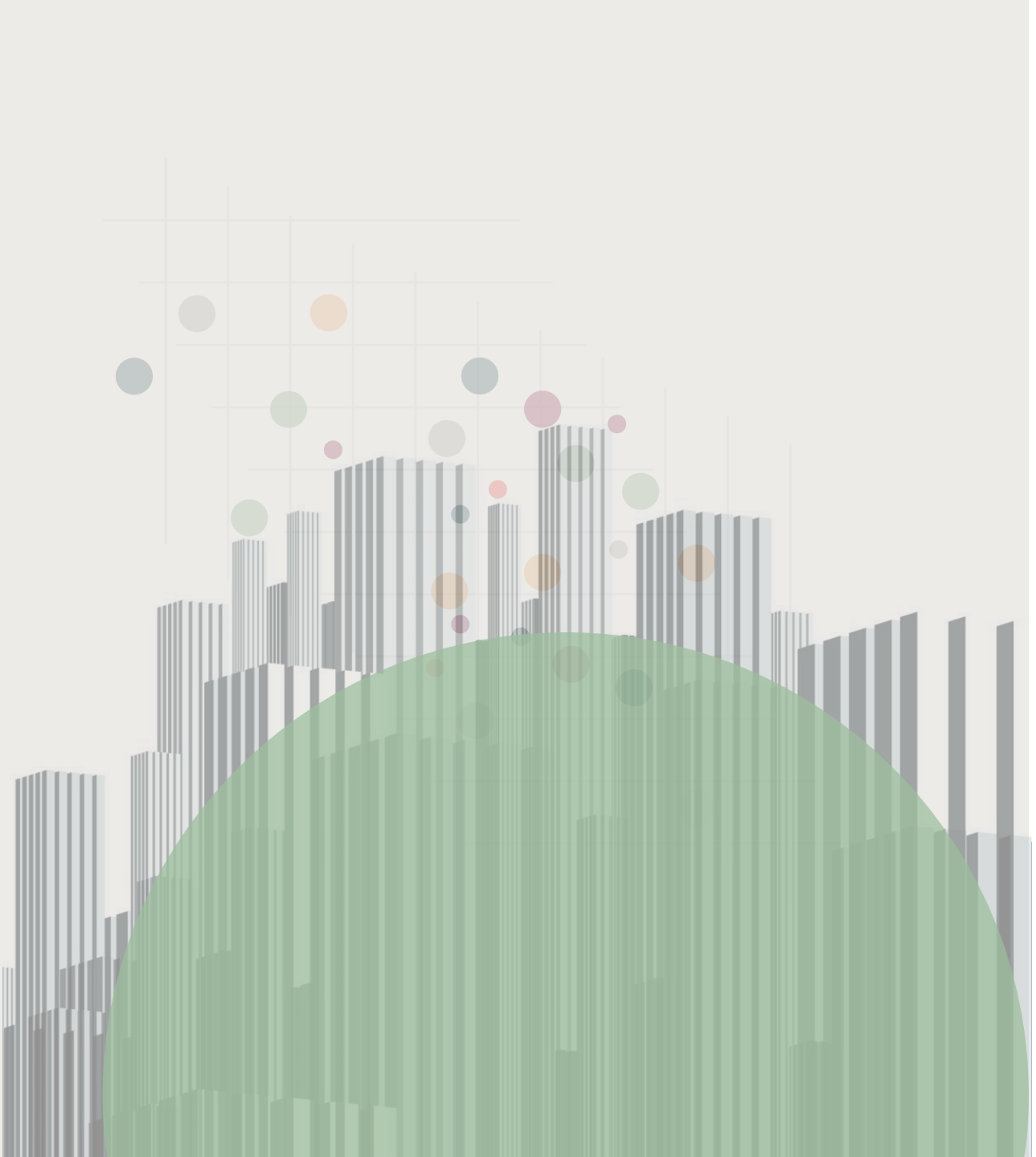
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INTRODUCTION

ECONOMIC FEASIBILITY ANALYSIS

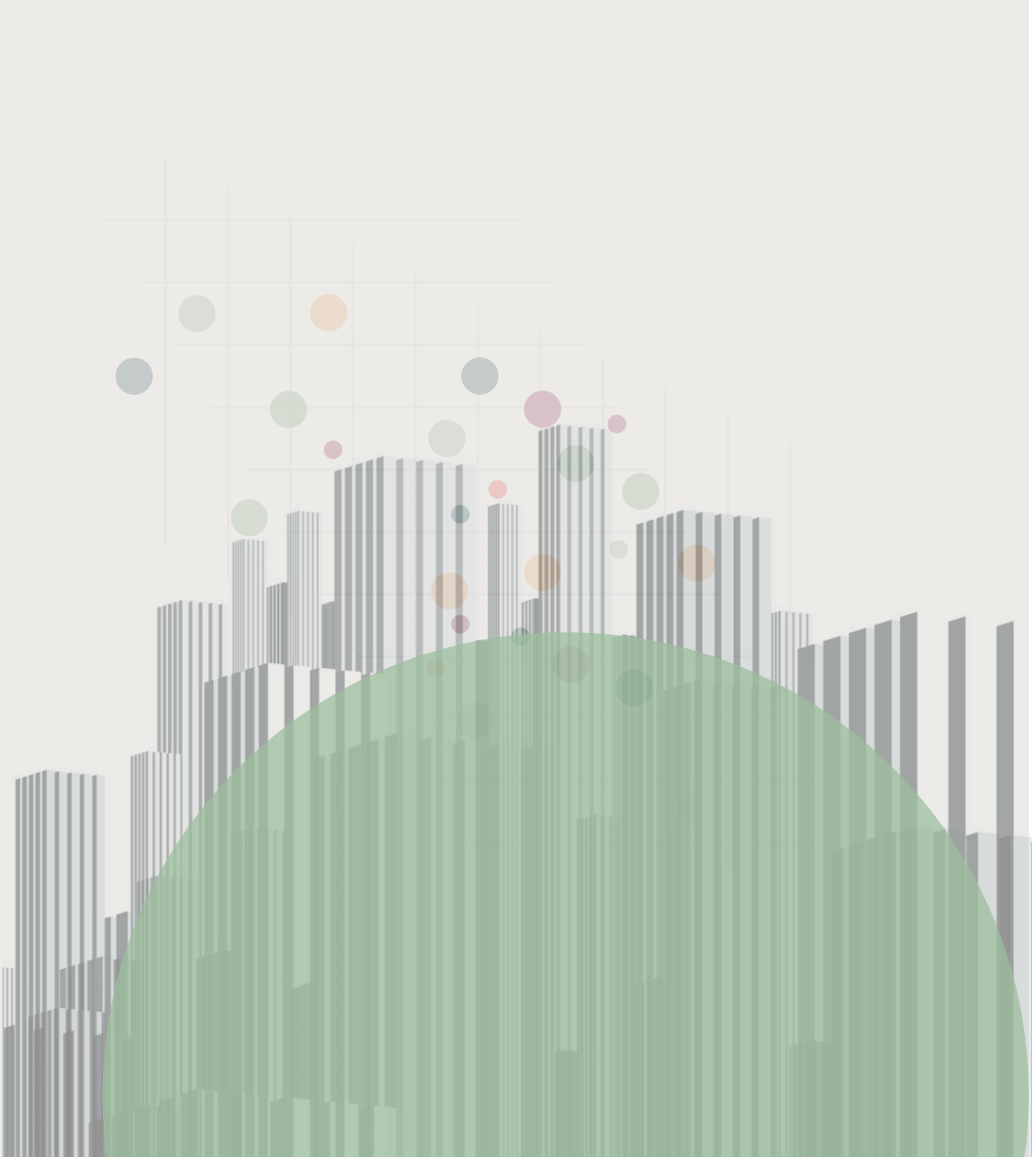
BACKGROUND



Section 4.B “Affordability Requirements” of EOHLC’s Compliance Guidelines for Multi-Family Zoning Districts has set limitations related to affordability requirements to ensure consistency with the state’s law for as-of-right zoning.

Specifically, municipalities must require no more than 10% of units in a project to be affordable units, and the cap on income of families or individuals who are eligible to occupy those units at no less than 80% of Area Median income.

Exception to this guidance is permitted for affordability requirements between 10% and 20% of affordable units if it is supported by an Economic Feasibility Analysis.



METHODOLOGY & MODELING INPUTS

ECONOMIC FEASIBILITY ANALYSIS

METHODOLOGICAL OVERVIEW

THE ECONOMIC FEASIBILITY MODEL IS A PROFORMA-BASED EXCEL MODEL THAT IS DESIGNED TO TEST THE FINANCIAL IMPACT OF POTENTIAL POLICY CHANGES AGAINST THE FINANCIAL RISK/REWARD OF A POTENTIAL INVESTMENT.

RKG's economic feasibility model uses locally-sourced data to determine how changes to inclusionary zoning could impact the financial performance of a potential project. At its most basic level, the model is designed to capture construction and operational costs and compare those to potential revenues to determine if the project will meet or exceed local return expectations.

The model has the capability to test variations across nearly all data points to test the sensitivity of dozens of variables on financial feasibility. This includes variability in construction costs, land costs, operational costs, development type and size, location within the community, and more. The model is also set up to test changes in affordability metrics such as the percentage of affordable units, target AMIs, unit thresholds, and more.

While the model is a powerful tool to understand the impacts of changes to inclusionary zoning and the sensitivity of modifying assumptions, it is not intended to be the only analytic or encapsulate the exact specifics of a deal.

BASIC MODELING COMPONENTS

The economic feasibility modeling is based upon three principal components: **construction costs**, **operational revenues**, and **operational costs**. Each component relies upon several market-based and financial inputs for the model to be effective. The primary inputs for which local data was derived include, but is not limited to:

Construction Costs

- Soft costs – design and preparation
- Hard costs – materials and construction
- Land costs – physical location

Operation Costs

- Financing costs – debt and equity to pay for the project
- Marketing, management, repairs, property taxes

Operational Revenues

- Rental rates and sale prices
- Parking revenue

MODELING ASSUMPTIONS

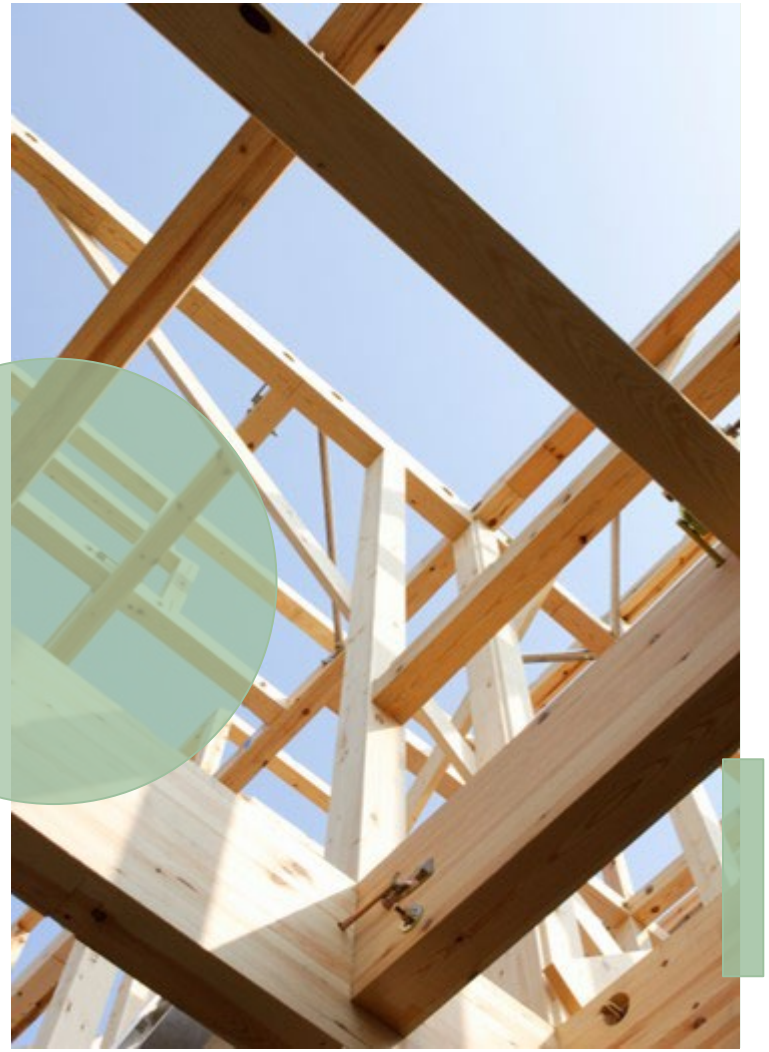
To conduct an economic feasibility analysis for the proposed zoning, RKG must make several qualifications and assumptions to create a series of archetypal development projects that would trigger the affordability requirement based on the zoning. It should be noted that these development scenarios do not include any site-specific information, agreed-upon purchase prices, site plans or building designs. More specifically:

- There are no architectural plans or building specific plans/estimates.
- The model assumes the parcel is easily developable meaning hard cost estimates for new construction do not assume added costs such as major site improvements, blasting, demolition, or infrastructure costs.
- Land costs are derived from residual land values, assessment data and market comparable as this model is not an actual site-specific land acquisition pro forma.
- Construction hard costs and assumptions are based on an average within the market and are derived from interviews with developers and contractors as well as data RSMeans.
- Interest rates and financial assumptions are based on the point of time of the analysis. Evolving macroeconomic conditions can alter the financing of projects such as a slow down in rent growth, higher costs of capital, and changing cap rates.

EFA ASSUMPTIONS CHECKLIST

Construction Costs	Input	Source
Land Acquisition (per unit)	$35,000	Assessment Data; Residual Land Est.
Total Land Costs	Variable	Assessment Data
Soft Costs (percentage of hard costs)	20%	Local Developers
Hard Costs (per SQFT)		
Residential	-	RS Means
Commercial Stick Built	$250	RS Means/Developers
Commercial Podium	-	RS Means/Developers
Commercial Steel	-	RS Means
Parking Assumptions		
Parking Ratio (district dependent)	1.0-1.5	City of Gloucester
Parking Cost by Type		
Surface (per space)	$8,000	Local Developers
Structured (per space)	$35,000	Local Developers
Underground (per space)	-	Local Developers

Operations & Expenses	Input	Source
VACL (percentage)	5%	CoStar
Operating Expense (% of EGI)	23%	Local Developers



EFA ASSUMPTIONS CHECKLIST

Revenue Sources	Input	Source
Rents by Bed Count (per SQFT)*		
Studio/Efficiency	$3.37	CoStar/Market Comps
One Bedroom	$3.76	CoStar/Market Comps
Two Bedroom	$3.00	CoStar/Market Comps
Three Bedroom	$2.37	CoStar/Market Comps
Sale Value (per SQFT)		
Other Income		
Parking Revenue (surface) (per month per space)	$100	Recent Developments
On-Site Laundry (per month)	N/A	N/A
Other (please list)	N/A	N/A

Financial	Input	Source
Lending Rate (Percentage)	6.5%	Local Developers / CoStar
Lending Term (Years)	30	
Debt Equity Ratio	70/30	
Cap Rate	5.4%	
Return Expectations		
Internal Rate of Return (IRR)	15%	
Return on Cost (ROC)	6.5%	
Cash on Cash (CoC)	5.5%	



MODEL OUTPUTS

THE CORE FUNCTION OF THE ECONOMIC FEASIBILITY MODEL IS TO UNDERSTAND HOW CHANGES IN POLICY AND PROJECT TYPE IMPACT FINANCIAL RETURNS COMPARED TO MARKET EXPECATATIONS.

FINANCIAL ANALYSES

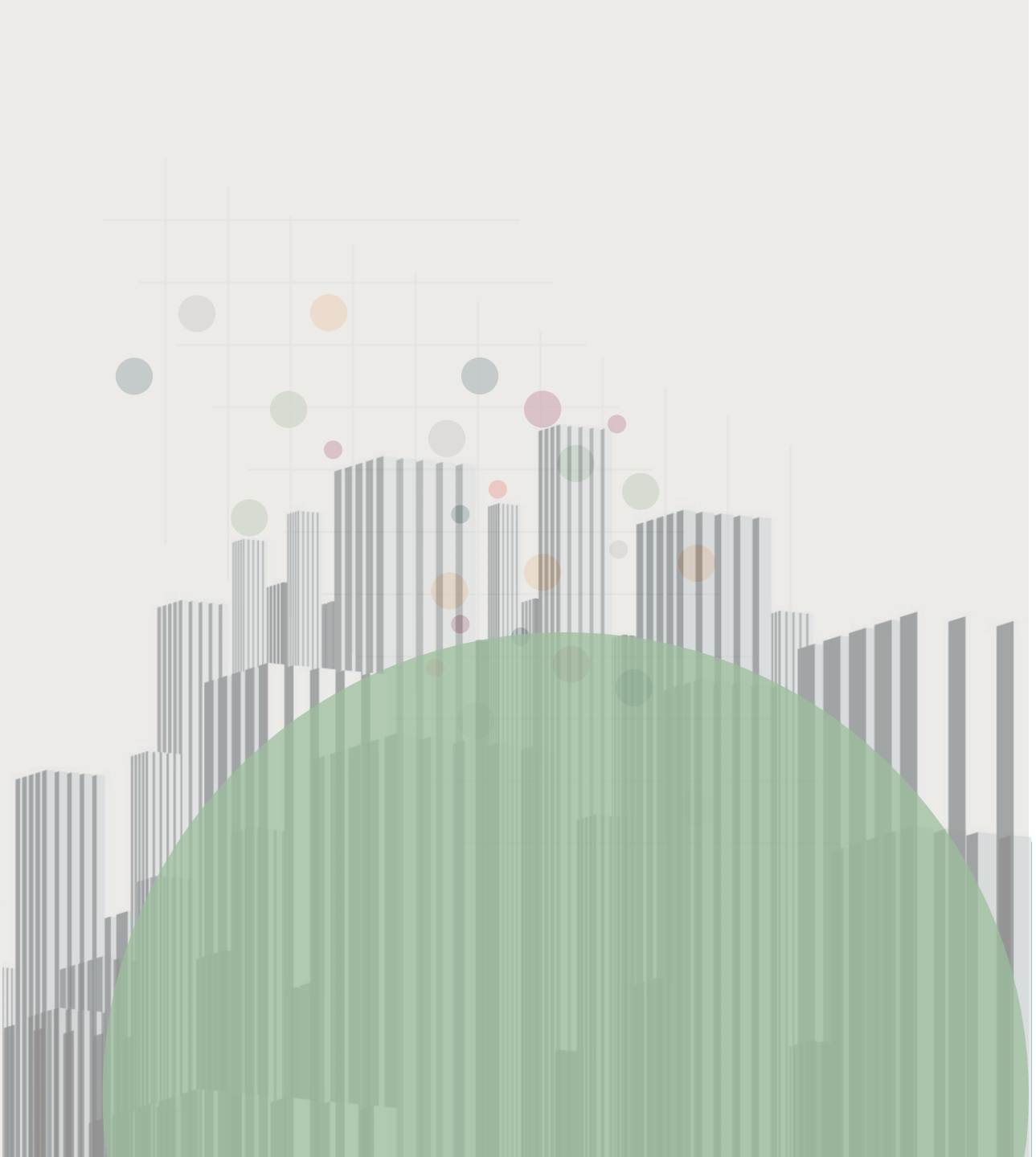
The model measures three financial outcomes using three different metrics; Cash on Cash (COC), Return on Cost (ROC), Internal Rate of Return (IRR). Each measure represents a decision point for those involved in the transactions that make residential development financially feasible:

- COC – Investors/Developers
- ROC – Investors/Developers
- IRR – Developers/Operators

PROJECT EXAMPLES

To test the financial implications of different project types in the districts, the model was constructed with data local to Gloucester and its submarket and scenarios were generated using a range of project sizes that matched what the MBTA Compliance Model projected for the district.

To highlight these differences, this report provides examples of how different development and district assumptions can impact economic feasibility.

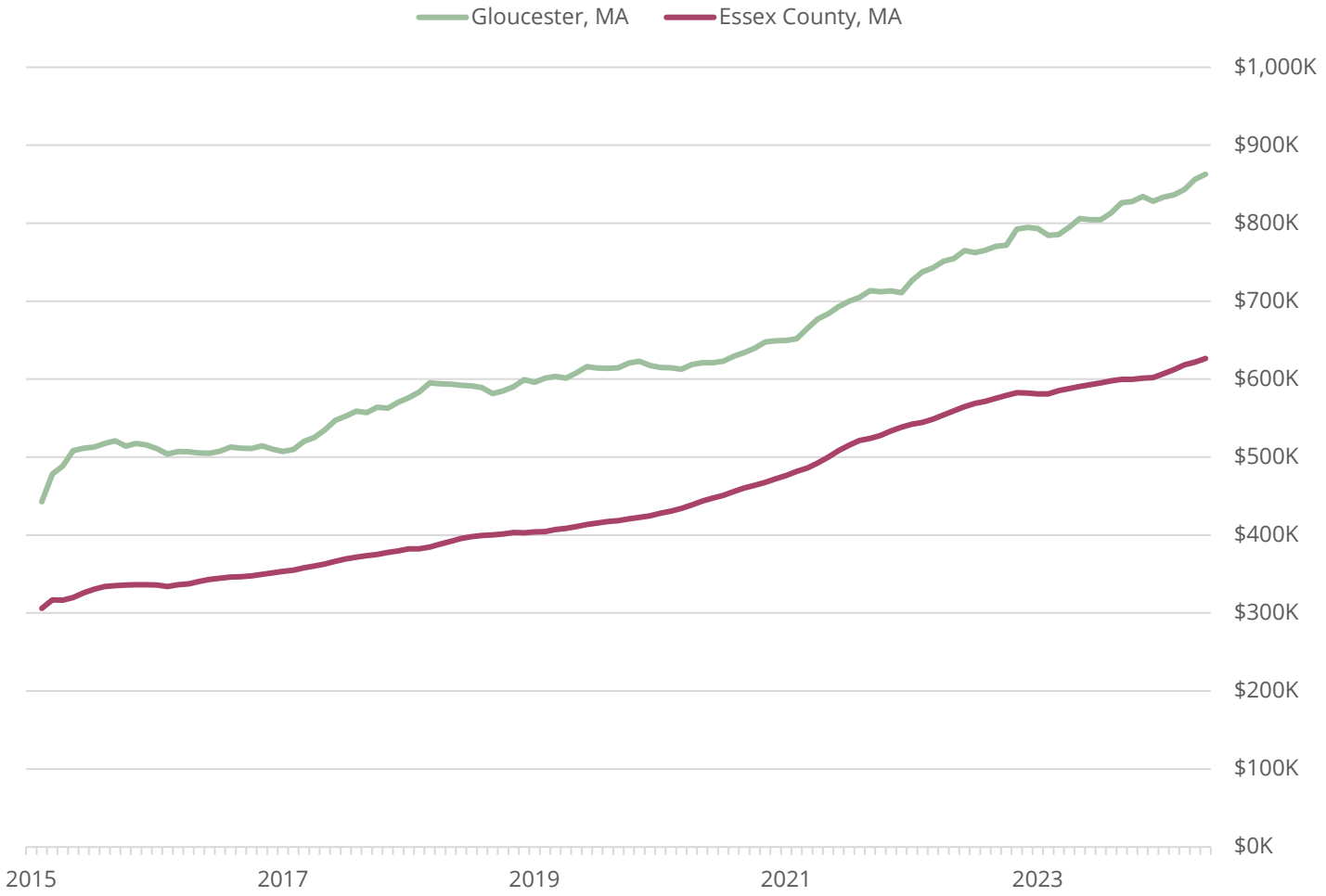


MARKET ASSESSMENT

ECONOMIC FEASIBILITY ANALYSIS

MARKET ASSESSMENT

Gloucester Median Sale Price
Single Family 12-month moving average



Source: Redfin Housing Market Data

Since the start of August 2024, mortgage rates have been holding steady at an average of 6.5%. The stabilization of rates well below what their recent peaks have driven recent demand for housing and increased home purchase volume.

Similar to many suburban markets in the Boston Metro, tight inventories have contributed to these high sales prices. For Gloucester, median sales prices have continued to outpace the county median.

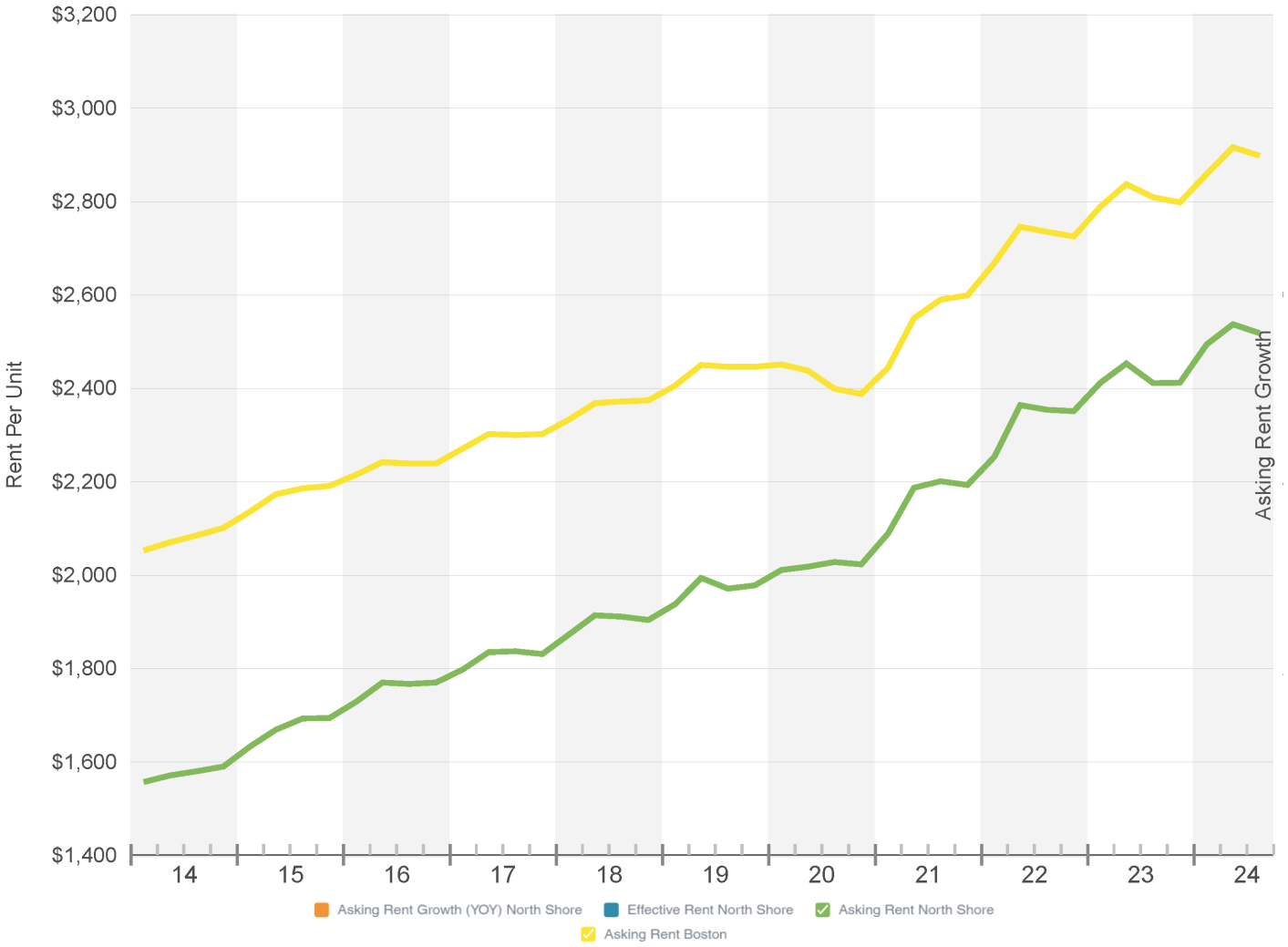
Rising home prices positively correlate with rents meaning that as home prices have grown, so too have rents in Gloucester and Essex County, a trend that has persisted since 2021.

Even as interest rates rise and inventory slows, the median sale price in both Gloucester and the county have continued to climb.

MARKET ASSESSMENT

Asking Rent Per Unit Comparison

Submarket vs Boston Metro

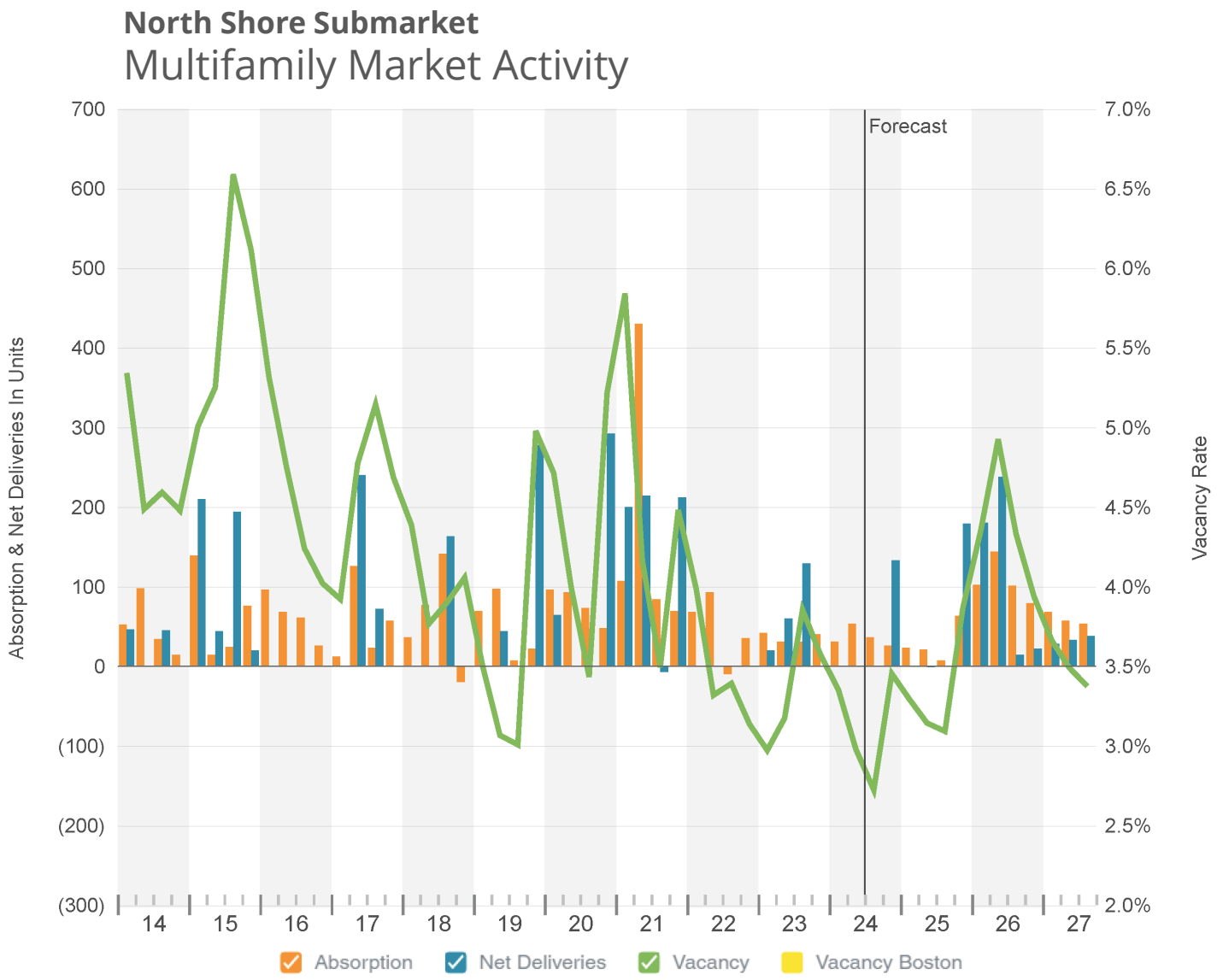


Source: CoStar, Oxford Economics

Within the Boston Metro market, Gloucester lies in the North Shore submarket. Comparing the submarket asking rents to the Boston Metro, rents track below the metro average but growth in asking rents have kept pace with the broader market particularly in recent years.

Similar to home prices, rent growth in Gloucester accelerated in 2021 and remains stable at record highs. Recent economic forecasts further support that future rent growth is expected to remain stable at these higher asking rents throughout the market.

MARKET ASSESSMENT



The vacancy rate in the North Shore multifamily submarket is 2.6% which is 1.3% lower than it was this time last year. Over this period there have been 171 units of positive absorption, and 129 net deliveries suggesting continued demand for multifamily in the submarket.

The North Shore submarket has added approximately 421 units over the last three years. Over this same period, rents have increased 15% compared to the Boston metro average of 12.2%.

Despite the recent slow down in multifamily production and uncertainty around interest rates, CoStar has a number of projects slated for delivery over the next year across the North Shore submarket.

Source: CoStar, Oxford Economics

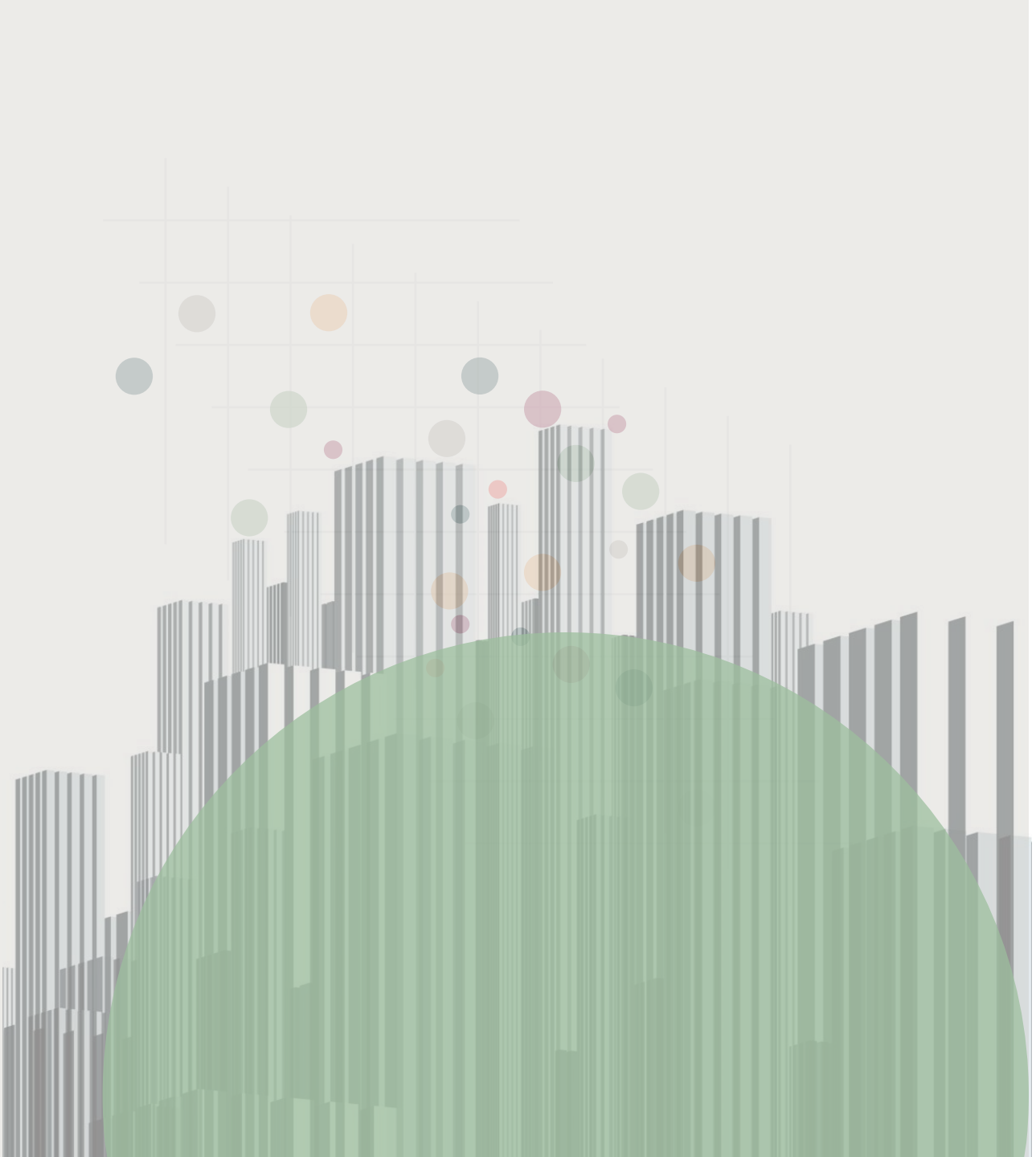
MARKET ASSESSMENT

Gloucester falls within the Boston-Cambridge-Quincy, MA HUD Metro FMR Area. The following affordable rents are derived from 50% of AMI levels for 1-person to 5-person households. This economic feasibility analysis for Gloucester tests the viability of an affordable requirement of 15% of units at 80% of AMI for projects of six (6) or more units.

Maximum Affordable Rents by AMI (all utilities included in rent)

Unit Type	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%
Efficiency	$757	$1,018	$1,278	$1,539	$1,799	$2,060	$2,320	$2,581	$2,841	$3,102	$3,362	$3,623	$3,883
1BR	$805	$1,084	$1,363	$1,642	$1,921	$2,201	$2,480	$2,759	$3,038	$3,317	$3,596	$3,876	$4,155
2BR	$908	$1,225	$1,541	$1,858	$2,174	$2,491	$2,807	$3,124	$3,440	$3,757	$4,073	$4,390	$4,706
3BR	$1,010	$1,364	$1,717	$2,071	$2,425	$2,778	$3,132	$3,486	$3,839	$4,193	$4,547	$4,900	$5,254
4BR	$1,099	$1,486	$1,873	$2,260	$2,647	$3,035	$3,422	$3,809	$4,196	$4,583	$4,970	$5,358	$5,745

Source: HUD Office of Policy Development & Research, 2024



RESULTS SUMMARY

ECONOMIC FEASIBILITY ANALYSIS

ECONOMIC FEASIBILITY ANALYSIS

The economic feasibility analysis conducted by RKG provides key insights regarding the relative impact on economic feasibility resulting from the change in inclusionary zoning requirements.

To that end, RKG modeled multiple prototypical development scenarios by calibrating the model with market-based assumptions and tested the findings against real world examples.

The financial model calculates the basic go/ no-go decision a developer must make about a potential project. The decision to pursue a project comes down to overall financial return and risk exposure.

The model tests Internal Rate of Return (IRR), Cash on Cash (COC), and Return on Cost (ROC) metrics. This analysis focuses on the IRR and ROC metrics, as IRR can vary based on the specifics of the deal (current market expectation sits at 15% preferred, 12% minimum), the ROC gives a clearer sense of the return on investment (current market expectation targets 6% - 7%).

The market scenario analysis provides an assessment of how a project would perform financially based on market averages for acquisition, construction, operation, and reversion.

The analysis presents the performance of projects when using the proposed set aside rate of 15% for projects six dwelling units or more at the proposed Area Median Income (AMI) target of 80% of AMI.

RKG tested the development feasibility across several scenarios testing project size (number of units), construction typology, and across the districts the city is considering for MBTA 3A compliance:

- Schoolhouse Road Subdistrict
- Maplewood Subdistrict

In the West Gloucester and Downtown Subdistricts, RKG tested a payment in lieu for developments up to six units to ensure that payment does not have a negative impact on financial feasibility.

The following pages detail the results of multiple development scenarios for the district to demonstrate the sensitivity and overall level of economic feasibility.

ECONOMIC FEASIBILITY ANALYSIS

Results Overview

- Based on the results for Gloucester across project scenarios, market rate asking rents are strong enough to support projects with a 15% set aside at 80% of AMI for projects built using wood frame construction with surface parking, which meets the requirements for the proposed MBTA districts.
- Across all proposed districts, strong submarket rents and wood frame construction result in projects that fall well within the range of market expectations across all return measures evaluated in this report; IRR, ROC and COC. This includes testing the fee in lieu provision Gloucester is planning to put forward in their new zoning for MBTA Communities.
- The North Shore multifamily market continues to see tight vacancy with few new units projected to deliver across the submarket meaning demand for units remains strong. Recent Costar research reports that multifamily rents continue to grow at a steady rate despite unit openings outpacing absorption which is contrary to national trends.
- Despite these macroeconomic trends, demand for multifamily remains strong and there continues to be new construction in the pipeline. Given these trends and potential rate cuts by the end of the year, rents are likely to remain strong in the submarket which would continue to support development including those with the aforementioned affordability levels.

EFA MODEL DISTRICT INPUTS

The figure provides the summary zoning inputs from the MBTA Compliance Model. Based on these inputs, development scenarios performed in the EFA will meet the following requirements: 3 -4 stories (wood frame construction), and a parking ratio of 1.0 – 1.5 per dwelling unit. Based on the city's MBTA zoning proposal, developments involving the creation of six (6) or more dwelling units are subject to the inclusionary housing requirements. The Centennial Ave/Madison, Chestnut, Trask subdistricts are all part of the Downtown MBTA District and were modeled together in this EFA as the zoning, model outputs, and EFA inputs do not change.

ZONING INPUTS - DISTRICT 1 Centennial Ave/Madison

Model Inputs for Calculating Unit Yield	Input
Minimum Lot Size	4,000
Additional Lot Square Feet per Dwelling Unit	0
Open Space %	0%
Excluded Land Counted Toward Open Space	
Parking Spaces per Dwelling Unit	2.00
Building Height	3
Maximum Lot Coverage %	35%
Floor Area Ratio	0.00

Zoning Restrictions that Cap Unit Counts	Input
Lot Area per Dwelling Unit	0
Maximum Dwelling Units per Acre	0.00
Cap on Maximum Dwelling Units per District	0.00

ZONING INPUTS - DISTRICT 2 Chestnut

Model Inputs for Calculating Unit Yield	Input
Minimum Lot Size	4,000
Additional Lot Square Feet per Dwelling Unit	0
Open Space %	0%
Excluded Land Counted Toward Open Space	
Parking Spaces per Dwelling Unit	2.00
Building Height	3
Maximum Lot Coverage %	35%
Floor Area Ratio	0.00

Zoning Restrictions that Cap Unit Counts	Input
Lot Area per Dwelling Unit	0
Maximum Dwelling Units per Acre	0.00
Cap on Maximum Dwelling Units per District	0.00

ZONING INPUTS - DISTRICT 3 School House

Model Inputs for Calculating Unit Yield	Input
Minimum Lot Size	60,000
Additional Lot Square Feet per Dwelling Unit	0
Open Space %	0%
Excluded Land Counted Toward Open Space	
Parking Spaces per Dwelling Unit	2.00
Building Height	4
Maximum Lot Coverage %	35%
Floor Area Ratio	0.00

Zoning Restrictions that Cap Unit Counts	Input
Lot Area per Dwelling Unit	0
Maximum Dwelling Units per Acre	40.00
Cap on Maximum Dwelling Units per District	0.00

ZONING INPUTS - DISTRICT 4 Maplewood

Model Inputs for Calculating Unit Yield	Input
Minimum Lot Size	60,000
Additional Lot Square Feet per Dwelling Unit	0
Open Space %	0%
Excluded Land Counted Toward Open Space	
Parking Spaces per Dwelling Unit	1.50
Building Height	3
Maximum Lot Coverage %	35%
Floor Area Ratio	0.00

Zoning Restrictions that Cap Unit Counts	Input
Lot Area per Dwelling Unit	0
Maximum Dwelling Units per Acre	40.00
Cap on Maximum Dwelling Units per District	0.00

ZONING INPUTS - DISTRICT 5 West Gloucester

Model Inputs for Calculating Unit Yield	Input
Minimum Lot Size	6,000
Additional Lot Square Feet per Dwelling Unit	0
Open Space %	0%
Excluded Land Counted Toward Open Space	
Parking Spaces per Dwelling Unit	2.00
Building Height	3
Maximum Lot Coverage %	30%
Floor Area Ratio	0.00

Zoning Restrictions that Cap Unit Counts	Input
Lot Area per Dwelling Unit	0
Maximum Dwelling Units per Acre	0.00
Cap on Maximum Dwelling Units per District	0.00

ZONING INPUTS - DISTRICT 1 Trask

Model Inputs for Calculating Unit Yield	Input
Minimum Lot Size	4,000
Additional Lot Square Feet per Dwelling Unit	0
Open Space %	0%
Excluded Land Counted Toward Open Space	
Parking Spaces per Dwelling Unit	2.00
Building Height	3
Maximum Lot Coverage %	35%
Floor Area Ratio	0.00

Zoning Restrictions that Cap Unit Counts	Input
Lot Area per Dwelling Unit	0
Maximum Dwelling Units per Acre	0.00
Cap on Maximum Dwelling Units per District	0.00

Source: City of Gloucester, RKG Associates

EFA MODEL RESULT – 15% SET ASIDE AT 80% OF AMI

RKG's economic feasibility model uses locally-sourced and market level data to determine how zoning requirements impact the financial performance of a potential project. The model is designed to capture construction and operation costs and compare those to potential revenues to determine if the project assumptions will meet or exceed local return expectations, which is analogous with economic feasibility.

The scenarios modeled capture unit scenarios, parking spaces per dwelling unit and building height requirements for the proposed MBTA districts the city is considering for MBTA 3A compliance.

The range in unit sizes is intended to encompass the range of results from the compliance model's final lot multi-family unit capacity as well as the minimum scenario that triggers the affordability requirement.

Based on RKG's pro forma models for the districts, projects with a 15% set aside at 80% are economically feasible across both IRR and ROC return measures given the assumptions in this report. Across all project sizes, rents and wood frame construction result in return on cost measures (ROC) and internal rates of return (IRR) that fall within market expectation.

For the smaller unit sizes, returns fluctuate slightly based on the rounding of the affordable units. As projects scale, IRRs and Return on Cost trends stabilize benefiting from economics of scale and wood frame construction supported by strong rents.

RKG also tested a fee in lieu provision that Gloucester is planning to adopt with their 3A zoning to require a $25,000 fee in lieu of an affordable unit for buildings in the Downtown and West Gloucester subdistricts where buildings are limited to three units maximum. Instead of requiring an onsite unit to be built, the city would require the property owner/developer to pay the fee in lieu which would be directed to the city's Affordable Housing Trust Fund.

Schoolhouse Road Subdistrict

Unit Counts	IRR	COC	ROC
6	18.65%	8.09%	7.74%
50	20.03%	9.30%	8.10%
100	19.97%	9.25%	8.08%
250	19.97%	9.25%	8.08%

Maplewood Road Subdistrict

Unit Counts	IRR	COC	ROC
6	18.65%	8.09%	7.74%
50	20.03%	9.30%	8.10%
100	19.97%	9.25%	8.08%
150	19.93%	9.21%	8.07%

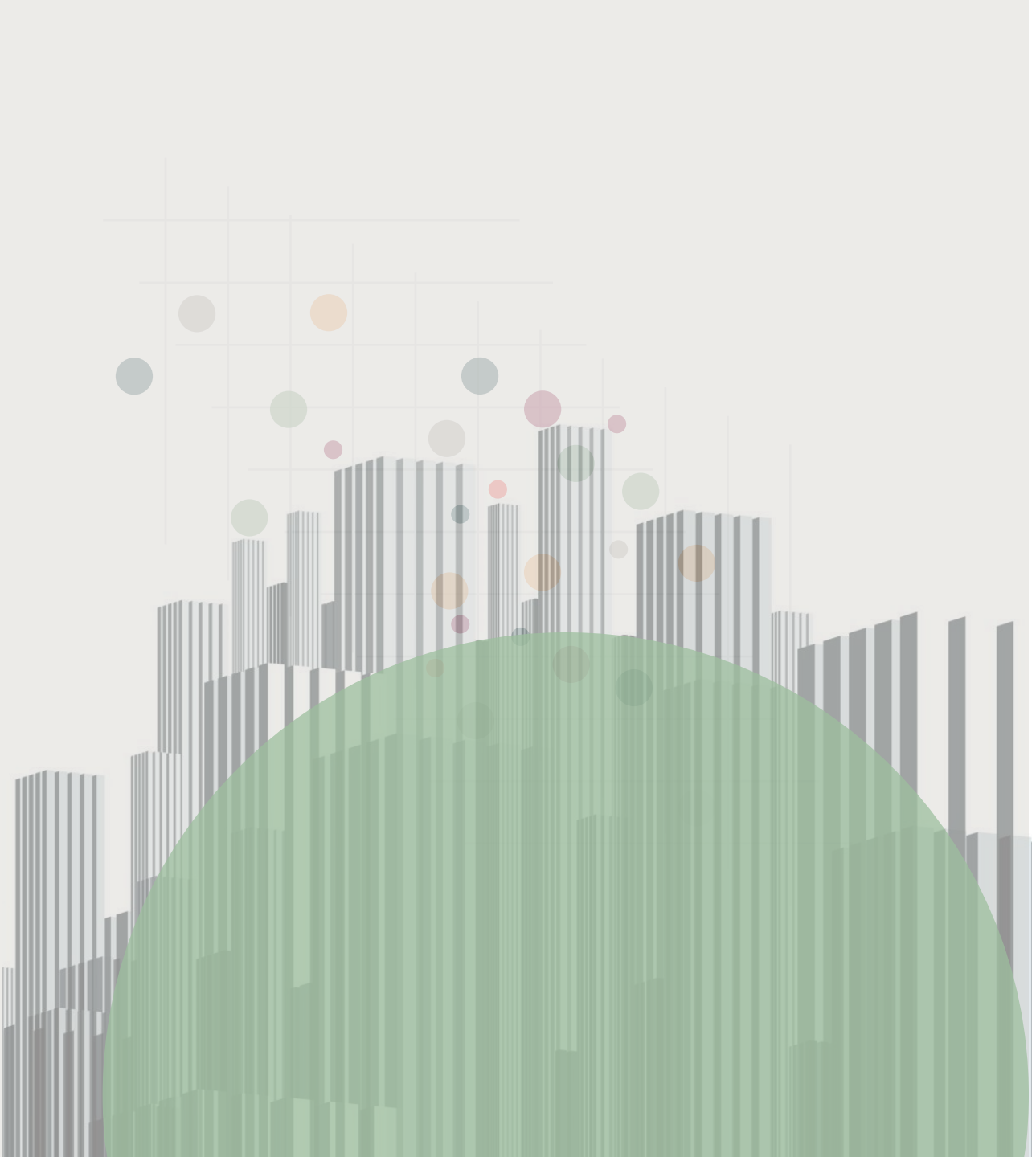
West Gloucester and Downtown Subdistricts

Unit Count	IRR	COC	ROC
3	20.36%	5.61%	8.34%

Below market expectation

Not economically feasible

Source: City of Gloucester, RKG Associates



APPENDIX

ECONOMIC FEASIBILITY ANALYSIS

PROFORMA SCENARIOS 10-YEAR PROFORMA

6 units – stick construction – surface parking – 15% set aside – Schoolhouse Rd Subdistrict

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	$0	$195,846	$201,329	$206,967	$212,762	$218,719	$224,843	$231,139	$237,611	$244,264	$251,103
Vacancy & Credit Losses	$0	($9,792)	($10,066)	($10,348)	($10,638)	($10,936)	($11,242)	($11,557)	($11,881)	($12,213)	($12,555)
Other Income	$0	$11,102	$11,413	$11,733	$12,061	$12,399	$12,746	$13,103	$13,470	$13,847	$14,235
Effective Gross Income	$0	$197,156	$202,676	$208,351	$214,185	$220,182	$226,347	$232,685	$239,200	$245,898	$252,783
Operating Expenses	$0	($67,148)	($70,938)	($72,437)	($74,407)	($76,351)	($78,361)	($80,421)	($82,535)	($84,706)	($86,933)
Net Operating Income	$0	$130,007	$131,738	$135,914	$139,778	$143,831	$147,986	$152,264	$156,665	$161,192	$165,849
Investment											
Developer Equity	($504,126)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Partial Unit Payment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Financing Fee	($35,289)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Equity Investor Repayment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Debt Service	$0	($89,220)	($89,220)	($89,220)	($89,220)	($89,220)	($89,220)	($89,220)	($89,220)	($89,220)	($89,220)
Property Taxes*	($16,350)										
Sale Value	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3,071,284
Cost of Sale	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($184,277)
Remaining Loan Balance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($997,216)
Net Sale Proceeds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,889,791
Before Tax Cash Flow	($555,765)	$40,788	$42,519	$46,694	$50,558	$54,611	$58,767	$63,044	$67,445	$71,972	$1,889,791

50 units – stick construction – surface parking – 15% set aside – Schoolhouse Rd Subdistrict

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	$0	$1,644,229	$1,690,267	$1,737,595	$1,786,248	$1,836,263	$1,887,678	$1,940,533	$1,994,868	$2,050,724	$2,108,144
Vacancy & Credit Losses	$0	($82,211)	($84,513)	($86,880)	($89,312)	($91,813)	($94,384)	($97,027)	($99,743)	($102,536)	($105,407)
Other Income	$0	$92,520	$95,111	$97,774	$100,511	$103,326	$106,219	$109,193	$112,250	$115,393	$118,624
Effective Gross Income	$0	$1,654,538	$1,700,865	$1,748,489	$1,797,447	$1,847,775	$1,899,513	$1,952,699	$2,007,375	$2,063,581	$2,121,361
Operating Expenses	$0	($559,719)	($592,108)	($604,490)	($620,958)	($637,183)	($653,958)	($671,153)	($688,806)	($706,925)	($725,521)
Net Operating Income	$0	$1,094,819	$1,108,757	$1,143,998	$1,176,488	$1,210,592	$1,245,555	$1,281,546	$1,318,568	$1,356,657	$1,395,840
Investment											
Developer Equity	($4,054,854)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Partial Unit Payment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Financing Fee	($283,840)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Equity Investor Repayment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Debt Service	$0	($717,624)	($717,624)	($717,624)	($717,624)	($717,624)	($717,624)	($717,624)	($717,624)	($717,624)	($717,624)
Property Taxes*	($131,512)										
Sale Value	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$25,848,896
Cost of Sale	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($1,550,934)
Remaining Loan Balance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($8,020,946)
Net Sale Proceeds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$16,277,017
Before Tax Cash Flow	($4,470,206)	$377,195	$391,132	$426,374	$458,864	$492,968	$527,931	$563,922	$600,944	$639,032	$16,277,017

Source: City of Gloucester, RKG Associates

PROFORMA SCENARIOS 10-YEAR PROFORMA

100 units – stick construction – surface parking – 15% set aside – Schoolhouse Rd Subdistrict

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	$0	$3,289,334	$3,381,435	$3,476,115	$3,573,447	$3,673,503	$3,776,361	$3,882,099	$3,990,798	$4,102,540	$4,217,412
Vacancy & Credit Losses	$0	($164,467)	($169,072)	($173,806)	($178,672)	($183,675)	($188,818)	($194,105)	($199,540)	($205,127)	($210,871)
Other Income	$0	$185,040	$190,221	$195,547	$201,023	$206,651	$212,438	$218,386	$224,501	$230,787	$237,249
Effective Gross Income	$0	$3,309,907	$3,402,585	$3,497,857	$3,595,797	$3,696,479	$3,799,981	$3,906,380	$4,015,759	$4,128,200	$4,243,790
Operating Expenses	$0	($1,118,718)	($1,183,668)	($1,208,386)	($1,241,313)	($1,273,747)	($1,307,282)	($1,341,657)	($1,376,947)	($1,413,168)	($1,450,344)
Net Operating Income	$0	$2,191,189	$2,218,916	$2,289,471	$2,354,484	$2,422,733	$2,492,699	$2,564,723	$2,638,811	$2,715,032	$2,793,446
Investment											
Developer Equity	($8,130,930)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Partial Unit Payment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Financing Fee	($569,165)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Equity Investor Repayment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Debt Service	$0	($1,439,004)	($1,439,004)	($1,439,004)	($1,439,004)	($1,439,004)	($1,439,004)	($1,439,004)	($1,439,004)	($1,439,004)	($1,439,004)
Property Taxes*	($263,713)										
Sale Value	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$51,730,478
Cost of Sale	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($3,103,829)
Remaining Loan Balance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($16,083,871)
Net Sale Proceeds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$32,542,778
Before Tax Cash Flow	($8,963,808)	$752,185	$779,912	$850,467	$915,480	$983,728	$1,053,695	$1,125,719	$1,199,807	$1,276,028	$32,542,778

250 units – stick construction – surface parking – 15% set aside – Schoolhouse Rd Subdistrict

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	$0	$8,237,236	$8,467,879	$8,704,979	$8,948,719	$9,199,283	$9,456,863	$9,721,655	$9,993,861	$10,273,689	$10,561,353
Vacancy & Credit Losses	$0	($411,862)	($423,394)	($435,249)	($447,436)	($459,964)	($472,843)	($486,083)	($499,693)	($513,684)	($528,068)
Other Income	$0	$462,600	$475,553	$488,868	$502,557	$516,628	$531,094	$545,964	$561,251	$576,966	$593,121
Effective Gross Income	$0	$8,287,974	$8,520,038	$8,758,599	$9,003,839	$9,255,947	$9,515,113	$9,781,537	$10,055,420	$10,336,971	$10,626,406
Operating Expenses	$0	($2,803,968)	($2,966,182)	($3,028,218)	($3,110,713)	($3,191,992)	($3,276,026)	($3,362,167)	($3,450,601)	($3,541,364)	($3,634,523)
Net Operating Income	$0	$5,484,007	$5,553,856	$5,730,380	$5,893,126	$6,063,955	$6,239,087	$6,419,369	$6,604,819	$6,795,607	$6,991,883
Investment											
Developer Equity	($20,349,726)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Partial Unit Payment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Financing Fee	($1,424,481)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Equity Investor Repayment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Debt Service	$0	($3,601,475)	($3,601,475)	($3,601,475)	($3,601,475)	($3,601,475)	($3,601,475)	($3,601,475)	($3,601,475)	($3,601,475)	($3,601,475)
Property Taxes*	($660,009)										
Sale Value	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$129,479,319
Cost of Sale	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($7,768,759)
Remaining Loan Balance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($40,253,989)
Net Sale Proceeds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$81,456,571
Before Tax Cash Flow	($22,434,216)	$1,882,531	$1,952,381	$2,128,905	$2,291,651	$2,462,480	$2,637,612	$2,817,894	$3,003,344	$3,194,132	$81,456,571

Source: City of Gloucester, RKG Associates

PROFORMA SCENARIOS 10-YEAR PROFORMA

6 units – stick construction – surface parking – 15% set aside – Maplewood Rd Subdistrict

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	$0	$195,846	$201,329	$206,967	$212,762	$218,719	$224,843	$231,139	$237,611	$244,264	$251,103
Vacancy & Credit Losses	$0	($9,792)	($10,066)	($10,348)	($10,638)	($10,936)	($11,242)	($11,557)	($11,881)	($12,213)	($12,555)
Other Income	$0	$11,102	$11,413	$11,733	$12,061	$12,399	$12,746	$13,103	$13,470	$13,847	$14,235
Effective Gross Income	$0	$197,156	$202,676	$208,351	$214,185	$220,182	$226,347	$232,685	$239,200	$245,898	$252,783
Operating Expenses	$0	($67,148)	($70,938)	($72,437)	($74,407)	($76,351)	($78,361)	($80,421)	($82,535)	($84,706)	($86,933)
Net Operating Income	$0	$130,007	$131,738	$135,914	$139,778	$143,831	$147,986	$152,264	$156,665	$161,192	$165,849
Investment											
Developer Equity	($504,126)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Partial Unit Payment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Financing Fee	($35,289)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Equity Investor Repayment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Debt Service	$0	($89,220)	($89,220)	($89,220)	($89,220)	($89,220)	($89,220)	($89,220)	($89,220)	($89,220)	($89,220)
Property Taxes*	($16,350)										
Sale Value	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3,071,284
Cost of Sale	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($184,277)
Remaining Loan Balance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($997,216)
Net Sale Proceeds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,889,791
Before Tax Cash Flow	($555,765)	$40,788	$42,519	$46,694	$50,558	$54,611	$58,767	$63,044	$67,445	$71,972	$1,889,791

50 units – stick construction – surface parking – 15% set aside – Maplewood Rd Subdistrict

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	$0	$1,644,229	$1,690,267	$1,737,595	$1,786,248	$1,836,263	$1,887,678	$1,940,533	$1,994,868	$2,050,724	$2,108,144
Vacancy & Credit Losses	$0	($82,211)	($84,513)	($86,880)	($89,312)	($91,813)	($94,384)	($97,027)	($99,743)	($102,536)	($105,407)
Other Income	$0	$92,520	$95,111	$97,774	$100,511	$103,326	$106,219	$109,193	$112,250	$115,393	$118,624
Effective Gross Income	$0	$1,654,538	$1,700,865	$1,748,489	$1,797,447	$1,847,775	$1,899,513	$1,952,699	$2,007,375	$2,063,581	$2,121,361
Operating Expenses	$0	($559,719)	($592,108)	($604,490)	($620,958)	($637,183)	($653,958)	($671,153)	($688,806)	($706,925)	($725,521)
Net Operating Income	$0	$1,094,819	$1,108,757	$1,143,998	$1,176,488	$1,210,592	$1,245,555	$1,281,546	$1,318,568	$1,356,657	$1,395,840
Investment											
Developer Equity	($4,054,854)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Partial Unit Payment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Financing Fee	($283,840)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Equity Investor Repayment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Debt Service	$0	($717,624)	($717,624)	($717,624)	($717,624)	($717,624)	($717,624)	($717,624)	($717,624)	($717,624)	($717,624)
Property Taxes*	($131,512)										
Sale Value	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$25,848,896
Cost of Sale	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($1,550,934)
Remaining Loan Balance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($8,020,946)
Net Sale Proceeds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$16,277,017
Before Tax Cash Flow	($4,470,206)	$377,195	$391,132	$426,374	$458,864	$492,968	$527,931	$563,922	$600,944	$639,032	$16,277,017

Source: City of Gloucester, RKG Associates

PROFORMA SCENARIOS 10-YEAR PROFORMA

100 units – stick construction – surface parking – 15% set aside – Maplewood Rd Subdistrict

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	$0	$3,289,334	$3,381,435	$3,476,115	$3,573,447	$3,673,503	$3,776,361	$3,882,099	$3,990,798	$4,102,540	$4,217,412
Vacancy & Credit Losses	$0	($164,467)	($169,072)	($173,806)	($178,672)	($183,675)	($188,818)	($194,105)	($199,540)	($205,127)	($210,871)
Other Income	$0	$185,040	$190,221	$195,547	$201,023	$206,651	$212,438	$218,386	$224,501	$230,787	$237,249
Effective Gross Income	$0	$3,309,907	$3,402,585	$3,497,857	$3,595,797	$3,696,479	$3,799,981	$3,906,380	$4,015,759	$4,128,200	$4,243,790
Operating Expenses	$0	($1,118,718)	($1,183,668)	($1,208,386)	($1,241,313)	($1,273,747)	($1,307,282)	($1,341,657)	($1,376,947)	($1,413,168)	($1,450,344)
Net Operating Income	$0	$2,191,189	$2,218,916	$2,289,471	$2,354,484	$2,422,733	$2,492,699	$2,564,723	$2,638,811	$2,715,032	$2,793,446
Investment											
Developer Equity	($8,130,930)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Partial Unit Payment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Financing Fee	($569,165)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Equity Investor Repayment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Debt Service	$0	($1,439,004)	($1,439,004)	($1,439,004)	($1,439,004)	($1,439,004)	($1,439,004)	($1,439,004)	($1,439,004)	($1,439,004)	($1,439,004)
Property Taxes*	($263,713)										
Sale Value	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$51,730,478
Cost of Sale	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($3,103,829)
Remaining Loan Balance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($16,083,871)
Net Sale Proceeds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$32,542,778
Before Tax Cash Flow	($8,963,808)	$752,185	$779,912	$850,467	$915,480	$983,728	$1,053,695	$1,125,719	$1,199,807	$1,276,028	$32,542,778

150 units – stick construction – surface parking – 15% set aside – Maplewood Rd Subdistrict

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	$0	$4,938,915	$5,077,205	$5,219,367	$5,365,509	$5,515,743	$5,670,184	$5,828,949	$5,992,160	$6,159,940	$6,332,419
Vacancy & Credit Losses	$0	($246,946)	($253,860)	($260,968)	($268,275)	($275,787)	($283,509)	($291,447)	($299,608)	($307,997)	($316,621)
Other Income	$0	$277,560	$285,332	$293,321	$301,534	$309,977	$318,656	$327,579	$336,751	$346,180	$355,873
Effective Gross Income	$0	$4,969,530	$5,108,676	$5,251,719	$5,398,768	$5,549,933	$5,705,331	$5,865,080	$6,029,303	$6,198,123	$6,371,671
Operating Expenses	$0	($1,682,288)	($1,779,396)	($1,816,648)	($1,866,129)	($1,914,889)	($1,965,300)	($2,016,975)	($2,070,025)	($2,124,473)	($2,180,358)
Net Operating Income	$0	$3,287,242	$3,329,280	$3,435,071	$3,532,639	$3,635,044	$3,740,031	$3,848,106	$3,959,278	$4,073,650	$4,191,313
Investment											
Developer Equity	($12,214,866)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Partial Unit Payment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Financing Fee	($855,041)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Equity Investor Repayment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Debt Service	$0	($2,161,775)	($2,161,775)	($2,161,775)	($2,161,775)	($2,161,775)	($2,161,775)	($2,161,775)	($2,161,775)	($2,161,775)	($2,161,775)
Property Taxes*	($396,169)										
Sale Value	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$77,616,901
Cost of Sale	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($4,657,014)
Remaining Loan Balance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($24,162,344)
Net Sale Proceeds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$48,797,543
Before Tax Cash Flow	($13,466,075)	$1,125,466	$1,167,505	$1,273,296	$1,370,863	$1,473,269	$1,578,256	$1,686,330	$1,797,502	$1,911,875	$48,797,543

Source: City of Gloucester, RKG Associates

PROFORMA SCENARIOS 10-YEAR PROFORMA

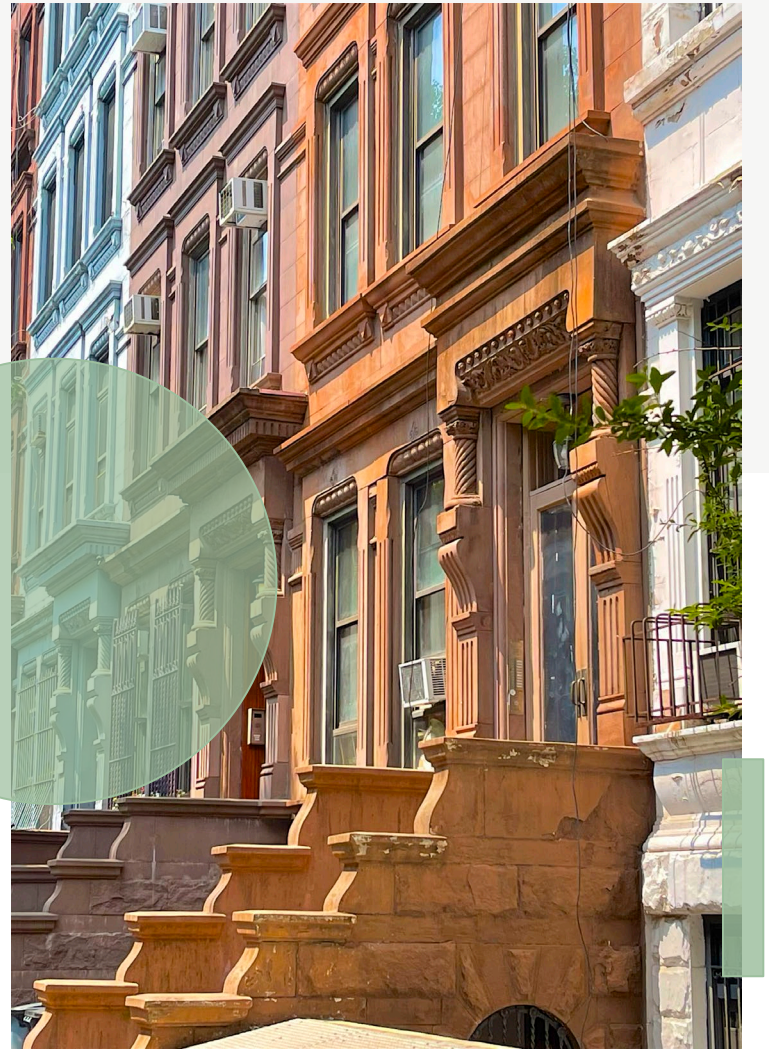
3 units – stick construction – surface parking – Fee in Lieu – West Gloucester Subdistrict

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	$0	$105,557	$108,512	$111,551	$114,674	$117,885	$121,186	$124,579	$128,067	$131,653	$135,339
Vacancy & Credit Losses	$0	($5,278)	($5,426)	($5,578)	($5,734)	($5,894)	($6,059)	($6,229)	($6,403)	($6,583)	($6,767)
Other Income	$0	$6,168	$6,341	$6,518	$6,701	$6,888	$7,081	$7,280	$7,483	$7,693	$7,908
Effective Gross Income	$0	$106,447	$109,427	$112,491	$115,641	$118,879	$122,208	$125,629	$129,147	$132,763	$136,481
Operating Expenses	$0	($35,435)	($37,608)	($38,374)	($39,423)	($40,453)	($41,519)	($42,612)	($43,733)	($44,884)	($46,066)
Net Operating Income	$0	$71,012	$71,820	$74,118	$76,218	$78,426	$80,688	$83,018	$85,414	$87,879	$90,415
Investment											
Developer Equity	($255,348)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Partial Unit Payment	$0	($11,486)	$0	$0	$0	$0	$0	$0	$0	$0	$0
Financing Fee	($17,874)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Equity Investor Repayment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Debt Service	$0	($45,191)	($45,191)	($45,191)	($45,191)	($45,191)	($45,191)	($45,191)	($45,191)	($45,191)	($45,191)
Property Taxes*	($8,282)										
Sale Value	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,674,346
Cost of Sale	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($100,461)
Remaining Loan Balance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($505,106)
Net Sale Proceeds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,068,778
Before Tax Cash Flow	($281,504)	$14,335	$26,628	$28,927	$31,026	$33,234	$35,497	$37,826	$40,223	$42,688	$1,068,778

3 units – stick construction – surface parking – Fee in Lieu – Downtown Subdistrict

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	$0	$105,557	$108,512	$111,551	$114,674	$117,885	$121,186	$124,579	$128,067	$131,653	$135,339
Vacancy & Credit Losses	$0	($5,278)	($5,426)	($5,578)	($5,734)	($5,894)	($6,059)	($6,229)	($6,403)	($6,583)	($6,767)
Other Income	$0	$6,168	$6,341	$6,518	$6,701	$6,888	$7,081	$7,280	$7,483	$7,693	$7,908
Effective Gross Income	$0	$106,447	$109,427	$112,491	$115,641	$118,879	$122,208	$125,629	$129,147	$132,763	$136,481
Operating Expenses	$0	($35,435)	($37,608)	($38,374)	($39,423)	($40,453)	($41,519)	($42,612)	($43,733)	($44,884)	($46,066)
Net Operating Income	$0	$71,012	$71,820	$74,118	$76,218	$78,426	$80,688	$83,018	$85,414	$87,879	$90,415
Investment											
Developer Equity	($255,348)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Partial Unit Payment	$0	($11,486)	$0	$0	$0	$0	$0	$0	$0	$0	$0
Financing Fee	($17,874)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Equity Investor Repayment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Debt Service	$0	($45,191)	($45,191)	($45,191)	($45,191)	($45,191)	($45,191)	($45,191)	($45,191)	($45,191)	($45,191)
Property Taxes*	($8,282)										
Sale Value	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,674,346
Cost of Sale	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($100,461)
Remaining Loan Balance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	($505,106)
Net Sale Proceeds	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,068,778
Before Tax Cash Flow	($281,504)	$14,335	$26,628	$28,927	$31,026	$33,234	$35,497	$37,826	$40,223	$42,688	$1,068,778

Source: City of Gloucester, RKG Associates



RKG ASSOCIATES INC

City of Gloucester
Economic Feasibility Analysis
September 2024